



Final Action Report

A Summary of the 2022 Budget Act

October 27, 2022

Chapters 43, 45, and 249 Statutes of 2022

Senate Committee on Budget and Fiscal Review
Senator Nancy Skinner, Chair

FINAL ACTION REPORT

October 27, 2022

Senate Bill 154 and Assembly Bills 178, 179
2022-23 Budget Bill

Senate Committee on Budget and Fiscal Review

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October 27, 2022

The Senate Committee on Budget and Fiscal Review has completed its Final Action Report, which is a detailed summary of the 2022-23 budget actions taken by the Legislature, and signed into law by the Governor. This report is available on the website of the Committee on Budget and Fiscal Review: <https://sbud.senate.ca.gov/finalactionreports>.

I hope you will find this information useful. Please feel free to contact the staff of the Committee on Budget and Fiscal Review should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Nancy Skinner".

NANCY SKINNER
Chair, Senate Budget and Fiscal Review

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INTRODUCTION

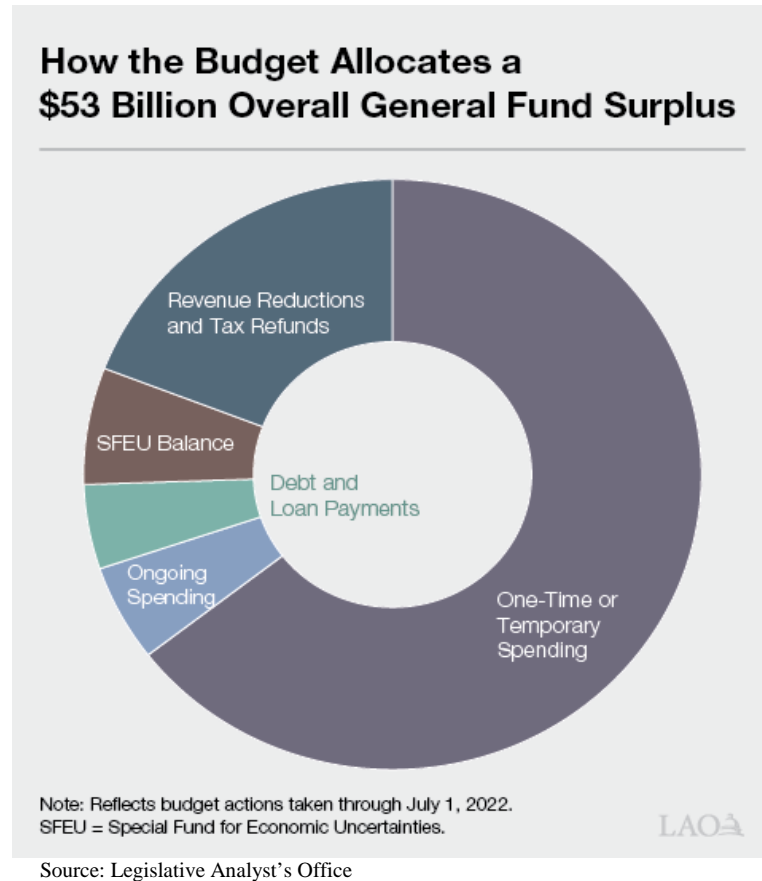
2022 Budget Act

Summary

This Final Action Report from the Senate Committee on Budget and Fiscal Review provides a summary of the 2022 Budget Act, including related statutory changes, and reflects actions taken by the Senate Committee on Budget and Fiscal Review and final negotiations between the leadership of the Legislature and the Administration. The budget authorizes General Fund expenditures of \$234.4 billion and assumes \$219.7 billion in total General Fund resources. Under the budget act, there are combined total reserves in the Budget Stabilization Account (BSA), the Special Fund for Economic Uncertainties (SFEU), the Public School System Stabilization Account (PSSSA), and the Safety Net Reserve of approximately \$37.2 billion. This reserve total includes approximately \$23.3 billion in the BSA.

On June 13, 2022, the Legislature passed SB 154 (Skinner) Chapter 43, Statutes of 2022, which represented the Legislature’s budget agreement. On June 29, 2022, the Legislature passed AB 178 (Ting), Chapter 45, Statutes of 2022, which was a Budget Bill Junior that made changes to the Budget Act adopted in SB 154 and represented the budget agreement between the Legislature and the Administration. On August 31, 2022, the Legislature passed AB 179 (Ting), Chapter 249, Statutes of 2022, which was a Budget Bill Junior that made additional changes to the Budget Act. The 2022 Budget Act builds on priorities put forward in the Assembly’s “Delivering Prosperity and Strengthening the Future” blueprint, the Senate’s proposal called “Putting Wealth to Work Plan”, and the Governor’s May Revision, striking the right balance of providing fiscal relief to families and small businesses, making strong investments in programs that support families and strengthen the economy, responsibly focusing on funding infrastructure and other one-time investments, and building record reserves to assist the state in withstanding economic downturns or other budget challenges. The Legislature also approved numerous budget trailer bills prior to adjourning on August 31, 2022. Budget trailer bills are designed to implement certain provisions of the 2022 Budget Act as noted elsewhere in this report. The 2022 Budget Act was signed by the Governor on June 27, 2022, representing the state’s twelfth consecutive on-time budget. Subsequently, the Governor signed the remainder of the budget and trailer bills that were passed by the Legislature prior to adjourning on August 31, 2022.

As the Legislative Analyst’s Office (LAO) points out, the budget includes the allocation of a surplus totaling approximately \$53 billion. As reflected in the following chart from the LAO, the majority of this surplus, 95 percent, is dedicated to one-time or temporary program augmentations. Approximately five percent of the total is dedicated to ongoing spending.



Overall, the 2022 Budget Act includes approximately \$70.2 billion in discretionary General Fund spending. This includes approximately \$33.8 billion in discretionary Proposition 98 expenditures and \$36.4 billion in non-Proposition 98 spending. The level of resources available in the 2022 Budget Act allowed our state to make significant investments in critical programs and services. These include efforts to combat climate change, prevent and address homelessness, increase housing supplies, invest in infrastructure, support programs that address K-12 learning recovery and school transportation, increase financial aid and investments in student housing, expand Medi-Cal coverage, and make improvements to many other meaningful programs for Californians. In addition, budget trailer bill language included “trigger” language to prioritize programs for additional augmentations in 2024-25, as detailed in the below chart from the LAO. The ability of the state’s General Fund to support these increases will be assessed in the spring of 2024.

Of the total discretionary spending, approximately \$48 billion of the state’s expenditures also addressed the requirements of meeting the state appropriations limit (SAL). When the state’s revenues exceed the SAL, the state is required to expend funds according to constitutional requirements. The expenditures included in the 2022-23 budget plan result in the state remaining under the SAL. Of the total, \$36.2 billion from the General Fund surplus and \$11.5 billion from the surplus for K-12 schools and community colleges meet SAL requirements, with the most significant amounts dedicated for capital outlay projects and emergency spending.

In addition, federal funds declined significantly between 2021-22 and 2022-23, from \$318.9 billion to \$143.6 billion, a 55 percent decrease. This is a result of programs ending in 2022-23 that were enacted to support states during the COVID-19 pandemic.

Augmentations for 2024-25 Prioritized by Trigger-On Language

(In Millions)

Augmentation	Amount ^a
CalWORKs maximum aid payment increase	TBD ^b
Tax credit to offset costs of union membership	\$400
Cal Grant reform	365
Full pass-through of child support payments to CalWORKs families	TBD ^c
Victim compensation eligibility, benefits, and administration	50
Align income levels for maintenance with income limits in Medi-Cal	33 ^d
Eliminate restitution fines	25
Continuous Medi-Cal eligibility for children ages 0 to 4	20
Cal Grant CCC Expanded Entitlement award portability to nonprofit schools	10

^aEstimated cost in 2024-25. For some items, reflects a partial-year cost.

^bTrigger language does not specify an amount for the increase, could range from low hundreds of millions of dollars to more than \$1 billion.

^cTrigger language does not specify an amount for the full pass-through. The administration has estimated costs of roughly \$150 million, but actual costs will depend on collections and caseload at the time of implementation.

^dIncreases to \$80.2 million in 2025-26 and ongoing.

TBD = to be determined

Source: Legislative Analyst's Office

Budget Framework and Resources

The budget primarily incorporates the Administration's revenue estimates for the General Fund. The General Fund budget summary is as follows:

General Fund Budget Summary Prior Year and Adopted Budget (Dollars in Millions)		
	<u>2021-22</u>	<u>2022-23</u>
Prior Year Balance	\$38,334	\$22,450
Revenues and Transfers	<u>227,061</u>	<u>219,707</u>
Total Resources Available	\$265,395	\$242,157
Non-Proposition 98 Expenditures	159,268	152,054
Proposition 98 Expenditures	<u>83,677</u>	<u>82,312</u>
Total Expenditures	\$242,944	\$234,366
Fund Balance	\$22,450	\$7,791
Reserve for Liquidation of Encumbrances	4,276	4,276
Special Fund for Economic Uncertainties	18,174	3,514
Safety Net Reserve	\$900	\$900
Public School System Stabilization Account (PSSSA)	\$7,290	\$9,514
Budget Stabilization Account	\$20,320	\$23,288

The Budget Act of 2022 includes total expenditures of \$234.4 billion General Fund, \$69.1 billion special funds and \$143.6 billion in federal funds. The adopted budget contains total General Fund reserves of \$37.2 billion, including \$23.3 billion in the Constitutional Rainy Day Fund, \$900 million in the Safety Net Reserve, \$9.5 billion in the PSSSA, and \$3.5 billion in the SFEU.

The budget includes revenue assumptions for 2022-23 of \$219.7 billion, representing a decrease of about 0.3 percent from the prior year. However, revenues in the past few fiscal years have reached historic highs.

Personal income tax, the largest source of General Fund revenue, is projected to increase by 0.7 percent in 2022-23, sales and use tax is projected to increase by 3.7 percent, and the corporation tax is projected to decrease by 17.1 percent. The change in the corporation tax represents a change in taxing pass-through businesses which resulted in a one-time revenue increase in 2021-22. Revenue assumptions for major General Fund tax sources are shown in the next table.

**General Fund Revenue Sources
Prior Year and Adopted Budget
(Dollars in Millions)**

	<u>2021-22</u>	<u>2022-23</u>	<u>Percent Change</u>	<u>Percent Total¹</u>
Personal Income Tax	\$136,497	\$137,506	0.7	61.6
Sales and Use Tax	32,750	33,992	3.7	15.2
Corporation Tax	46,395	38,464	-17.1	17.2
Insurance Tax	3,468	3,667	5.7	1.6
Other Sources ²	3,771	9,421	149.8	4.2
Total	\$222,882	\$223,051		

¹Based on 2022-23.

²Excludes transfers and loan repayments.
Dollars may not add due to rounding.

Budget Expenditure Highlights

The budget package represents a comprehensive approach to utilize the historic budget surplus in a manner that can have transformative lasting effects while also continuing our commitment to responsible budgeting. Major spending categories are shown in the table below:

**General Fund Expenditure by Agency
Prior Year and Adopted Budget
(Dollars in Millions)**

	<u>2021-22</u>	<u>2022-23</u>	<u>Percent Total¹</u>
Legislative, Judicial, Executive	\$18,756	\$14,090	6.0
Business, Consumer, Housing	2,190	2,289	1.0
Transportation	2,401	645	0.3
Natural Resources	10,494	6,283	2.7
Environmental Protection	3,979	1,168	0.5
Health and Human Services	52,909	67,730	28.8
Corrections and Rehabilitation	13,759	13,760	5.8
Education	91,128	102,564	43.6
Labor and Workforce	1,577	1,478	0.6
Government Operations	20,135	4,922	2.1
General Government	5,307	12,155	5.2
Capital Outlay	1,594	2,792	1.2
Debt Service	5,242	5,391	2.3
Total	\$229,472	\$235,266	--

¹Based on 2022-23.

The budget incorporates priorities of the Legislature and the Administration and includes funding for various initiatives and programs. This report details all of the actions that make up the 2022 Budget Act. Some highlights include:

- **Better for Families Refunds.** The budget provides \$9.5 billion for direct tax refunds to 17.5 million California tax filers, in accordance with the following:
 - First Tier: 14.2 million tax filers with incomes up to \$75,000/\$150,000 (Single Filers/Joint Filers) receive \$350 per tax filer, plus an additional \$350 if the tax filer has at least one dependent.
 - Second Tier: 2.1 million tax filers with incomes above First Tier, but below \$125,000/\$250,000 (Single Filers/Joint Filers) receive \$250 per tax filer, plus an additional \$250 if the tax filer has at least one dependent.
 - Third Tier: 1.1 million tax filers with incomes above Second Tier, but below \$250,000/\$500,000 (Single Filers/Joint Filers) receive \$200 per tax filer, plus an additional \$200 if the tax filer has at least one dependent.

Support for Vulnerable Californians

- **SSI/SSP.** The budget accelerates half of the planned SSI/SSP grant increase for January 1, 2024 to January 1, 2023. This will increase grants by about \$39 per month (\$470 for the year) for individuals and \$100 per month (\$1,200 for the year) for couples.
- **CalWORKs Increases.** The budget increases CalWORKs grants for two years by an additional 10 percent in addition to the 11 percent ongoing increase included in the May Revision. Combined, these changes increase the grant for a family of three by as much as \$194 per month. After the two year period, continuing the two year 10 percent increase, plus an additional scheduled increase, will be subject to future budget action.
- **Utility Assistance.** The budget provides \$1.4 billion for assistance to active utility customers with past due electricity utility bills incurred during the COVID-19 pandemic bill relief period.

K-12 Education

- **Local Control Funding Formula (LCFF).** The budget provides a total of approximately \$75.2 billion for the LCFF. This funding amount provides a cost-of-living adjustment (COLA) of \$771.5 million (6.56 percent), in addition to changes to LCFF and a rate increase that equal \$4.3 billion above COLA, for school districts, charter schools, and county offices of education (COEs), known as Local Educational Agencies (LEAs), in 2022-23. In total, funding increases to LCFF are 13 percent over 2021-22 rates.

The budget increases school district and charter school LCFF funding by \$4.32 billion above COLA. The budget also adopts protections for declining enrollment by including the average of

three prior years' average daily attendance for funding, one year protection for classroom-based charter schools that is estimated to be \$413 million, and protections for the 2021-22 average daily attendance for local educational agencies that offered independent study in 2021-22 – these changes result in an additional \$2.8 billion for the LCFF. The budget also adjusts the funding bands used to compute necessary small school entitlements to provide qualifying necessary small schools with the greater of either their computed local control funding formula entitlement or their computed necessary small schools entitlement.

The budget also provides \$101 million ongoing Proposition 98 General Fund for county offices of education through LCFF, and clarification that charter schools and county offices of education that share the same governing board as a school district can receive differentiated assistance from county offices of education, and clarifies funding allocations for these purposes.

- **School Transportation.** The budget significantly increases funding for Home-to-School Transportation by \$637 million ongoing Proposition 98, so that starting in 2022-23, school districts and county offices of education will begin to receive an annual COLA to their transportation add-on or 60 percent of their transportation costs reimbursed. The budget also requires governing boards to develop and adopt a plan to provide transportation services to their students, and prohibits local educational agencies from charging a fee for unduplicated pupils. The budget also includes a prohibition on fees for English Learners, foster youth, or low-income students, and provides for greater transparency and opportunity for public input on transportation programs.
- **Continued Pandemic Recovery and Response.** The budget includes a \$7.9 billion one-time Proposition 98 General Fund Learning Recovery Emergency Block Grant, to be allocated based on a local educational agency's unduplicated pupil percentage and available for use for up to five years to establish learning recovery initiatives.
- **Arts, Music, and Instructional Materials Discretionary Block Grant.** The budget includes one-time \$3.48 billion Proposition 98 General Fund for an Arts, Music, and Instructional Materials Discretionary Block Grant, to all local education agencies, based on average daily attendance.

Higher Education

- **Higher Education Student Housing.** The budget includes multiple actions on student housing. First, the budget includes an additional \$2 billion General Fund for student housing projects across the University of California (UC), the California State University (CSU), and the California Community Colleges (CCC), bringing the total amount of student housing funding to \$4 billion General Fund between 2021-22 to 2024-25. Second, the budget appropriates roughly \$1.4 billion General Fund in 2022-23 of the total to cover the costs of projects through the Higher Education Student Housing Grant Program. Third, the budget includes \$1.8 billion of the total, split over 2023-24 and 2024-25 for a new California Student Housing Revolving Loan Fund. The fund will provide zero-interest loans to qualifying campuses of the UC, CSU, and CCC for construction of affordable student, faculty, and staff housing.

- **Cal Grant Reform Act.** Subject to the state’s multi-year financial outlook and availability of funds, the budget agreement will provide \$364.8 million General Fund in 2024-25, \$348.8 million in 2025-26 and ongoing for this reform. The budget also includes \$500,000 General Fund in 2022-23 to support Cal Grant Reform Act implementation costs at the California Student Aid Commission.
- **Cal Grant Award Changes for Independent, Non-Profit Colleges and Universities.** The budget, through AB 183 (Committee on Budget), Chapter 54, Statutes of 2022, makes multiple changes for independent, non-profit colleges and universities in 2022-23 and for future years. These changes include increasing the award amount starting in 2022-23, extending supplemental support to students with dependents and foster youth in 2022-23, and, subject to availability of funds, extending transfer entitlement portability for community college transfer students to those transferring to an independent, non-profit California college or university starting in 2024-25.
- **Base Increases at UC, CSU, and CCC.** The budget includes five percent base increases to increase support for the UC and CSU systems in 2022-23 and ongoing \$200.5 million General Fund and \$211.1 million General Fund respectively. The budget also includes two base augmentations to support the CCC system: 1) \$493 million ongoing Proposition 98 General Fund to colleges for a 6.56 percent COLA for apportionments and 2) an additional \$600 million ongoing Proposition 98 General Fund base increase above the COLA.
- **CCC Student Success Completion Grant (SSCG) Award.** The budget includes \$200 million Proposition 98 General Fund in 2022-23 and ongoing to double the Student Success Completion Grant (SSCG), to provide a total of \$8,000 for students taking 15 units and \$2,600 for students taking 12 units. The SSCG offsets total cost of college attendance to encourage full-time attendance and successful on-time completion.

LABOR

- **Unemployment Insurance Cost Relief.** The budget includes \$1.5 billion for Unemployment Insurance cost relief, including \$1 billion over 2022-23 and 2023-24 to begin to pay down the federal loan, and \$500 million, as early as the 2024-25 budget year, to provide rebates to small businesses to reimburse them for their increased costs.
- **COVID-19 Supplemental Paid Sick Leave Extension.** The budget agreement included two trailer bills related to COVID-19 Supplemental Paid Sick Leave, SB 114 (Committee on Budget and Fiscal Review), Chapter 4, Statutes of 2022, and AB 152 (Committee on Budget), Chapter 736, Statutes of 2022, which did the following:
 - Re-established COVID-19 supplemental paid sick leave provisions that were part of 2021 Budget Act early action but expired on September 30, 2021. SB 114 requires employers with more than 25 employees to provide up to 40 hours for workers in the public and private sector as specified. The law also entitles a covered employee, in

addition to the 40 hours of COVID-19 supplemental paid sick leave, to take up to 40 more hours of COVID-19 supplemental paid sick leave if the covered employee, or a family member for whom the covered employee is providing care, tests positive for COVID-19.

- Applied the provisions retroactively to January 1, 2022, and remains in effect until December 31, 2022.
- Created the California Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant Program within California Office of Small Business Advocate to assist qualified small businesses and nonprofits, with between 26 to 49 employees, for incurring costs for COVID-19 supplemental paid sick leave through administration of grants.
- **Workers Tax Fairness Tax Credit.** The budget includes \$400 million General Fund each in 2024-25 and 2025-26 for the Workers Tax Fairness Credit. More information is contained in the financial management section of the Final Action Report.

Resources and Energy

- **Climate-Energy Package.** The Budget Act of 2022 includes a \$20.4 billion, multi-year Climate-Energy package to address climate change impacts and energy issues. The Climate-Energy Package includes the following categories of funding:
 - \$1.3 billion for Wildfire and Forest Resilience
 - \$3.6 billion for Drought Resilience and Response
 - \$1.1 billion for Nature-Based Solutions
 - \$365 million for Extreme Heat
 - \$7.9 billion for Energy Reliability, Relief and Clean Energy Investments
 - \$6.1 billion for Zero-Emission Vehicle (ZEV) Investments
- **CalFire Staffing and Fire Protection Operational Enhancements.** The budget includes \$671.4 million (\$622.9 million General Fund) and 1,265 positions in 2022-23 to enhance CalFire's fire suppression capabilities.
- **Greenhouse Gas Reduction Fund (GGRF): Cap-and-Trade Discretionary Spending Plan.** The GGRF Discretionary Spending Plan for 2022-23 appropriates \$1.6 billion for various purposes, including but not limited to, community air protection and monitoring, short-lived climate pollutant reductions, and sea level rise adaptation.

- **Beverage Container Recycling Package.** The budget act appropriates the first year (2022-23) of a multiyear package of spending totaling \$391 million from the Beverage Container Recycling Fund to improve redemption opportunities and improve the quality of recycled materials.
- **Zero-Emission Vehicle Package.** The budget provides \$6.1 billion from 2021-22 to 2026-27 to support zero-emission vehicles and infrastructure across several departments. Of this funding, \$1.1 billion supports passenger vehicles, \$3.9 billion supports medium-and heavy-duty vehicles, and \$1.1 billion supports other ZEV-related items.
- **Energy Reliability, Relief and Clean Energy Investments.** The budget includes a total of \$7.9 billion across several departments to support a variety of ratepayer relief, reliability, and clean energy investments.
- **Equitable Building Decarbonization Program.** The budget provides a total of \$1.1 billion over four years for the Equitable Building Decarbonization program at the California Energy Commission (CEC) that includes a direct installation program and a statewide incentive program for low-carbon building technologies. The direct installation program shall be provided at minimal or no cost to low-to-moderate income residents.
- **Residential Solar and Storage.** The budget provides \$900 million in 2023-24 for a program within the Self Generation Incentive Program to provide incentives to eligible residential customers, including those in areas served by publicly owned utilities, to support behind-the-meter solar photovoltaic systems and energy storage systems. Seventy percent of these incentives will be for low-income residents who install new behind-the-meter solar photovoltaic systems paired with energy storage systems or new energy storage system. Thirty percent of incentives will be to residential customers who install new storage systems.

Health and Human Services

- **Medi-Cal Coverage for All Income-Eligible Californians.** The budget includes expenditure authority of \$835.6 million (\$626.1 million General Fund and \$209.5 million federal funds) in 2023-24, growing to \$2.6 billion (\$2.1 billion General Fund and \$500 million federal funds) when fully implemented, to expand full-scope Medi-Cal eligibility to all income-eligible adults regardless of immigration status, beginning no later than January 1, 2024.
- **Behavioral Health, Primary Care, and Public Health Workforce Investments.** The budget includes expenditure authority of \$195.1 million (\$185.1 million General Fund and \$10 million Mental Health Services Fund) in 2022-23, and General Fund expenditure authority of \$134.1 million in 2023-24, \$34.1 million in 2024-25, and \$3.2 million in 2025-26, for investments in workforce development for providers of services in the fields of behavioral health, primary care, and public health.
- **Community Health Workers.** The budget includes General Fund expenditure authority of \$281.4 million over three years to recruit, train and certify 25,000 new community health

workers by 2025, with specialized training to work with varying populations, such as justice-involved, people who are unhoused, older adults, or people with disabilities.

- **Comprehensive Nursing Initiative.** The budget includes General Fund expenditure authority of \$220 million over three years to increase the number of registered nurses, licensed vocational nurses, certified nursing assistants, certified nurse midwives, certified medical assistants, family nurse practitioners, and other health professions.
- **Expanding Social Workers.** The budget includes General Fund expenditure authority of \$126 million over three years to increase the number of social workers trained in the state by supporting social work training programs and providing stipends and scholarships for working people to create a new pipeline for diverse social workers who cannot otherwise afford the financial or time investment required to complete full-time training programs.
- **Reproductive Health Investments.** The budget includes General Fund expenditure authority of \$201.6 million, available over several years, to support and protect access to reproductive health and abortion services in California. These investments include the following:
 - Uncompensated Care Funding for Reproductive Health Services - \$40 million, available over six years, for the Department of Health Care Access and Information (HCAI) to award grants to reproductive health care providers to offset the cost of providing care to uninsured and underinsured individuals who do not have health coverage for abortion services.
 - Equity and Infrastructure Payments for Clinic Abortion Provides - \$30 million over two years for the Department of Health Care Services (DHCS) to provide supplemental payments to non-hospital community clinics that offer abortion care services to Medi-Cal beneficiaries.
 - A variety of other investments in reproductive health infrastructure and support programs.
- **Modernizing the Older Californians Act.** The budget includes \$59.3 million General Fund in 2022-23, \$86.9 million General Fund in 2023-24, and \$39.8 million General Fund in 2024-25 to restore supports and services for older adults that were reduced in the last recession, including senior nutrition programs, family caregiver supports, volunteer development programs, and aging in place programs.
- **Master Plan for Aging Implementation.** The budget includes \$10.9 million in 2022-23 and \$3.3 million General Fund ongoing to support 19 permanent positions and resources to 1) continue implementation of the Master Plan for Aging and fund long-term supports and planning within the department.
- **Developmental Service Provider Rate Acceleration.** The budget includes \$159.1 million General Fund in 2022-23, \$34.1 million General Fund in 2023-24, \$534 million General Fund in 2024-25, and \$13.6 million General Fund ongoing to accelerate service provider rate

increases approved in the 2021 Budget Act, and to accelerate full implementation to July 1, 2024.

- **Early Start Eligibility Changes.** The budget includes \$6.5 million General Fund in 2022-23, increasing to \$29.5 million General Fund in 2024-25, to support adjustments in identifying children with qualifying signs of developmental delays. A related investment is made in early childhood education.
- **Foster Care Supports for Youth and Families.** The budget includes \$150 million General Fund one-time for intensive family finding and engagement services for children in foster care. In addition, the budget includes \$50 million General Fund in both 2022-23 and 2023-24 for flexible family supports for home-based foster care to increase the use of home-based family care and the provision of services and supports to children in foster care and their caregivers.
- **Commercially and Sexually Exploited Youth.** The budget includes \$25 million General Fund one-time for prevention, intervention, and services for youth who have been the victims of sex trafficking.

Public Safety

- **Reduction of the Civil Assessment.** The budget appropriates \$100 million ongoing and \$10 million one-time General Fund to backfill trial courts for the following changes:
 - Reduction of the maximum civil assessment from \$300 to \$100.
 - Reduction of civil assessment revenue to the General Fund rather than to the courts.
 - One-time amnesty of all outstanding civil assessment debt.
- **Firearm Relinquishment.** The budget includes the following resources to reduce the proliferation of firearms:
 - \$40 million General Fund one-time available over three years for the Judicial Council to support court-ordered firearm relinquishment efforts.
 - \$25 million General Fund one-time for the Board of State and Community Corrections (BSCC) to administer grants to local law enforcement agencies for gun buyback programs.
- **Reentry Support.** The budget includes \$212 million over three years for housing and other programs to support successful reentry. This includes \$40 million per year to expand the pre-release community reentry program at the Department of Corrections and Rehabilitation, \$20 million per year for the Adult Reentry Grant at BSCC, and \$10.6 million per year to support post-release housing through the Returning Home Well program.

- **Victim Services.** The budget provides \$50 million one-time General Fund to establish a grant program for community-based organizations to provide flexible assistance to survivors of crime. Subject to fiscal conditions, the budget also provides \$75 million ongoing beginning in 2024-25 to support expanded eligibility and an improved process for the compensation of victims of crime, and to eliminate restitution fines. The budget also increases the limit for certain victim compensation benefits using \$7 million in additional federal funding, and includes one-time funding for trauma recovery centers (\$23 million) and outreach to potentially eligible victims (\$3 million).
- **Retail Theft.** The budget includes \$303 million over three years to combat retail theft, including \$85 million per year to local law enforcement and \$10 million per year to district attorneys through grants administered by the Board of State and Community Corrections, and \$6 million per year to the Department of Justice (DOJ) for statewide coordination and prosecution efforts.

Housing and Transportation

- **Housing and Homelessness Investments.** The budget includes \$1.55 billion in 2022-23, and \$1.5 billion in 2023-24, in investments to provide affordable housing and combat homelessness statewide, including but not limited to:
 - \$300 million in 2022-23 and \$400 million in 2023-24 for Encampment Resolution grants, to help local governments with resolving critical encampments and transitioning individuals into permanent housing.
 - \$400 million over two years for Adaptive Reuse of non-residential structures and parcels for residential purposes.
 - \$425 million over two years for the Infill Infrastructure Grant Program.
 - \$350 million over two years for the CalHOME program.
 - \$250 million for the Housing Accelerator Program.
 - \$325 million over two years for the Multifamily Housing Program.
- **HHAPP Funding.** The budget provides an additional \$1 billion in 2023-24 for the Homeless Housing, Assistance, and Prevention Program (HHAPP).
- **California Dream For All.** The budget provides \$500 million General Fund and establishes the California Dream For All program to make homeownership more achievable for first time homebuyers, a critical first step to thriving in the middle class and building generational wealth.
- **Transit Infrastructure.** The budget includes \$3.65 billion for transit investments in the current year through the California State Transportation Agency (CalSTA) Transit and Intercity Rail Capital Program.

- **Ports and Freight Infrastructure.** The budget includes \$1.2 billion over two years through CalSTA for freight-related infrastructure at and around the state's ports.
- **Active Transportation Program.** The budget includes \$1 billion in the current year for the Active Transportation Program and \$150 million at Caltrans for a pilot program for planning and delivery of projects that will inform the future conversion of underutilized highways into multimodal corridors that serve existing communities.
- **California High Speed Rail Project.** The budget appropriates the remaining \$4.2 billion in Proposition 1A funds for the High Speed Rail Authority, and provides that \$2.2 billion will be available when specified conditions are met by the Authority.
- **Diesel Sales Tax Relief.** The budget provides \$439 million to suspend the General Fund portion of the sales tax on diesel fuel, reducing costs by about 23 cents per gallon, which primarily benefits businesses.

Other

- **Young Child Tax Credit and Foster Youth Tax Credit.** The budget expands the existing Young Child Tax Credit to zero-income filers, indexes the credit to inflation and creates a Foster Youth Tax Credit to provide a \$1,000 credit to young adults who were in the foster care system.
- **Cannabis Tax Reform.** The budget makes several statutory changes to the tax structure related to cannabis taxes and the cannabis regulatory framework. Most significantly, the budget: (1) suspends the state's cannabis cultivation tax; (2) maintains a 15 percent cannabis excise tax, as required by Proposition 64 – and allows cannabis equity operators to collect an equivalent amount to 12 percent cannabis excise tax – until June 30, 2025, and moves collection of the excise tax from the distributor to the point-of-sale; and (3) sets the baseline of new cannabis tax revenue for Allocation 3 entities (these entities use cannabis revenues to operate youth programs related to substance use education, prevention, and treatment, environmental programs, and law enforcement) at \$670 million in 2022-23, 2023-24, and 2024-25, which can be satisfied with tax revenues, or with up to \$150 million one-time General Fund backfill if needed.

Subcommittee No. 1 – Education

6100	Department of Education	6600	Hastings College of the Law
6120	California State Library	6610	California State University
6360	California Commission on Teacher Credentialing	6870	California Community Colleges
6440	University of California	6980	California Student Aid Commission

Subcommittee No. 2 – Natural Resources, Environmental Protection and Energy

	Climate-Energy Package	3780	Native American Heritage Commission
	Wildfire Prevention and Resilience Package	3790	Department of Parks and Recreation
	Water and Drought Resilience Package	3810	Santa Monica Mountains Conservancy
	Nature-Based Solutions Package	3820	San Francisco Bay Conservation and Development Commission
	Extreme Heat Package		
	California Carbon Sequestration and Climate Resiliency Project Registry	3825	San Gabriel and Lower Los Angeles River and Mountains Conservancy
	CNRA Bond and Technical Proposals	3830	San Joaquin River Conservancy
	Greenhouse Gas Reduction Fund: Cap-and-Trade Discretionary Spending Plan	3835	Baldwin Hills Conservancy
	Zero-Emissions Vehicle Package	3840	Delta Protection Commission
0540	Secretary for Natural Resources	3845	San Diego River Conservancy
0555	Secretary for Environmental Protection	3850	Coachella Valley Mountains Conservancy
3100	California African American Museum	3855	Sierra Nevada Conservancy
3100	Museum and Exposition Park	3860	Department of Water Resources
3110	Special Resources Program	3875	Sacramento-San Joaquin Delta Conservancy
3125	California Tahoe Conservancy	3885	Delta Stewardship Council
3340	California Conservation Corps	3900	Air Resources Board
3360	California Energy Commission	3930	Department of Pesticide Regulation
3460	Colorado River Board	3940	State Water Resources Control Board
3480	Department of Conservancy	3960	Department of Toxic Substances Control
3540	Department of Forestry and Fire Protection	3970	Department of Resources Recycling and Recovery
3560	State Lands Commission	3980	Office of Environmental Health Hazard Assessment
3600	Department of Fish and Wildlife		
3640	Wildlife Conservation Board	8570	Department of Food and Agriculture
3720	California Coastal Commission	8660	California Public Utilities Commission
3760	State Coastal Conservancy		

Subcommittee No. 3 – Health and Human Services

0530	California Health and Human Services Agency	4265	Department of Public Health
0977	California Health Facilities Financing Authority	4300	Department of Developmental Services
4100	State Council on Developmental Disabilities	4440	Department of State Hospitals
4120	Emergency Medical Services Authority	4560	Mental Health Services Oversight and Accountability Commission
4140	Department of Health Care Access and Information	4700	Department of Community Services and Development
4150	Department of Managed Health Care	4800	California Health Benefit Exchange
4170	California Department of Aging	5160	Department of Rehabilitation
4180	Commission on Aging	5170	State Independent Living Council
4185	California Senior Legislature	5175	Department of Child Support Services
4260	Department of Health Care Services	5180	Department of Social Services

Subcommittee No. 4 – State Administration and General Government

0110/0120/0130	Homelessness and Housing Investments Legislature	1700	Department of Fair Employment and Housing
0509	Governor’s Office of Business and Development	1701	Department of Financial Protection and Innovation
0511	Secretary for Government Operations Agency	1750	Horse Racing Board
0515	Business, Consumer Services, and Housing Agency	2100	Department of Alcoholic Beverage Control
0650	Governor’s Office of Planning and Research	2320	Department of Real Estate
0840	State Controller	2240	Department of Housing and Community Development
0855	California Gambling Control Commission	7502	Department of Technology
0870	Office of Tax Appeals	7600	Department of Tax and Fee Administration
0890	Secretary of State	7730	Franchise Tax Board
0911	Redistricting Commission	7760	Department of General Services
0950	State Treasurer’s Office	8260	California Arts Council
0954	Scholarshare Investment Board	8620	Fair Political Practices Commission
0959	California Debt Limit Allocation Committee	8800	Financial Information System for California
0968	California Tax Credit Allocation Committee	8820	California Commission on the Status of Women and Girls
0971	California Alternative energy and Advanced Transportation Financing Authority	8860	Department of Finance
0974	California Pollution Control Financing Authority	8885	Commission on State Mandates
0981	Californians Achieving A Better Life Experience Board	8940	Military Department
0984	CalSavers Retirement Savings Board	8955	Department of Veterans Affairs
1111	Department of Consumer Affairs – Boards and Bureaus	9210	Local Government Financing Control Section 19.56
1115	Department of Cannabis Control		Control Section 20.00

Subcommittee No. 5 – Corrections, Public Safety, and the Judiciary, Labor and Transportation

	Cross-Cutting	2720	California Highway Patrol
	Local Airports	2740	Department of Motor Vehicles
	Transportation Infrastructure Package	5225	Department of Corrections & Rehabilitation
0250	Judicial Branch	5227	Board of State and Community Corrections
0280	Commission on Judicial Performance	7100	Employment Development Department
0390	Judges’ Retirement Fund	7120	California Workforce Development Board
0521	California State Transportation Agency	7320	Public Employment Relations Board
0552	Office of Inspector General	7350	Department of Industrial Relations
0559	Labor and Workforce Development Agency	7501	Department of Human Resources
0690	Office of Emergency Services	7870	Victim Compensation Board
0820	Department of Justice	7900	California Public Employees’ Retirement System
2600	California Transportation Commission		
2660	California Department of Transportation	7920	State Teacher’s Retirement System
2665	California High Speed Rail Authority	8120	Commission on Peace Officer Standards and Training
2665	California High Speed Rail Authority Office of the Inspector General	8140	Office of the State Public Defender
		8830	California Law Revision Commission
		9800	Employee Compensation

SUBCOMMITTEE 1
ON
EDUCATION

Senate Committee on Budget and Fiscal Review

Members

John Laird, Chair
Dave Min
Rosilicie Ochoa Bogh

Consultants

Yong Salas
Dr. Christopher Francis

SUBCOMMITTEE NO. 1

EDUCATION

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K-12 EDUCATION

6100 CALIFORNIA DEPARTMENT OF EDUCATION (CDE)

K-14 EDUCATION - PROPOSITION 98 OVERALL

The budget act reflects a significant change to the Proposition 98 Guarantee from the 2021-22 Budget Act due to a significant increase in revenues as the COVID-19 pandemic begins to fade and federal stimulus funding impacts the economy. The resulting Proposition 98 funding levels for K-12 schools and community colleges (K-14 education) are illustrated below:

Budget Year	Proposition 98 Minimum Guarantee	Change from 2021-22 Budget Act (June 2022)	Applicable Proposition 98 Test ¹	K-12 Overall Per Pupil Expenditures
2020-21	\$96.1 billion	\$2.6 billion increase over 2021-22 revised.	Test 1	\$22,876
2021-22	\$110.2 billion	\$16.5 billion increase over 2021-22 revised.	Test 1	\$24,656
2022-23	\$110.4 billion	\$16.6 billion increase over 2021-22 revised.	Test 1	\$22,893

The 2022-23 estimate of average daily attendance (ADA) was 5,871,581 reflecting an estimated ADA decline from 2021-22 of 0.43 percent, continuing a trend of ADA decline.

¹ In general, Test 1 is calculated based on a specified percent of General Fund revenues (currently around 38.03 percent, or 38.3 percent when accounting for the rebench of Proposition 98 related to the expansion of transitional kindergarten). Test 2 is calculated based on prior year funding, adjusted for changes in per capita personal income and attendance. Test 3 is calculated based on prior year funding, adjusted for changes in General Fund revenues, plus 0.5 percent and attendance.

Proposition 98 Funding by Segment			
(Dollars in Millions)			
	2020-21	2021-22	2022-23
K-12 Education*			
General Fund	\$59,510	\$70,902	\$71,135
Local property tax revenue	\$22,504	\$23,095	\$24,389
K-12 subtotal	\$82,014	\$93,997	\$95,524
California Community Colleges*			
General Fund	\$7,392	\$8,786	\$8,953
Local property tax revenue	\$3,365	\$3,465	\$3,653
CCC subtotal	\$10,757	\$12,251	\$12,606
Proposition 98 Reserve Deposit	\$3,302	\$3,988	\$2,224
Total Proposition 98	\$96,073	\$110,237	\$110,354
General Fund	\$70,204	\$83,677	\$82,312
Local property tax revenue	\$25,869	\$26,560	\$28,042
*K-12 education totals include state preschool and adult education. CCC totals include the K-12 Strong Workforce Program and Adult Education. **Totals include rounding.			

Source: Legislative Analyst's Office

Public School Stabilization Account. The Proposition 98 Guarantee calculation has triggered a deposit into the Public School System Stabilization Account, known as the Proposition 98 Rainy Day Fund based on economic factors. The budget includes 2020-21, 2021-22, and 2022-23 payments of \$3.3 billion, \$4 billion, and \$2.2 billion, respectively, into the Proposition 98 Rainy Day Fund, for a balance of more than \$9.5 billion at the end of 2022-23.

Continued Pandemic Recovery and Response. The budget includes a \$7.9 billion one-time Proposition 98 General Fund Learning Recovery Emergency Block Grant, to be allocated based on a local educational agency's unduplicated pupil percentage and available for use for up to five years to establish learning recovery initiatives.

K-12 EDUCATION – ALL FUND SOURCES

In addition to Proposition 98 (General Fund and property taxes), K-12 education is funded through a variety of other fund sources, including federal funds, state lottery funds, local fund sources, and other funds. According to the Department of Finance, total funding for K-12 education from all sources is approximately \$128.6 billion in 2022-23.

K-12 Major Expenditures and Policy Changes. The following significant investments in K-12 education were adopted in the 2022-23 budget:

- **Local Control Funding Formula (LCFF).** The budget provides a total of approximately \$75.2 billion for the LCFF. This funding amount provides a cost-of-living adjustment (COLA) of \$771.5 million (6.56 percent), in addition to changes to LCFF and a rate increase that equal \$4.3 billion above COLA, for school districts, charter schools, and county offices of education (COEs), known as Local Educational Agencies (LEAs), in 2022-23. In total, funding increases to LCFF are 13 percent over 2021-22 rates.

The budget increases school district and charter school LCFF funding by \$4.32 billion above COLA. The budget also adopts protections for declining enrollment by including the average of three prior years' average daily attendance for funding, one year protection for classroom-based charter schools that is estimated to be \$413 million, and protections for the 2021-22 average daily attendance for local educational agencies that offered independent study in 2021-22 – these changes result in an additional \$2.8 billion for the LCFF. The budget also adjusts the funding bands used to compute necessary small school entitlements to provide qualifying necessary small schools with the greater of either their computed local control funding formula entitlement or their computed necessary small schools entitlement.

The budget also provides \$101 million ongoing Proposition 98 General Fund for county offices of education through LCFF, and clarification that charter schools and county offices of education that share the same governing board as school district can receive differentiated assistance from county offices of education, and clarifies funding allocations for these purposes.

- **Expanded Learning Opportunities Program.** The budget increases funding levels for the Expanded Learning Opportunities Program by \$3 billion ongoing Proposition 98 General Fund for total program funding of \$4 billion ongoing Proposition 98 General Fund. The budget funds local educational agencies that must offer the program to all students at \$2,750 per unduplicated pupil and funds local educational agencies that must offer the program to half of their unduplicated students at \$2,053 per unduplicated pupil. The budget also delays implementation of the Expanded Learning Opportunities Program to the 2023-24 school year, and makes other clarifying changes.
- **Career & College Readiness.** The budget includes a total of \$700 million in College and Career Readiness initiatives:
 - \$500 million one-time Proposition 98 General Fund over seven years to support the development of pathway programs focused on technology (including computer science, green technology, and engineering), health care, education (including early education), and climate-related fields. These programs are predicated on developing local partnerships that bring together school systems, higher education institutions, employers, and other relevant community stakeholders.
 - \$200 million one-time Proposition 98 General Fund, available over five years, to strengthen and expand student access and participation in dual enrollment opportunities. Dual enrollment allows high school students to take classes that both count towards high school

graduation and earning college credit, with some students able to graduate high school with an associate's degree.

- **Transitional Kindergarten.** Approves the Governor's proposal to expand eligibility for transitional kindergarten and reduce student-to-adult ratios. The budget also includes \$300 million additional one-time Proposition 98 General Fund for additional PreKindergarten Planning and Implementation Grants, and \$650 million General Fund more for the Preschool, Transitional Kindergarten, and Full-Day Kindergarten Facility Program.
- **Arts, Music, and Instructional Materials Discretionary Block Grant.** The budget includes one-time \$3.48 billion Proposition 98 General Fund for an Arts, Music, and Instructional Materials Discretionary Block Grant, to all local education agencies, based on average daily attendance.
- **School Facility Program.** The budget includes remaining bond authority of \$1.4 billion, and a total of \$4.2 billion General Fund for the School Facility Program, to ensure that facility funds are available into 2025. It also clarifies a provision of current law, which allows local governments to condition the approval of new residential development on the basis of the adequacy of school facilities in the event that a future statewide school facilities bond fails passage, does not apply if non-bond state resources are provided for school facilities.
- **Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program.** The budget includes \$650 million in one-time General Fund for the California Preschool, Transitional Kindergarten (TK) and Full-Day Kindergarten Facilities Grant Program. Grant funds may be used to construct new school facilities or retrofit existing school facilities for the purpose of providing transitional kindergarten classrooms, full-day kindergarten classrooms, or preschool classrooms. The budget also clarifies that community colleges that operate preschool programs on behalf of county offices of education or school districts can apply for funds in this program.
- **Charter School Facility Grant Program.** The budget includes \$30 million Proposition 98 General Fund per year for two years to support eligible facilities costs for the Charter School Facility Grant Program. These funds can be used by eligible charter schools for costs associated with remodeling buildings, deferred maintenance, initial installation or extension of service systems and other built-in equipment, site improvements, and facility modifications to mitigate the spread of COVID-19.
- **School Transportation.** The budget significantly increases funding for Home-to-School Transportation by \$637 million ongoing Proposition 98, so that starting in 2022-23, school districts and county offices of education will begin to receive an annual COLA to their transportation add-on or 60 percent of their transportation costs reimbursed. The budget also requires governing boards to develop and adopt a plan to provide transportation services to its students, and prohibits local educational agencies from charging a fee for unduplicated pupils. The budget also includes a prohibition on fees for English Learners, foster youth, or low-

income students, and provides for greater transparency and opportunity for public input on transportation programs.

- **Zero Emissions School Bus Grant Program.** The budget includes \$1.5 billion in one-time Proposition 98 General Fund to the California Energy Commission and California Air Resources Board, to administer a state-wide zero-emissions school bus program. This program will prioritize low-income and rural LEAs, and LEAs purchasing electric school buses with bi-directional charging. The budget also allows the Department of General Services to create a statewide contract for LEAs to use, and the statewide contract must meet specified labor requirements.
- **Universal School Meals.** The budget includes \$611.8 million ongoing Proposition 98 General Fund to enhance the reimbursement rates for school meals under the state’s new universal school meals program. Additionally, the budget also includes \$596 million Proposition 98 General Fund to fund universal access to subsidized school meals. Additionally, the budget includes authority for the Department of Finance to adjust the appropriation for school meals in case funding falls short mid-year.
- **School Food Best Practices Grant.** The budget also includes \$100 million Proposition 98 General Fund for local educational agencies to practice school food best practices as part of reimbursable meals served through the universal school meals program. The funding will be administered by the Department of Education, in consultation with the California Department of Food and Agriculture. Eligible foods include California-grown, plant-based, and special dietary-restriction necessities for students in the existing universal school meal program.
- **School Meals Infrastructure.** The budget includes \$600 million one-time Proposition 98 General Fund for the Kitchen Infrastructure Grant Program that will support local educational agencies in preparing for universal meals implementation, and the preparation of healthy, local, plant-based, and dietary-restricted meals.
- **Special Education.** The budget makes significant investments in special education:
 - \$500 million ongoing Proposition 98 General Fund for the special education funding formula, paired with the following policy changes to further the state’s commitment to improving special education instruction and services:
 - Amending the special education funding formula to calculate special education base funding allocations at the local educational agency level, rather than the special education local plan area level.
 - Consolidating two special education extraordinary cost pools into a single cost pool to simplify the current funding formula, and increasing funding by \$14 million ongoing Proposition 98 General Fund, for a total of \$20 million ongoing Proposition 98 General Fund.

- Beginning in 2023-24, allocating Educationally Related Mental Health Services funding directly to local educational agencies rather than to SELPAs.
 - Developing an Individuals with Disabilities Education Act addendum to the Local Control and Accountability Plan to support inclusive planning and promote cohesion between special education and general education planning.
 - Supporting efforts to develop comprehensive Individualized Education Programs (IEPs) by focusing a special education resource lead on IEP best practices, and establishing an expert panel to continue the work of creating a model IEP template.
 - Establishing a pathway to a diploma for students who take the California Alternate Assessment and providing resources to identify alternative coursework options for students with disabilities to demonstrate completion of the state graduation requirements.
 - Adopting changes to Independent Study to clarify requirements for special education students, clarify synchronous instruction allowances, and clarify chronic attendance triggers for tiered re-engagement and signature timelines.
- \$2 million one-time Proposition 98 General Fund to create resources for inclusionary practices for families and communities.
 - \$2 million ongoing Proposition 98 General Fund to establish a special education resource lead to support families of pupils with disabilities and provide capacity building, training, and technical assistance on family support for families of pupils with disabilities, and conflict prevention and alternate dispute resolution in special education.

In addition to these resources and programmatic improvements, the budget includes \$849,000 General Fund and six positions to support the State Department of Education's efforts to strengthen the transition process of young children with disabilities from federal Part C services (provided by regional centers) to federal Part B services (provided by school districts). These resources are paired with \$65.5 million in fiscal year 2022-23 that rises to \$82.5 million in fiscal year 2023-24 for the Department of Developmental Services and regional centers to strengthen the transition process. Finally, the budget includes statutory changes to support the continuity of services provided to young children with disabilities by enhancing coordination between the Departments and supporting parents' ability to access the resources and information needed to be active participants in the transition process.

- **Independent Study.** The 2021-22 Budget Act included several changes to the independent study program. The 2022-23 Budget Act includes additional changes to Independent Study to clarify requirements for special education students, clarify synchronous instruction allowances, and clarify chronic attendance triggers for tiered re-engagement and signature timelines.
- **Anti-bias Education Grant Program.** The budget provides \$10 million in one-time Proposition 98 funding for Anti-bias Education Grant Program for grants to prevent, address, and eliminate racism and bias in all California public schools, and make all public schools

inclusive and supportive of all people. The State Department of Education shall award a minimum of 50 one-time grants to local educational agencies or consortia, available for expenditure over a period of five fiscal years. An Anti-bias Education Grant awarded under this program shall be used for training and resources to prevent and address bias or prejudice toward any group of people.

- **COLA.** The budget provides an increase of approximately \$426.8 million (in Proposition 98 and non-Proposition 98 General Fund) to provide a cost of living adjustment (COLA) of 6.56 percent to various education categorical programs including special education, child nutrition, state preschool, after school education and safety, and charter school facilities grant program, among others.
- **California Community Schools Partnership Program.** Building off a \$3 billion investment in the Community Schools Partnership Program from the 2021-22 Budget Act, the budget provides an additional \$1.1 billion one-time Proposition 98 funding for the California Community Schools Partnership Program. Funds are provided to establish new, and expand existing, community schools supported by local educational agencies that help coordinate services and manage learning networks for these schools, through start-up, implementation, and coordination grant types. Regional technical assistance centers are created to support applicants and provide resources and best practices. The budget also included statutory changes to clarify the implementation of the program.
- **Universal Transitional Kindergarten.** Consistent with the 2021-22 Budget Act, the expansion of the Transitional Kindergarten Program begins in the 2022-23 school year, and achieves Universal Transitional Kindergarten eligibility by 2025-2026. For each school year during the period of 2022-23 through 2025-26, the Transitional Kindergarten program enrollment date is extended two months later, with the final year extending the enrollment date by three months such that a child who has their fourth birthday by September 1st shall be admitted to a Transitional Kindergarten Program. Beginning in the 2022-23 school year, a school district or charter school shall maintain an average of at least one adult for every 12 pupils, transitioning to one adult for every ten pupils in a transitional kindergarten classroom in 2023-24, subject to budget appropriations. The budget rebenches the Proposition 98 Guarantee to accommodate enrollment increases, which is estimated to be \$611 million Proposition 98 General Fund. The budget also reduces the adult-to-student ratio for transitional kindergarten consistent with the 2021 Budget Act, at an estimated cost of \$383 million Proposition 98 General Fund. Additionally, the budget makes the following changes for purposes of transitional kindergarten funding through LCFF:
 - Clarifies that transitional kindergarten class size requirements are not subject to collectively bargained class size alternative for purposes of calculating the transitional kindergarten average class size requirements.
 - Clarifies how class size and adult-to-pupil ratio should be defined for purposes of calculating the Local Control Funding Formula for Transitional Kindergarten, and clarifies CDE authority on expanded learning wrap for TK, using State Preschool contracts.

- Clarifies how fiscal penalties for failing to meet Transitional Kindergarten requirements should be calculated.
- **California Pre-Kindergarten Planning and Implementation Grant Program.** The budget provides \$300 million in one-time Proposition 98 for the California Pre-Kindergarten Planning and Implementation Grant Program, including operational costs. Funds may be used for costs associated with creating or expanding California state preschool programs or transitional kindergarten programs, or to establish or strengthen partnerships with other providers of prekindergarten education within the local educational agency, including Head Start programs, to ensure that high-quality options for prekindergarten education are available for children four years of age. Allowable costs shall include, but are not necessarily limited to, classroom operating costs, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.
- **California State Preschool Program.** Includes the following California State Preschool Program (CSPP) changes as part of the 2022-23 Budget Package:
 - **Cost of Living Adjustment.** The budget included cost of living adjustments to the Standard Reimbursement Rate, estimated at \$33.2 million General Fund and \$67 million Proposition 98 General Fund for CSPP.
 - **Rates.** The budget provides \$172.34 million ongoing General Fund, and \$314 million ongoing Proposition 98, for increases in rates for the California State Preschool program to provide a 1.8 adjustment factor for three year olds, a 2.4 factor for students with exceptional needs, and 1.1 factor for mental health services.
 - **Family Fee Waivers.** The budget extends the 2021-22 Budget Act actions taken during the COVID-19 pandemic to waive family fees for CSPP and create hold harmless policies for the 2022-23 fiscal year. The budget provides \$21.6 million one-time (\$10.8 million General Fund and \$10.8 million Proposition 98 General Fund) for the cost of family fee waivers. In addition, the budget provides an additional \$1.1 million in General Fund to cover costs of family fee waivers for the California State Preschool Program in the 2021-22 fiscal year.
 - **Inclusive Early Education Expansion Program.** The budget provides an additional \$250 million one-time, to the Inclusive Early Education Expansion Program at the Department of Education.
 - **Inclusive Education.** The budget includes a 10 percent California State Preschool set-aside for inclusive education, beginning in 2024. The inclusive preschool set-aside will begin at five percent in 2022-23 and phase in through 2024-25.
 - **California State Preschool Program Eligibility.** Trailer bill language expands eligibility for California State Preschool to families at the state median income.

- **Early Learning Delay Identification and Referral.** Trailer bill language provides authority to the Department of Education to develop a tool for early learning delay identification and referral, for preschool through grade 2.
- **Universal Preschool Planning Grants.** The budget provides \$18.3 million General Fund for the first year of a three-year planning process to support Universal Preschool. Requires the CDE to convene and provide recommendations from a statewide workgroup of preschool stakeholders, as specified, regarding preschool quality standards across the mixed child care delivery system; appropriates \$4 million to CDE for administration of this workgroup and the Universal Preschool Planning Grants
- **Classified School Employee Summer Assistance Program.** The budget includes clarifying statutory changes to the Classified School Employee Summer Assistance Program, and appropriates one-time \$35 million one-time Proposition 98 General Fund and \$90 million ongoing Proposition 98 General Fund for the Classified School Employee Summer Assistance program.
- **Community Engagement Initiative.** The budget includes \$100 million one-time Proposition 98 General Fund for the Community Engagement Initiative Expansion, which will be co-administered by the California Collaborative for Education Excellence and the lead agency.
- **California Newcomer Education and Well-Being Program (CalNEW).** The budget makes statutory changes to the CalNEW program administered by the Department of Social Services, and includes \$5 million ongoing Proposition 98 General Fund for this program.
- **California Serves.** The budget establishes the California Serves Program to expand access for high school graduates in obtaining a State Seal of Civic Engagement through service learning.

OTHER CHANGES

- **Educator Recruitment, Retention and Professional Development.** The budget makes significant investments in teachers and other education staff, as follows (additional grant funds are provided through the Commission on Teacher Credentialing):
- **Teacher Residency Grant Program.** The budget augments the Teacher Residency Grant Program established in the 2021-22 Budget Act with \$184 million one-time Proposition 98 General Fund, for a total program increase of \$250 million Proposition 98 General Fund with re-appropriated funds, and expands eligibility to school counselors. The budget also extends the sunset deadline by one year to 2030. The budget also sets aside \$10 million for capacity grants to create school counselor residency programs.
 - **Teacher Residency Technical Assistance Center.** The budget includes \$20 million for a state technical assistance center for teacher residency programs.

- **Math and Science Professional Development Grant.** The budget appropriates \$85 million one-time Proposition 98 General Fund for a Math and Science Professional Development program.
- **Educator Workforce Investment Grants.** The budget includes a total of \$35 million Proposition 98 General Fund for the Educator Workforce Investment Grant, of which \$20 million is used for English Language Learner and special needs professionals, and \$15 million for computer science educators.
- **Literacy Coaches.** The budget includes one-time \$250 million Proposition 98 General Fund for a Literacy Coaches program, for intensive literacy action plans in schools with at least 97 percent low-income student populations, with minimum grant awards of \$450,000 per school site, over five years. The funds are intended to hire literacy coaches and implement evidence-based literacy action plans for students Preschool through grade 3 and their families.
- **Changes to Golden State Teachers Grant Program.** The budget makes statutory changes to allow the eligibility of candidates for the Golden State Teachers Grant program to expand to candidates seeking pupil personnel services credentials.
- **Changes to the Educator Effectiveness Block Grant.** The budget makes clarifying changes to the Educator Effectiveness Block Grant established in the 2021-22 Budget Act to support increased educator access to standards-aligned professional support for high-need areas of instruction.
- **2020 Wildfire Property Tax Revenue Backfill.** The budget appropriates \$2.2 million Proposition 98 General Fund backfill for basic aid districts due to property tax revenue losses as a result of the 2020 wildfires.
- **Transitional Kindergarten in CALPADS.** The budget requires the Department of Education to collect and track Transitional Kindergarten pupil data as a distinct grade, rather than program, in the California Longitudinal Pupil Achievement Data System.
- **Special Olympics.** The budget provides \$30 million in one-time General Fund, available over three years, for the Special Olympics of Northern and Southern California.
- **Lynwood Unified School District.** The budget appropriates up to \$250 million in General Fund for emergency replacement facilities in the Lynwood Unified School District, through the Office of Public School Construction.
- **Model Curricula.** The budget includes \$14 million one-time Proposition 98 General Fund for the development of model curricula, pursuant to existing law.
- **California School for the Deaf-Riverside: Athletic Complex Replacement and Expansion.** The budget includes an increase of \$2.5 million General Fund for the study and preliminary plans phases of an overall \$43.1 million General Fund project to replace all outdoor sport fields (football, track, softball, and baseball) and add a stand-alone practice soccer field at the

Riverside School for the Deaf. The existing fields date to the opening of the school in the 1950s.

- **California School for the Deaf – Fremont.** The budget includes \$7.5 million General Fund for the working drawings phase of this project that consist of renovation of the 43-year old student residential housing buildings, eighteen at the California School for the Deaf-Fremont and eight the California School for the Blind (CSB), as well as improvements to utilities and path of travel routes. The 2021-22 Budget Act included \$8.5 million General Fund for a topographical study and the preliminary plans phase of this project. Total projects costs are \$114,806,000 General Fund.
- **Districts in Fiscal Distress.** The budget extends additional relief provided under Assembly Bill 1840 (Committee on Budget), Chapter 426, Statutes of 2018, to Oakland Unified School District and Inglewood Unified School District. The budget also enables the Department of Education to contract for its services as a fiscal expert or advisor of the seven school districts in the state that share the same governing board as the county office of education.
- **District of Choice.** The budget extends the sunset for the district of choice program through July 1, 2028.
- **Career Technical Education Graduation Requirements.** The budget extends the sunset for graduation requirements related to career technical education through July 1, 2027.
- **Wage Overpayment.** The budget clarifies the recoupment process of payment procedures in the event of wage overpayment for school employees.
- **Representation During Employment Proceedings.** The budget allows classified employees and community college employees to be represented by an attorney or non-attorney representative during employment proceedings.
- **Agricultural Career Technical Education Incentive Grant Program.** The budget includes an augmentation of \$2 million ongoing Proposition 98 General Fund for the Agricultural Career Technical Education Incentive Grant program.
- **California State Summer School for the Arts.** The budget includes \$2 million annually for three years to the California State Summer School for the Arts, for a total investment of \$6 million.
- **California Association of Student Councils.** The budget includes one-time \$500,000 General Fund to support the California Association of Student Councils, available over three years.
- **LGBTQ State Operations Support.** The budget includes one position and \$150,000 in ongoing General Fund at the Department of Education to support LGBTQ programs.

- **School District Lapsation.** The budget clarifies that the school district lapsation process remain at the local level, allowing lapsation to occur upon resolution of the local governing board of the school district with written concurrence of the county superintendent.
- **Federal Funds Adjustments.** The budget amends appropriations for a variety of federal education programs to reflect available one-time carryover and changes to federal grant awards.
- **Other Technical Changes.** The budget also reflects various technical changes related to baseline workload cost changes and other adjustments.

6360 CALIFORNIA COMMISSION ON TEACHER CREDENTIALING (CTC)

The budget includes the following changes related to the work of the California Commission on Teacher Credentialing, in addition to minor workload and technical adjustments:

- **Teacher Examination Fees.** The budget includes \$24 million one-time General Fund in 2022-23 and 2023-24 to waive certain teacher examination fees.
- **Integrated Teacher Preparation Programs.** The budget includes \$20 million one-time General Fund to support a competitive grant program that provides grants to public and private institutions to develop and implement integrated teacher preparation programs.
- **Commission on Teacher Credentialing (CTC) Support.** The budget includes \$2.7 million General Fund for state operations support at the CTC, including workload associated with the administration of multiple grant programs, data gathering efforts, and early childhood education preparation and licensure activities.
- **Career Counselors.** The budget includes \$1.4 million General Fund to establish career counselors for prospective educators at the CTC.
- **Substitute Teaching Assignments.** The budget extends the statute authorizing any holder of a credential or permit issued by the CTC to serve in a substitute teaching assignment aligned with their authorization, including for staff vacancies, for up to 60 cumulative days for any one assignment.
- **Reading and Literacy Instruction Authorizations.** The budget includes \$15 million in one-time Proposition 98 funding for 6,000 educators to assist participants in earning reading and literacy instruction authorizations through the Commission on Teacher Credentialing.
- **California Center on Teaching Careers.** The budget provides \$1.7 million in one-time Proposition 98 General Fund to the CTC to be transferred to the Tulare County Office of Education to continue to administer the California Center on Teaching Careers.

K-12 Education and Early Education Budget Trailer Bills

1. *Budget Act of 2022 – Senate Bill 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Ting), Chapter 249, Statutes of 2022.*
4. *K-12 Education Finance – Assembly Bill 181 (Committee on Budget), Chapter 52, Statutes of 2022.*
5. *K-12 Emergency Learning Recovery Block Grant – Assembly Bill 182 (Committee on Budget), Chapter 53, Statutes of 2022.*
6. *K-12 Education Finance – Assembly Bill 185 (Committee on Budget), Chapter 571, Statutes of 2022.*
7. *Early Childhood Education – Assembly Bill 210 (Committee on Budget), Chapter 62, Statutes of 2022.*

HIGHER EDUCATION

6120 CALIFORNIA STATE LIBRARY

- **Library Infrastructure Grant Program.** The budget includes \$50 million General Fund in 2022-23 and \$100 million General Fund in 2024-25 for a matching infrastructure grant program that supports library upgrades and expansion.
- **Dolly Parton Imagination Library.** The budget appropriates \$68.2 million General Fund in 2022-23 for the Dolly Parton Imagination Library program.
- **Digitization Strategy.** The budget includes \$14 million General Fund and nine permanent positions for enhanced digitization activities, including reporting language.
- **State Parks Passes.** The budget appropriates \$13.5 million General Fund in 2022-23 for the California Department of Parks and Recreation to expand availability of state parks passes offered via local libraries, in partnership with the California State Library.
- **Online Job Training.** The budget includes \$10.2 million General Fund in 2022-23 to augment online job training and workforce development programs by providing.
- **Lunch at the Library.** The budget includes \$5 million General Fund in 2022-23 and ongoing to support the Lunch at the Library program, with reporting language.
- **Ethnic Media Outreach Grants.** The budget appropriates \$5 million General Fund in 2022-23 to support ethnic media outreach grants. The California State Library will work in consultation with the Commission on Asian Pacific Islander American Affairs to provide grants to media outlets that primarily serve non-English speaking populations, communities of color, or both; or are considered ethnic media outlets.
- **Jewish Family and Children's Services (JFCS) Holocaust Center Library and Archives.** The budget appropriates \$3 million General Fund in 2022-23 to renovate and enhance the JFCS Holocaust Center Library and Archives building.
- **Rental Costs.** The budget includes \$2.2 million General Fund in 2022-23 and ongoing to cover increased building rental costs.
- **Library Services Modernization and Online Database Subscriptions.** The budget includes \$570,000 General Fund in 2022-23 and ongoing to modernize State Library services with an automated loan system, and provide subscriptions to e-books and specialized online databases.
- **State Library Workload.** The budget includes \$363,000 General Fund in 2022-23 and ongoing to support increased administrative and personnel workload.

- **Communications and Outreach to Local Libraries.** The budget includes \$335,000 General Fund in 2022-23 to expand public outreach and education to California local libraries and patrons in underserved and multilingual communities.

6440 UNIVERSITY OF CALIFORNIA (UC)

- **Base Increase.** The budget provides \$200.5 million ongoing General Fund for a five percent base increase to support UC operations.
- **UC Resident Enrollment.** The budget provides \$68.8 million ongoing General Fund and modifies enrollment targets for UC by supporting up to 1,500 previously unfunded full-time equivalent students and at least 4,370 new California students by the 2023-24 academic year. The budget also includes intent language that the 2023-24 budget include funding to support an additional 1 percent enrollment growth.
- **UC Nonresident Enrollment per 2021 Budget Act.** Consistent with an agreement in the 2021 Budget Act, the budget provides \$31 million General Fund in 2022-23 and ongoing to enroll 902 new California students at the Berkeley, San Diego and Los Angeles campuses, and reduce nonresident enrollment by the same amount.
- **UC Climate Initiatives.** The budget appropriates \$185 million General Fund in 2022-23 for climate initiatives. Of this amount, \$100 million supports grants for applied climate research and projects proposed by the UC Innovation and Entrepreneurship centers and \$85 million specified campus-based climate initiatives as follows: \$47 million for Riverside, \$20 million for Santa Cruz, and \$18 million for Merced.
- **Foster Youth Supportive Services at UC.** The budget includes trailer bill language in AB 183 (Committee on Budget), Chapter 54, Statutes of 2022 for foster youth supportive services. AB 183 requires that support services for foster youth and former foster youth at UC campuses have a full-time designated staff program director or coordinator with experience relevant to working with foster youth and former foster youth, campus office and meeting space, a range of student supports to address academic and nonacademic needs and opportunities for peer mentors. The budget also provides an increase of \$6 million General Fund in 2022-23 and ongoing for foster students' support throughout UC campuses.
- **Institute for Immunology and Immunotherapy.** The budget provides \$200 million in 2023-24, and includes legislative intent to provide \$200 million in 2024-25, and \$100 million in 2025-26 to support the Institute for Immunology and Immunotherapy at the University of California, Los Angeles (UCLA) campus.
- **UC Berkeley Clean Energy Campus Project.** The budget provides \$83 million General Fund in 2022-23 to support the Berkeley Clean Energy Campus project, and includes legislative intent to provide another \$83 million in 2023-24, and another \$83 million in 2024-25, for a total of \$249 million.

- **Campus Expansion Projects at Riverside and Merced.** The budget provides \$83 million General Fund in 2022-23 to support campus expansion projects at the Riverside and Merced campuses, by providing \$51.5 million for Riverside and \$31.5 million for Merced. This agreement includes legislative intent to provide another \$83 million in 2023-24 and another in 2024-25, for a total of \$249 million.
- **UC Labor Centers and Occupational Safety and Health Programs.** The budget includes \$13 million General Fund in 2022-23 and ongoing to support the operations of existing UC Labor Centers and Occupational Safety and Health Programs, and invest in similar new initiatives throughout the UC system.
- **University of California, San Francisco (UCSF) Dyslexia Center.** The budget appropriates \$10 million General Fund in 2022-23 to support the UCSF Dyslexia Center.
- **California Firearm Violence Research Center at UC Davis.** The budget includes an increase of \$2 million General Fund in 2022-23 and ongoing to support research conducted by the California Firearm Violence Research Center at UC Davis. Total funding for this program due to this augmentation will be \$3 million annually.
- **Deferred Maintenance and Energy Efficiency at UC.** The budget appropriates \$125 million General Fund in 2022-23 to support deferred maintenance and energy efficiency projects at UC.
- **Center for Responsible, Decentralized Intelligence at UC Berkeley.** The budget includes \$2.5 million General Fund in 2022-23 for the center, which promotes research, education, and entrepreneurship in blockchain and Web3.
- **ASSIST Platform.** The budget includes \$1.5 million General Fund in 2022-23 and \$650,000 General Fund in 2023-24 and ongoing to support the integration of private non-profit universities within the ASSIST platform. The ASSIST platform helps community college students understand how their college credits may or may not transfer to prospective colleges and universities.
- **Ralph J. Bunche Center.** The budget includes \$5 million General Fund in 2022-23 to support the Ralph J. Bunche Center for African-American Studies at UCLA.
- **Basic Needs and Rapid Rehousing Budget Bill Changes.** The budget amends budget bill language related to UC's basic needs funding. The changes require that campuses support meal donation programs, food pantries serving students, CalFresh enrollment, and other means of directly providing nutrition assistance to students, require direct assistance to students be distributed by campus financial aid offices, and allow funds to be used for personal hygiene products. Changes also include shifting the reporting date to February 1 and allowing rapid rehousing and basic needs reports to be one consolidated report to the Legislature.
- **UC Irvine Leveraging Inspiring Futures Through Educational Degrees (LIFTED).** The budget appropriates \$1.8 million General Fund in 2022-23 to support the LIFTED Program for incarcerated students at Richard J. Donovan prison.

- **UC Berkeley Latinx Research Center.** The budget appropriates \$3 million General Fund in 2022-23 to support the UC Berkeley Latinx Research Center.
- **Underground Scholars Initiative Statewide Expansion.** The budget includes \$4 million General Fund in 2022-23 and ongoing to support and expand the Underground Scholars program, which support justice-involved students.
- **Undocumented Students Support.** The budget provides \$5 million General Fund in 2022-23 and ongoing to increase support for undocumented students.
- **Student Academic Preparation and Educational Partnerships (SAPEP).** The budget includes \$22.5 million General Fund in 2022-23 and ongoing to support SAPEP.
- **Climate Change Economic Impacts.** The budget includes \$379,000 General Fund in 2022-23, and then \$75,000 General Fund in 2023-24 and ongoing to support the UCLA Anderson School of Management to include climate change economic impacts by California region in the UCLA Anderson Forecast economic forecasting model for California.
- **Cost of Living Adjustment (COLA) for UC Division of Agriculture and Natural Resources (UC ANR).** The budget includes \$5.4 million General Fund in 2022-23 and ongoing increase to UC ANR.
- **School Meals for All Research.** The budget includes \$2.4 million General Fund in 2022-23, and then \$1.3 million ongoing General Fund in 2023-24 to support the Nutrition Policy Institute in the UC ANR for School Meals for All research.
- **Cal Bridge.** The budget appropriates \$2.5 million General Fund in 2022-23 to support the Cal Bridge program, which supports students from traditionally underrepresented groups in completing bachelors and PhD degrees in STEM fields.
- **Research on Plant-Based and Cultivated Meats.** The budget appropriates \$5 million General Fund in 2022-23 to the Berkeley, Los Angeles, and Davis campuses to support research and development of plant-based and cultivated meats.
- **Unseen Latinas Initiative.** The budget appropriates \$15 million General Fund in 2022-23 to support the Unseen Latinas Initiative at the UCLA Latino Policy and Politics Institute.
- **Subject Matter Project on Computer Science.** The budget appropriates \$1.5 million General Fund in 2022-23 to support a UC Subject Matter Project on computer science.
- **Asian American and Pacific Islander Multimedia Textbook Project.** The budget appropriates \$10 million General Fund in 2022-23 for the UCLA Asian American Studies Center to support the Asian American and Pacific Islander Multimedia Textbook project.

- **Asian American and Asian Diaspora Studies Department at UC Berkeley.** The budget appropriates \$15 million General Fund in 2022-23 to support the Asian American and Asian Diaspora Studies Department at the UC Berkeley campus to increase faculty and enhance campus community engagement.
- **UCLA Hollywood Diversity Report.** The budget appropriates \$1.25 million General Fund in 2022-23 to support the UCLA Hollywood Diversity Report, to conduct research to create a diverse entertainment industry workforce.
- **Center for Medicinal Cannabis Research.** The budget appropriates \$2 million General Fund in 2022-23 for the Center for Medicinal Cannabis Research at the San Diego campus to study the impairment effect that commercial cannabis products have on driving capabilities.
- **Graduate Medical Education Program Adjustment.** The budget adjusts support for the graduate medical education program to continue providing \$40 million for the program. The budget provides \$6.1 million General Fund to augment Proposition 56 funding.
- **Clarifying Change to 2021 Budget Act Agreement- Learning Management System.** The budget includes clarifying budget bill language stating that funding provided in the 2021 Budget Act to support the adoption of an intersegmental learning management system will be for undergraduate-serving campuses.

6600 HASTINGS COLLEGE OF LAW

- **Base Increase.** The budget includes a \$2 million General Fund in 2022-23 and ongoing increases to the Hastings budget.
- **Student Housing.** The budget provides \$90 million General Fund in 2022-23 to support the facility improvement project at the institution's 100 McAllister Street building. This project will provide for the institution's continued use of 252 campus housing units at below market rents, will add at least five additional campus housing units, and will renovate space within the facility for academic purposes.
- **Renaming Costs.** The budget includes \$885,000 General Fund in 2022-23 to support costs associated with changing the name of the institution, conditioned upon enactment of legislation authorizing a name change.

6610 CALIFORNIA STATE UNIVERSITY (CSU)

- **Base Increase.** The budget provides \$211.1 million General Fund in 2022-23 and ongoing for a five percent base increase to support CSU operations.

- **Undergraduate Enrollment.** The budget includes \$81 million General Fund in 2022-23 and ongoing to support resident undergraduate enrollment growth of 9,434 additional full-time equivalent students from 2021–22 to 2022–23.
- **Graduation Initiative 2025.** The budget includes \$35 million General Fund in 2022-23 and ongoing for Graduation Initiative 2025 at CSU.
- **Foster Youth Supportive Services at CSU.** The budget, through AB 183, requires that support services for foster youth and former foster youth at CSU campuses have a full-time designated staff program director or coordinator with experience relevant to working with foster youth and former foster youth, campus office and meeting space, a range of student supports to address academic and nonacademic needs and opportunities for peer mentors. The budget also provides an increase of \$12 million General Fund in 2022-23 and ongoing for foster students’ support throughout CSU campuses.
- **Basic Needs at CSU.** The budget includes \$10 million General Fund in 2022-23 and ongoing for CSU basic needs.
- **Asian American, Native Hawaiian, and Pacific Islander (AANHPI) Student Achievement Program at CSU.** The budget creates the Asian American, Native Hawaiian, and Pacific Islander Student Achievement Program at California State University to provide culturally responsive services to enhance student educational experiences and promote higher education success for low-income, underserved, and first-generation AANHPI students and other underrepresented AANHPI students. Expresses legislative intent that the CSU and CCC programs coordinate with each other. The budget includes \$8 million General Fund in 2022-23 and ongoing for this program.
- **Project Rebound Expansion.** The budget provides an increase of \$8 million General Fund in 2022-23 and ongoing to expand the Project Rebound program. Because of this augmentation, state support for this program, which provides support services to justice-involved students, will grow to \$11.3 million annually.
- **Deferred Maintenance and Energy Efficiency at CSU.** The budget appropriates \$125 million General Fund in 2022-23 to support deferred maintenance and energy efficiency projects at CSU.
- **California Council on Science and Technology.** The budget provides \$10 million General Fund in each of 2022-23 and 2023-24 for the California Council on Science and Technology.
- **CSU San Bernardino Physician Assistant Program.** The budget appropriates \$10 million General Fund in 2022-23 for CSU San Bernardino to establish a Master’s of Science Physician Assistant program.
- **Wildfire Interdisciplinary Research Center.** The budget appropriates \$5 million General Fund in 2022-23 to support a wildfire prediction and monitoring program at the Wildfire Interdisciplinary Research Center at San Jose State University.

- **Council on Ocean Affairs, Science & Technology.** The budget appropriates \$5 million General Fund in 2022-23 for support of the Council on Ocean Affairs, Science & Technology.
- **Asian Language Bilingual Teacher Education Program Consortium.** The budget appropriates \$5 million General Fund in 2022-23 for the Asian Language Bilingual Teacher Education Program Consortium. The purpose of the funds is to increase the number of credentialed teachers with Asian bilingual authorization, including, but not limited to: Vietnamese, Chinese Mandarin, Chinese Cantonese, Korean, Japanese, Hmong, and Tagalog. As part of implementation, CSU Fullerton campus is the host and distributor of funds to collaborating campuses in the consortium.
- **Cybersecurity Regional Alliances and Multi-stakeholder Partnerships Pilot Program.** The budget appropriates \$4 million General Fund in 2022-23 to support the creation of the Cybersecurity Regional Alliances and Multi-stakeholder Partnerships Pilot Program to address the cybersecurity workforce shortage.
- **Cal Bridge.** The budget appropriates \$2.5 million General Fund in 2022-23 to support the Cal Bridge program, which supports students from traditionally underrepresented groups in completing bachelors and Ph.D. degrees in Science, Technology, Engineering, and Mathematics fields.
- **First Star Foster Youth.** The budget appropriates \$1.48 million General Fund in 2022-23 to provide support to establish a First Star Foster Youth Cohort at two CSU campuses at the Chancellor's Office determination.
- **Law Enforcement Candidate Scholars' Program.** The budget appropriates \$850,000 General Fund in 2022-23 to support equipment and operating supplies for the Law Enforcement Candidate Scholars' program at the CSU Sacramento campus.
- **Sacramento Semester Program.** The budget includes an augmentation of \$100,000 General Fund in 2022-23 and ongoing for the Sacramento Semester program. State support for the program as a result will grow to \$200,000 annually.
- **Capital Fellows Programs.** The budget includes an augmentation of \$200,000 General Fund in 2022-23 and ongoing for the Fellows programs. State support for these programs grows to \$3.6 million annually.
- **Capital Outlay Investments.** The budget includes the following investments in capital infrastructure across CSU campuses:
 - \$80 million General Fund in 2022-23 to expand the CSU San Diego, Brawley Center in Imperial Valley to support a local workforce pipeline to aid the state's goals for development of the Lithium Valley vision.
 - \$79 million General Fund in 2022-23 to support a new student center at the Palm Desert campus of CSU San Bernardino.

- \$67.5 million General Fund in 2022-23 toward construction of the CSU Fullerton Engineering and Computer Science Innovation Hub.
- \$75 million General Fund in 2022-23 to support equipment and facilities for CSU University Farms. Four CSU campuses (Chico, Fresno, Pomona, and San Luis Obispo) operate university farms to support instruction and research in their agriculture programs.
- \$83 million General Fund in 2022-23 to construct the Energy Innovation Center at CSU Bakersfield.
- \$20.3 million General Fund in 2022-23 to support infrastructure and rebuilding efforts at Swanton Pacific Ranch-California Polytechnic State University, San Luis Obispo.

6870 CALIFORNIA COMMUNITY COLLEGES (CCC)

- **COLA for Apportionments and Base Increase above COLA.** The budget includes \$493 million ongoing Proposition 98 General Fund to colleges for a 6.56 percent COLA for apportionments. The budget also includes a \$600 million ongoing Proposition 98 General Fund base increase above the COLA.
- **CCC Student Success Completion Grant (SSCG) Award.** The budget includes \$200 million Proposition 98 General Fund in 2022-23 and ongoing to double the Student Success Completion Grant (SSCG), to provide a total of \$8,000 for students taking 15 units and \$2,600 for students taking 12 units. The SSCG offsets total cost of college attendance, to encourage full-time attendance, and successful on-time completion.
- **Enrollment Growth.** The budget includes \$27 million one-time Proposition 98 General Fund to support 0.5-percent enrollment growth (about 5,500 full-time equivalent students).
- **COVID-19 Block Grant.** The budget, through AB 182 (Committee on Budget), Chapter 53, Statutes of 2022, establishes the Learning Recovery Emergency Fund for emergency COVID-related learning recovery initiatives at the TK-12 schools and community colleges. As it relates to the CCC system, AB 182 does the following:
 - Provides \$650 million one-time Proposition 98 funding for the California Community College COVID-19 Recovery Block Grant to assist with basic needs, mental health needs, professional development opportunities for faculty and student services professionals needed to continue educational instruction due to COVID-19, investments to close the digital divide, and other COVID-19 related support. As a condition of receiving funds, requires districts to report, by March 1, 2023, to the Chancellor's Office metrics on the provision of employer-sponsored health insurance for part-time faculty in the 2021–22 academic year and report, by March 1, 2026, metrics on the provision of employer-sponsored health insurance to part-time faculty in the 2024–25 academic year.

- Includes legislative intent language stating that funds shall be used by CCC districts on activities that directly support students and mitigate learning loss related to COVID-19 impacts and that community college districts prioritize the use of these one-time funds for purposes, including, but not limited to, professional development, technology infrastructure, developing open education resources and zero-textbook-cost degrees, and supporting the mental health and wellness needs of students and staff.
- **Foster Youth Supportive Services at CCC.** The budget, through AB 183, formally renames the Cooperating Agencies Foster Youth Educational Support Program as NextUp, which provides student support services for foster youth and former foster youth. The budget eliminates the 20 community college district cap to enable all CCC to participate in the NextUp program, authorizes students enrolled in fewer than nine units to be accepted into the program if enrollment is part of an education plan designed to move the students toward subsequent enrollment in at least nine units, and streamlines the process for allocating new funding to colleges and makes changes to reduce program administration costs. Finally, the budget increases support for the program by \$30 million Proposition 98 General Fund in 2022-23 and ongoing over 2021-22 levels.
- **CCC Part-Time Faculty Health Program.** The budget includes \$200 million Proposition 98 General Fund in 2022-23 and ongoing to augment the Part-Time Faculty Health Insurance Program to expand healthcare coverage provided to part-time faculty by community college districts. The budget also includes programmatic changes, through AB 190 (Committee on Budget), Chapter 572, Statutes of 2022 to ensure districts are providing quality, affordable and accessible healthcare coverage to all eligible part-time faculty.
- **Student Centered Funding Formula (SCFF) Hold Harmless Changes for CCC Districts.** The budget, through AB 183, creates a new funding floor based on districts' hold harmless level at the end of 2024-25 to address concerns that districts will experience fiscal declines when the current provision expires at the end of 2024-25. Specifically, provisions state that, starting in 2025-26, districts be funded at their SCFF generated amount that year or their hold harmless amount in 2024-25, whichever is higher. Whereas SCFF rates would continue to receive a COLA in subsequent years, a district's hold harmless amount would not grow. The intent is to eventually get all districts funded under SCFF, with SCFF generated funding levels over time surpassing districts' locked in place hold harmless amounts and is in association with base increases above COLA for apportionments included in the 2022 Budget Act agreement.
- **Chancellor's Office Staffing.** The budget provides \$3.9 million non-Proposition 98 General Fund and 26 positions in 2022-23 and ongoing to bolster capacity at the Chancellor's Office to support the community college system.
- **Various Student Support Categorical Programs.** The budget provides the following increases to student support categorical programs:
 - \$65.2 million ongoing Proposition 98 General Fund to provide COLAs for the Disabled Student Programs and Services Program, Student Services for CalWORKs Recipients

Program, and Extended Opportunity Programs and Services Program, Campus Childcare Tax Bailout Program, and Adult Education Program, and Mandate Block Grant program.

- \$25.7 million ongoing Proposition 98 General Fund increase for Mathematics, Engineering, Science, and Achievement Program (MESA), for total funding of \$36.4 million.
 - \$25 million ongoing Proposition 98 General Fund increase for Extended Opportunity Programs and Services (EOPS), for a total of \$169.2 million.
 - \$10 million ongoing Proposition 98 General Fund for Cooperative Agencies Resources for Education (CARES), for a total of \$30.9 million.
 - \$25 million ongoing Proposition 98 General Fund for the Disabled Students Programs and Services Program, for a total of \$159.7 million.
 - \$3.2 million ongoing Proposition 98 General Fund for COLAs for the Academic Senate, Part-time faculty office hours, and Part-time faculty compensation categorical programs.
 - \$3 million ongoing Proposition 98 General Fund increase for the Puente Project, for a total of \$12.3 million.
 - \$1 million ongoing Proposition 98 General Fund, bringing total state support for Umoja to \$8.5 million. The budget also includes a separate \$179,000 one-time Proposition 98 General Fund to support a study of the Umoja program practices that promote student success for African American students.
- **CCC Promise Program.** The budget includes \$25 million ongoing Proposition 98 General Fund to expand the CCC Promise program to provide tuition waivers to all full-time students, regardless of whether they are first-time or not. AB 183 includes reporting requirements and calls for maximization of resources for student basic needs for participating colleges.
 - **CCC Classified Employee Summer Assistance Program.** The budget, through AB 183, establishes the CCC Classified Employee Summer Assistance Program. This program's purpose is to provide support for classified staff during the summer and includes language stating that the employing community college district shall exclude any hours worked by the classified employee as a result of an extension of the academic year directly related to the COVID-19 pandemic, if the hours are in addition to the employee's regular assignment and would prevent the employee from being eligible for this program. The budget includes \$10 million ongoing Proposition 98 General Fund for this program.
 - **Asian American, Native Hawaiian, and Pacific Islander Student Achievement Program at CCC.** The budget, through AB 183, creates the California Community Colleges Asian American, Native Hawaiian, and Pacific Islander Student Achievement Program to provide culturally responsive services to enhance student educational experiences and promote higher education success for low-income, underserved, and first-generation AANHPI students and other underrepresented AANHPI students, and expresses legislative intent that the CSU and CCC

programs coordinate with each other. The budget includes \$8 million Proposition 98 General Fund in 2022-23 and ongoing for this program.

- **African American Male Education Network and Development (A2MEND) Student Charters.** The budget includes \$1.1 million ongoing Proposition 98 General Fund to support the expansion of A2MEND student charters to an increased number of community college districts.
- **CCC Equitable Placement and Completion Grant Program.** The budget provides \$64 million one-time Proposition 98 General Fund to establish the CCC Equitable Placement and Completion Grant Program, which provides funding to colleges to support students in completing college-level math and English courses.
- **Program Pathways Mapping Technology.** The budget includes an increase of \$25 million one-time Proposition 98 General Fund to assist community colleges with the procurement and implementation of software that clearly maps out intersegmental curricular pathways to help students choose their pathway, facilitate streamlined transfer between segments, and reduce excess units taken on the path to degree or program completion.
- **CCC Recruitment and Retention.** The budget provides \$150 million one-time Proposition 98 General Fund to support community college efforts to increase student retention rates and enrollment by primarily engaging with former students who may have withdrawn from college due to the impacts of COVID-19, and with current and prospective students who are hesitant to remain or enroll in college due to the impacts of COVID-19.
- **English Language Learners Health Careers.** The budget appropriates \$130 million Proposition 98 General Fund in 2022-23 to support healthcare-focused vocational pathways for English language learners across all levels of English proficiency, through the Adult Education Program.
- **Common Course Numbering System Implementation.** The budget provides \$105 million one-time Proposition 98 General Fund to CCC to support the systemwide implementation of a common course numbering system pursuant to the provisions of AB 1111 (Berman), Chapter 568, Statutes of 2021.
- **Cybersecurity Initiatives.** The budget provides \$75 million one-time Proposition 98 General Fund to California Community Colleges for security network upgrades, general security software, and anti-fraud technology.
- **California Healthy School Meals Pathway Program.** The budget includes one-time \$45 million Proposition 98 General Fund to support the implementation of the California Healthy School Meals Pathway Program, which is a pre-apprenticeship, apprenticeship, and fellowship workforce training pipeline pilot program for school food service workers.
- **Transfer Reform Provisions.** The budget provides \$65 million one-time Proposition 98 General Fund to CCC to implement the transfer reform provisions required by AB 928 (Berman), Chapter 566, Statutes of 2021.

- **Emergency student financial assistance for AB 540 Students at CCC.** The budget provides \$20 million one-time Proposition 98 General Fund to CCC to support emergency student financial assistance grants to eligible AB 540 students.
- **Foster and Kinship Care Education Program.** The budget includes an increase of \$500,000 ongoing Proposition 98 General Fund to backfill an estimated decrease in federal matching funds provided to Foster and Kinship Care Education programs, maintaining current funding levels.
- **Local Property Tax Adjustment.** The budget includes an increase of \$113.2 million Proposition 98 General Fund in 2022-23 and ongoing because of decreased offsetting local property tax revenues.
- **Native American Student Support and Success Program at CCC.** The budget provides \$30 million one-time Proposition 98 General Fund to create the Native American Student Support and Success Program. This program is designed to strengthen K-12 pathways to and through Community College, including transfer to the UC and CSU systems, to ensure the educational success of Native American students, develop Native American leaders, and increase the number of Native American mentors to empower future generations.
- **Hire Up: Corrections to Career Pilot.** The budget provides \$30 million one-time Proposition 98 General Fund to create the Hire Up program, which supports up to 10 community college districts for a five-year pilot program to provide funding for stipends to formerly incarcerated individuals, CalWORKs recipients, and former foster youth.
- **Apprenticeship Program Related and Supplemental Instruction (RSI) Rate.** The budget includes an increase of \$16.9 million ongoing Proposition 98 General Fund to align the apprenticeship program RSI rate with the SCFF credit rate, as opposed to the noncredit rate.
- **Sunset Extension for CCC Programs.** The budget, through AB 183, extends the sunset dates for the CCC Buys program and CCC Economic and Workforce Development Program each by two years.
- **Additional Local CCC Investments.** The budget makes various one-time Proposition 98 General Fund investments at local community colleges. The investments are as follows:
 - \$50 million to Kern Community College District to support the creation of the California Renewable Energy Center of Excellence.
 - \$33 million to Riverside Community College District for the acquisition of the land needed for the future Inland Empire Technical Trade Center in Jurupa Valley.
 - \$16 million to Cerritos College to support the construction of the Student Services Building.
 - \$15 million to Merced College to support the Agri-food Technology and Engineering Workforce Collaborative.

- \$10 million to the College of the Redwoods to develop an allied health education center in Arcata.
- \$10 million to the Los Angeles Mission College to create a San Fernando Valley regional STEM hub by constructing a new biotechnology facility.
- \$5 million to support the creation of the California Center for Climate Change Education at West Los Angeles Community College.
- \$3.5 million to Chaffey College to support infrastructure and capital costs associated with the CORE Academy Training Facility.
- \$2.5 million to American River College to support improvements to its veterans' resource center.
- \$2.5 million to Irvine Valley College to support improvements to its veterans' resource center.
- \$2.5 million to Miramar College to support improvements to its veterans' resource center.
- \$2 million to Riverside Community College District to support the Military Articulation Platform. Funds are to support expansion of the program to translate military experience and training into college credit at Riverside College and other colleges.
- \$1.5 million to the Los Rios Community College District to support the Los Rios Prison and Reentry Education Program.
- \$1 million to Taft College for the acquisition of equipment related to the new Taft College Vocational Center.
- \$1 million to the Los Angeles Valley College for the development of the Valley Academic and Cultural Center.
- \$500,000 to De Anza College, available over five years, to support the Asian Pacific American Leadership Institute.
- \$500,000 to the College of the Redwoods for nursing program development.
- **Facilities Maintenance and Instructional Equipment.** The budget provides \$841 million one-time Proposition 98 General Fund for facilities maintenance and instructional equipment at California Community Colleges.
- **Capital Outlay Projects.** The budget approves General Obligation bond funding of \$403 million one-time for the construction phase of 19 projects anticipated to complete design by Spring 2023, the design phases of two projects, and both the working drawings and construction for one

project. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51. These projects are in the table below.

CCC Capital Outlay Projects Under Governor's Budget and May Revision

Proposition 51 Bond Funds Unless Otherwise Noted (In Thousands)

College	Project	Phase	2022-23	All Years		
			State Cost	State Cost	Total Cost ^a	
Proposed in January						
Mount San Antonio	Technology and health building replacement	C	\$77,425	\$82,668	\$197,852	
Fullerton	Music/drama complex replacement	C	40,492	43,787	102,447	
Los Angeles Trade-Technical	Design and media arts building replacement	C	35,782	38,192	90,883	
Los Angeles Valley	Academic building 2 replacement	C	23,743	25,380	61,135	
El Camino	Music building replacement	C	27,087	29,056	58,476	
Saddleback	Science/math building replacement	C	20,342	21,642	49,647	
Los Angeles Pierce	Industrial technology building replacement	C	16,998	18,180	44,012	
Sierra	Gymnasium renovation and expansion	C	26,479	28,888	38,549	
Cypress	Fine arts building renovation	C	19,377	20,889	34,365	
West Hills Lemoore	New instructional center, phase 1	C	23,543	25,177	34,086	
Mission	New performing arts building	C	14,430	15,454	33,582	
East Los Angeles	Facilities maintenance and operations building replacement	C	11,588	12,417	29,764	
Rio Hondo	Music/theater renovation	C	11,559	12,538	28,817	
Los Angeles Mission	Plant facilities warehouse and shop replacement	W	208	7,118	23,624	
Santa Rosa	Tauzer gym renovation	C	12,060	12,947	25,968	
West Los Angeles	Plant facilities/shop replacement	C	5,728	6,173	15,182	
Santa Rosa (Public Safety Training Center)	Center expansion	C	4,925	5,323	7,940	
Yuba	Life and physical science building renovation	C	3,464	3,854	4,915	
Totals Proposed in January			\$373,043	\$407,496	\$876,597	

Added in May					
Fullerton College	Business 300 building renovation ^b	W,C	\$14,056	\$14,056	\$28,903
College of the Siskiyous	Theater and McCloud Hall renovation ^c	P,W	1,633	28,073	28,073
North Orange (Anaheim center)	First floor tower renovation	C	10,464 ^d	11,181 ^d	14,367
Moorpark College	Administration building renovation	C	3,909	4,320	11,202
Totals added in May			\$30,062	\$57,630	\$82,545
Grand Totals			\$403,105	\$465,126	\$959,142

^a Community college districts typically issue local general obligation bonds to pay for a share of project costs.

^b The *2017-18 Budget Act* originally approved this project (at a total state cost of \$15.3 million). At that time, the project scope included renovation of both the Business 300 and Humanities 500 buildings. The administration indicates that bids on the project came in significantly higher than anticipated. As a result, the district now plans to renovate only the Business 300 building. The May Revision reverts \$14.1 million in Proposition 51 bond funds from the *2019-20 Budget Act* that had been provided for the project and appropriates it instead in 2022-23.

^c The *2020-21 Budget Act* originally approved this project (at a total state cost of \$27.5 million) to also include an addition for the theater. The district has since determined that project costs will be more than anticipated. As a result, the district no longer plans to include the addition in the project. The May Revision reverts \$1.6 million in Proposition 51 bond funds from the *2020-21 Budget Act* that had been provided for the project's preliminary plans and working drawings and appropriates it instead in 2022-23.

^d Proposition 55 (2004) bond funds.

C = construction. W = working drawings. P = preliminary plans.

Source: LAO

Additionally, the budget includes two capital outlay reappropriations:

- \$225,000 for the state share of working drawings needed to keep the Shasta-Tehama-Trinity Joint Community College District, Shasta College: Building 800 Renovation project on schedule.
- \$167,000 for the state share of working drawings needed to keep the Ventura Community College District, Moorpark College: Administration Building Reconstruction project on schedule.

6980 CALIFORNIA STUDENT AID COMMISSION (CSAC)

- **Cal Grant Reform Act.** The budget enacts the Cal Grant Reform Act subject to state General Fund availability over the multi-year forecasts beginning in fiscal year 2024-25. Subject to the state's multi-year financial outlook and availability of funds, the budget agreement will provide \$364.8 million General Fund in 2024-25, \$348.8 million in 2025-26 and ongoing for this reform. The budget also includes \$500,000 General Fund in 2022-23 to support Cal Grant Reform Act implementation costs at CSAC. The Cal Grant Reform Act, contained in AB 183, will do the following:
 - Eliminate barriers to Cal Grant that will allow about 150,000 more California students to become eligible for an award.
 - Align Cal Grant eligibility with the new federal Student Aid Index.
 - Create the Cal Grant 2 program for community college students, which provides non-tuition support that grows annually with inflation, and the Cal Grant 4 program for students at UC, CSU and other institutions. The Act also states legislative intent that UC and CSU use institutional aid to cover non-tuition costs for its students.
- **Cal Grant Award changes for Independent, Non-Profit Colleges and Universities.** The budget, through AB 183, includes the following changes for independent, non-profit colleges and universities in 2022-23 and in future years:
 - Starting in academic year 2022-23, increases the award amount, from \$9,220 to \$9,358, for the approximately 28,000 Cal Grant students attending independent, non-profit colleges and universities. The budget provides \$5.5 million General Fund in 2022-23 and ongoing for this change.
 - Starting in academic year 2022-23, extends supplemental Cal Grant support for foster youth and students with dependent children to students attending independent, non-profit colleges and universities. The budget provides \$10 million General Fund in 2022-23 and ongoing for this change.

- Subject to the state’s multi-year financial outlook and availability of funds, states legislative intent to provide \$10.4 million General Fund in 2024-25, \$16.4 million in 2025-26 and ongoing to improve regional transfer for low-income students by extending transfer entitlement portability for community college transfer students to those transferring to an independent, non-profit California college or university.
- Approves changes to statutory provisions linking revised Cal Grant tuition award amounts at independent, non-profit colleges and universities to the number of Associate Degree for Transfer (ADT) students admitted by that sector. Specifically removes provisions that would reduce the 2022-23 award amount from \$9,358 to \$8,056 if the sector admits fewer than 3,000 ADT students in 2021-22, and removes a provision that would reduce the 2023-24 award amount from \$9,358 to \$8,056 if the sector admits fewer than 3,500 ADT students in 2022-23. The sector would instead be required to admit as many students in 2022-23 as it did in the previous year, adjusted for changes in total transfer enrollment.
- **Dreamer Service Incentive Grant.** The budget, through AB 183, reforms the Dreamer Service Incentive Grant program by increasing wages to match the minimum wage, allowing more Cal Grant students to be eligible for the program, increasing pay for part-time students, and allowing unspent funds to be shifted to the Dream Loan programs.
- **Cohort Default Rate.** The budget, through AB 183, requires the California Student Aid Commission to use the cohort default rate from 2020 (instead of the most recent rate) to determine whether an institution is eligible to participate in the Cal Grant program in the 2023-24 award year. Institutions are required to have a cohort default rate below 15.5 percent to participate in the Cal Grant program.
- **California Student Aid Commission Cohort Default Rate Appeal Authority.** The budget, through AB 183, gives the California Student Aid Commission the temporary authority to grant an appeal for Cal Grant participation for academic year 2023-24 if an institution failed to meet the cohort default rate solely due to acquisition of an out-of-state institution that impacted its cohort default rate, and the acquired institution has since closed.
- **Financial Aid Programs.** The budget includes \$889,000 ongoing General Fund for eight positions beginning in 2022-23 to support financial aid workload.
- **Cost savings estimate for Middle Class Scholarship (MCS) 1.0 in 2021-22.** The budget, through AB 183, adjusts the MCS allocation to \$110 million in 2021-22 to align with updated cost estimates.
- **Middle Class Scholarship 2.0 minimum award amount.** The budget, through AB 190, includes a “minimum award” provision to ensure that any recipient receives at least \$90.
- **Learning Aligned Employment.** The budget, through AB 183, clarifies that CSAC has until June 30, 2031 to spend funds appropriated for the Learning-Aligned Employment program.

- **Cash for College.** The budget appropriates \$500,000 General Fund in 2022-23 to expand and supplement existing Cash for College Regional Coordinating Organizations, and includes reporting language.
- **California Student Opportunity and Access Program (Cal SOAP) - Inland Empire.** The budget provides \$2.4 million General Fund in 2022-23 and ongoing to support the Inland Empire Cal SOAP projects.
- **California Indian Nations College federal accreditation.** The budget appropriates \$5 million General Fund in 2022-23 to support the California Indian Nations College in its efforts to gain federal accreditation.

Other Higher Education Actions

- **California Environmental Quality Act: public higher education: campus population.** The budget included early action trailer biller SB 118 (Committee on Budget and Fiscal Review) Chapter 10, Statutes of 2022, which states that enrollment or changes in enrollment, by themselves, do not constitute a project for purposes of California Environmental Quality Act.
- **Higher Education Student Housing.** The budget includes an additional \$2 billion General Fund for student housing projects across the UC, CSU, and CCC—bringing the total amount of student housing funding to \$4 billion General Fund over fiscal years 2021-22 to 2024-25. Of the additional amount included in the budget agreement, \$200 million is scored to 2021-22, \$900 million is scored to 2023-24, and \$900 million is scored to 2024-25. Moreover, the budget makes the following changes to student housing in trailer bills AB 183 and AB 190:
 - Approves all UC, CSU, and CCC student housing construction grant projects deemed eligible by the Department of Finance (DOF) from the first round of applications submitted as part of the October 2021 application process. This change is in AB 183.
 - Appropriates roughly \$1.4 billion General Fund to the Higher Education Student Housing Grant Program to cover the costs of these projects as well as CCC planning grants selected by the DOF in the first year of the Program. This change is in AB 183.
 - Changes subsequent rounds of the student housing grant program’s application process, including the administrator of the program to allow the higher education segments to nominate projects, incorporating the Legislative Analyst Office’s recommendations to address cost overruns, project requirements to have contingency plans, a notification process, and reporting requirements for all projects funded in the first application round and any submitted project proposals in subsequent rounds. This change is in AB 183.
 - Establishes a new California Student Housing Revolving Loan Fund to provide zero-interest loans to qualifying campuses of the University of California (UC), the California State University (CSU), and the California Community Colleges (CCC) for construction of affordable student, faculty, and staff housing. States that the fund will receive \$1.8 billion in 2023-24 and 2024-25 and creates a process for the California School Finance

Authority and the California Educational Facilities Authority to create and receive applications from campuses, and distribute funds. This change is in AB 190.

- **California Kids Investment and Development Savings (CalKIDS) Program.** The budget makes technical changes to the CalKIDS Program, which opens college savings accounts for all California newborns and provides extra funding for low-income first-graders. Changes include allowing recipients to use funds for apprenticeship programs, and streamlining the recipient's process for reporting the institution of higher education they are attending.
- **Miscellaneous technical changes.** The budget, through AB 183, allows CSU to adjust its accounting practices to allow inter-year transfers of funds and amends the Budget Act of 2020 by making a non-substantive, technical change to an item of appropriations related to the CCC.

Higher Education Budget Trailer Bills

1. *Budget Act of 2022 – Senate Bill SB 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Ting), Chapter 249, Statutes of 2022.*
4. *California Environmental Quality Act: public higher education: campus population – Senate Bill 118 (Committee on Budget and Fiscal Review) Chapter 10, Statutes of 2022.*
5. *COVID-19 emergency response: Learning Recovery Emergency Fund: appropriation – Assembly Bill 182 (Committee on Budget), Chapter 53, Statutes of 2022.*
6. *Higher Education – Assembly Bill 183 (Committee on Budget), Chapter 54, Statutes of 2022.*
7. *Higher Education Clean Up Trailer Bill, AB 190 (Committee on Budget), Chapter 572, Statutes of 2022.*

SUBCOMMITTEE 2
ON
NATURAL RESOURCES,
ENVIRONMENTAL
PROTECTION, AND ENERGY

Senate Committee on Budget and Fiscal Review

Members

Bob Wieckowski, Chair
Brian Dahle
Mike McGuire
Henry Stern

Consultants

Joanne Roy
Anita Lee

SUBCOMMITTEE No. 2

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NATURAL RESOURCES

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0509 CALIFORNIA INFRASTRUCTURE & ECONOMIC DEVELOPMENT BANK (IBank)
0650 STRATEGIC GROWTH COUNCIL
0650 OFFICE OF PLANNING AND RESEARCH
4265 DEPARTMENT OF PUBLIC HEALTH
0690 OFFICE OF EMERGENCY SERVICES (Cal OES)
3125 CALIFORNIA TAHOE CONSERVANCY
3340 CALIFORNIA CONSERVATION CORPS
3480 DEPARTMENT OF CONSERVATION (DOC)
3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CalFire)
3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)
3640 WILDLIFE CONSERVATION BOARD (WCB)
3760 STATE COASTAL CONSERVANCY (SCC)
3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)
3810 SANTA MONICA MOUNTAINS CONSERVANCY (SMMC)
3825 SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS
CONSERVANCY (RMC)
3830 SAN JOAQUIN RIVER CONSERVANCY
3835 BALDWIN HILLS CONSERVANCY
3845 SAN DIEGO RIVER CONSERVANCY
3850 COACHELLA VALLEY MOUNTAIN CONSERVANCY
3855 SIERRA NEVADA CONSERVANCY
3875 SACRAMENTO-SAN JOAQUIN DELTA CONSERVANCY (DELTA CONSERVANCY)
3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)
3810 SANTA MONICA MOUNTAINS CONSERVANCY
3825 SAN GABRIEL & LOWER LOS ANGELES RIVERS & MOUNTAINS CONSERVANCY
3845 SAN DIEGO RIVER CONSERVANCY
3855 SIERRA NEVADA CONSERVANCY
3860 DEPARTMENT OF WATER RESOURCES (DWR)
3900 AIR RESOURCES BOARD (ARB)
3930 DEPARTMENT OF PESTICIDE REGULATION (DPR)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)
3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE)
5180 DEPARTMENT OF SOCIAL SERVICES (DSS)
6440 UNIVERSITY OF CALIFORNIA
7350 DEPARTMENT OF INDUSTRIAL RELATIONS
8570 DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

Climate-Energy Package. The Budget Act of 2022 includes a \$20.406 billion, multi-year Climate-Energy package to address climate change impacts and energy issues. Some funding in multiple packages were approved in June with the remainder approved in August. The Climate-Energy Package includes the following categories of funding:

- \$1.3 billion Wildfire and Forest Resilience
- \$3.585 billion Drought Resilience and Response
- \$1.117 billion Nature-Based Solutions
- \$365 million Extreme Heat
- \$7.926 billion Energy Reliability, Relief and Clean Energy Investments*
- \$6.113 billion Zero-Emission Vehicle (ZEV) Investments*
*Details in the Energy section for the Final Action Report.

The following charts outline the components of the packages on wildfire, drought/water, nature-based solutions, and extreme heat:

Wildfire Prevention and Resilience Package. The budget includes a two-year \$1.3 billion spending plan to increase wildfire prevention and resilience efforts, as shown in the chart below:

Wildfire & Forest Resilience Expenditure Plan
(Dollars in Millions)

Investment Category	Department	Program	2022 Wildfire Package (over two years)
Resilient Forests and Landscapes	CAL FIRE	Forest Health Program	\$240
		Forest Improvement Program for Small Landowners	\$25
		Forest Legacy	\$33
		Nursery	\$4
		Urban Forestry	\$30
		Tribal Engagement	\$20
	Various	Post-Fire Reforestation and Regeneration	\$100
Wildfire Fuel Breaks	CAL FIRE	Stewardship of State-Owned Land	\$130
		CAL FIRE Unit Fire Prevention Projects	\$40
	California Conservation Corps	Fire Prevention Grants	\$232
		Prescribed Fire and Hand Crews & Contract Counties	\$70
		Fuel Reduction Crews	\$40
Community Hardening	CAL FIRE	Residential Centers	-
		Home Hardening	\$25
		Defensible Space Inspectors	\$10

	CAL FIRE & University of California	Land Use Planning and Public Education Outreach	\$9
Regional Capacity	Department of Conservation	Regional Forest Capacity	\$40
	Conservancies	Project Implementation in High-Risk Regions	\$170
Science-Based Management	CAL FIRE	State Demonstration Forests	\$10
		Monitoring and Research	\$15
		Prescribed Fire Liability Pilot	-
		Interagency Forest Data Hub	-
	Natural Resources Agency	LiDAR Remote Sensing	\$5
	Air Resources Board and Water Board	Prescribed Fire and Water Permitting	\$8
Economic Development of the Forest Sector	IBank	Climate Catalyst Fund	-
		Workforce Training	\$30
	CAL FIRE	Transportation Grants for Woody Material	\$10
		Office of Planning and Research	Market Development
	Total		\$1,300

Source: Department of Finance

Budget bill language (BBL) is included to do the following:

- For fire prevention grants, allows type conversion (e.g. a locality may remove high fire danger plants like eucalyptus or cypress and replant with vegetation that is more fire resilient).
- For fire prevention grants, allows grants to be used for prescribed wildland grazing, including infrastructure such as fencing and water stations for the animals.
- For regional forest capacity, specifies that at least \$5 million shall support prescribed fire training.
- For post fire reforestation and regeneration, removes the prohibition on commercial lands.

Water and Drought Resilience Package. The budget includes a multiyear \$3.585 billion spending plan to address water supply, water quality, and drought resilience issues as shown in the chart below:

Drought Resilience and Response

(Dollars in Millions)

Investment Category	Department	Program	2022 Package Total
Immediate Drought Support	Department of Water Resources	Small Water Suppliers Drought Relief & Urban Water Management Grants	\$300
	State Water Resources Control Board	Water Rights Modernization and Drought Resilience	\$61
	Department of Social Services	Drought Food Assistance	\$23
	Various	Data, Research, and Communications	\$142
		Drought Technical Assistance and Emergency Drought Response	\$176
Drinking Water, Water Supply and Reliability, Flood	State Water Resources Control Board	Drinking Water/Wastewater Infrastructure and State Revolving Fund	\$400
		PFAs Support	\$100
		Water Recycling/Groundwater Cleanup	\$400
		Water Storage	\$500
	Department of Water Resources	Salton Sea	\$0
		Water Conveyance	\$0
		Flood and Dam Safety	\$100
		Aqueduct Solar Panel Pilot Study	\$15
	Natural Resources Agency	Watershed Climate Studies	\$0
	Conservation/Agriculture	Department of Water Resources	Clear Lake Rehabilitation
SGMA Implementation			\$56
Department of Food and Agriculture		Agriculture and Delta Drought Response Programs	\$60
		Relief for Small Farmers	\$25
		On-farm Water Use and Agriculture Technical Assistance	\$15
Department of Conservation		State Water Efficiency and Enhancement Program	\$60
	Multi-benefit Land Repurposing	\$40	

	Various	Water Conservation Programs (Small and Urban) and Turf Replacement	\$185
Habitat/ Nature-Based Solutions		Fish and Wildlife Protection	\$175
	Department of Fish and Wildlife/ Department of Water Resources	Improving Drought Resiliency on State-Owned Land and Migratory Bird Habitat	\$25
		Studying Salmon and Tribal Co-Management Activities	\$7.3
		Climate Induced Hatchery Upgrades	\$17
	Department of Water Resources	Aquatic Habitat and Drought Resilience and Expediting Large Scale Habitat	\$149
	Various	Additional Nature-Based Solutions and Watershed Resilience	\$545
Total			\$3,585

Source: Department of Finance

BBL related to the drought package does the following:

- For Watershed Climate Resilience funding to Department of Water Resources (DWR), specifies the purpose of the funding is to provide grants to water agencies for drought resilience and to fund identification and assessment of climate risks on a watershed basis. DWR shall prioritize areas with greatest risk or potential to reduce environmental conflicts. Funds may be used for longer-term planning and resilience projects including, but not limited to, watershed climate risk assessment, streamflow improvement projects, streamflow measurement and remote sensing to establish baseline conditions and monitor project performance, water use efficiency projects with verifiable demand reduction, infrastructure to improve regional flexibility to address drought conditions, and conjunctive use and management between multiple water supply sources.
- For Watershed Climate Resilience: Cascades and High Sierra Upperwatersheds Program, specifies that the funding is to be used for competitive grants to improve watershed protection and climate resiliency, including but not limited to streamflow enhancement.
- For Watershed Climate Resilience: Land Acquisition and Habitat Enhancement Program – Southern California, specifies the funding is to be used for competitive grants to improve watershed protection and climate resiliency in Southern California, including but not limited to streamflow enhancement.
- For Sea Level Rise: SB 1 Implementation, specifies the purpose of the funds is for SB 1 implementation to work in collaboration with SCC for state operations and local assistance to implement SB 1. The Ocean Protection Council and SCC shall structure these funds to maximize leveraging available federal funds. SB 1 (Atkins), Chapter 236, Statutes of 2021, establishes the California Sea Level Rise Mitigation and Adaptation Act of 2021 and creates the California Sea Level Rise State and Regional Support Collaborative at the Ocean Protection Council to help coordinate and fund state efforts to prepare for sea level rise associated with climate change, among other things.

- For Sea Level Rise: Protect Communities and Natural Resources, specifies that the funding will go through SCC's Climate Ready Program with priority given to projects that adapt public infrastructure along the coast including urban waterfronts, ports, public infrastructure, and ecosystems.

Nature-Based Solutions Package. The budget includes a multi-year \$1.117 billion spending plan to provide nature-based solutions addressing climate change, as follows:

Nature-Based Solutions
(Dollars in Millions)

Investment Category	Department	Program	2022-23	2023-24	2024-25	Total
Nature-Based Solutions Programs	Wildlife Conservation Board	Forest Conservation Program				
		Oak Woodlands Conservation Program				
		California Desert Conservation Program				
		Rangeland, Grazing Land and Grassland Protection Program	\$150	\$95	\$0	\$245
		California Riparian Habitat Conservation Program				
	Department of Fish & Wildlife	Natural and Working Lands Climate Adaptation and Resiliency Program				
		Nature-Based Solutions Wetlands Restoration Program	\$54	\$0	\$0	\$54
		Delta Conservancy				
Department of Conservation	Multi-benefit Land Repurposing Program	\$0	\$20	\$0	\$20	
	Department of Food & Agriculture	Healthy Soils Program	\$0	\$10	\$0	\$10
Supporting Regional Action	State Conservancies	Support for Nature-Based Solutions	\$70	\$100	\$0	\$170
	Department of Fish and Wildlife & Santa Monica Mountains Conservancy	Wildlife Corridors (including Liberty Canyon)	\$52	\$0	\$0	\$52
	Department of Fish and Wildlife	Natural Community Conservation Program Planning and Land Acquisition	\$36	\$0	\$0	\$36
	Department of Conservation	Climate Smart Land Management Program	\$14	\$6	\$0	\$20
	Wildlife Conservation Board	Resource Conservation Investments Strategies	\$2	\$3	\$0	\$5
Expanding Educational and Economic Opportunities for Youth Climate Leaders	Conservation Corps	Local and Tribal Nature-Based Solutions Corps	\$38	\$11	\$0	\$49
Partnering with California Native American Tribes	Natural Resources Agency	Tribal Nature-Based Solutions Program	\$70	\$30	\$0	\$100
		Tribal Nature-Based Solutions Staffing	\$1	\$1	\$1	\$3

Additional Strategic Investments	CalRecycle	Compost Permitting Pilot Program	\$7.5	\$0	\$0	\$7.5
	Natural Resources Agency	Nature-Based Solutions Partnerships and Improvements	\$2	\$0	\$0	\$2
		CA Nature Support	\$0.25	\$0.25	\$0	\$0.5
	Wildlife Conservation Board	Redondo Beach Wetlands Restoration	\$10	\$0	\$0	\$10
		San Joaquin Valley Flood Plain Restoration	\$40	\$0	\$0	\$40
	State Coastal Conservancy	San Francisco Bay Wetlands Support	\$11	\$0	\$0	\$11
	State Coastal Conservancy & Ocean Protection Council	Sea Level Rise	\$75	\$152	\$19	\$246
Total			\$669	\$428	\$20	\$1,117

Source: Department of Finance

Extreme Heat Package. The budget includes a total of \$365 million over two years to address extreme heat issues as follows:

Extreme Heat
(Dollars in Millions)

Plan or Framework Category	Department	Program	2022-23	2023-24	Total
Cool Communities	Strategic Growth Council	Community Resilience Centers	\$85	\$85	\$170
		Community Resilience and Heat Program	\$25	\$50	\$75
	CAL FIRE	Green Schoolyards (Urban Forestry)	\$17	\$33	\$50
Protecting Vulnerable Populations and Ecosystems	Community Services & Development	Farmworker Low-Income Weatherization Program	\$15	\$0	\$15
	Department of Public Health		\$3	\$0	\$3
	Department of Industrial Relations	Enhanced Protections for Vulnerable Populations	\$8	\$8	\$16
	Department of Social Services		\$2.75	\$5.75	\$8.5
		Animal Mortality Management Program	\$0.6	\$0.6	\$1.2
	Department of Food and Agriculture	Origin Inspection Program	\$0.25	\$0.25	\$0.5
Increasing Public Awareness	Office of Planning and Research		\$1.075	\$1.575	\$2.65
		Integrated Pest Management Technical Assistance	\$1.075	\$1.575	\$2.65
		Community-Based Public Awareness Campaign	\$6	\$14	\$20
Total			\$165	\$200	\$365

Source: Department of Finance

For the community resilience centers funding, the budget includes trailer bill language to establish the Community Resilience Center Program, to be administered by Strategic Growth Council, in coordination with the Office of Planning and Research, to provide funding for the construction of new or the retrofitting of existing facilities to serve as community resilience centers.

The 2022 Budget Act includes the trailer bill language for purposes of the Climate-Energy Package allocating funding in the 2021 Budget Act. Also, the budget trailer bill sets aside \$2.6 billion for future year expenditures for climate and ZEV expenditures, dependent on future fiscal conditions and the receipt of federal funds. The language provides that \$500 million annually shall be available for 2023-24 and 2024-25 to support various climate initiatives if specified conditions occur.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)

3900 CALIFORNIA AIR RESOURCES BOARD (ARB)

8570 CALIFORNIA DEPARTMENT OF AGRICULTURE (CDFA)

California Carbon Sequestration and Climate Resiliency Project Registry (SB 27). The budget includes the following:

- **CNRA:** \$750,000 one-time and \$285,000 ongoing General Fund to implement SB 27 (Skinner), Chapter 237, Statutes of 2021. Of the funds requested, \$500,000 will be used for the development of the registry, \$250,000 will be used for the development of regulations through the Office of Administrative Law, and the \$300,000 ongoing will support two full-time staff to conduct registry operation, maintenance, and coordination. SB 27 requires CNRA to, no later than July 1, 2023, establish and maintain the California Carbon Sequestration and Climate Resiliency Project Registry for the purposes of identifying and listing projects in the state that drive climate action on the state's natural and working lands and are seeking funding from state agencies or private entities. The bill requires CNRA to consider the environmental and public health impacts of any direct air capture project before adding the project to the registry. CNRA will create a process for listing projects on the registry and is required to track and report realized climate benefits through the registry.
- **ARB:** Two permanent positions and \$425,000 Cost of Implementation Account (COIA) in 2022-23, \$1.923 million (including \$1.5 million in one-time contract funds) in 2023-24, and \$423,000 in 2024-25 and ongoing to incorporate the Natural and Working Lands Climate Smart Strategy in the Scoping Plan and implement ARB's responsibilities to support the Natural and Working Lands Registry of Projects as required by SB 27. SB 27 requires ARB to establish carbon dioxide removal targets for 2030 and beyond as part of the Scoping Plan process, and to take the Natural and Working Lands Climate Smart Strategy, science-based data, cost-effectiveness, and technological feasibility into consideration when setting these targets.
- **CDFA:** \$125,000 General Fund and one permanent position in 2023-24 and ongoing to implement the functions required by SB 27. The bill requires CDFA to collaborate with CNRA to develop an application process for applicants whose projects are listed in the Carbon Sequestration and Climate Resiliency Project Registry and support applicants' ongoing participation in the registry.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)
3125 CALIFORNIA TAHOE CONSERVANCY
3340 CALIFORNIA CONSERVATION CORPS
3480 DEPARTMENT OF CONSERVATION (DOC)
3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CalFire)
3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)
3640 WILDLIFE CONSERVATION BOARD (WCB)
3760 STATE COASTAL CONSERVANCY (SCC)
3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)
3835 BALDWIN HILLS CONSERVANCY
3845 SAN DIEGO RIVER CONSERVANCY
3850 COACHELLA VALLEY MOUNTAINS CONSERVANCY
3855 SIERRA NEVADA CONSERVANCY
3860 DEPARTMENT OF WATER RESOURCES
3875 SACRAMENTO-SAN JOAQUIN DELTA CONSERVANCY

CNRA Bond and Technical Proposals. The budget includes technical actions including appropriations and reappropriations from various bonds, reversions, reversions with associated new appropriations, and other non-bond technical adjustments to continue implementation of existing authorized program.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)
3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CALFIRE)

- **Wildfire and Forest Resilience Task Force (SB 456).** The budget includes \$2.483 million in General Fund for 2022-23 and \$1.477 million ongoing, and four positions (two at CNRA and two at CalFire) to support the operations of the Task Force and to fulfill the goals of SB 456 (Laird), Chapter 387, Statutes of 2021, which codifies the Governor’s Wildfire and Forest Resilience Action Plan in statute. These positions will 1) manage and facilitate the work of more than a dozen work groups and related committees, quarterly regional forums, an interagency team, a Science Advisory Panel; 2) track the 99 deliverables in the Action Plan; 3) coordinate the work of more than 50 federal, state, local, and tribal agencies involved in the Task Force; and 4) develop and implement a comprehensive communications strategy, including development of the annual reports required by SB 456.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)

- **Clear Lake Rehabilitation.** The budget appropriates \$1.248 million Environmental License Plate Fund (ELPF) in 2022-23 to continue the projects reviewed and approved by the Blue Ribbon Committee for the Rehabilitation of Clear Lake within the California Natural Resources Agency. These funds will continue upper watershed modeling and monitoring and establish an in-lake mercury modeling project.
- **San Francisco Greenhouse Project.** The budget appropriates \$6.635 million General Fund in 2022-23 to support the purchase of a historic 2.2 acre property in San Francisco’s underserved

Portola District, which will be developed into a permanent urban agricultural hub and city resource.

- **Rebuilding Jewish Summer Camps.** The budget appropriates \$40 million General Fund in 2022-23 to help fund the rebuilding of several overnight camps, retreat facilities, and community centers across the state that were destroyed by wildfires over the last five years.
- **John Muir Trails Projects.** The budget appropriates \$22.937 million General Fund for three projects (Tuolumne Meadows Site Renovation, Reds Meadow Site Renovation, Main Trailheads Facilities Upgrade) to support efforts to rehabilitate the John Muir Trail. These projects are expected to leverage federal funds and be completed within approximately five years.
- **San Francisco History Museum, Armenian American Museum, and Museum of Tolerance.** The budget appropriates \$15.51 million General Fund in 2022-23 to support museum improvements, education outreach, publications, and walking tours at the San Francisco Historical Society Museum (\$510,000), the Armenian American Museum (\$10 million), and the Museum of Tolerance (\$5 million).
- **Extension of Encumbrance or Expenditure for 2018 Appropriation for Lower Los Angeles River Community Restoration and Revitalization Projects (SB 840, 0540-101-0001 (1)(f)).** The budget adopts an encumbrance extension until June 30, 2025, with specified budget bill language (BBL).
- **Extension of Encumbrance or Expenditure periods for 2019 Appropriation for Lower Los Angeles River community Restoration and Revitalization Projects (AB 74, 0540-101-0001 (1)(t)).** The budget adopts an encumbrance extension until June 30, 2025, with specified BBL.
- **Recreational Trails and Greenways Program.** The budget appropriates \$35 million to the Recreational Trails and Greenway Program.
- **Ocean Science Trust.** The budget appropriates \$10 million to the Ocean Protection Council (OPC) for the Ocean Science Trust for the purpose of creating an endowment.
- **Marine Mammal Stranding Network.** The budget appropriates \$6.5 million to OPC for the Marine Mammal Stranding Network for equipment and capital improvements.
- **Bonds and Grants Positions.** The budget includes seven permanent positions in 2022-23, six permanent positions in 2023-24, and seven permanent positions in 2024-25 (for a total of 20 positions ongoing) within the Bonds and Grants Unit, to support the increase in grant program and specified project funding and associated workload. Positions will be funded with existing funding authority.
- **Nature-Based Solutions Tribal Program and Council.** The budget appropriates \$1 million General Fund and includes three permanent positions in 2022-23 and ongoing to support a new Nature-Based Solutions Tribal Program and Council.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)
3480 DEPARTMENT OF CONSERVATION (DOC)

- **California Climate Information System (CalCIS).** The budget includes \$18.331 million General Fund in 2022-23 and one permanent position for planning and development of Phase 1 of the new CalCIS. In addition, the budget augments \$370,000 in reimbursement authority and two permanent positions for DOC in 2022-23 and \$347,000 in 2023-24 and ongoing to support the project. CalCIS will be a cloud-based system that can store and manage big data, and the data products produced by the CalCIS team will provide information that departments can use for decision making, planning, and management.

3100 CALIFORNIA AFRICAN AMERICAN MUSEUM (CAAM)

- **Conversion of Temporary Positions to Permanent Positions.** The budget provides authority to establish a permanent position that will fill a critical administrative role in the department. No increase in funding is being requested. The position, a Staff Services Analyst, was originally filled as a temporary appointment and will expire on November 22, 2022. This position is responsible for performing analysis of the procurement needs of the curatorial and exhibitions departments, including managing budgets, contracts, purchase orders, and vendor agreements, and is a liaison between the accounting, curatorial/education, and executive functions of the museum.

3100 EXPOSITION PARK

- **Budget Increase for Public Safety - Office of Exposition Park Management (OEPM).** The budget includes an ongoing reimbursement authority increase of \$850,000 to account for anticipated increases in reimbursable public safety expenses arising from the opening of the Lucas Museum of Narrative Art (LMNA) and increased activity throughout the Park. The Lucas Museum of Narrative Art has expressed interest in utilizing the Department of Public Safety (DPS) Officers for security on the exterior of the Museum to create exterior public safety coverage on a reimbursable basis. This increase to the department's reimbursement authority will allow the department to adequately provide public safety services. The museum is creating 11 acres of new park space that is expected to bring hundreds of thousands of visitors each year.
- **Budget Increase for Temporary Positions (OEPM).** The budget appropriates \$100,000 Exposition Park Improvement Fund ongoing to support temporary positions to assist with cyclical surges in park activity due in part to lost opportunities during the COVID-19 stay at home orders and normal seasonal park activity trends.
- **Peace Officers: Exposition Park (AB 483).** The budget includes \$2.115 million one-time General Fund, \$265,000 ongoing General Fund, and two full-time ongoing positions for compliance with AB 483 (Jones-Sawyer), Chapter 411, Statutes of 2021. These resources will support all one-time and ongoing activities and administrative support for AB 483 which grants peace officer status to security officers appointed by the Exposition Park Manager, as specified, and clarifies the training requirements for those peace officers.

- **Baseline Budget Augmentation for New Infrastructure Maintenance.** The budget appropriates \$418,000 ongoing Exposition Park Improvement Fund to acquire goods and services in the maintenance and repair of the Orange Parking Structure which was built by the Lucas Museum of Narrative Art to restore the Office of Exposition Park Management's (OEPM's) lost parking inventory due to the construction of the Museum. Additionally, this budget action includes one Associate Governmental Program Analyst to support the additional workload of acquiring the goods and services for maintenance.
- **Southeast Underground Parking Structure Study.** The budget appropriates \$500,000 General Fund one-time to fund a cost estimate study and feasibility analysis to construct an underground parking structure with a festival plaza top-deck. This underground parking structure will replace three existing surface parking lots and parking on lawn area of the Park. The underground parking structure will be topped off with 14.2 acres of new, much needed green space to be use by the local community, park visitors and will serve as additional event space that can generate revenue for the state.
- **Park Wide Surveillance System.** The budget appropriates \$378,000 General Fund for the preliminary plans phase of this project to implement a park-wide surveillance system that will allow Exposition Park Department of Public Safety to patrol the grounds more efficiently, decrease liability to the state for loss of property or life, and allow for more proactive policing to protect the states assets and visitors of the Park. Exposition Park is a 147-acre campus comprised of cultural, community, sports and entertainment venues. The Park hosts hundreds of thousands of visitors yearly.

3125 CALIFORNIA TAHOE CONSERVANCY

- **Americans with Disabilities Act (ADA) Site Improvements.** The budget appropriates one-time \$1.03 million General Fund for small projects needed to meet current ADA and California Building Code standards. The minor improvements, at three separate conservancy developed recreational facilities, are necessary upgrades to create safe and equitable public access to the facilities. The three separate recreational facilities are in one project area on the north shore of Lake Tahoe all with similar needed minor improvements.
- **Minor Capital Outlay.** The budget appropriates \$980,000 (\$480,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84) and \$500,000 Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Proposition 50)) for various minor capital outlay projects. These projects involve stabilizing and improving previously acquired property, including reducing forest fuels, ensuring public safety, and completing upgrades on developed facilities.
- **Upper Truckee River Sunset Stables Reach 6 Restoration Project.** The budget provides \$500,000 in habitat conservation fund authority to study restoration and recreation opportunities and complete environmental review for the Upper Truckee River Sunset Stables Reach 6 Restoration Project. As part of the Project Study phase, the conservancy will study restoration and recreation opportunities and complete environmental review for restoring a degraded section

of the Upper Truckee River and adjacent floodplain. The project will reduce sediment and nutrients that flow from the River into Lake Tahoe; enhance aquatic and terrestrial habitat; protect biodiversity; sequester carbon; improve public access; and restore climate resilience. As part of the eventual Project Construction phase, the conservancy will improve 4,500 feet of river channel, enhance 70 acres of floodplain, and remove conifers on 30 acres to improve habitat and reduce fire risk. The conservancy estimates total project costs at \$2.7 million.

- **Conceptual Feasibility Planning.** The Budget appropriates \$600,000 Safe Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84) for conceptual and feasibility planning for future watershed improvements and forest health and fuels reduction capital outlay projects. The conservancy will use this funding to hire both outside contractors and for existing conservancy staff to carry out the planning work. Investigations will focus on conservancy ownerships in key watersheds, several potential lakefront access points, and other sites requiring restoration and improvements, as well as forest health and fuels reduction which mitigates wildfire risk to communities.
- **Forest Program Management.** The budget includes \$1 million ongoing in reimbursement authority, and a \$1 million ongoing increase in Federal Trust Fund authority, along with one position to support recently awarded state and federal grants. The additional resources will increase the pace and scale of forest restoration work in the region to reduce risks associated with catastrophic wildfires, drought, and climate change.
- **Opportunity Acquisitions.** The budget appropriates \$16 million for the acquisition of lands in environmentally sensitive or significant resource areas. The requested funding will be comprised of: 1) Revert the existing California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Fund (Proposition 68) balance of \$4.1 million from budget act of 2019, 3125-301-6088-1388; 2) New appropriation of Proposition 68 of \$7.5 million; and 3) New appropriation of reimbursement authority of \$6.5 million.

3125 CALIFORNIA TAHOE CONSERVANCY
 3355 OFFICE OF ENERGY INFRASTRUCTURE SAFETY
 3360 CALIFORNIA ENERGY COMMISSION (CEC)
 3480 DEPARTMENT OF CONSERVATION (DOC)
 3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)
 3720 CALIFORNIA COASTAL COMMISSION
 3860 DEPARTMENT OF WATER RESOURCES (DWR)

- **Support for Relativity Document Review Software.** The budget appropriates \$2.324 million baseline funding to provide resources necessary to adequately maintain and use the Relativity program in responding to litigation requirements and California Public Records Act requests. Proper maintenance and resourcing will avoid the risk of costly litigation regarding the production of relevant documents. It will also modernize the current document management system, as COVID-19 and other needs necessitate an entirely virtual engagement style.

3340 CALIFORNIA CONSERVATION CORPS (CCC)

- **Equipment Replacement.** The budget appropriates \$7.305 million one-time General Fund in 2022-23 to replace 114 vehicles, which will enable the CCC to meet its operational needs, minimize health and safety concerns related to crew transportation, and replace its aging fleet with newer, more fuel-efficient vehicles.
- **Greenwood: New Residential Center.** The budget appropriates \$66.607 million General Fund for the construction phase to replace the existing Greenwood Residential Center (located in El Dorado County), which was constructed in the 1980s, to address structural and functional deficiencies.
- **Mission Critical Resources.** The budget provides position authority for one Administrator Officer I, one Associate Governmental Program Analyst, two Conservationist I, and one Fish Habitat Assistant for 2022-23 and ongoing to address critical staffing needs in the CCC to better serve and develop Corpsmembers. This action has a net zero fiscal impact.
- **Resource Realignment for Communications, Outreach, Recruitment, and Enrollment (CORE).** The budget converts 20.5 Full-Time Equivalent (FTE) Special Corpsmember positions to 11 permanent civil service staff positions to align resources with workload needs. This proposal has a net zero fiscal impact.
- **Enhancing and Expanding CCC Fire Crews.** The budget includes \$8.087 million in 2022-23, \$8.969 million in 2023-24, \$8.058 million in 2024-25, \$10.292 million in 2025-26, and \$10.248 million ongoing General Fund for 18 positions and 13 full-time equivalent Corpsmembers positions to fund 10 additional hand crews (four new crews and six conversion crews) to provide vegetation management, hazardous fuel reduction projects, and wildland fire suppression, phased over four years, in partnership with CalFire. These funds are offset by a reduction of -\$1,800,000 in 2022-23 and -\$2,700,000 ongoing in Collins-Dugan Reimbursement Account.
- **Rightsizing Fire Crew Resources.** The budget includes \$1.769 million in 2022-23, \$1.708 million in 2023-24, and \$1.994 million ongoing General Fund for 11 positions and 13 full-time equivalent Corpsmembers positions to adequately support CalFire/CCC fire crews.
- **Auberry: New Residential Center.** The budget appropriates \$51.382 million General Fund for the construction phase to renovate and/or build new a residential center at the existing Auberry Elementary School in the city of Auberry in Fresno County to meet programmatic needs including essential service facilities to support Type I fire crews.
- **Nonresidential Center, Los Angeles: Acquire Existing Facility.** The budget appropriates \$2.7 million California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Fund (Proposition 68) project funding in 2022-23 to acquire the existing Los Angeles Nonresidential Center, which is leased from the city of Los Angeles. Additionally, the budget also reduces by \$2.7 million Proposition 68 from the 2022-23 CCC's state operations budget in order to remain within the remaining allocation balance for Proposition 68.

3480 DEPARTMENT OF CONSERVATION (DOC)

- **California Farmland Conservancy Program Fund: Interest Earned.** The budget includes a one-time increase in expenditure authority for \$61,000 for the interest earned on the donated funds. The Division of Land Resource Protection received funds donated in 2013 to the California Farmland Conservancy Program Fund. The donated amount of \$454,000 has incurred interest income, increasing the fund balance to \$515,000.
- **Oil and Gas Wells Facilities: Liens: Collections Unit (AB 896).** The budget includes one Governmental Program Associate and funding with a total of \$154,000 in first year and \$140,000 ongoing to impose a claim and lien upon real property owned by any oil and gas operator for nonpayment of idle well fees and estimated costs for plugging and abandoning wells and other remediation work for purposes of implementing AB 896 (Bennett), Chapter 707, Statutes of 2021. AB 896 requires the establishment of a collections unit at the Geologic Energy Management Division (CalGEM) in DOC. The bill also expands the Supervisor's ability to impose a claim and lien upon the real property in the state owned by any operator or responsible party of an oil or gas well under specified conditions.
- **CalGEM: Data Integrity and Accessibility.** The budget includes 16 permanent positions and funding for document remediation for CalGEM and an appropriation increase of \$3.261 million in 2022-23, and \$3.046 million ongoing Oil, Gas and Geothermal Administrative Fund to increase functionality of WellSTAR and strengthen data integrity, accessibility, reliability and consistency for internal and external use.
- **Plugging and Abandoning Hazardous and Idle-Deserted Wells and Production Facilities (SB 47).** The budget includes an increase in annual expenditure authority to plug deserted wells and decommission deserted facilities from \$2 million to \$5 million beginning in 2022-23 to implement the provisions of SB 47 (Limon), Chapter 238, Statutes of 2021. SB 47 increases the annual expenditure limit from the Oil, Gas, and Geothermal Administration Fund, the principal source of funding for CalGEM from a production fee assessed on oil and gas production in the state, for the plugging and abandonment of hazardous or idle-deserted wells to \$5 million. This action also adds six permanent positions and \$150,000 in limited-term annual contract expenditure authority for the 2022-23 fiscal year, with a total appropriation increase of \$3 million.
- **Mines Online Database (SB 854).** The budget includes one permanent Information Technology Specialist position and an appropriation increase of \$197,000 in 2022-23, and \$185,000 ongoing from the Surface Mining and Reclamation Account to support the web application, security, compliance, backend database, functional enhancements and geographic information system (GIS) integration of the Mines Online Document Storage (MODS) system for the implementation of SB 854 (Committee on Budget and Fiscal Review), Chapter 51, Statutes of 2018.
- **Statewide Seismic Hazards Reduction.** The budget includes \$25.6 million General Fund in 2022-23, \$23.8 million in 2023-24, and \$3.7 million ongoing and 21 permanent positions to mitigate the risk of loss of life and catastrophic economic impacts of future urban earthquakes in California.

- **CalGEM: Mission Transformation and Oversight.** The Governor proposed to add 51 permanent positions phased in over three years (17 in 2022-23, 34 in 2023-24, and 51 in 2024-25) and an appropriation increase of \$5.056 million in 2022-23, \$7.561 million in 2023-24, \$10.842 million in 2024-25 and \$10.617 ongoing from the Oil, Gas and Geothermal Administrative Fund (OGGAF) to strengthen enforcement of existing laws and regulations, limit the state's financial liability, improve public transparency, and implement chaptered legislation. In lieu of the the Governor's proposal, the budget appropriates \$5.056 million ongoing OGGAF and 17 positions for the same purposes.
- **Oil Well Abandonment and Remediation.** The budget includes \$50 million General Fund in 2022-23 and \$50 million General Fund in 2023-24 to plug and abandon orphaned oil and gas wells and decommission attendant facilities that could pose a danger to life, health, water quality, wildlife, or natural resources. This funding will help mitigate the State's potential liability, and further the Geologic Energy Management Division's focus on public health, safety, and environmental protection.
- **CalGEM: Oil and Gas: Shall-Witness and May-Witness Operations: Witnessing In Person or Remotely.** The budget Resources trailer bill explicitly authorizes, until January 1, 2028, CalGEM to witness may-witness operations remotely, and requires CalGEM to prioritize witnessing of may-witness operations in person to the maximum extent feasible. The bill requires CalGEM to include in an annual report to the Legislature specified information regarding shall-witness and may-witness operations.
- **Agricultural Lands Conservation Program.** The budget appropriates \$25 million General Fund for the Sustainable Agricultural Lands Conservation Program.
- **Pre-Wildfire Geologic-Hazard Mitigation Planning and Post-Wildfire Hazard Identification.** The budget includes eight permanent positions and an appropriation increase of \$2.713 million in 2022-23, and \$1.865 million ongoing General Fund to create a Pre-Wildfire Geologic Hazard Mitigation Planning & Post-Wildfire Hazard Identification Program. Tasks include:
 - *Pre-Fire Mud and Debris Flow and Flooding Hazard Awareness and Planning.* Development of maps and data that proactively show areas of post-wildfire inundation. This information can then be used by local agencies for identifying long-term mitigation measures as well as for evacuation planning, public communication, and support for prioritizing fuel treatments to help limit fire effects in the wildland urban interface.
 - *Post-Fire Watershed Emergency Assessment (WERT) focused on life/safety hazards from debris flows, flooding, rock fall, etc.* Evaluation of post-fire conditions for rainy season hazards so that emergency mitigations can be implemented, and appropriate rain-driven evacuation plans can be developed. The burned area watershed emergency assessment provides a means of prioritizing areas of post-wildfire risk within and downstream of the burn area and development of emergency mitigation measures.
 - *Post WERT Mud and Debris Flow and Flood Hazard Emergency Planning.* Prepare post-wildfire inundation scenario emergency evacuation planning maps. These maps will provide

decision support for emergency managers so that appropriate evacuation zones can be developed, and emergency response measures can be planned rapidly following a wildfire.

- ***Burn Area Monitoring and Process Refinement.*** Post-wildfire watershed monitoring and observation data will be acquired as feedback to the development of geographic-based understanding of post-wildfire storm triggering rainfall, flood, mud and debris flow impacts statewide. Current information is only accurate in the southern portion of the state. This task will develop the information for robust statistically valid rainfall triggering mechanisms across the state.
- ***Outreach and Education.*** Community outreach and education about post-wildfire hazards will be performed to ensure that before and after a wildfire, communities understand the post-wildfire flash flood and debris flow risks and believe post-wildfire storm derived evacuation messaging. This messaging is particularly important for disadvantaged communities where there are not existing local government resources available to prepare and provide this information for local emergency responders, and for their constituents.
- ***Necessary Ongoing Support Materials.*** The post-wildfire assessments and data development require detailed accurate information regarding the properties of the specific burned watersheds. Items such as pre-fire LiDAR, post-fire aerial/satellite imagery and portable rainfall and small stream gauges for collection of post-fire hydrologic data provide detailed and accurate topographic, hydrologic, and post-wildfire vegetative conditions within hazardous burned watersheds.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CalFire)

3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)

3790 DEPARTMENT OF PARKS AND RECREATION (Parks)

- **Peace Officer and Law Enforcement Legislative Requirements: SB 2, SB 16, AB 26, AB 48, and AB 481).** The budget includes \$13.849 million General Fund in 2022-23, \$8.789 million ongoing, 28 positions, and 14 vehicles to comply with peace officer and law enforcement requirements associated with SB 2 (Bradford), Chapter 409, Statutes of 2021, SB 16 (Skinner), Chapter 402, Statutes of 2021, AB 26 (Holden), Chapter 403, Statutes of 2021, AB 48 (Lorena Gonzalez), Chapter 404, Statutes of 2021, and AB 481 (Chiu), Chapter 406, Statutes of 2021. The breakdown for each department's budget action is as follows:
 - CalFire: \$7.547 million in 2022-23, \$3.565 million ongoing, seven positions, and four vehicles to comply with SB 2, AB 481, and AB 48.
 - Parks: \$3.849 million in 2022-23, \$3.215 million ongoing, 13 positions, and seven vehicles to comply with SB 2 ad SB 16.
 - DFW: \$2.035 million in 2022-23, \$1.591 million ongoing, six positions, and three vehicles to comply with SB 2, SB 16, and AB 26.
 - Cal OES: \$418,000 ongoing and two positions to comply with AB 481.

SB 2 (Bradford). SB 2 grants new powers to the Commission on Peace Officer Standards and Training (POST) to investigate and determine peace officer fitness and to decertify officers who engage in “serious misconduct”; and (2) makes changes to the Bane Civil Rights Act to limit immunity. The departments must confirm all officers are POST certified, review peace officer investigations, and make recommendations for certificate suspension or revocation.

SB 16 (Skinner). SB 16 expands the categories of police personnel records that are subject to disclosure under the California Public Records Act; and modifies existing provisions regarding the release of records subject to disclosure. SB 16 revises the record retention procedures to replace the 5-year minimum with a 15-year minimum for sustained findings of misconduct. Access to records, timelines, and volume will have a substantial impact on the departments’ limited resources.

AB 26 (Holden). AB 26 specifies that law enforcement agency policies must: (1) mandate the reporting potential excessive force by officers; (2) prohibit retaliation against officers that report violations; (3) require that an officer who fails to intercede be disciplined up to and including the same manner as the officer who used excessive force; (4) prevent an officer who has had a finding of misconduct for use of excessive force from training other officers for three years; and (5) clarify the reporting requirements for uses of force and intervention on another officer who uses excessive force. AB 26 requires that officers immediately intercede and report when observing perceived excessive force and expands the requirements for a witness officer to go beyond reporting excessive force and will add additional requirements and consequences for an observing officer.

AB 48 (Lorena Gonzalez). AB 46 places a general ban on the use of kinetic energy projectiles and specified chemical agents by law enforcement upon public assemblies, subject to specified exemptions. AB 48 includes a component requiring monthly reporting, instead of annual reporting, of any specified use of force incidents to the Department of Justice.

AB 481 (Chiu). AB 481 requires law enforcement to follow specified procedures prior to the acquisition or use of surplus federal military equipment, including obtaining approval from a local governing body. AB 481 also requires similar approval for the continued use of military equipment acquired prior to January 1, 2022.

0690 GOVERNOR’S OFFICE OF EMERGENCY SERVICES (OES)
3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CalFire)

- **Fire Integrated Real-Time Intelligence System (FIRIS).** The budget includes \$30 million ongoing General Fund and 31 positions (\$24.4 million and 11 positions for OES and \$5.6 million and 20 positions for CalFire) beginning in 2022-23 to establish and operate a state level mutual aid asset known as FIRIS – An All-Hazards Intelligence Platform, which enhances public safety, the mutual aid response system and situational awareness in real-time for all-hazard prediction and evaluation models, primarily for all-hazard response, to include primarily wildfires, but also mudslides, flooding, earthquakes, avalanches, urban and wilderness search and rescue events, environmental emergencies such as oil spills and hazardous material releases, preliminary and post-disaster damage assessments and fire management assistance grants.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CalFire)

- **Fire Protection Surge Capacity.** The budget appropriates \$83.1 million one-time General Fund to augment CalFire’s fire protection resources through December 2022 to continue to staff 16 additional firefighter crews, provide chainsaw operators to support California Military Department surge fire crews, expand training center capacity to accommodate these crews, and fund additional vehicle repair/maintenance costs as well as associated administrative costs.
- **CalFire Staffing and Fire Protection Operational Enhancements.** The budget includes \$671.4 (\$622.9 million General Fund) and 1,265 positions in 2022-23 to enhance CalFire’s fire suppression capabilities. These amounts also include fire crews-related resources for CCC and the California Military Department (CMD). This includes:
 - **Fire Crews.** \$348.6 million General Fund in 2022-23, \$303.2 million ongoing, and 1,141 positions phased in over four years, to: (1) right-size existing CCC crews, (2) convert 16 existing seasonal CCC and CMD crews to year-round crews (six CCC crews and 10 CMD), and (3) add 37 new year-round crews (17 firefighter crews, four CCC fire crews, four CMD fire crews, and 12 contract county fire crews).
 - **Additional Fire Hawk Helicopters.** \$100 million General Fund in 2022-23, \$12.7 million ongoing, and five positions to purchase and operate four additional helicopters to support 24/7 operations of the enhanced helicopter fleet.
 - **Firefighter Relief Staffing.** \$97.2 million General Fund in 2022-23, \$84.9 million ongoing, and 455 positions, phased in over four years, to improve the health and wellness of CalFire firefighters and appropriately staff CalFire to meet the demands of wildland firefighting.
 - **Exclusive Use Type 1 Helitankers.** \$52 million General Fund and 29 positions annually for three years to contract for 10 exclusive use helitankers each year while the state awaits the delivery of retardant dropping C-130 aircrafts from the federal government.
 - **Direct Mission Support.** \$37.8 million (\$29.3 million General Fund) in 2022-23, \$35.6 million (\$27.5 million General Fund) ongoing, and 190 positions to improve operational effectiveness by strengthening and enhancing the core administrative and program support critical to sustain CalFire’s direct mission functions.
 - **Surge Equipment: Fire Engines and Bulldozers.** \$35.8 million General Fund in 2022-23 and \$2.8 million ongoing for surge capacity dozers and fire engines. CalFire operates 356 frontline fire engines and 59 bulldozers. This budget action adds two surge engines per unit and contract county, and ten additional bulldozers, to provide additional resources that can be staffed during critical fire conditions and resource drawdown.
- **Office of the State Fire Marshal (OSFM), Fire and Life Safety.** The budget includes in the budget \$2.6 million reimbursement authority increase in 2022-23, \$2.2 million ongoing, and eight permanent positions to support OSFM Fire and Life Safety (FLS) Division's increased workload related to current and planned construction by the state, and infrastructure

improvements outlined in the Budget Act of 2021.

- **OSFM: Fire and Life Safety Designated Campus Fire Marshal Program.** The Legislature rejects the Governor’s proposal of \$3.2 million reimbursement authority increase in 2022-23, \$2.8 million ongoing, and 12 positions to support the OSFM’s workload associated with reviewing the University of California (UC) campus’ adherence to the Designated Campus Fire Marshal, Memorandum of Understanding (MOU) entered into as allowed by Health and Safety Code Section 13146.
- **State Fire Training Enhancement Program.** The budget includes \$914,000 California Fire and Arson Training Fund in 2022-23, \$839,000 ongoing, and four positions for the OSFM’s State Fire Training Division. This request will allow for adequate staffing and funding to support the operation needs to the program to administer the California Fire Service Training and Education Program.
- **Enhanced Industrial Disability Leave (SB 334 and SB 1144).** The budget includes \$13.8 million General Fund starting in 2022-23 and use of a four-year average methodology to annually adjust baseline funding consistent with the utilization of this benefit to support the overtime costs resulting from the implementation of SB 334 (Dodd), Chapter 857, Statutes of 2017, and SB 1144 (Dodd), Chapter 897, Statutes of 2018. SB 334 extends enhanced industrial disability leave to state employees who are members of Bargaining Unit 8 (i.e. CalFire firefighters). SB 1144 provides a Bargaining Unit 8 state firefighter who is on Enhanced Industrial Disability Leave with any pay raises received by active state firefighters.
- **Firefighters Procedural Bill of Rights Act (SB 206).** The budget includes \$1.1 million General Fund and four positions starting in 2022-23, to satisfactorily address the increased workload and fiscal impacts resulting from the implementation of SB 206 (McGuire) Chapter 722, Statutes of 2021.

SB 206 (McGuire). SB 206 applies the Firefighters Procedural Bill of Rights (FBOR) to seasonal temporary appointment firefighters. FBOR was enacted in 2007, prescribing enhanced employment rights to tenured firefighters regarding political activities, interrogations, punitive actions, and administrative hearings following discipline. The FBOR was enacted to mirror the Peace Officer Bill of Rights, which provided enhanced employment rights to peace officers. While CalFire extends certain rights related to interrogation and investigations to all CalFire employees, the right to a full evidentiary hearing was not extended to temporary, seasonal employees prior to the enactment of SB 206.

- **Office of Wildfire Technology Research and Development (SB 109).** The budget includes \$1.8 million General Fund in 2022-23, \$1.7 million ongoing, and seven positions to establish the Office of Wildfire Technology Research and Development, as specified by SB 109 (Dodd), Chapter 239, Statutes of 2021.

SB 109 (Dodd). SB 109 establishes the Office of Wildfire Technology Research and Development within CalFire, as well as the Wildfire Technology Research and Development Review Advisory Board to conduct research and testing on emerging technologies to prevent, predict, and fight wildfires.

- **CAD/AVL Program Hardware and Service Refresh.** The budget includes \$23.9 million General Fund and \$17.9 million State Emergency Telephone Number Account (SETNA) in 2022-23, \$22.5 million General Fund and \$8 million SETNA ongoing, and 43.0 positions to acquire, install, and support the Computer Aided Dispatching (CAD) program throughout the CalFire Emergency Command Centers (ECCs) and all other emergency response resources.
- **CalFire Training Centers.** The budget includes \$15.7 million General Fund in 2022-23 and \$272,000 General Fund ongoing to meet the increased training demand at CalFire’s Training Centers. This request will provide funding for one-time purchase of essential equipment required to meet existing demand and prepare the Training Centers for future impacts, along with ongoing amortization for some of this equipment.
- **Contract County Crews and Realignment.** The budget includes \$25.4 million General Fund in 2022-23 and \$35.4 million ongoing to fund 12 hand crews, implemented over two years, to be utilized for vegetation management, hazardous fuel reduction projects, wildland fire suppression in the Contract Counties, and a budget adjustment to re-baseline Contract County funding commensurate with CalFire Units.
- **Agricultural Lands: Livestock Producers: Managerial Employees: Livestock Pass Program: Disaster.** The budget appropriates \$60,000 General Fund in 2022-23 for curriculum development and trailer bill language to change the effective date from January 1, 2023 to July 1, 2023.
- **Prescribed Fire Liability Pilot Program.** The Legislature rejects the Governor’s trailer bill language related to a prescribed fire liability pilot program.
- **Community Wildfire Preparedness, Mitigation, and Forest Resilience: (AB 9, AB 642 and SB 63).** The budget appropriates \$10.1 million General Fund in 2022-23, \$8.398 million ongoing, and 29 positions to address statutory requirements set forth in AB 9 (Wood), Chapter 225, Statutes of 2021, AB 642 (Friedman), Chapter 375, Statutes of 2021, and SB 63 (Stern), Chapter 382, Statutes of 2021.
- **Forest Health: National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA): Exemption: Prescribed Fire, Reforestation, Habitat Restoration, Thinning, and Fuel Reduction Projects.** The budget Resources trailer bill extends the sunset from January 1, 2023, to January 1, 2028, for the CEQA exemption related to prescribed fire, thinning, and fuel reduction projects undertaken on federal lands to reduce the risk of high-severity wildfire that have been reviewed under NEPA if certain conditions are met. This provision expands the exemption to include projects undertaken in whole or in part on federal lands as well as projects funded by tribal cultural burn and tribal wildfire funding authorized by the Budget Act of 2021. This provision includes specified notification requirements.
- **Green Infrastructure Projects (Urban Greening Program): Financial Assistance.** For purposes of the Urban Greening Program, the budget Resources trailer bill defines “special district” to mean an agency of the state, formed pursuant to general law or a special act, for the performance of governmental or proprietary functions, with limited geographic boundaries,

including but not limited to, a school district or a community college district.

- Forestry: Vegetation Management.** The budget Resources trailer bill revises the definition of fire prevention activities by providing that “hazardous fuels education and vegetation management” includes specified actions such as fuel breaks, forest thinning, and reforestation. This provision also requires CalFire, on or before December 31, 2023, to post on its website certain information regarding hazardous fuel reduction and vegetation management projects for the preceding fiscal year. This provision requires CalFire to develop a standardized protocol for monitoring implementation and evaluating the ecological and fire behavior impacts from vegetation management projects undertaken by the state.
- Fire Prevention: Moderate and High Fire Hazard Severity Zones (SB 63 (Stern) cleanup).** The budget Resources trailer bill requires a local agency to designate moderate and high fire hazard severity zones within 120 days of receiving recommendations from the State Fire Marshal (SFM). This provision also authorizes a local agency, at its discretion, to include areas within its jurisdiction, not identified as moderate and high fire hazard severity zones by the SFM, as moderate and high fire hazard severity zones; and prohibits the local agency from decreasing the level of fire hazard severity zone as identified by the SFM.
- Various Projects: Cost Increases for Working Drawings, Construction (California Construction Cost Index Increases, and a Fund Shift).** The budget appropriates \$5.929 million General Fund and \$3.254 million Public Buildings Construction Fund for cost escalations due to increases in the California Construction Cost Index (CCCI) impacting the construction phases of eight continuing capital outlay projects.
- Capital Outlay Actions.** The budget includes the following actions related to capital outlay:

CalFire Capital Outlay Projects Proposed for 2022-23 (In Thousands)

Project	2022-23			Total Project Cost
	Amount	Fund Source	New or Continuing	
Statewide: Replace Communications Facilities, Phase V	\$37,266	GF	Continuing	\$41,618
Hemet-Ryan AAB: Replace Facility	33,661	LRB	Continuing	37,523
Prado HB: Replace Facility	21,831	LRB	Continuing	24,600
Lake/Napa Unit Autoshop and Warehouse: Replace Facility	19,713	GF	Continuing	22,917
Potrero Forest FS: Replace Facility	14,675	GF	Continuing	17,370
Chico AAB: Infrastructure Improvements	10,605	GF	Continuing	12,491

Shasta Trinity UH/Northern Operations: Relocate Facilities	6,288	GF	Continuing	109,759
Lake Napa UH and St Helena FS: Relocate Facility	5,000	GF	New	42,714
Intermountain Conservation Camp: Replace Facility	3,831	GF	Continuing	73,895
Humboldt-Del Norte UH: Relocate Facility	3,558	GF	Continuing	57,317
Paso Robles AAB: Infrastructure Improvements	3,277	GF	Continuing	3,859
South Tahoe FS: New Facility	3,000	GF	New	16,680
Hollister AAB/Bear Valley HB: Relocate Facility	2,131	GF	Continuing	53,550
Minor Projects	2,068	GF	New	2,068
North Tahoe FS: New Facility	2,000	GF	New	15,680
Tehama Glenn UH: Relocate Facility	1,500	GF	New	63,720
Columbia HB: Replace Facility	1,228	GF	New	17,435
Howard Forest HB: Replace Facility	1,228	GF	Continuing	17,885
Higgins Corner FS: Replace Facility	789	GF	Continuing	12,029
Bear Valley FS: Relocate Facility	750	GF	New	9,594
Macdoel FS: Relocate Facility	586	GF	Continuing	11,879
Wilbur Springs FS: Relocate Facility	150	GF	New	12,214
L.A. Moran Reforestation Center Improvements	50	GF	New	5,826
Self-Generating Power in Tehama-Glenn and Fresno-Kings Units	50	GF	New	30,100
Totals	\$175,235			\$712,723

CalFire = California Department of Forestry and Fire Protection; GF = General Fund; AAB = Air Attack Base; LRB = lease-revenue bonds; HB = Helitack Base; FS = Fire Station; and UH = Unit Headquarters.

Source: Legislative Analyst's Office (LAO)

3560 STATE LANDS COMMISSION (SLC)

- Bolsa Chica Lowlands Restoration Project.** The budget includes \$2 million in 2022-23, \$2 million in 2023-24, and \$2 million in 2024-25 from the Environmental License Plate Fund (ELPF) for continued operations and management responsibilities for the Bolsa Chica Lowlands Restoration Project in Orange County. Operations and management costs average \$2 million annually, including required dredging, consultants, repairs, and other operational costs. The existing operations and maintenance fund for the Bolsa Chica Lowlands Restoration Project is nearly depleted and can no longer support baseline costs.
- Crockett Waterfront Clean Up.** The budget includes \$2.165 million one-time General Fund appropriation to facilitate removal of deteriorated infrastructure located on sovereign land at the Crockett Waterfront, west of the I-80 Bridge. The funding for the site will be used for removal

of dilapidated infrastructure and to secure the site, which addresses the immediate and critical needs, but will not fully restore the site.

- **Risk Assessment for Leased Premises.** The budget includes \$500,000 one-time General Fund to secure a consultant to conduct a statewide risk assessment to determine the state's liability associated with the Commission's leased premises, and to establish criteria for and develop a framework to help staff calculate appropriate levels of insurance and bonding/security for leases.
- **Selby Slag Remediation.** The budget includes \$1.625 million General Fund and \$2.65 million in reimbursement authority to accept cost-sharing contributions for the preliminary plans phase of the Remedial Action Plan (RAP) at Selby Slag. Pursuant to a 1989 consent judgment, DTSC requires remediation of extensive heavy metal contamination on a 66-acre site at Selby, Contra Costa County. The state is obligated to pay a proportionate share of the hazardous waste remediation costs; the Commission's share of preliminary plans is 38 percent (\$1.625 million). The other two parties with proportionate shares are represented as reimbursement authority, with C.S. Land, LLC contributing 20 percent (\$855,000) and ASARCO the remaining 42 percent (\$1.796 million); the Commission will recover shared costs at the beginning of the phase from DTSC and C.S. Land, LLC.
- **Offshore Oil.** The budget appropriates \$1 million to study the costs associated with reducing offshore oil and gas leases.

3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)

- **Automated License Data System 365-Day License and Electronic Display Implementation (AB 817).** The budget includes one-time funding of \$810,000 General Fund in 2022-23, with an extended encumbrance period through June 30, 2024, to support the implementation of AB 817 (Wood), Chapter 607, Statutes of 2021. AB 817 authorizes the Director of DFW to establish new annual resident and nonresident sport fishing licenses for 12 consecutive months. The bill authorizes DFW to enable the electronic display of licenses, validations, report cards, and other fishing entitlements. AB 817 also allows any resident of California who is 65 or older and receives Supplemental Security Income or Cash Assistance Payments for Immigrants to qualify for a reduced fee sport fishing license.
- **Automated License Data System Contract Increase.** The budget appropriates \$831,000 General Fund in 2022-23, \$833,000 in 2023-24, \$834,000 in 2024-25, \$974,000 in 2025-26, and \$1.05 million in 2026-27 and ongoing for the increased cost of the agreement between DFW's Data and Technology Division and Aspira, which provides the necessary maintenance, development, and support to keep the Automated License Data System operational.
- **Biodiversity Resilience Package: Reversion and Ongoing Appropriation.** The budget includes an amendment to the 2021-22 Biodiversity Resilience Package to revert \$48 million General Fund of the \$64.6 million that was originally approved (\$59.6 million General Fund and \$5 million ELPF). The amendment will also provide DFW with \$12 million in ongoing General Fund beginning 2022-23 to support the 39.0 permanent positions that were originally authorized in the 2021-22 Biodiversity Resilience Package. This action is intended to provide DFW with

ongoing resources to help address its most under resourced service areas identified on the SBB Final Report. The amendment provides ongoing funding for the permanent positions that were originally approved in the 2021-22 Biodiversity Resilience Package. In 2021-22, DFW reverts \$48 million General Fund of the \$64.6 million that was originally approved to be spent over five years, leaving \$12 million General Fund and \$5 million ELPF to support the approved positions and one-time actions in 2021-22. The amendment then provides DFW with \$12 million ongoing General Fund to support the authorized permanent positions.

- **Cannabis Licensure, Safety, and Quality Assurance (AB 141).** The budget appropriates \$1.3 million in 2022-23, \$1.2 million in 2023-24, and \$1.2 million in 2024-25 from the Cannabis Tax Fund, Allocation 1, to implement AB 141 (Committee on Budget), Chapter 70, Statutes of 2021. These funds are consistent with the Cannabis Tax Fund, Allocation 1, to continue the coordination and support required with the Department of Cannabis Control (DCC) for provisional cultivation licenses, as specified in the AB 141 updates to Business and Professions Code (BPC) Section 26050.2, and the appropriation provided to DFW pursuant to the Revenue and Taxation Code Section 34019(a)(3).
- **Commercial Fishing Inspection: Crab Traps (SB 80).** The budget includes three permanent positions and \$573,000 General Fund ongoing to address the workload associated with the implementation of SB 80 (McGuire), Chapter 757, Statutes of 2021. SB 80 authorizes DFW to develop and implement an evisceration program for the commercial Dungeness and rock crab fisheries, to expand biotoxin sampling in California fisheries, and to establish a consistent statewide presoak period for Dungeness crab gear.
- **Implementation of Nesting Bird Habitat Incentive Program (AB 614).** The budget includes one permanent position and \$699,000 in 2022-23, and \$1.2 million ongoing from the newly established Nesting Bird Habitat Incentive Program Account, Fish and Game Preservation Fund to address the workload associated with the implementation of AB 614 (Aguiar-Curry), Chapter 521, Statutes of 2021. AB 614 provides support to the Nesting Bird Habitat Incentive Program (NBHIP) as outlined in Fish and Game Code Section 3480. Implementation of this program supports the reversal of the long-term decline of many bird and pollinator species that rely on upland habitat in the Central Valley of California.
- **Modernization of Aging Vessel Fleet.** The budget appropriates one-time funding of \$1.9 million General Fund in 2022-23, with an extended encumbrance period through June 30, 2024, and an extended liquidation period through June 30, 2027, to replace an aging vessel fleet and to modernize equipment needed to assess the effects of climate change on California's unique biodiversity. These investments are intended to allow increased access to additional types of aquatic habitat and decrease long-term reliance on state funding to repair aged vessels. With 12 of DFW's monitoring vessels likely to be retired by 2024, DFW is targeting specific vessel functionality that will enable the department to replace those aged vessels with the following five vessels:
 - \$1.03 million for a Class III 42' research vessel for trawling in rougher Bay waters.
 - \$496 thousand for a Class II 32' research vessel for trawling-based surveys.

- \$256 thousand for two Class I 24' landing crafts for beach seining in restored habitats or shallower waters, and gill netting of sport fish.
- \$146 thousand for a Class I 23' chase boat with a movable gantry that could also be used as an alternate trawling vessel.

These vessels will allow staff more days on the water, creating a force multiplier by providing more available days for surveys and diversifying the habitats accessible to monitoring. Use of these vessels will rectify gaps in needed species monitoring efforts, create efficiencies, bridge programs within the department, and foster cooperation and collaboration.

- **Reimbursement and Federal Trust Fund Permanent Position Authority.** The budget includes 10 positions (permanent position authority only) ongoing to replace the temporary positions used to complete work historically funded by long-term reimbursement agreements or federal grants. These positions are fully funded by reimbursement agreements and federal grants and are expected to remain fully funded by those funds.
- **Wildlife Connectivity Actions: Compensatory Mitigation Credits (SB 790).** The budget includes three permanent positions and \$717,000 General Fund 2022-23, and two additional permanent positions and \$1.1 million in 2023-24 and ongoing to address the workload associated with the implementation of SB 790 (Stern and Cortese), Chapter 738, Statutes of 2021. SB 790 authorizes DFW to approve compensatory mitigation credits for certain wildlife connectivity actions that measurably improve habitat connectivity or wildlife migration, such as adding an overpass or underpass for a roadway.
- **Whale and Sea Turtle Safe Fisheries Initiative.** The budget appropriates \$856,000 ELPF in 2022-23, \$856,000 in 2023-24, and \$721,000 in 2024-25 to implement the Habitat Conservation Plan (HCP) for the Dungeness Crab Fishery (DCF). This funding will provide capacity to implement the HCP for the protection of whales and sea turtles in the commercial DCF pursuant to the pending issuance of a federal Endangered Species Act (ESA) Incidental Take Permit (ITP) and as required by settlement obligations.
- **Nesting Bird Habitat Incentive Program (AB 614).** The budget includes one permanent position and \$699,000 in 2022-23, \$1.2 million ongoing from the newly established Nesting Bird Habitat Incentive Program Account, Fish and Game Preservation Fund, to address the workload associated with implementation of AB 614 (Aguilar-Curry), Chapter 521, Statutes of 2021, which raises both the duck and upland game bird hunting validation fee by \$10 each to fund the Nesting Bird Program and revises eligibility for the Winter Rice Program.
- **Wildlife Waystation Emergency Response.** The budget appropriates one-time funding of \$1.08 million General Fund in 2022-23 to fund the necessary contracts (payroll services, armed guards, water delivery, portable toilets, etc.) associated with the Wildlife Waystation Sanctuary. The additional resources are needed to care for and rehome the remaining exotic animals to complete the Department's original emergency operation.
- **Lake Tahoe Wildlife Response Management.** The budget appropriates one-time funding of \$2.2 million ELPF in 2022-23 to support Lake Tahoe wildlife management efforts to work with

local governments and communities to manage bears and other wildlife in the Lake Tahoe community. These funds are necessary due to an increase in health and public safety issues resulting from wildlife seeking out food by raiding garbage cans, entering homes, and associating food with people.

- **Dedicated Fish and Game Preservation Fund Realignment.** The budget includes TBL extending the sunset date of the Steelhead Report and Restoration Card to January 1, 2028; and various adjustments to the Fish and Game Preservation Fund's (FGPF) dedicated accounts resulting in an increase of \$2.45 million in 2022-23, \$86,000 in 2023-24, and \$56,000 in 2024-25 and ongoing. These adjustments align the accounts' expenditure authority with revenues and help DFW maintain stability, structural balance, and workload for the fund.
- **Hatcheries and Inland Fisheries Fund Realignment.** The budget appropriates \$5.0 million from the Hatcheries and Inland Fisheries Fund (HIFF) and 15 permanent positions in 2022-23 and ongoing to help address staffing and operational shortfalls associated with trout hatcheries. This request aligns HIFF's expenditure authority with revenues and helps the Department maintain stability, structural balance, and workload for the fund.
- **Beaver Restoration.** The budget includes five permanent positions and \$1.67 million ELPF in 2022-23, and \$1.44 million in 2023-24 and ongoing to fund and support the implementation of a beaver restoration program within DFW.
- **Complete Fine-Scale Vegetation Mapping for California.** The budget appropriates a total of \$40 million General Fund (\$20 million in 2022-23 and \$20 million in 2023-24) to complete fine-scale vegetation mapping throughout the state.
- **Natural Diversity Database Backlog.** The budget appropriates \$13 million General Fund to eliminate the natural diversity database backlog.
- **Cannabis Restoration Grant Program.** The budget appropriates \$5 million for the Cannabis Restoration Grant Program.
- **Steelhead Trout: Fishing Report-Restoration Card.** The budget Resources trailer bill extends the sunset of the operation of the fishing report-restoration card requirements from January 1, 2023, to January 1, 2025, and requires DFW to report to the Legislature regarding the fishing report-restoration card program's projects on or before July 1, 2023.
- **Trout Hatcheries.** The budget appropriates \$5 million Hatcheries and Inland Fisheries Fund and includes 15 permanent positions ongoing to help address staffing and operational shortfalls associated with trout hatcheries.

3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)
3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)

- **Wireless In-Car Camera Systems.** The budget appropriates \$3.3 million General Fund to DFW and \$4.5 million (in lieu of the \$2.2 requested by the Governor) in 2022-23 for in-car camera systems. The Legislature rejects the ongoing funding proposed for this purpose.

3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)
3640 WILDLIFE CONSERVATION BOARD (WCB)

- **Wildlife Conservation Board Accounting.** The budget includes four permanent positions and \$741,000 in reimbursement authority in 2022-23, and \$697,000 ongoing to expand existing staff resources, which provide contracted accounting services for WCB. WCB will utilize various continuously appropriated bond funds to cover the cost of the contracted positions.

3640 WILDLIFE CONSERVATION BOARD

- **Pollinators.** The budget includes \$5 million General Fund for the Pollinator Program.

3720 CALIFORNIA COASTAL COMMISSION

- **Essential Accounting, Business Services, and Operational Resources.** The budget appropriates \$275,000 General Fund ongoing to fund one Attorney III position, which is needed to handle workload associated with litigation, which has roughly doubled since 2015, as well as review and processing of recorded documents for which there is a persistent backlog.
- **Essential Legal Resources.** The budget appropriates \$128,000 one-time General Fund to procure security upgrades and associated training to address network and systems security recommendations identified by the California Military Department Cyber Network Defense Team during Independent Security Assessments in 2017 and 2020.
- **Record Digitization.** The budget appropriates \$1.2 million General Fund for records digitization.
- **Essential Climate Resiliency Sea Level Rise Team Support.** The budget appropriates \$750,000 Greenhouse Gas Reduction Fund (GGRF) ongoing to support the commission's work related to sea level rise.
- **Resources for Attorneys' Fees.** The budget appropriates \$120,000 General Fund one-time to pay for outside counsel to represent it in four consolidated cases for which the Attorney General's Office is unable to represent it due to a potential conflict of interest with the California

Department of Parks and Recreation.

- **Hollister Ranch: CEQA.** The budget Resources trailer bill provides that the environmental review set forth in the Final Programmatic Environmental Review Report for the Hollister Ranch Coastal Access Program (in the County of Santa Barbara), in combination with other environmental review documents, is conclusively presumed to satisfy CEQA for a project to effectuate public access and associated facilities undertaken or approved by a public agency.

3760 STATE COASTAL CONSERVANCY (SCC)

- **New Reimbursement Authority.** The budget includes \$40 million in increased reimbursement authority for fiscal year 2022-23 and \$20 million in increased reimbursement authority in 2023-24 to receive and disburse grant funds. The grants will provide funding for the protection and restoration of coastal and ocean resources related to the effects of sea level rise and other impacts of climate change.
- **Santa Monica Bay.** The budget appropriates \$10.8 million General Fund for the Santa Monica Bay Foundation to restore the Santa Monica Bay.
- **Sea Level Rise.** The budget appropriates \$40 million General Fund in 2022-23 and \$80 million GGRF in 2022-23, of which \$30 million will be for projects in the San Francisco Bay Area in 2022-23; and \$300 million in 2023-24, of which \$100 million will be set aside for projects in the San Francisco Bay Area.
- **Establishment of Two Positions for the Great Redwood Trail Project.** The budget includes the establishment of two permanent full-time positions to implement the Great Redwood Trail Project pursuant to SB 69 (McGuire), Chapter 423, Statutes of 2021. These positions will be funded through an appropriation included in the 2021 Budget Act to aid in the planning and reuse of the assets of the North Coast Rail Authority.
- **State Coastal Conservancy Workload.** The budget includes nine permanent full-time positions to implement projects pursuant to SB 170 (Skinner), Chapter 240, Statutes of 2021 and SB 155 (Committee on Budget & Fiscal Review), Chapter 258, Statutes of 2021. These positions will be funded through SB 170 and SB 155 and will carry out programs related to the Santa Ana River Conservation Program, coastal resilience, and wildfire and forest resilience.
- **Climate Ready Program.** The budget Resources trailer bill deletes the reference to specified funds so that the Conservancy is required to do certain actions, such as prioritize projects that use natural infrastructure in coastal communities to help adapt to climate change, regardless of fund source.

3780 NATIVE AMERICAN HERITAGE COMMISSION (NAHC)

- **Establishment and Transfer of Governor’s Office of Tribal Affairs.** The budget includes a net-zero transfer of \$115,000 ELPF ongoing and \$411,000 General Fund ongoing and three positions from NAHC to establish the Office of Tribal Affairs in the Governor’s Office, the net-zero transfer of \$450,000 ELPF through 2024-25 to the Governor’s Office of Planning and Research to support the California Truth and Healing Council, and \$231,000 General Fund ongoing and two positions to comply with the California Native American Graves Protection and Repatriation Act.
- **Truth and Healing Council.** The Governor proposed trailer bill language related to the Tribal Natural Resources Council and streamlining, which was rejected.

3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)

- **Capital outlay projects.** The budget includes funding for the following capital outlay projects:
 - **Fort Ross SHP: Visitor and Educational Improvements.** \$1.82 million for Working Drawings. The project includes construction of new cabin accommodations, demolition of existing cabins for tent camping, utility upgrades, stabilization of the Historic Lambing Barn, and adaptive rehabilitation of the historic structures for classrooms and interpretive areas.
 - **Humboldt Redwoods State Park (SP): Replace Founders Grove Restroom.** \$190,000 from available Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84) and \$442,000 State Park Contingent Funds for the working drawings phase of the Humboldt Redwoods SP Replace Founders Grove Restroom in Humboldt County. This project will demolish the existing restroom facility, which is currently out of service, as well as the parking lot at Founders Grove, and construct new restroom and parking facilities with the necessary infrastructure in an alternative location. The new site will also include a new water source and treatment system, and a new accessible trail connection to Founders Grove. To accommodate the increase in visitation over recent years and anticipated future years, the capacity of both the facilities and trail need to be scaled accordingly. Parks will seek donations to cover the \$2.303 million increase in total project cost.
 - **Kings Beach SRA: Recreational Pier Replacement and Support Buildings.** The budget includes \$805,000 in reimbursement authority for the preliminary plans phase of the Kings Beach State Recreation Area (SRA): Recreational Pier Replacement and Support buildings project in Placer County. This project will relocate the existing pier, construct a new support building for park operations, and provide access and recreational improvements, consistent with the 2018 General Plan. Design funds for this project will come from fully executed grant agreements between the Department and the California Tahoe Conservancy in the amount of \$650,000 and the Department and the State of California, Wildlife Conservation Board in the amount of \$700,000, for a total of \$1,350,000. The Department will seek additional grant funds for the construction phase of this project.

- **Lake Oroville SRA: Gold Flat Campground Upgrades.** The budget makes a new appropriation in the amount of \$1.677 million from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund (Proposition 84) for the construction phase of the continuing Lake Oroville State Recreation Area (SRA): Gold Flat Campground Upgrades project. Also, the budget reverts the 2019 appropriation for \$1.299 million from Proposition 84 for the construction phase of the continuing Lake Oroville SRA: Gold Flat Campground Upgrades project. This budget action is a net increase of \$378,000. This continuing project will upgrade aged and failing infrastructure by replacement of the outdated electrical and water distribution systems, installation of data conduit for future use, and overlay of campground roads and campsite spurs. The project will also construct accessible campsites and accessible paths of travel and accessibility upgrades to the existing combination building.
- **Lake Perris SRA: Replace Lifeguard Headquarters.** \$678,000 for working drawings from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) bond funds. The project includes constructing a new lifeguard headquarters building. Total project costs are estimated at \$12.226 million. This project will result in demolition of the existing 45-year-old lifeguard headquarters and construct a new, multi-purpose lifeguard headquarters. The new building will be larger and provide functionalities not currently available in the existing structure such as separate male and female locker rooms for lifeguard staff, a storage room for the dive team, and medical equipment.
- **MacKerricher State Park: Replace Water Treatment Plant.** \$2.424 million from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84) for the construction phase of this continuing project. This project will upgrade the drinking water collection and treatment equipment at MacKerricher State Park to allow safe and reliable year-round production of potable water for the park. Due to eutrophication of Lake Cleone and coastal erosion, the park is in jeopardy of losing its existing supply of fresh water. A new source of water will be located and the water treatment plant will be upgraded to provide the park with an adequate and reliable supply of potable water.
- **Malakoff Diggins State Historic Park (SHP): Mine Remediation Implementation.** \$3.5 million one-time General Fund to implement improvements required by the California State Water Resources Control Board (SWRCB) at Malakoff Diggins SHP for the Mine Remediation Project. Design and permitting funds were previously appropriated with the understanding that implementation funds will be needed at the conclusion of those efforts. Based on the project schedule, SWRCB approval is expected later this year, with final plans and permits in hand for construction to begin in 2022-23. Design and permitting funds were previously appropriated with the understanding that implementation funds will be needed at the conclusion of those efforts. Based on the project schedule, SWRCB approval is expected later this year, with final plans and permits in hand for construction to begin in 2022-23. This new appropriation will be used to implement interim measures that include building rock berms and a cofferdam, and installing floc logs and brush dams to help the sediment separate from the water and reduce the amount of sedimentation entering and leaving the water system below Malakoff Diggins.

- **Malibu Creek SP: New Stokes Creek Bridge.** A supplemental appropriation of \$79,000 from available bond funds from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund (Proposition 84, Public Resources Code 75063(a)) for the working drawings phase of the continuing Malibu Creek SP: New Stokes Creek Bridge project in Los Angeles County. This project will replace an existing, undersized arch culvert with a bridge to restore a secondary escape route for park visitors in the event of fire or other emergencies, reduce deferred maintenance costs and disruption to campers, and restore the creek to its natural configuration. This additional funding is necessary for the working drawings phase of this project due to increased design costs and additional natural resources permitting activities.
- **McGrath State Beach (SB): Campground Relocation and Wetland Restoration.** A supplemental appropriation of \$2.576 million (\$1.288 million from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Proposition 40) and \$1.288 million from California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act (Proposition 68)). This project will relocate the campground, maintenance yard, employee housing, campfire center, and day use parking, and replace utility infrastructure, due to yearly flooding.
- **Mount Diablo SP: Visitor Center.** The budget includes \$90,000 in reimbursement authority from the State Parks and Recreation Fund for preliminary plans and working drawings phases of the Mount Diablo State Park (SP): Visitor Center. This new project includes replacing a small existing visitor center trailer with a larger visitor center, remodeling the existing restroom and site to meet accessibility standards, and constructing an outdoor interpretive pavilion. The Mount Diablo Interpretive Association (MDIA) has agreed to donate the design drawings and specifications for this project, subject to state review and approvals, and will collaborate with the Department to pay all state costs for design review, project management, and construction.
- **Oceano Dunes State Vehicle Recreation Area (SVRA): Le Sage Bridge Replacement.** \$1.159 million for preliminary plans, working drawings and construction. The project includes structural improvements and enhanced design features to the Le Sage Bridge for combined vehicle and pedestrian use. On March 18, 2021, the California Coastal Commission (Commission) concluded that off-highway vehicle recreation at Oceano Dunes SVRA is incompatible with the Coastal Act and revised the department's Coastal Development Plan regarding off-highway vehicle use at this SVRA. Consistent with this ruling, the Commission directed Parks to phase out off-highway vehicle recreation in this SVRA over the next three years. Given the Commission's March 2021 ruling, it is not appropriate to fund this project using OHVTF. The continuation of this project remains a priority as visitors will continue to be able to drive through portions of the park for non-OHV use.
- **Oceano Dunes SVRA: Pismo SB Sediment Track-Out Prevention.** A transfer of \$1.032 million from General Fund to Off-Highway Vehicle Trust Fund (OHVTF) for the Oceano Dunes SVRA: Pismo SB Sediment Track-Out Prevention project in San Luis Obispo County. This transfer is in response to recent Coastal Commission decisions impacting Oceano Dunes SVRA and will reimburse the OHVTF for all costs incurred developing the project.

- **Pfeiffer Big Sur State Park: Low-Cost Alternative Coastal Lodging (Pfeiffer).** A supplemental appropriation of \$326,000 for the working drawings phase and \$1.079 million for the construction phase from State Park Contingent Funds and \$4.693 million from available California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Proposition 68) for the Pfeiffer Big Sur State Park (SP): Low-Cost Alternative Coastal Lodging project in Monterey County. This continuing project includes construction of up to 15 new, lower-cost alternative lodging cabins (camping cabins and a combo building) along the coast to enhance visitor experience and increase visitation by non-traditional users within Pfeiffer Big Sur SP. A portion of funds for this project will come from the California Coastal Commission as a donation in-lieu of mitigation fees totaling up to \$3.462 million over the next several years. Total project costs are estimated at \$6.466 million.
- **Picacho State Recreation Area (SRA): Park Power System Upgrade.** \$262,000 from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access Fund (Proposition 68) for the working drawings phase of the Picacho SRA: Park Power System Upgrade project in Imperial County. This project will evaluate the park's current and future electrical power needs, including redundant backup, and determine sustainable options for providing reliable and cost-effective electrical power at this remote location. Options to be considered include, but are not limited to, photovoltaic (PV) panels on existing buildings and/or new shade structures, replacing existing diesel generators, or other mixes of conventional and renewable electrical sources. The project includes upgrading the park's power generation and distribution system, based on the studies conducted to determine the peak demand for current and future anticipated needs. Total project costs are estimated at \$2.89 million.
- **Pismo SB: Entrance Kiosk Replacement.** A shift in the fund source for the Pismo SB: Entrance Kiosk Replacement project in San Luis Obispo County from the Off-Highway Vehicle Trust Fund to the General Fund, for a total of \$1.053 million for the preliminary plans, working drawings and construction phase. This transfer is in response to recent Coastal Commission decisions impacting Oceano Dunes State Vehicular Recreation Area (SRVA) and will repay the the Off-Highway Vehicle Trust Fund for all costs incurred in developing the project.
- **Railyards Protection and Maintenance.** \$475,000 in 2022-23 and \$328,000 ongoing from State Parks and Recreation Fund (SPRF) to continue the rehabilitation of the Boiler Shop in the Railyards Area of Old Sacramento State Historic Park (SHP). This funding proposal will specifically be used toward infrastructure improvements, a vehicle, ongoing staff costs, maintenance, and utilities. The 2021-22 Governor's Budget included \$22.586 million to rehabilitate the Boiler Shop in the Railyards Area of Old Sacramento SHP. As the rehabilitation process of the Boiler Shop in the Railyards Area begins in earnest, there is a need for dedicated staff and infrastructure to support the area. One-time costs include \$129,000 for small infrastructure improvements, a Caterpillar telehandler, \$312,200 for first year staffing costs, and \$33,800 for housekeeping, recurring maintenance, and utilities. Ongoing costs include \$294,200 for staff, and \$33,800 for housekeeping, recurring maintenance, and utilities.

- **Silver Strand State Beach (SB).** \$500,000 from California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund (Proposition 68) bond funds for the preliminary plans phase of the Silver Strand SB: Low-Cost Accommodations project. This new project will allow for the planning and initial development of low-cost accommodations at Silver Strand SB. The project will provide planning, development, construction, operation and maintenance of low-cost accommodations at Silver Strand SB. Total project costs are estimated at \$6 million.
- **Colonel Allensworth SHP and local assistance.** The budget appropriates \$28 million for the construction of the Colonel Allensworth State Park visitor center, \$1.6 million to create the Allensworth Civic & Entrepreneurship Center, and \$10 million for TAC Teaching and Innovation Farm. Budget bill language is included to authorize Parks to give “free days” access to the park over the next three years.
- **Human Resources Workload Support.** The budget includes \$658,000 in one-time and five positions in 2022-23 and \$620,000 ongoing from SPRF and OHV to add staff to the Department’s Human Resources (HR) Section. The one-time funding request includes \$536,000 from SPRF and \$122,000 from OHV. The ongoing funding request includes \$505,000 from SPRF and \$115,000 from OHV. The additional staff will address ongoing workload increases, enhanced reporting requirements, and complex HR processes. Specifically, these positions will be assigned to the Classification and Hiring Unit, the Peace Officer Selection Unit, and the Risk Management Unit. In recent years, department staff has grown, and workload for the HR Section has significantly increased in both duration and number of tasks, as well as increased complexity of tasks, processes, and procedures.
- **Limekiln State Park Revenue Collection and Operations.** The budget appropriates \$1.122 million one-time for ten permanent positions, five vehicles, and equipment costs and \$878,000 ongoing from the State Parks and Recreation Fund to operate, improve, and maintain Limekiln State Park. Funding this proposal will allow for the requested positions to perform revenue collection, increase park access by accepting statewide and district day use passes, perform interpretation and education activities, increase housekeeping and facility maintenance services, increase uniformed employee presence, reduce emergency response time, and expand camping opportunities. In addition, park staff will be able to provide water treatment, as well as natural and cultural resource maintenance and protection.
- **Relocate San Diego Coast District Office.** The budget appropriates \$973,000 one-time and \$575,000 ongoing with an annual four percent increase from SPRF to relocate the San Diego Coast District Office. The current District site presents multiple hazards to the public, partners, and staff. In addition, the site will be subject to several decades of construction disruptions as the US Navy begins a revitalization project of its property immediately adjacent to the office site.
- **Tribal Lands Acknowledgement, Interpretation, and Exhibit Improvements.** The budget includes \$9.778 million one-time General Fund and six limited term positions to support California Native Americans’ engagement and interpretation in state parks. Tribal land acknowledgements for all 280 state parks will be addressed through new signage and improved interpretation that will better connect the public with tribal history and contemporary

experiences. Approximately 20 parks will be prioritized to update and better contextualize the history of California Native Americans in existing visitor center/museum exhibits.

- **California Cultural and Art Installation in Parks Program.** The budget includes a one-time allocation of \$25 million General Fund and seven limited-term positions for a Cultural and Art Installation in Parks program to enhance interpretive efforts in state and local parks.
- **State Parks Future Capital Investment.** The budget includes a \$50 million General Fund transfer to the Natural Resources and Parks Preservation Fund (NRPPF) for future capital outlay projects — potentially for acquisition, preliminary plans, working drawings, or construction to be appropriated in future budget change proposals. The capital outlay projects to be selected are intended to improve visitor experiences, build state park resources and recreational opportunities, foster better connections with under-resourced communities, and address barriers to park access.
- **California Construction Cost Index Increases Construction.** The budget increases the Capital Outlay budget for 2022-23 by \$14.564 million one-time from various funds for design phase and construction phases of various capital outlay projects. The national construction market has experienced significant inflation nationally since 2021. This budget action will address recent inflationary pressures in the construction market to ensure projects can proceed to the construction phase with adequate funding.
- **Alameda-Tesla Expansion Area Planning/Statewide: Off-Highway Vehicle (OHV) Feasibility Studies for Acquisitions.** The budget appropriates \$1 million one-time from the State Park and Recreation Fund (via a prior year transfer from the General Fund per SB 155) and includes one limited-term position for the classification of and general plan for the 3,100 acres of the Alameda- Tesla Expansion Area to determine the best management strategies and public use of the land. Additionally, the budget includes \$1 million Off-Highway Vehicle Trust Fund authority for feasibility studies related to acquisition of additional lands to support and/or expand OHV recreation.
- **India Basin.** The budget appropriates \$25,000,000 from the General Fund for the continuation of the India Basin project in San Francisco for the creation of recreation opportunities and park access to historically underserved communities in San Francisco. Remediation efforts are anticipated to be completed by the end of May 2022.
- **Alta Sea.** The budget appropriates \$7.5 million to the Port of Los Angeles for the Alta Sea Center for Innovation.
- **Oceanography Program for Coastal Data Information Program.** The budget appropriates a total of \$6 million (\$2 million annually from 2022-23 through 2024-25) for the Oceanography Program.
- **Cannabis Watershed Protection Program Positions.** The budget adds 61 permanent positions, 40 vehicles, and 12 pieces of heavy equipment to continue the Cannabis Watershed Protection Program implementation addressing immediate needs, including statewide efforts to prevent illegal cannabis cultivation in state parks, remediation of environmental impacts, and restoration

of natural habitats and lands impacted by cannabis cultivation. This action will be supported by the Department's Cannabis Tax Fund allocation designated for these purposes.

- **Office of Grants and Local Services Support Staffing.** The budget includes position authority for ten additional positions to meet grant program delivery obligations. The department's Office of Grants and Local Services (OGALS) is experiencing significant workload increases due to the expansion of various grant programs. The ten additional positions will improve the department's program delivery obligations and funding for the positions can be absorbed through existing program delivery funds from General Fund, Proposition 68, and Federal Trust Fund.
- **Parks Bond Administrative Support.** The budget includes one position to address increasing workload needs of bond programs. The position will be funded by General Obligation bond appropriations through 2025-26 that was requested in the Natural Resources Agency Bond and Technical Proposals Spring Finance Letter.
- **Tamarack Wildfire Repair.** The budget appropriates \$5 million one-time General Fund for the Tamarack Wildfire Repair project in Grover Hot Springs State Park. The department will replace and repair lost equipment, destroyed facilities, and trails back to pre-disaster condition.
- **Division of Boating and Waterways: Beach Erosion Control.** The budget Resources trailer bill changes the declaration of policy that the state bears half the costs of required local participation for beach erosion control projects, as specified, to require the state to *consider* bearing half the costs of required local participation for these projects, subject to the same conditions.
- **Public Beach Restoration.** The budget includes \$15.235 spending authority in 2022-23 from the Public Beach Restoration Fund, via transfer from the General Fund, to meet federal cost-sharing requirements for construction of three beach restoration projects in Orange County, the City of San Clemente, and the Cities of Encinitas and Solana Beach; and includes \$250,000 in reimbursement authority for this program to accept cost-sharing contributions from a project's local partners.
- **Local Assistance: Off-Highway Vehicle Trust Fund.** The budget appropriates \$34 million one-time from the Off-Highway Vehicle (OHV) Trust Fund for local assistance grants.
- **Local Assistance: Statewide Park Program and Urban Parks Incentive Grants.** The budget appropriates one-time funding of \$7.2 million from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Proposition 40) for competitive grants under the Urban Parks Initiative Program and one-time funding of \$5 million from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund (Proposition 84) for competitive grants under the Statewide Park Development and Community Revitalization Program. These programs provide grants to create new parks and recreational opportunities in underserved communities across California.
- **K-12 and Interpretive Program Enrichment.** The budget appropriates \$15 million General Fund one-time for the enrichment of K-12 educational and interpretive programming. This proposal will allow the department to better meet the increasing needs for outdoor educational

programming that expands and augments classroom curriculum. Outdoor education programs, including after-school and summer learning programs, represent an excellent opportunity to partner with K-12 schools to enhance the department's mission to provide for the health, inspiration and education of the people of California.

- **African American History and Engagement in California State Parks.** The budget appropriates \$15 million General Fund for African American History and Engagement in California State Parks in partnership with the California African American Museum (CAAM). An outgrowth of the Reexamining Our Past Initiative, the project will engage a network of community, public and academic historians to conduct research, document community memory, and preserve historical materials to address gaps in the representation, preservation, and interpretation of California's significant African American history across more than two dozen California state parks. The project will deliver new and enhanced interpretation, educational curriculum, innovative multimedia presentations, and exhibit content.
- **State Parks Program.** The budget appropriates \$224.5 million General Fund for the Statewide Parks Program, with \$75 million in 2022-23, \$55.5 million in 2023-24, \$69 million in 2024-25, and \$25 million in 2025-26. The budget specifies that \$15 million of the funds in 2023-24 must be used for disability playsets.
- **Outdoor Equity Access Grants.** The budget appropriates a total of \$75 million General Fund (\$25 million annually for three years).
- **Equitable Access Program: New State Park.** The budget reappropriates \$5 million General Fund currently available for the acquisition of property for the development of a new state park, to be used for acquisition, studies/planning, and the development of immediate public use (IPU) improvements. The department has tentatively selected a property (Dos Rio Ranch Preserve), recommended for State Park designation in the department's extensive Central Valley Vision public process, and now offered by the non-profit River Partners, at no cost, for the development of a new state park.
- **General Fund Reimbursement.** The budget includes \$3 million in reimbursement authority from General Fund to allow for improved processing of reimbursement transfers received from the General Fund. This authority will be used for costs associated with natural disasters such as wildfires, landslides, and any other statewide emergency where reimbursement is anticipated.
- **Local Park Extensions.** The budget includes extensions for encumbrance and liquidation for various local park projects.
- **City of Lakewood Contract C50504030 (2021 Budget Act appropriation, SB 170, Sec. 19.56(e)(86)).** The budget extends the encumbrance period to June 20, 2026.
- **Extension of Encumbrance or Expenditure Periods, Natural Resources Bonds and Technical Proposals: Proposition 68.** The budget reverts \$15.8 million of the amount appropriated to support critical deferred maintenance projects in 2020-21 from the California

Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund (Proposition 68).

- **Statewide: Budget Packages/Studies.** The budget includes \$1 million in spending authority from the Natural Resources and Parks Preservation Fund (NRPPF). The Department is currently evaluating its infrastructure needs and will utilize a selection process to identify capital outlay projects that will improve visitor experiences and build park resources and recreational opportunities fostering better connections with under-resourced communities and tackling barriers to park access. Once potential capital outlay projects are selected, these funds will be used to develop detailed scope and cost estimates for consideration by the Legislature through the annual budget process.

3810 SANTA MONICA MOUNTAINS CONSERVANCY

- **Liberty Canyon Wildlife Crossing.** The budget appropriates \$10 million General Fund to advance completion of the Wallis Annenberg Wildlife Bridge construction project across the 101 Freeway and Agoura Road at Liberty Canyon in the City of Agoura Hills. The \$10 million will be applied to complete the Phase 2 segment of the project crossing over the Agoura Road freeway frontage road. The wildlife bridge project is a longstanding collaborative project between the Santa Monica Mountains Conservancy, Caltrans, the Mountains Recreation and Conservation Authority, the National Park Service, and the National Wildlife Federation.

3820 SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (SF BCDC)

- **Regulatory Compliance Support.** The budget includes two Environmental Scientist compliance staff positions to support BCDC's regulatory program, funded from the Bay Fill Clean-up Fund. This proposal references the state auditor's enforcement audit that recognized the value of compliance efforts to fulfill regulatory requirements.
- **Hybrid Commission Meetings and New Compliant Website.** The budget appropriates \$195,000 General Fund in 2022-23, and \$125,000 General Fund ongoing to pay for (1) costs associated with providing hybrid public meetings emanating physically from BCDC's leased office space (\$125,000 in 2022-23) and (2) to create a new website to replace the Commission's out-of-compliance and unfixable current website (a \$70,000 one-time expenditure).

3825 SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY (RMC)

- **State Operations Budget Increase.** The budget appropriates \$66,000 ongoing ELPF to increase its state operations budget in response to increased general administrative expenses. Of the conservancy's 9.5 positions, 5.5 are primarily project management, two are for primarily administrative functions (e.g., office support, analytical/accounting support, etc.), and two are for major administration and operation functions, including but not limited to budget, accounting,

grant/bond fund management, human resources, procurement (from bidding to contracts), information technology, and fleet management. A portion of these essential services cannot be funded through the use of General Obligation Bonds and RMC has historically funded these services through the use of ELPF, contending that these activities contribute to the preservation and protection of the environment through RMC's mission to preserve open space and habitat in order to provide for low-impact recreation and educational uses, wildlife habitat restoration and protection, and watershed improvements.

- **Workload Support.** The budget includes three positions to support RMC activities, including program implementation for wildfire, climate, and water resilience.

3830 SAN JOAQUIN RIVER CONSERVANCY

- **Workload Support.** The budget includes ongoing position authority for three positions from the General Fund. These positions will implement projects funded by a \$15 million General Fund appropriation included in the 2021 Budget Act.

3835 BALDWIN HILLS CONSERVANCY

- **Reimbursement Authority.** The budget includes \$1 million in ongoing reimbursement authority from the General Fund to allow for the receipt of grants. Currently, the Conservancy has no reimbursement authority available, which limits its ability to leverage funding for partnerships with agencies and non-profit organizations.

3840 DELTA PROTECTION COMMISSION

- **State and Federal Reimbursement Authority.** The budget includes an ongoing baseline increase of \$215,000 in state reimbursement authority for public outreach and other efforts done on behalf of the California Department of Transportation, as well as an ongoing baseline increase of \$150,000 in federal reimbursement authority for work supporting California's first National Heritage Area.

3850 COACHELLA VALLEY MOUNTAINS CONSERVANCY

- **Information Technology (IT) and Remote Workplace Support.** The budget includes a one-time \$15,000 ELPF in 2022-23 and \$5,000 ongoing. This action is to enhance the Conservancy's IT security and safety of remote working.

3855 SIERRA NEVADA CONSERVANCY (SNC)

- **Sierra Nevada Conservancy Boundary Expansion (SB 208).** The budget appropriates \$540,000 ELPF in 2022-23, \$415,000 ongoing, and three positions to implement the new workload pursuant to SB 208 (B. Dahle), Chapter 182, Statutes of 2021, which adds 490,094 acres of Shasta County, 117,248 acres of Trinity County, and 733,266 acres of Siskiyou County to SNC's defined Region, bringing the total acres to 26,937,668 acres. The addition of Siskiyou and Trinity Counties increases the number of counties in the SNC Region from all or part of twenty-two counties to all or part of twenty-four counties. Adding these areas to SNC's Region allows SNC to expand funding and technical assistance through the Watershed Improvement Program to more of the state's primary watershed and increase the pace and scale of science-based, ecological restoration of forests and watersheds, making them healthy and resilient in a changing climate. SB 208 adds more of the Pit River watershed, along with watershed areas of the Upper Sacramento and McCloud rivers, to the Region. These three watersheds flow into Shasta Lake, the largest reservoir in California, which is also added to the Region. This bill also adds the upper watershed of the Trinity River and Trinity Lake to the Region. Trinity and Shasta Lake capture, store, and distribute water for the federal Central Valley Project, which provides California with water for drinking and irrigation and produces hydroelectric power. Shasta Lake delivers about 20 percent of California's developed water supply. These lakes, their watersheds, and surrounding forests in Siskiyou, Shasta, and Trinity counties provide many ecosystem benefits and support an abundance of year-round tourism and recreational opportunities.

3860 DEPARTMENT OF WATER RESOURCES (DWR)

- **Advancing Essential Open Data for Transparency and Water Resilience (AB 1755).** The budget appropriates \$750,000 ELPF annually for three years, beginning 2022-23, for the California Water Data Consortium (CWDC). The funding will be administered by DWR to support CWDC efforts to assist DWR in advancing open and transparent water data to address California's most pressing water management challenges. DWR also requests an additional \$1.1 million ELPF per year, beginning 2023-24 and ongoing, to address critical open water data needs and expectations, including DWR's necessary collaboration with CWDC.
- **Central Valley Flood Management and Ecosystem and Conservation.** The budget appropriates \$28.5 million General Fund in 2022-23 for the following multiple high-priority flood and multi-benefit activities: 1) position authority for six positions to perform flood operation and maintenance activities, 2) \$1 million to complete and close-out the 2022 Central Valley Flood Protection Plan, 3) \$27.5 million to create an endowment for long-term maintenance of a habitat mitigation site in the expanded Yolo Bypass.
- **Bryte Chemical Laboratory Environmental Laboratory Accreditation Program (ELAP) Accreditation Support.** The budget includes four permanent/full time positions and \$1 million to be funded by various funds. These positions are for Bryte Chemical Laboratory (Bryte) to maintain ELAP, which is required for environmental labs generating data for regulatory decision making.

- **Central Valley Flood Protection Board (CVFPB): Permitting and Enforcement Branch Support Reimbursable Authority.** The budget includes an additional three-year limited-term (2022-23, 2023-24, 2024-25) reimbursable authority of \$1.089 million annually to complete the contracted project which will be reimbursed by the Sacramento Area Flood Control Agency (SAFCA). The CVFPB regulates and manages the State Plan of Flood Control (SPFC) through its regulatory and local assistance programs. This action for continued reimbursable authority is related to the US Army Corps of Engineers (USACE) supplemental funding received in 2018 for the Sacramento area. The USACE received a special supplemental funding package of which \$1.6 billion (approximately 18 times average annual allocation) will be used to complete projects along the heavily populated Sacramento and American Rivers in Sacramento. The continued work of CVFPB staff will allow the state to fulfill its obligation of enforcing encroachments, permitting, and inspecting encroachments upon the SPFC facilities and allow important major construction projects to move forward within the extremely short time limits imposed by Congress for expenditure of the supplemental funds. Completion of these projects will provide Sacramento Metropolitan Area with 200+ year flood protection and concurrently lower the risk of significant loss of life and property due to a catastrophic levee failure.
- **CVFPB: Electronic Encroachment Application and Permit Process Improvement Program.** The budget appropriates \$500,000 one-time General Fund to develop and implement an online permit application program including online fee payment, which will reduce overall permit submission and processing time. Improving the CVFPB's permitting processes will reduce unpermitted and non-compliant encroachments resulting in a reduction to the state's liability for the costs associated with damages to federal flood control system from a flood event.
- **CVFPB: Sacramento and San Joaquin Drainage District Property Maintenance and Cooperative Management of Lands.** The budget appropriates \$679,000 ongoing General Fund beginning in 2022-23 and adds one permanent full-time position to manage resource agreements with cities and counties in the Central Valley for abatement of existing hazardous conditions on Sacramento and San Joaquin Drainage District land within the CVFPB's jurisdiction. The request includes one Senior Right of Way Agent and funding for assessments and minimal maintenance, consistent with prior actual nuisance orders.
- **CVFPB: Database Management.** The budget appropriates \$160,000 ongoing General Fund to make ongoing improvements to the Database Management Program. The improvements will generate accurate and up to date permitting and enforcement data for the application functions. In addition, the improvements will convert thousands of historical paper records into a digital format allowing for time-saving research and application processing. Both functions will keep the database running and up to date, creating improved efficiencies for day-to-day work. The budget includes \$60,000 to compensate DWR staff for the improvement work and \$100,000 for the database improvements.
- **Climate Change Adaptation and Equal Access Investment for Statewide Flood Management.** The budget appropriates \$6.268 million ongoing General Fund starting in 2022-23 and adds two new permanent full-time positions to provide support to continue the work of the Division of Flood Management (DFM) Hydrology and Flood Operations Branch in the utilization of proven emerging technologies to base operational decisions on during periods of flood and drought. This request continues to support the water priorities identified in the Governor's Water

Resilience Portfolio including long-term capacity to anticipate drought and prepare for flood events.

- **Delta Levee Integrity, Flood Emergency Preparedness, and Climate Resiliency.** The budget appropriates \$18.5 million over three years (\$15.5 million in State Operations and \$3 million in Local Assistance) from Proposition 1, Chapter 11, Section 79781(d)) to reduce the state's risk from drought, flooding of the Delta Islands, and water supply, and also increase regional flood emergency response. The \$15.5 million requested in State Operations funding for the Delta Flood Emergency Preparedness Response and Recovery Program are planned for the following fiscal years:

- 2022-23: \$2.5 million

- 2023-24: \$3.5 million

- 2024-25: \$9.5 million

The \$3 million in Local Assistance funding for the Delta Flood Emergency Response Grant Program is planned for the fiscal year 2024-25. This funding will provide grant funding to local public agencies within the legal Delta with primary responsibility for flood emergency response and coordination. Funds from this request will support the efforts of DWR to do the following:

- Manage local assistance grants for flood emergency response; procure regional stockpiles of flood fight materials; develop emergency response tools; support the development of an interagency Delta Flood Emergency Response and Recovery Framework Plan (as required under Water Code 12994.5); conduct interagency Delta-wide exercises to improve communication, coordination, and flood emergency response capabilities; provide grants to local agencies to improve their ability to prepare for and respond to flood events in the Delta; and maintain the operational readiness of existing state-of-the-art DWR Emergency Materials Transfer Facilities in the Delta that support local and state flood emergency response.
 - Continue critical maintenance, rehabilitation, repair, and improvement of levees in the Delta.
 - Develop mandated habitat mitigation and enhancement work to support the levee improvements.
 - Carry out objectives embodied in the DWR "O&M Needs Assessment for Habitat Lands" report. DWR has purchased thousands of acres of land in the Delta to meet various statutory and water supply reliability requirements. Funds for maintenance and security are not keeping up with needs. In the past few years, deferred maintenance costs have increased. Funds will be used to address critical maintenance needs on state-owned lands and lands where DWR has a statutory responsibility for maintenance.
- **Office of Workforce Equality Staffing.** The budget appropriates \$236,000 ongoing across various funding sources and two permanent full-time positions to support equal employment opportunity investigation timelines and implement new training and program requirements.

- **Riverine Stewardship Restoration Activities (Proposition 13).** The budget appropriates \$6 million in Local Assistance (two years to encumber and three years to liquidate) and \$500,000 in State Operations funds (\$100,000 per year for 2022-23 through 2026-27) from the Interim Reliable Water Supply and Water Quality Infrastructure and Management Subaccount to support the Riverine Stewardship Program. This appropriation will provide Local Assistance to various water and reclamation districts and cities in the Delta Export Service Area and counties included within the Association of Bay Area Governments. The Local Assistance funds will support water quality and supply projects with a focus on green infrastructure solutions, riverine stewardship, fish migration improvements, and habitat enhancement projects that benefit aquatic species, including reconnecting aquatic habitat to help fish and wildlife endure drought and adapt to climate change.
- **State Water Project (SWP) Transactions.** The budget adds five permanent full-time positions funded by the SWP. Currently, there are no resources available, within the Water Project Bill Processing and Analysis Office, needed to review and analyze each SWP funded transaction posted in the DWR’s accounting system.
- **Water Storage Investment Program.** The budget includes, for the California Water Commission (Commission), three permanent positions for the Water Storage Investment Program (WSIP). These positions will increase efficiency and better position the Commission to manage the WSIP. The program’s funding is continuously appropriated from Proposition 1.
- **Salton Sea Reimbursement Authority: Protect and Enhance Natural Systems.** The budget includes \$145.5 million in State Reimbursement Authority and \$5.2 million in federal Reimbursement Authority for the Salton Sea Projects over a period of four years. These Salton Sea Management Program projects continue to support the California Water Resilience Portfolio, (Action 17), to “Protect and Enhance Natural Systems” and are specifically designed to minimize air pollution and restore habitat at the Salton Sea.
- **Salton Sea (TBL: technical cleanup).** The budget includes TBL authorizing the Director of DWR to procure design-build contracts for public works projects in excess of \$1 million that are at the Salton Sea.
- **National Flood Insurance Program Continued Implementation and Support.** The budget appropriates \$4 million General Fund for 2022-23 and \$3 million ongoing baseline General Fund starting 2023-24 for the development of the National Flood Insurance Program (NFIP). The \$3 million baseline General Fund is for existing staff and one new position to address Federal Emergency Management Agency (FEMA) “state as a community” self-regulation; and a one-time request for \$1 million from the General Fund to support the development of the NFIP-related compliance tracking tools, including new annual report formats, Geographic Information System (GIS) structural datasets, and variance tracking dashboards.
- **Urban Flood Risk Reduction Projects.** The budget appropriates \$33 million in one-time General Fund (\$23 million Capital Outlay Construction Phase, and \$10 million State Operations) to continue the construction work of the Smith Canal Gate and RD-17 100-year level of protection projects, and State Operations required to support 2022-23 ongoing Urban Flood Risk Reduction

(UFRR) Projects (historically funded under P1E) and the accelerated United States Army Corps of Engineers (USACE) projects. With the acceleration of USACE Projects and the closeout activities of the UFRR program, additional resources throughout DWR have been engaged to meet state obligations and ensure state interests are being considered and addressed.

- **Water Use Efficiency and Drought Resilience.** The budget appropriates \$5 million ongoing baseline General Fund beginning in 2022-23 to support 13 positions (one new and 12 existing) to continue critical and statutorily required projects and programs. This action also addresses the shortcomings of past approaches that primarily relied on bonds to fund ongoing work.
- **Flood Management Projects: Grant Funding: Proposition 1E: Extension of Liquidation.** The budget Resources trailer bill extends the liquidation date of specified flood management funding from the Disaster Preparedness and Flood Prevention Bond Act of 2006 (Proposition 1E) from June 30, 2023, to June 30, 2028, subject to certain conditions.
- **Water: Drought Response: Interim or Intermediate Relief (cleanup).** The budget Resources trailer bill adds to the definition of “interim or immediate relief” certain activities to increase water conservation and drought resilience planning and includes post-performance monitoring as an eligible cost for interim or immediate relief.

3860 DEPARTMENT OF WATER RESOURCES (DWR)

3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

- **Drought Planning for Nontransient Noncommunity Water Systems (SB 552).** The budget appropriates a total of \$1.8 million ongoing (\$1.1 million General Fund and \$675,000 from the Safe Drinking Water Account Fund) and includes five permanent positions (two for DWR and three for SWRCB) to support SB 552 (Hertzberg), Chapter 245, Statutes of 2021. DWR and SWRCB will utilize the requested resources to:
 1. DWR - start the implementation of the legislative requirements established by SB 552; to improve drought resiliency and preparedness for small water systems, state small water systems, and privately supplied residences.
 2. SWRCB - focus on two sections of the requirements of SB 552: (a) The first requirement is for SWRCB to develop templates for submission of Water Shortage Contingency Plans and develop and maintain a platform for electronic annual reporting of water supply conditions, by community water systems; (b) The second requirement for SWRCB is for coordination between “counties, groundwater sustainability agencies, technical assistance providers, nonprofit organizations, community-based organizations, and the public” on drought planning for domestic wells and state small water systems.

3885 DELTA STEWARDSHIP COUNCIL

- **Human Resources Capacity Improvement.** The budget includes one permanent position in 2022-2023, with no additional funding required, to support the capacity improvements in the

Council's Human Resources (HR) office. The Council is in the process of transitioning from an inter-agency agreement with the Department of Forestry and Fire Protection (CalFire) for HR services to provide HR services in-house with Council staff.

Natural Resources Budget Bill and Trailer Bills

1. *Budget Act of 2021 – AB 180 (Ting), Chapter 44, Statutes of 2022.*
2. *Budget Act of 2022 – AB 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – AB 179 (Ting), Chapter 249, Statutes of 2022.*
4. *Public Resources – AB 203 (Committee on Budget), Chapter 60, Statutes of 2022.*
5. *Public Resources – AB 211 (Committee on Budget), Chapter 6 574, Statutes of 2022.*

ENVIRONMENTAL PROTECTION

0540	OCEAN PROTECTION COUNCIL
3360	ENERGY RESOURCES CONSERVATION & DEVELOPMENT COMMISSION (CEC)
3760	STATE COASTAL CONSERVANCY
3900	CALIFORNIA AIR RESOURCES BOARD (ARB)
3970	DEPARTMENT OF RESOURCES RECYCLING & RECOVERY (CALRECYCLE)
4700	DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
8570	DEPARTMENT OF FOOD AND AGRICULTURE

Greenhouse Gas Reduction Fund (GGRF): Cap-and-Trade Discretionary Spending Plan. The GGRF Discretionary Spending Plan for 2022-23 appropriates \$1.58 billion for various purposes, including the following:

Cap and Trade (Discretionary Funding)

(Dollars in Millions)*

Department	Program	2022-23
Air Resources Board	AB 617 - Community Air Protection	\$210
	AB 617 - Local Air District Implementation	\$50
	AB 617 - Technical Assistance to Community Groups	\$10
	Community Air Monitoring	\$30
	ZEV Package - Clean Cars 4 All & Equity	\$126
	ZEV Package - HVIP	\$600
	Lower Emission Boats	\$20
	HFC Refrigerants	\$10
	Wood stoves	\$5
	Methane Monitoring	\$105
CalRecycle	Organic Waste Infrastructure	\$180
	Methane reductions from landfills and wastewater treatment	\$10
CDFA	Methane Reduction: Cattle feed	\$10
	AAMP	\$20
CEC	Cal SHAPE	\$20
CSD	Low-Income Weatherization Program	\$15
Coastal Conservancy/OPC	Sea Level Rise	\$155
Total		\$1,576

*Does not include baseline support items for various departments.

Source: Department of Finance

Among the various programs receiving funding in the Cap-and-Trade Spending Plan include:

- **Community Air Monitoring.** \$30 million GGRF to ARB to deploy new, mobile Community Air Monitoring data collection and visualization approaches over a limited-term. Limited-term hyper-local and real-time mobile pollution monitoring will provide a snapshot of information to increase understanding of current community exposure to the pollutants measured across the state and facilitate focused community and agency action.
- **Lower Emission Boats.** \$20 million GGRF to ARB to reduce emissions from commercial harbor craft subject to regulation by ARB. The board shall prioritize private ferry operators regulated by the Public Utilities Commission, public ferries, licensed commercial passenger fishing vessels, research vessels, and excursion vessels.
- **HFC Refrigerants.** \$10 million GGRF to ARB for the Fluorinated Gases Emission Reduction Incentive Program established by SB 1013 (Lara), Chapter 375, Statutes of 2018.
- **Wood Stoves.** \$5 million GGRF to ARB for the Woodsmoke Reduction Program. In awarding funding, the board shall promote switching to lower carbon, clean heating powered by renewable energy by offering incentives only for electric heating and the cleanest wood-burning devices. The board may allocate a portion of the funding for stove testing designed to identify the cleanest wood-burning devices. The board shall offer higher incentives, up to the full cost of device and installation, to low-income households and households in disadvantaged and low-income communities.
- **Organic Waste Infrastructure.** \$180 million GGRF to CalRecycle to provide local assistance for purposes of SB 1383 (Lara), Chapter 395, Statutes of 2016.
- **Methane Reductions from Landfills and Wastewater Treatment.** \$10 million GGRF to CalRecycle to expand food waste codigestion projects at existing wastewater treatment plants. Eligible projects may include the design and construction of integrated organic food waste preprocessing and anaerobic digestion systems that will divert significant amounts of food waste from landfill disposal to achieve greenhouse gas emissions reductions.
- **Methane Reduction: Cattle Feed.** \$10 million GGRF to CDFA to do the following: (1) provide funding to the dairy and livestock sectors for demonstration projects to supplement feed with additives or ingredients, such as seaweed, that have scientifically demonstrated efficiency of reducing methane emissions, and (2) research dietary modifications that are intended to reduce methane emissions from livestock. The department may consult with other state and federal agencies, as needed, for implementation of this funding.
- **Alternative Manure Management Program (AMMP).** \$20 million to CDFA for the AMMP, which provides financial assistance for the implementation of non-digester manure management practices in California, which will result in reduced greenhouse gas emissions.
- **CalSHAPE.** \$20 million to CEC for the California Schools Healthy Air, Plumbing, and Efficiency Program, which provides funding to upgrade heating, air conditioning, and ventilation

(HVAC) systems in public schools and replaces non-compliant plumbing fixtures and appliances that fail to meet water efficiency standards.

- **Sea Level Rise.** \$155 million total to State Coastal Conservancy and Ocean Protection Council to address sea level rise issues.
 - \$37.5 million for implementation of SB 1 (Atkins), Chapter 236, Statutes of 2021, and shall be available for state operations or local assistance. The Council shall structure these funds to maximize leveraging of any available federal funding.
 - \$37.5 million to the State Coastal Conservancy to protect communities and natural resources from sea level rise. These funds shall be administered through the Climate Ready Program with priority given to projects that adapt public infrastructure along the coast including urban waterfronts, ports, and ecosystems.
 - \$80 million to the State Coastal Conservancy for the Climate Ready Program for purposes of funding nature-based projects to address sea level rise.

0555 SECRETARY FOR ENVIRONMENTAL PROTECTION (CalEPA)

- **Water Energy Nexus.** The budget appropriates \$500,000 one-time General Fund for the Water Energy Nexus.
- **California Environmental Reporting System (CERS) Project.** The budget appropriates \$1.97 million Unified Program Account and one permanent position in 2022-23 to continue the planning work necessary to update the CERS. This also includes an additional year of funding for the four permanent positions approved in 2021-22. The project will update the technical platform, improve data quality and the processes supporting data quality, address inefficient input and interactions, and make identified enhancements to CERS.
- **California Hazardous Material and Oil Emergency Support.** The budget appropriates \$474,000 General Fund and includes three positions in 2022-23 and ongoing to support CalEPA's role as the lead Agency for the California Hazardous Material and Oil Emergency Support Function (CA ESF-10). These additional resources will allow CalEPA to support ongoing disaster planning, response, and recovery efforts without diverting staff away from other aspects of the Agency's mission.
- **Environmental Enforcement Training Act.** The budget appropriates \$3 million one-time General Fund to support trainings and enforcement activities in accordance with the Environmental Enforcement Training Act and adopts trailer bill language clarifying that community-based organizations are eligible under this act.

0555 SECRETARY FOR ENVIRONMENTAL PROTECTION (CalEPA)
3900 AIR RESOURCES BOARD (ARB)
3930 DEPARTMENT OF PESTICIDE REGULATION (DPR)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)
3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)
3970 DEPARTMENT OF RESOURCE RECYCLING AND RECOVERY (CALRECYCLE)

- **Shared Technology Refresh.** The budget includes new expenditure authority in the aggregate amount of \$11.18 million from various funds, reimbursement authority of \$7.69 million, four Information Technology security positions, and two Information Technology procurement positions in 2022-23. Additionally, the budget includes \$9.7 million of new expenditure authority to CalEPA from various funds and reimbursement authority of \$8.54 million in 2023-24 and ongoing to improve the CalEPA's Information Technology security posture; consolidate enterprise Information Technology security, risk, and compliance activities; refresh outdated audio and visual equipment; and procure and maintain new hardware and software.

0555 SECRETARY FOR ENVIRONMENTAL PROTECTION (CalEPA)
3900 CALIFORNIA AIR RESOURCES BOARD (CARB)
3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)
3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

- **CalEPA Bond and Technical Adjustments.** The budget includes various bond appropriations, reappropriations, and reversions; technical adjustments; reappropriations; and baseline adjustments to continue implementation of previously authorized programs.

3900 CALIFORNIA AIR RESOURCES BOARD (CARB)
8570 CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

- **Alternative Fuels Quality and Regulatory Oversight.** The budget appropriates \$1.451 million Cost Of Implementation Account (COIA) in 2022-23 and \$1.363 million COIA ongoing thereafter to: (1) expand CDFA's Alternative Fuels Quality and Regulatory Oversight Program (CDFA Program); (2) support the growth of alternative transportation fuels and associated fuel dispensing systems; (3) continue research in zero-emission fuel standards and standard method development; and (4) implement the zero-emission vehicle (ZEV) program as identified in the Scoping Plan and directed by Executive Orders B-48-18 and N-79-20. Of the total, appropriates to CDFA \$681,000 in 2022-23 and \$593,000 in 2023-24 and ongoing to support 3.3 existing permanent positions; appropriates to CARB \$771,000 in 2022-23 and ongoing to support three new permanent positions, equipment, and operating expenses associated with testing new fuel dispensing systems. These resources are intended to meet workload demands resulting from the rapidly growing infrastructure of retail hydrogen fueling stations and exponential growth in commercial electric vehicle charging stations.

3900 CALIFORNIA AIR RESOURCES BOARD (ARB)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)
3970 DEPARTMENT OF RESOURCE RECYCLING AND RECOVERY (CALRECYCLE)
3980 OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT

- **Technical Adjustment: Reappropriation of CalEPA Headquarters Space Optimization Project.** The budget reappropriates various funds authorized by SB 840 (Mitchell), Chapter 29, Statutes of 2018, for its Boards, Departments, and Offices (BDO) to complete the work of space optimization in the CalEPA Headquarters (HQ) Building. Due to circumstances related to emergency telework and supply chain issues, the optimization has been delayed and additional time is needed to encumber these funds and complete the project.

3900 CALIFORNIA AIR RESOURCES BOARD (ARB)

- **Cement Sector Greenhouse Gas Reductions: Net-Zero Emissions Strategy (SB 596).** The budget includes \$725,000 COIA and two permanent positions in 2022-23 and \$423,000 COIA in 2023-24 and ongoing to develop and implement a comprehensive strategy to achieve net-zero emissions of greenhouse gas (GHG) emissions associated with cement use within the state by 2045 as required by SB 596 (Becker), Chapter 246, Statutes of 2021.
- **Heavy-Duty Vehicle Inspection and Maintenance Program (SB 210).** The budget appropriates \$7.624 million Air Pollution Control Fund (APCF) and adds 10 permanent positions in 2022-23 in order to implement and enforce the Heavy-Duty Vehicle Inspection Maintenance program to meet the statutory requirements of SB 210 (Leyva), Chapter 298, Statutes of 2019. This includes \$6 million in contract funding to support initial implementation needs.
- **Labor Standards for Short-Haul and Drayage Trucking Fleets (AB 794).** The budget includes \$1.154 million General Fund and six permanent positions in 2022-23 and \$2.3 million General Fund and six additional (12 total) permanent positions in 2023-24 and ongoing to implement AB 794 (Carrillo), Chapter 748, Statutes of 2021, which requires ARB to implement labor standards for short-haul and drayage trucking fleets participating in applicable incentive programs, as specified. This budget action is intended to provide ARB with the resources to develop and implement new processes for applicable program eligibility, develop expertise in applicable labor laws, investigate third party reporting of labor standard violations, and carry out enforcement.
- **Medium- and Heavy-Duty Zero Emission Vehicle Fleet Purchasing Assistance Program (SB 372).** The budget includes \$211,000 Air Quality Improvement Fund (AQIF) and one permanent position to implement the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program, pursuant to SB 372 (Leyva), Chapter 639, Statutes of 2021. SB 372 directs ARB to develop and administer a program with the California Pollution Control Financing Authority to make financing tools and non-financial supports available to the operators of medium- and heavy-duty vehicle fleets in order to fully enable those operators to transition their fleets to zero-emission vehicles.

The budget Resources trailer bill makes ARB solely responsible for the development and implementation of the Medium- and Heavy-Duty ZEV Fleet Purchasing Assistance Program and eliminates or transfers all of the California Pollution Control Financing Authority's duties under the program.

- **Utilizing Methane Satellite Data.** The budget includes \$666,000 COIA and two permanent positions in 2022-23, and \$516,000 in 2023-24 and ongoing to operationalize the use of remote sensing data from two satellites that California will launch jointly with Planet Inc, JPL, and several philanthropic donors. This Carbon Mapper program utilizes satellites that will pinpoint individual leaks of methane from space. ARB needs to develop the capacity and internal infrastructure to host a public data portal, conduct the needed data analysis, and evaluate mitigation options using the satellite data that will be available after the satellites are launched in 2023.
- **New Clean Air Reporting Log Application Development.** The budget includes two permanent positions to support the implementation and maintenance of the Clean Air Reporting Log (CARL) application. Costs for the CARL application and associated staffing are funded through an existing Carl Moyer Local Assistance program appropriation. ARB is authorized to allocate up to five percent of Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) funding to program support and outreach efforts.
- **Statewide Assessment for Fuel Cell Electric Vehicle Fueling Infrastructure and Fuel Production (SB 643).** The budget includes \$211,000 COIA and one permanent position to implement SB 643 (Archuleta), Chapter 646, Statutes of 2021. The position will perform the new duties associated with the required assessment in SB 643 that enlist ARB's experience and expertise with medium- and heavy-duty (MHD) vehicles and fleet regulations.
- **Implementation of GGRF: California Jobs Plan Act (AB 680).** The budget appropriates \$399,000 GGRF and two permanent positions in 2022-23 and ongoing to meet the statutory requirements of AB 680 (Burke), Chapter 746, Statutes of 2021, which requires ARB to work with the Labor and Workforce Development Agency to update its California Climate Investments Funding Guidelines (Funding Guidelines) by July 1, 2025 to include several workforce standards for certain programs that receive continuous appropriations from GGRF.
- **Southern California Headquarters (HQ) Building Management and Laboratory Support.** The budget includes \$3.313 million APCF in 2022-23, \$3.333 million in 2023-24, \$3.434 million in 2024-25, \$1.145 million in 2025-26, and \$685,000 and five permanent positions in 2026-27 and ongoing to address increased workload at the new Southern Headquarters. This includes a total of \$8.48 million in contract funding over several years to renew the current Southern HQ building management contract through 2025-26. The five permanent positions will be located at the Northern and Southern HQ locations to assist the Business Management Branch team with daily duties.
- **Operationalizing Racial Equity within ARB Programs, Plans, and Practices.** The budget appropriates \$1.847 million APCF, four permanent positions in 2022-23, and \$1.843 million APCF ongoing to advance racial equity efforts, with an initial focus on research, incentive programs, regulations, air quality planning, and climate change.

- **Hexavalent Chromium.** The budget Resources trailer bill states the intent of the Legislature, upon an appropriation in the Budget Act for the 2023-24 fiscal year, to make available \$10 million to ARB to assist with the necessary transition away from the use of hexavalent chromium.
- **Medium- and Heavy-Duty Fleet Purchasing Assistance Program: Zero-Emission Vehicles (ZEVs) (SB 372 (Leyva) cleanup).** The budget Resources trailer bill, AB 211, makes ARB solely responsible for the development and implementation of the Medium- and Heavy-Duty ZEV Fleet Purchasing Assistance Program and eliminates or transfers all of the California Pollution Control Financing Authority's duties under the program.
- **ZEV Outyear Investments.** The budget Resources trailer bill, AB 211, states the intent of the Legislature to allocate \$2.415 billion for the 2023-24 fiscal year to 2025-26 fiscal year for ZEV investments, as specified. The bill also states the intent of the Legislature that based on the fiscal analysis of funding, as specified, that \$500 million annually be available for 2023-24 and 2024-25 to support various climate initiatives.
- **Certification and Compliance Fund Expenditure Authority.** The budget shifts existing positions in various divisions and authority to the Certification and Compliance Fund.
- **Implementation and Enforcement of the Cargo Tank Vapor Recovery Program.** The budget includes one-time authority to spend \$1.225 million in 2022-23 on enforcement equipment and IT system development to be funded by Cargo Tank Certification Fees that are currently collected and deposited into the Air Pollution Control Fund (APCF) for the Cargo Tank Vapor Recovery Program (CTVRP) and \$196,000 in annual indirect costs as agreed upon by the Department of Finance and the U.S. Environmental Protection Agency under Code of Federal Regulations, title 2, part 200, effective 2022-23. Additionally, the budget appropriates \$524,000 for three permanent ongoing positions. The budget appropriates \$350,000 ongoing for enforcement equipment and IT maintenance costs effective 2023-24. These resources will enable ARB to meet the requirements set forth in Health and Safety Code section 41962, ensuring compliance of the Certification of Vapor Recovery Systems on Cargo Tanks Regulation (Cal. Code of Regs., Tit. 17, § 94014) and keeping the program revenue neutral.
- **Implementation and Enforcement of the Amended Commercial Harbor Craft Regulation.** The budget includes 10 permanent positions and \$2.178 million ongoing from the Certification and Compliance Fund (CCF) to implement and enforce the Amended Commercial Harbor Craft Regulation ("Amended CHC Regulation"). Beginning in 2022-23, the budget includes shifting the costs for 2.66 existing permanent positions to CCF and \$100,000 ongoing for contract work needed to implement the requirements set forth in the Amended CHC Regulation. The requested resources will allow ARB to implement and enforce the Amended CHC Regulation and achieve needed reductions in smog-forming and toxic air pollution to populations surrounding seaports, many of which are disadvantaged communities.
- **Transport Refrigeration Unit Program Implementation and Enforcement.** The budget includes \$596,000 Motor Vehicle Account for six permanent positions in 2022-23, \$1.1 million Motor Vehicle Account and \$1.1 million Certification and Compliance Fund for 13 permanent

positions in 2023-24, and \$2.75 million ongoing Certification and Compliance for three permanent positions in 2024-25. These resources would be used to implement and enforce the requirements of the proposed amendments to the “Airborne Toxic Control Measure for In-Use Diesel-Fueled Transport Refrigeration Units (TRU) and TRU Generator Sets, and Facilities Where TRUs Operate” (Cal. Code Regs., tit. 13, section 2477), hereafter referred to as the “Proposed Amendments,” and support multiple state policies and plans directing ARB to achieve additional diesel emission reductions and to protect public health, particularly in disadvantaged communities.

- **Oil and Gas Enforcement and Community Protection.** The budget appropriates \$677,000 ongoing from the Oil Gas and Geothermal Administrative Fund and adds three permanent positions. Additionally, the budget includes \$685,000 APCF ongoing and three permanent positions. This action includes \$10,000 in ongoing contract funds to form a new initiative focused on providing oversight to air districts on ensuring compliance to minimize emissions from the oil and gas industry. This work supports compliance with federal air quality attainment standards and California’s greenhouse gas goals for this sector and more broadly. Three positions, including one Staff Air Pollution Specialist, one Air Resources Engineer, and one Air Pollution Specialist, will focus exclusively on oil and gas extraction facilities in California. The other three staff, including one Air Resources Supervisor-I, one Air Resources Engineer, and one Air Pollution Specialist will focus on oil and gas importation, refining, and distribution facilities.
- **Low Carbon Fuel Standard (LCFS) and Registration and Reporting Tool.** The budget includes a one-time incremental increase of \$5.5 million Cost of Implementation (COI) Fund phased-in over four years (through 2025-26), for technical and administrative services for coordinated implementation of the LCFS. ARB will procure these services using applicable state contracting requirements. This request will provide secure registration, reporting and credit exchange services for the LCFS among participating entities. Reliable systems are critical to maintain confidence in the LCFS, which is a key program in reducing California’s greenhouse gas emissions and reducing diesel particulate matter (PM) in heavily burdened communities.
- **Indoor Air Study.** The budget appropriates \$500,000 to update the indoor air quality study pursuant to Health and Safety Code Section 39930.1 to include updated scientific and public health findings, including but not limited to, potential health effects from ozone-emitting consumer products, natural gas sources, and indoor sources of per- and polyfluoroalkyl substances (PFAS).
- **Small Business Hexachrome.** The budget appropriates \$10 million in 2023-24 for grants to small businesses for the purpose of replacing hexachrome.
- **AB 617 Implementation.** The budget appropriates \$310 million for AB 617 implementation (\$40 million General Fund and \$270 million GGRF) in 2022-23, and \$300 million General Fund in 2023-24.
- **Technical Adjustment: Community Air Protection Staffing from Air Pollution Control Fund (SB 170).** The budget includes an increase of \$4.265 APCF ongoing to provide funding authorized by SB 170 (Skinner), Chapter 240, Statutes of 2021, for AB 617 program operations. This was inadvertently excluded from previously approved funding and this action will align

funding levels that were previously approved.

- **Boat Emissions.** The budget appropriates \$60 million (\$40 million General Fund and \$20 million GGRF) to reduce emissions from boats.

3930 DEPARTMENT OF PESTICIDE REGULATION (DPR)

- **California Pesticide Electronic Submission Tracking (CalPEST) Project.** The budget includes \$4.434 million Department of Pesticide Regulation (DPR) Fund and two permanent positions in 2022-23; and \$310,000 DPR Fund in 2023-24 and ongoing to support the second year of design, development, and implementation of the California Pesticide Electronic Submission Tracking (CalPEST) system and ongoing maintenance and operations tasks in support of the CalPEST system. The CalPEST system is a fully integrated information and document management system to substantially improve the current pesticide product registration process for pesticide product and device companies.
- **Licensing and Certification Program Enhancements.** The budget includes three permanent positions and \$1.608 million General Fund in 2022-23 and 2023-24, \$1.558 million DPR Fund in 2024-25, and \$1.258 million DPR Fund in 2025-26 and ongoing. To provide ongoing fiscal support, DPR will develop a regulation package for licensing and certification fee changes, which will be implemented in 2024-25. These funds will be used to address and implement necessary Licensing and Certification (L&C) responsibilities, required by new unfunded federal mandates issued in 2017, and to modernize elements of the licensing system.
- **Pest Control: Implementation of Licensing Enhancements (technical cleanup).** The budget Resources trailer bill authorizes the Director of DPR to adopt regulations for the issuance and renewal of licenses and certificates for pest control operations. The trailer bill requires the director, on or after January 1, 2025, to issue and renew licenses and certificates for pest control operations for a three-year period and makes various conforming changes for these purposes. The bill authorizes the Director to request specified information if the director finds or suspects that a sample taken or inspected from produce carries pesticide residue in excess of permissible tolerance and increases specified fines and penalties.
- **Pesticide Use Enforcement Program. (BCP and TBL)** The budget includes \$882,000 DPR Fund for three years, and \$582,000 ongoing beginning in 2025-26 to investigate and develop pesticide residue and use enforcement cases. This includes three permanent positions, and \$300,000 annually for three years for DPR to hire the Attorney General's Office (AGO) to represent DPR in civil and criminal pesticide use enforcement actions. The trailer bill language includes reinstating DPR's administrative pesticide use enforcement and penalty authority, increasing statutory penalty caps, and strengthening DPR's pesticide residue administrative enforcement authority to bolster the enforcement tools available to DPR and County Agricultural Commissioners (CACs).

3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)
4700 COMMUNITY SERVICES AND DEVELOPMENT (CSD)

- **Low-Income Household Water Assistance Program — Increased Funding for Water and Wastewater Arrearages.** The budget appropriates to CSD \$200 million Coronavirus Fiscal Recovery Fund of 2021, on a one-time basis, to supplement available funding for the federal Low-Income Household Water Assistance Program, which provides financial assistance to low-income Californians to help manage their residential water utility costs. The budget reverts \$200 million Coronavirus Fiscal Recovery Fund of 2021, from SWRCB to be appropriated to CSD for this purpose.

3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

- **Caltrans Reimbursement Authority.** The budget includes an increase reimbursement authority of \$288,000 and two position authority funded through an interagency agreement with Caltrans, which was executed 2021 (Contract Number 43A0405). The increase in workload is due to an increased number of transportation projects funded by Road Repair and Accountability Act (SB 1 (Beall), Chapter 5, Statutes of 2017) and the forthcoming federal INVEST in America Act.
- **Lead and Copper Rule Revision and Regulatory Development.** The budget appropriates \$952,000 and adds five new positions in 2022-23 from the Safe Drinking Water Account. The five new positions will support the development and implementation of California drinking water regulations placing special emphasis on implementation of the federal revised lead and copper rule (LCRR). The Division of Drinking Water (DDW) needs administrative support for its Technical Operations Section, Regulatory Development Unit to reduce the rulemaking backlog and develop the LCRR and other new regulations, including addressing the 30+ unregulated contaminants with notification levels, and approximately 60 MCLs higher than the corresponding public health goals. This action also includes two new IT programmers to create necessary electronic document intake tools to receive data generated by the LCRR.
- **Oil and Gas Monitoring Program Supplement for Existing Underground Injection Control (UIC) Project Review.** The budget includes ten permanent positions and \$2.04 million from the Oil, Gas, and Geothermal Administrative Fund to work with the California Geologic Energy Management Division (CalGEM) to address US Environmental Protection Agency (US EPA) concerns that California is not in compliance with the Federal Safe Drinking Water Act (SDWA) by:
 1. Prioritizing the review of active Class II Underground Injection Control (UIC) projects with pending aquifer exemption proposals with overlying beneficial use groundwater, to ensure these projects comply with the SDWA and applicable state statutes and regulations in safeguarding groundwater resources.
 2. Addressing a backlog of approximately 779 required UIC project-by-project reviews, which consist of more than 50,000 UIC wells, to ensure the UIC projects are in compliance with the SDWA as well as any applicable state statute or and regulation.

- **San Diego County Primacy Delegation Agreement Termination.** The budget includes one Senior Water Resource Control Engineer (Safe Drinking Water Account) to carry out public small water system (SWS) regulatory program for San Diego County. The County's Primacy Delegation will be terminated no later than June 30, 2022, per request of the County and oversight of the delegated public water systems is in the process of being transferred to SWRCB.
- **Bay Delta Program Funding Conversion and Position Authority.** The budget includes additional position authority and establishes five permanent positions within SWRCB's Division of Water Rights. The budget converts \$1.411 million in existing contract funding to personnel services. Additional staffing resources are needed to support the associated regulatory activities for Bay-Delta water quality control planning and implementation, including addressing long-standing, complex issues that are exposed and exacerbated during drought conditions that have occurred in both 2020 and 2021, and will intensify in future years due to climate change. Specifically, these tasks include: 1) completing the update to the Bay-Delta Plan, 2) implementing updates to the Bay-Delta Plan, 3) implementing the existing Bay-Delta Plan while updates are in process, and 4) addressing long-standing water rights administration and priority issues to improve responding to climate change and intensified periods of water supply shortages.
- **Sustainable Groundwater Management Act: Interim Plan: California Environmental Quality Act (CEQA).** The budget Resources trailer bill revises the CEQA exemption for SWRCB to apply to actions taken by the board to designate a groundwater basin as a probationary basin and the adoption or amendment of an interim plan and specifies that the exemption does not apply to projects that would implement actions taken pursuant to an adopted interim plan.
- **Augmentation to Underground Storage Cleanup Fund.** The budget includes: (1) An ongoing net-zero authority shift of \$80,899,000 from the Underground Storage Tank Cleanup Fund (USTCF) state operations to local assistance to better align expenditures with true activities, including reimbursing costs associated with cleaning up contamination from leaking petroleum underground storage tanks from local assistance funds; (2) An additional one-time \$200 million in local assistance authority with an encumbrance end date of June 30, 2025, and liquidation end date of June 30, 2028.
- **Reversion of American Rescue Plan Act: Water Arrearages.** The budget reverts \$200 million Coronavirus Fiscal Recovery Fund of 2021. Those funds are appropriated to the Department of Community Services and Development to supplement available funding for the federal Low-Income Household Water Assistance Program, which provides financial assistance for residential water utility costs.
- **State Water Pollution Control Revolving Fund.** The budget appropriates \$1.657 million General Fund ongoing to support seven new permanent positions and one existing position to carry out statutorily mandated oversight responsibilities under the Sustainable Groundwater Management Act (SGMA). This includes placing basins that have been found deficient into probationary status and managing groundwater basins to protect drinking water users and other users. The budget Resources trailer bill deletes the provision that authorizes loan forgiveness to the extent authorized by a federal grant deposited in the fund to the extent authorized and funded by that grant.

- **Border Rivers.** The budget appropriates \$15 million for Border rivers clean up.
- **DDT Cleanup.** The budget appropriates \$5.6 million General Fund to clean up dichlordiphenyltrichloroethane (DDT) off the coast of southern California.
- **PFAS Cleanup.** The budget appropriates \$100 million for PFAS remediation in 2023.

3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)

- **Exide: 2014 Enforcement Order Program Oversight.** The budget appropriates \$706,000 Lead-Acid Battery Cleanup Fund (LABCF) in 2022-23 through 2025-26 for three temporary help positions to continue supporting activities to oversee and implement the remaining closure activities needed for the Exide 2014 Stipulation and Order (as amended in 2015) and the ongoing Resource Conservation and Recovery Act (RCRA) corrective action work associated with the February 2002 Corrective Action Consent Order (collectively referred to herein as “Orders”) against Exide Technologies.
- **Exide: Closure and Corrective Action: Third Party Quality Assurance Oversight.** The budget appropriates \$600,000 annually from 2022-23 through 2025-26 from LABCF for a contractor to continue to provide Third-Party Quality Assurance (QA) as mandated by the December 8, 2016 Exide Closure Plan to oversee Phase 2 closure activities and the remaining activities needed to fulfill the Exide 2014 Stipulation and Order (as amended in 2015). The contractor will also oversee the ongoing Resource Conservation and Recovery Act (RCRA) corrective action work associated with the February 2002 Corrective Action Consent Order (collectively referred to herein as “Orders”) at the former battery recycling facility in Vernon, California (formerly owned by Exide).
- **National Priorities List and State Orphan Sites.** The budget includes a revenue transfer of \$13.93 million from the Toxic Substances Control Account (TSCA) to the Site Remediation Account (SRA), and corresponding SRA appropriation of \$13.93 million, in 2022-23 to fund the state's National Priorities List (NPL) obligations and state orphan sites with Priorities 1A, 1B, 2, and statewide service contracts. The transfer and appropriation will fund the 2022-23 SRA estimated costs of \$13.93 million for the state's NPL obligations and state orphan sites with Priorities 1A, 1B, 2, and statewide service contracts.
- **Resources Conservation and Recovery Act (RCRA) Grant Support.** The budget includes one permanent position in 2022-23 and ongoing to implement the Corrective Action Program tasks required by the US EPA in the RCRA Grant Work Plan for the 2020-23 three-year grant cycle, as well as subsequent grant cycles. This resource is necessary to accomplish the Corrective Action Program commitments in the 2020-23 RCRA Grant Work Plan.
- **Strengthen Emergency Response Capacity.** The budget includes six permanent positions and \$1.7 million General Fund in 2022-23, and \$1.2 million annually thereafter to support the Emergency Response (ER) Program. These resources will support ER when mission-tasked by the California Governor’s Office of Emergency Services (Cal OES) to respond to disasters (wildfires, floods, earthquakes, etc.) and enforcement-related activities.

- **Berkeley Regional Office: Site Mitigation and Restoration Program (SMRP): Technical Positions.** The budget includes two permanent positions and an increase of \$411,000 in reimbursement authority for the Toxic Substances Control Account in 2022-23 and \$409,000 in 2023-24 and ongoing to meet the needs of overseeing site investigation and remediation activities associated with an increasing billable workload. The positions will be supported by reimbursable standard voluntary agreements as part of DTSC's brownfields redevelopment work.
- **Mercury Thermostat Collection Act of 2021 (AB 707) (technical cleanup).** The budget Resources trailer bill revises fee provisions to require manufacturers to pay DTSC an annual aggregate total not to exceed \$400,000 to cover actual and reasonable regulatory costs incurred by the department to administer.
- **Santa Susana Field Laboratory (SSFL) Cleanup Team.** The budget includes 14 permanent positions, \$2.1 million Hazardous Waste Control Account (HWCA), and \$1 million Federal Trust Fund (FTF) in 2022-23 and annually thereafter to establish and support the SSFL Cleanup Implementation Team. The cost of the positions will be funded through cost recovery from the three responsible parties for the SSFL (i.e., the United States Department of Energy, the National Aeronautics and Space Administration, and the Boeing Company).
- **Metal Shredders Initiative.** The budget includes 19 permanent positions and \$5.5 million General Fund in 2022-23, and two additional permanent positions for a total of \$5.9 million Hazardous Waste Facilities Account (HWFA) within the Hazardous Waste Control Account (HWCA) in 2023-24 and ongoing. Pending action by the Board of Environmental Safety (Board), all costs (\$5.9 million annually) would shift to the HWFA within the HWCA in 2023-24 and annually thereafter. These resources will address the increased workload related to the serious environmental violations caused by metal shredder facility operations.
- **Greenville Lead Cleanup Project.** The budget appropriates \$47 million General Fund on a one-time basis in 2022-23 to remove soil with elevated lead concentrations in Greenville, which were discovered during debris cleanup following the Dixie Fire of 2021. The resources will be used for contracting the services needed to remove contaminated soil, which will allow property owners to rebuild and residents to return with significantly reduced risk of exposure to contamination.
- **Lead-Acid Battery Recycling Act of 2016: Dealer Notice: California Battery Fee.** The budget Resources trailer bill revises the language required to be included in the notice or on the lead-acid battery purchaser's receipt by increasing the stated amount of the California battery fee from \$1 to \$2.
- **Resource Conservation Recovery Act (RCRA): Grant Support.** The budget includes one permanent position in 2022-23 and ongoing to implement Corrective Action tasks required to manage and oversee site investigation and cleanup activities, as required in the RCRA Grant Work plan, which are part of US Environmental Protection Agency's performance management system.

- **DTSC Governance and Fiscal Reform.** The budget includes the following:
 - **Administrative Support for Core Programs.** 37.6 permanent positions and \$5.6 million ((\$1.9 million Hazardous Waste Control Account (HWCA) and \$3.7 million TSCA) in 2022-23 and \$5.6 million (\$1.8 million HWCA, \$3.7 million TSCA) annually thereafter to support the core program expansions. More specifically, this request justifies the support services needed to implement the core program expansions in the following 2022-23 BCPs to implement the 2021 Governance and Fiscal Reform:
 - Cleanup in Vulnerable Communities Initiative (CVCI)
 - Safer Consumer Products Program Full Implementation
 - Hazardous Waste Management Plan
 - Enhancing Environmental Protection in Vulnerable Communities through Compliance
 - Increase Frequency of Transporter Inspections
 - Criminal Enforcement Increase in Vulnerable Communities
 - Review of Lead Agency CEQA Documents
 - Hazardous Waste Classification
 - **Cleanup in Vulnerable Communities Initiative.** 73.5 permanent positions and \$12.9 million TSCA in 2022-23 and 79.5 permanent positions and \$13.9 million TSCA in 2023-24 and annually thereafter to implement the Cleanup in Vulnerable Communities Initiative.
 - **Criminal Enforcement Increase in Vulnerable Communities.** 14 permanent positions and \$2.3 million HWCA in 2022-23 and annually thereafter. The 14 positions will provide support for mission critical work performed by the Office of Criminal Investigations (OCI).
 - **Enhancing Environmental Protection in Vulnerable Communities through Compliance.** 16 permanent positions and \$2.9 million HWCA in 2022-23 and annually thereafter to improve the quality of hazardous waste generator inspections in disadvantaged communities and to educate regulated businesses and Certified Unified Program Agencies (CUPAs) on compliance with hazardous waste control laws as required by Health and Safety Code Section 25142.5.
 - **Hazardous Waste Classification.** Eight permanent positions and \$1.5 million HWCA in 2022-23 and ongoing to evaluate the existing California hazardous waste criteria, recommend modifications to those criteria, assist in the adoption of any approved recommendations, and provide waste classification determination and recycling exclusion interpretations and technical support.
 - **Hazardous Waste Management Plan.** Seven permanent positions and \$1.2 million HWCA in 2022-23 and ongoing to fully implement the Hazardous Waste Management Plan. SB 158 (Committee on Budget and Fiscal Review), Chapter 73, Statutes of 2021, requires DTSC to prepare a report by March 1, 2023, and every three years thereafter, that includes an analysis of available data related to hazardous waste that includes specified components. SB 158 also requires DTSC to establish and maintain a state Hazardous Waste Management Plan based on reports to be approved by the Board of Environmental Safety every three years. This plan

requires an analysis of hazardous waste generation and site assessments of hazardous waste facilities.

- **Increase Frequency of Transporter Inspections.** Eight permanent positions and \$1.3 million HWCA in 2022-23 and annually thereafter. This request provides inspection and enforcement resources for the hazardous waste transportation industry to verify compliance with Hazardous Waste Control Laws (HWCLs).
- **Legal Resources Augmentation for Support of Core Programs.** 24 permanent positions and \$6.8 million (\$2.1 million HWCA, \$4.7 million TSCA) in 2022-23 and \$7.3 million (\$2.6 million HWCA, \$4.7 million TSCA) annually thereafter to properly resource the management, operations, and litigation functions of DTSC's Office of Legal Counsel to allow focus on enforcing hazardous waste control laws, holding polluters accountable for contamination, and compelling manufacturers to make safer consumer products.
- **Modernizing Information Technology (IT) Infrastructure.** 24 permanent positions and \$6.1 million (various special funds) in 2022-23 and annually thereafter to (1) address the gaps between workload and current Office of Environmental Information Management information technology (IT) staffing levels and technology costs (2) support the core program expansions that are part of the implementation of the 2021 Governance and Fiscal Reform. This budget action includes \$1.8 million annually for the increased cost of modernizing DTSC's infrastructure, business solutions, and IT services, including professional services for strategic planning, IT specialized training, and departmental IT literacy training. Funding for this request was included in the new fee structure enacted in SB 158.
- **Office of Environmental Equity.** Nine permanent positions and \$1.3 million (\$281,000 HWCA and \$1 million TSCA) in 2022-23, and \$1.3 million (\$279,000 HWCA, \$1.0 million TSCA) annually thereafter to provide the resources necessary for the Office of Environmental Equity to support core program expansions included in other BCPs.
- **Review of Lead Agency California Environmental Quality Act (CEQA) Documents.** Two permanent positions and \$306,000 HWCA in 2022-23 and \$304,000 in 2023-24 and annually thereafter to meet its legal obligations under CEQA, which requires that DTSC, as a Responsible Agency, review and provide comments on CEQA documents.
- **Safer Consumer Products Program Full Implementation.** 37 permanent positions and \$7.2 million TSCA in 2022-23 and ongoing to provide the resources needed to fully implement the Safer Consumer Products Program. This request also includes \$246,000 for contracts. This proposal would increase DTSC's capacity to identify product- chemical combinations for regulation under the regulatory framework, perform rulemaking tasks, review Alternatives Analyses
- **Hazardous Materials Fees (cleanup).** The budget Resources trailer bill includes cleanup language related to fees and charges.

3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE)

- **BKK Class III Landfill Administrative Costs and Gas Monitoring System Evaluation.** The budget includes \$182,000 Integrated Waste Management Account (IWMA) annually to fund an ongoing shortfall in BKK Corporation's (BKK) administrative expenses for operating the BKK Class III Landfill (landfill) for the next 17 years. CalRecycle entered into a judicially enforceable Settlement Agreement with BKK to ensure that the landfill is not abandoned by BKK and does not become a ward of the state. In exchange for a commitment from BKK to fulfill their responsibilities as the landfill operator, CalRecycle has undertaken a contractual and mandatory obligation to fund this shortfall. This action also includes one-time expenditure authority for \$300,000 IWMA to fund the evaluation of the landfill gas monitoring system and replace critical gas wells to protect public health, safety, and the environment. This action covers a total of \$482,000 IWMA in 2022-23 and \$182,000 ongoing for the next 17 years.
- **Environmental Advertising Implementation (SB 343).** The budget includes 1.25 permanent, full-time positions, and \$965,000 in 2022-23 and \$163,000 IWMA ongoing. These positions will focus on the initial rulemaking and material characterization study execution, as well as subsequent reporting changes necessary to implement environmental advertising under SB 343 (Allen), Chapter 507, Statutes of 2021. Of the total, \$800,000 is the estimated cost to perform a material characterization study required by Public Resources Code Section 42355.51(d)(1)(B)(i).
- **Materials Management and Local Assistance Division Permanent Staffing.** The budget includes nine permanent, full-time positions and \$110,000 from the Electronic Waste Recycling and Recovery Account (E-Waste) to fulfill fiduciary and enforcement obligations related to grant and payment programs, and the Covered Electronic Waste Recycling Program. CalRecycle intends to repurpose funds previously used for temporary help positions to offset the costs of the newly requested positions, hence the request for \$110,000 from E-Waste.
- **CalRecycle Integrated Information System (CRIIS).** The budget appropriates \$1.606 million in 2022-23 from the Beverage Container Recycling Fund (BCRF) to support efforts for stages 2-4 of California Department of Technology (CDT)'s Project Approval Lifecycle (PAL) process for the CRIIS project. As part of CDT's PAL process, the CRIIS project has completed and received approval for the Stage 1 Business Analysis (S1BA).
- **Compostable and Biodegradable Product Labeling Implementation (AB 1201).** The budget includes one permanent, full-time Environmental Scientist position, and \$132,000 from IWMA to implement AB 1201 (Ting), Chapter 504, Statutes of 2021.
- **Plastic Pollution Prevention and Packaging: Producer Responsibility Act (SB 54 (Allen) cleanup).** The budget Resources trailer bill, AB 211, deletes the requirement to consider organic waste in establishing a recycled content requirement and includes a technical change.
- **Disaster Debris Removal Support Staffing.** The budget includes 14 permanent, full-time positions and appropriates \$1.954 million General Fund in 2022-23 and \$1.927 million ongoing General Fund to provide operational support when conducting debris removal as a result of disasters.

- **DayCent Model.** The budget appropriates \$270,000 GGRF to update compost amendment impacts in DayCent for greenhouse gas modeling.
- **Handling Fee Freeze.** The budget Resources trailer bill requires the per-container handling fee to be set until June 30, 2024, at an amount that is not less than the amount of the per-container handling fee that was in effect on July 1, 2021, and sets the cost-of-living adjustment for the 2022-23 fiscal year to nine percent.
- **California Beverage Container Recycling and Litter Reduction Act (Bottle Bill).** The budget Resources trailer bill extends the sunset of the plastic market development payment authorization from July 1, 2022, to July 1, 2025. This bill requires CalRecycle to adopt emergency regulations to establish requirements for the operation of bag drop machines, such as maximum daily consumer redemption values, requirements for the bag drop machine to accept all types of beverage containers, and tracking and reporting requirements. This bill requires CalRecycle to provide on its website information that enables consumers to identify the geographic location in the state of all points of redemption for beverage containers.
- **Bottle Bill: Quality Incentive Payments (QIPs): Thermoform Plastic Containers.** The budget Resources trailer bill authorizes CalRecycle to pay a QIP to a certified recycling center for thermoform plastic containers diverted from curbside recycling programs, as specified.
- **Plastic Beverage Containers: Minimum Recycled Content: Exemptions (technical cleanup).** The budget Resources trailer bill deletes the exemption for beverage manufacturers that have projected processing fee payments, as specified from the requirement that the total number of filled plastic beverage containers sold by a beverage manufacturer to contain specified amounts of postconsumer recycled plastic content per year. Instead, this bill exempts from the postconsumer recycled plastic content requirement beverage manufacturers that sell or transfer a specified maximum number of plastic beverage containers to a distributor, dealer, or consumer located in the state during the calendar year for which the manufacturer is required to report the amount of virgin plastic and postconsumer recycled plastic used by that manufacturer.
- **Climate Change: Community Resilience Center Program: Grant Program.** The budget Resources trailer bill establishes the Community Resilience Center Program, which is to be administered by the Strategic Growth Council, in coordination with the Office of Planning and Research.
- **Solid Waste: Products: Labeling: Compostability: Regulations (technical cleanup).** The budget Resources trailer bill specifies that the regulations that CalRecycle is required to adopt by January 1, 2026, depending on the results of that determination, are to establish a bifurcated approach to product labeling.
- **Solid Waste: Plastic Pollution Prevention and Packaging: Producer Responsibility Act (SB 54 (Allen), Chapter 75, Statutes of 2022) (technical cleanup).** The budget Resources trailer bill deletes the requirement to consider organic waste in establishing a recycled content requirement and includes a minor, technical change.

- **Used Mattress Recycling Fund Loan Repayment to Integrated Waste Management Account.** The budget extends the repayment period of the loan from the Integrated Waste Management Account (IWMA) to the Used Mattress Recycling (Mattress) Fund in the amount of \$1.6 million, authorized in the 2014 Budget Act (Chapter 25, Statutes of 2014). The Mattress Fund will phase in repayment by transferring \$200,000 in fiscal year 2022-23, followed by an increase in the repayment amount to \$400,000 for 2023-24 through 2025-26, and complete the final payment of \$200,000 in 2026-27.
- **Beverage Container Recycling Package.** The Budget Act appropriates the first year (2022-23) of a multiyear package of spending (totaling \$391 million) from the Beverage Container Recycling Fund (BCRF), as follows:
 - \$73.3 million (total of \$220 million spread over three years) for startup costs for recycling programs, including recycling centers, mobile recycling, reverse-vending machines, bag drop programs, high-volume counting equipment to enable “bag drop” at retail, and dealer cooperatives (which are 501c3 stewardship organizations consisting greatly of dealers that have an approved plan to provide consumer take back of beverage containers).
 - \$50 million for quality improvement payments (QIPs).
 - \$40 million for QIPs for thermoform material for PET bottle contamination reduction.
 - \$30 million for startup loans for processors and recyclers.
 - \$25 million to support a deposit return system for reusable containers AB 962 (Kamlager), Chapter 502, Statutes of 2021.
 - \$10 million (total of \$20 million spread over three years: \$10 million in first year, \$7 million in second year, and \$3 million in third year) for plastic market development payments.
 - \$5 million for workforce development.
 - \$1 million to CalRecycle to improve its website by providing information that enables consumers to identify the geographic location of all points of redemption for beverage containers, to be updated at least once per year.
 - Extends the sunset of the plastic market development payment authorization from July 1, 2022 to July 1, 2025. Provisions in the Resources trailer bill, AB 211, require CalRecycle to adopt emergency regulations to establish requirements for the operation of bag drop machines, such as maximum daily consumer redemption values, requirements for the bag drop machine to accept all types of beverage containers, and tracking and reporting requirements.

- Authorizes CalRecycle to pay a quality incentive payment to a certified recycling center for thermoform plastic containers diverted from curbside recycling programs, as specified, in the Resources trailer bill.

3980 OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT (OEHHA)

- **Proposition 65 Fund Shift.** The budget shifts \$1.8 million from the Safe Drinking Water and Toxic Enforcement Fund (SDWTEF) to the General Fund 2022-23 and ongoing. This fund shift is necessary to continue funding the voter-approved Proposition 65 program.
- **Strengthening CalEnviroScreen.** The budget includes \$370,000 reimbursement authority and two permanent positions in 2022-23 and ongoing to use the data developed for the CalEnviroScreen mapping tool to track changes over time in community pollution burdens and conditions. The tool is not currently designed to evaluate changes over time and current staffing and resources are not sufficient to undertake this work. The new positions will support work to develop methods to use CalEnviroScreen data to examine trends and changes in environmental conditions and conduct analyses to measure progress in pollution reduction.
- **Advancing Racial Equity and Environmental Justice in OEHHA’s Scientific Activities.** The budget appropriates \$565,000 General Fund and adds two positions (including \$90,000 in contracts) in 2022-23 and ongoing to create a new racial equity and environmental justice (REEJ) program. The program would formulate strategies and policies for advancing racial equity and environmental justice in OEHHA’s scientific activities, including in the methods to assess the cumulative health risks that communities face from exposures to numerous pollutants from multiple sources.
- **Air Quality (AB 619).** The budget includes \$137,000 General Fund in 2022-23 and ongoing and 0.5 Public Health Medical Officer (PHMO) position to support the implementation of AB 619 (Calderon), Chapter 412, Statutes of 2021, which requires the California Department of Public Health (CDPH), in consultation with OEHHA and other specified entities, to prepare a plan with recommendations and guidelines for counties in the event of a wildfire or other significant air quality event. The position will: (i) contribute to the development of CDPH’s significant air quality events plan for counties; (ii) establish respiratory protection guidance; and (iii) communicate risks to the public.
- **Evaluating Unassessed Chemicals Using Precision Prevention Methodologies.** The budget appropriates \$6.034 million General Fund in 2022-23, including \$1.034 million and adds five positions in 2022-23 and ongoing, and \$5 million one-time in 2022-23, to develop and implement rapid computational and molecular toxicology approaches for identifying toxic chemicals and safer alternatives. The \$5 million will be used for interagency contracts with the University of California (UC) to develop these approaches, while the five positions will apply UC research to advance scientific assessments of currently unevaluated chemicals that support CalEPA regulatory programs. These resources will support regulatory programs within CalEPA and other state agencies by providing information on the hazards and risks posed by chemicals in the environment and consumer products, as well as new scientifically valid approaches for understanding chemical hazards. These evaluations will also be used to establish public health

goals for drinking water, reference exposure levels and cancer potency values for air contaminants, consumption advisories for contaminants in sport fish, and advisory levels that guide emergency response actions.

- **Biomonitoring in Community Air Protection Program (AB 617) Communities.** The budget appropriates \$350,000 GGRF in 2022-23 and ongoing for targeted biomonitoring studies in Community Air Protection Program (AB 617) communities.

Natural Resources Budget Bill and Trailer Bills

1. *Budget Act of 2021 – AB 180 (Ting), Chapter 44, Statutes of 2022.*
2. *Budget Act of 2022 – AB 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 — AB 179 (Ting), Chapter 249, Statutes of 2022.*
4. *Public Resources – AB 203 (Committee on Budget), Chapter 60, Statutes of 2022.*
5. *Public Resources — AB 211 (Committee on Budget), Chapter 574, Statutes of 2022.*

FOOD AND AGRICULTURE

8570 DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

- **Emerging Threats Information Data Management System.** The budget provides \$1.9 million in 2022-23 (\$1.2 million General Fund and \$723,000 Food and Agriculture Fund) and \$904,000 in 2023-24 (\$570,000 General Fund and \$334,000 Food and Agriculture Fund) to complete the planning activities required by the Department of Technology Project Approval Lifecycle to replace the existing legacy Emerging Threats Information Data Management System.
- **Information Technology Security Remediation and Sustainability.** The budget provides \$2.9 million General Fund and \$544,000 special funds and one permanent position in 2022-23, \$2.5 General Fund and \$540,000 special funds in 2023-24, and \$1 million General Fund and \$540,000 special funds in 2024-25 and ongoing to manage, implement, and maintain mitigation efforts to resolve high-risk information technology security findings, "true up" its personal services and operating expense and equipment costs, and fund two existing authorized positions within CDFA's Office of Information Technology Services.
- **Implementation of Chaptered Legislation.** The budget provides funding to implement chaptered legislation: (1) AB 45 (Aguilar-Curry), Chapter 576, Statutes of 2021, (2) AB 1282 (Bloom), Chapter 752, Statutes of 2021, (3) SB 27 (Skinner), Chapter 237, Statutes of 2021
- **Shipping Point Inspection Food Safety.** The budget provides five positions in 2022-23 and ongoing to support the mission-critical enhancement of the Shipping Point Inspection (SPI) Program. The SPI Program is fully funded by continuously appropriated Department of Food and Agriculture Fund, so this request does not require additional expenditure authority.
- **Specialty Crop Block Grant Program.** The budget provides a technical adjustment of \$10 million in additional Federal Fund authority in 2022-23 and ongoing to administer the Specialty Crop Block Grant Program (SCBGP) for California.
- **State Organic Program Outreach and Education.** The budget provides \$537,000 Department of Food and Agriculture Fund (Ag Fund) and one permanent position in 2022-23 and \$736,000 in 2023-24 and ongoing for the State Organic Program (SOP) to promulgate regulations and conduct new outreach, education, and technical assistance efforts to SOP constituents as authorized by the California Organic Food and Farming Act and as identified by the California Organic Products Advisory Committee and the Organic Stakeholder Work Group.
- **Sustainable Animal Mortality Management.** The budget provides \$287,000 General Fund and one position in 2022-23 and ongoing to enhance climate resiliency by establishing a statewide framework for handling animal mortalities in a manner that mitigates the risks to

human and animal health, while enhancing stewardship of the environment and promoting California's agriculture.

- **Farm to School Program.** The budget provides \$32.8 million General Fund and 16 positions in 2022-23, \$2.881 million in 2023-24, and \$2.876 million in 2024-25 and ongoing to expand the California Farm to School Incubator Grant Program and to establish regional California Farm to School Network support within the Office of Farm to Fork.
- **Programmatic Environmental Impact Report Litigation Fees.** The budget provides \$2.3 million one-time in 2022-23 to pay court ordered fees associated with the Department's Programmatic Environmental Impact Report legal case. This includes funding for the Department to consult with the Attorney General's Office as it updates its Programmatic Environmental Impact Report.
- **Continuation of the Bee Safe Program.** The budget provides \$727,000 ongoing (\$250,000 special funds) to continue operating a statewide Bee Safe Program to protect and promote commercial honey bees. AB 203 (Committee on Budget), Chapter 203, Statutes of 2022, requires the annual apiary registration fee to not exceed \$250.
- **Center for Analytical Chemistry Building B Repurposing.** The budget provides \$3.1 million General Fund in 2022-23 to repurpose the Center for Analytical Chemistry's Building B facility per the Department of General Services' study report. The Building B facility houses the Environmental Safety and Regulatory Analysis laboratories which are in critical need of a facility repurposing, providing for safe and dedicated office spaces for staff and optimum performance of scientific equipment used in analytical work.
- **Farm to Community Food Hub Grant Program.** The budget provides three positions in 2022-23 and budget bill language to allow CDFA to expend the \$15 million appropriated for the Farm to Community Food Hub Grant Program by the Budget Act of 2021 for support or local assistance until June 30, 2028.
- **Biorepositories.** The budget provides \$11.3 million for infrastructure improvements to support biorepositories at the California Institute for Biodiversity.
- **Organics Transition.** The budget provides \$5 million to provide grants to farmers to subsidize the cost of transitioning to organic crops.
- **DNA Library.** The budget provides \$11.1 million to create a DNA library for soil and fungi California Institute for Biodiversity.
- **Invasive Plants.** The budget provides \$10 million to support the Invasive Plants Management program.
- **Other Investments.** The budget also makes additional investments in CDFA programs, and are discussed in the Cap and Trade Spending Plan, and Drought Package sections of this report.

Food and Agriculture Budget Bill and Trailer Bill

1. *Budget Bill – Assembly Bill 178 (Committee on Budget), Chapter 45, Statutes of 2022.*
2. *Public Resources Trailer Bill – Assembly Bill 203 (Committee on Budget), Chapter 60, Statutes of 2022.*

ENERGY AND UTILITIES

VARIOUS DEPARTMENTS CROSS CUTTING ISSUES

Zero-Emission Vehicle Package. The budget provides \$6.1 billion from 2021-22 to 2026-27 to support zero- emission vehicles and infrastructure across several departments. Of this funding, \$1.1 billion supports passenger vehicles, \$3.9 billion supports medium-and heavy-duty vehicles, and \$1.1 billion supports other ZEV related items. The chart below highlights the various components of the package.

Zero-Emission Vehicle Package (Dollars in Millions)

Category	Program	Agency	2022 ZEV Package						Totals
			2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	
Passenger Vehicles	Clean Cars 4 All & Other Equity Projects	CARB	\$0	\$256	\$0	\$0	\$0	\$0	\$256
	ZEV Fueling Infrastructure Grants	CEC	\$215	\$15	\$210	\$90	\$40	\$0	\$570
	Equitable At-home Charging	CEC	\$20	\$0	\$160	\$80	\$40	\$0	\$300
Medium and Heavy Duty ZEVs	Drayage Trucks & Infrastructure	CARB	\$82	\$0	\$95	\$48	\$0	\$0	\$225
		CEC	\$96	\$0	\$105	\$49	\$0	\$0	\$250
	Transit Buses & Infrastructure	CARB	\$0	\$0	\$140	\$110	\$70	\$0	\$320
		CEC	\$0	\$0	\$60	\$50	\$30	\$0	\$140
	School Buses & Infrastructure	CARB	\$0	\$1,125	\$0	\$0	\$0	\$0	\$1,125
		CEC	\$0	\$375	\$0	\$0	\$0	\$0	\$375
	Clean Trucks, Buses and Off-Road Equipment	CARB	\$0	\$600	\$0	\$0	\$0	\$0	\$600
		CEC	\$99	\$0	\$315	\$31	\$25	\$0	\$470
Ports	CARB	\$0	\$0	\$60	\$120	\$70	\$0	\$250	
	CEC	\$0	\$0	\$40	\$80	\$30	\$0	\$150	
Other	Community-Based Plans, Projects and Support / Sustainable Community Strategies	CARB/CalSTA	\$0	\$0	\$200	\$80	\$59	\$0	\$339
	Emerging Opportunities	CARB	\$53	\$0	\$35	\$12	\$0	\$0	\$100
		CEC	\$54	\$0	\$35	\$11	\$0	\$0	\$100
	Hydrogen Infrastructure	CEC	\$0	\$0	\$20	\$20	\$20	\$0	\$60
	Charter Boats Compliance	CARB	\$0	\$60	\$40	\$0	\$0	\$0	\$100
Transportation Package ZEV*	CalSTA	\$0	\$77	\$77	\$77	\$76	\$76	\$383	
Totals by FY			\$619	\$2,508	\$1,592	\$858	\$460	\$76	\$6,113

Fund Sources of Zero-Emission Package
(Dollars in Millions)

Fund Source	Total	Total	Total	Total	Total	Total	Total
General Fund	\$619	\$185	\$1,515	\$781	\$384	\$0	\$3,484
Prop 98	\$0	\$1,500	\$0	\$0	\$0	\$0	\$1,500
Cap & Trade	\$0	\$746	\$0	\$0	\$0	\$0	\$746
Federal	\$0	\$77	\$77	\$77	\$76	\$76	\$383
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$619	\$2,508	\$1,592	\$858	\$460	\$76	\$6,113

In addition to the funding above, the budget includes the following trailer bill and budget bill language:

- **Clean Cars 4 All.** Budget Bill Junior, AB 179 (Committee on Budget), Chapter 249, Statutes of 2022, requires the California Air Resources Board (CARB) to phase out conventional hybrids from eligibility as a replacement vehicle under the Clean Cars for All program by November 2024.
- **Clean Vehicle Rebate Program (CVRP).** AB 211 (Committee on Budget), Chapter 574, Statutes of 2022, requires CARB to phase out plug in hybrid electric vehicles from CVRP no later than January 1, 2025.
- **Charter Boats Compliance.** AB 179 provides \$40 million to reduce emission from commercial harbor crafts, and prioritizes funding for private ferry operators regulated by the Public Utilities Commission, public ferries, licensed commercial passenger fishing vessels, research vessels and excursion vessels.

Energy Reliability, Relief and Clean Energy Investments. The budget includes a total of \$7.9 billion across several departments to support a variety of ratepayer relief, reliability, and clean energy investments. The chart below highlights the various investments. Additional detail about these investments are described later in this report.

Energy Reliability, Relief and Clean Energy Investments
(Dollars in Millions)

Investment Category	Program	Agency	2021-22	2022-23	2023-24	2024-25	2025-26	Multiyear Total
Ratepayer Relief	California Arrearage Payment Program	CSD	\$0	\$1,200	\$0	\$0	\$0	\$1,200
	Capacity Building Grants	CPUC	\$0	\$30	\$0	\$0	\$0	\$30
Reliability	Investments in Strategic Reliability Assets	DWR	\$1,500	\$700	\$20	\$75	\$75	\$2,370
	Support for Reliability	DWR	\$0	\$3	\$0	\$0	\$0	\$3
	DOE Grid Resilience Match	CEC	\$0	\$5	\$0	\$0	\$0	\$5
	Distributed Electricity Backup Assets	CPUC	\$550	\$0	\$100	\$25	\$25	\$700
	Residential Solar & Storage	CPUC	\$0	\$0	\$900	\$0	\$0	\$900
	Transmission & Energy Financing	IBank	\$0	\$200	\$50	\$0	\$0	\$250
	Demand Side Grid Support	CEC	\$200	\$0	\$95	\$0	\$0	\$295
Clean Energy	Carbon Removal Innovation	CEC	\$0	\$50	\$50	\$0	\$0	\$100
	Incentives for Long Duration Storage	CEC	\$0	\$140	\$240	\$0	\$0	\$380
	Distributed Energy Workload	CEC	\$0	\$1	\$1	\$1	\$1	\$5
	Energy Modeling to Support California's Energy Transition	CEC	\$0	\$7	\$0	\$0	\$0	\$7
	AB 525 Implementation	Various	\$0	\$4	\$0	\$0	\$0	\$4
	Oroville Pump Storage	DWR	\$0	\$100	\$140	\$0	\$0	\$240
	Food Production Investment Program	CEC	\$0	\$25	\$50	\$0	\$0	\$75
	Offshore Wind Infrastructure	CEC	\$0	\$45	\$0	\$0	\$0	\$45
	Equitable Building Decarbonization	CEC/PUC/CARB	\$0	\$182	\$780	\$53	\$92	\$1,107
	Industrial Decarbonization	CEC	\$0	\$100	\$0	\$0	\$0	\$100
	Hydrogen Grants	CEC	\$0	\$100	\$0	\$0	\$0	\$100
	Hydrogen Hub	GO-Biz	\$0	\$5	\$0	\$0	\$0	\$5
	Energy Data Infrastructure & Analysis	CEC	\$0	\$5	\$0	\$0	\$0	\$5
Total Package			\$2,250	\$2,902	\$2,426	\$154	\$193	\$7,926
					\$7,926			

Diablo Canyon Power Plant and other Clean Energy Investments. In addition, the budget also includes \$1.16 billion in other clean energy and associated priorities (\$110 million in 2023-24, \$550 million 2024-25 and \$500 million in 2025-26). This funding is allocated in SB 846 (Dodd), Chapter 239, Statutes of 2022. SB 846 requires the California Energy Commission (CEC) to develop a Clean Energy Reliability Investment Plan to support programs and projects that accelerate the deployment of clean energy resources, demand response, assist rate payers and increase energy reliability. Additionally, SB 846 also appropriates funding to support a Land Conservation and Economic Development Plan at the Natural Resources Agency that supports environmental enhancements and access of Diablo Canyon power plant lands and local economic development.

3360 CALIFORNIA ENERGY COMMISSION (CEC)

- **Industrial Grid Support and Decarbonization Program.** AB 209 (Committee on Budget), Chapter 251, Statutes of 2022 establishes the Industrial Grid Support and Decarbonization Program at the CEC to provide industrial facilities financial incentives to purchase and deploy advanced technology and equipment to support grid reliability, electrify processes, incorporate energy storage or renewable energy resources, increase energy efficiency, and develop or deploy decarbonization technologies. The budget provides \$100 million for this purpose.
- **Food Production Investment Program (FPIP).** AB 209 establishes FPIP at the CEC to provide financial incentives to projects that accelerate the adoption of advanced energy technologies, and other decarbonization technologies at facilities that are involved in food production and processing, and other related support facilities to reduce emissions of greenhouse gases. The budget agreement provides \$25 million in 2022-23, and \$50 million in 2023-24 for this purpose.
- **Hydrogen Program.** AB 209 establishes the Hydrogen Program at the CEC to provide financial incentives to eligible in state hydrogen projects, as specified for demonstration or scale-up of production, processing, delivery, storage or end use. The bill prioritizes projects that benefit geographically diverse areas of the state. The budget provides \$100 million for this purpose.
- **Equitable Building Decarbonization Program.** AB 209 establishes the Equitable Building Decarbonization program at the CEC that includes a direct installation program and a statewide incentive program for low carbon building technologies. The direct install program shall be provided at minimal or no cost to low-to-moderate income residents, as specified. The budget provides a total of \$1.1 billion for this purpose with (\$182 million in 2022-23, \$780 million in 2023-24, \$53 million in 2024-25 and \$92 million in 2025-26). Of this funding, \$50 million in 2022-23 and \$95 million in 2023-24 will be administered by the California Public Utilities Commission for the TECH program.
- **Offshore Wind Infrastructure Improvements.** AB 209 requires the CEC to establish and administer a program to support offshore wind infrastructure improvements to advance the capabilities of California's ports, harbors, and other water front facilities to support the build

out of offshore wind facilities. Funding may be used to support developing retrofit concepts and investment plans, environmental studies and review, construction of retrofits, among others. The budget provides \$45 million for this purpose.

- **Carbon Removal Innovation Program.** AB 209 establishes the Carbon Removal Innovation Program at the CEC to provide financial incentives for eligible projects that advance technologies for direct air capture of atmospheric carbon. Eligible projects shall include technology research, development and demonstration, and prototype and pilot research test centers to remove atmospheric carbon. The bill requires the CEC to consult with specified state and local agencies. The bill requires reporting on projects awarded funding and outcomes. The budget provides \$50 million in 2022-23 and 2023-23 for this purpose.
- **Planning Reserve Margin.** AB 209 requires the CEC to develop recommendations by December 31, 2023 on approaches to determine the appropriate minimum planning reserve margin for local publicly owned electric utilities, as specified.
- **Voluntary Offshore Wind and Coastal Protection Program.** AB 209 establishes the Voluntary Offshore Wind and Coastal Resources Program at the CEC to support state activities that complement or support federal laws related to the development of offshore wind facilities. The bill establishes the Voluntary Offshore Wind and Coastal Resources Protection Fund, which may accept federal and private sector moneys for this purpose.
- **Residential Solar and Storage.** AB 209 establishes a program within Self Generation Incentive Program to provide incentives to eligible residential customers, including those in areas served by publicly owned utilities, to support behind-the-meter solar photovoltaic systems and energy storage systems, as specified. Seventy percent of these incentives will be for low-income residents who install new behind-the-meter solar photovoltaic systems paired with energy storage systems or new energy storage system. Thirty percent of incentives will be to residential customers who install new storage systems. The budget provides \$900 million in 2023-24 for this purpose.
- **Climate Innovation Program.** AB 209 establishes the Climate Innovation Program at the CEC to provide financial incentives to California headquartered companies, as defined, to develop and commercialize technologies that help the state meet its greenhouse gas reduction targets and achieve its climate goals, or enable the state to be more resilient to impacts of climate change. The bill specifies that if a grant recipient has a liquidity event, as specified, then they must repay the amount of the financial incentive plus an additional 20 percent. The bill specifies that each financial incentive shall include performance metrics, including jobs created and environmental benefits. The budget provides \$100 million in 2022-23, 2023-24, 2024-25, and \$255 million in 2025-26 for this purpose.
- **Long Duration Energy Storage Program.** AB 205 (Committee on Budget), Chapter 61, Statutes of 2022 establishes the Long Duration Storage Program to provide financial incentives for projects that have power ratings of at least one megawatt and are capable of reaching a target of at least eight hours of continuous discharge of electricity in order to deploy innovative energy storage systems to the electrical grid, as specified. The budget provides \$140 million in 2022-23, and \$240 million in 2023-24 for this purpose.

- **Opt-in Permitting.** AB 205 allows clean energy projects to seek consolidated permitting, as specified, at the CEC by June 30, 2029, if they adhere to specified labor standard.

These projects include: (1) solar photovoltaic or terrestrial wind electricity generating power plants, (2) energy storage systems, (3) electrical generating power plants using thermal energy (not fossil or nuclear fuels), (4) a discretionary project as defined, for the manufacturing, production or assembly of an energy storage system or component manufacturing of wind or solar photovoltaic energy system or other components as specified, and (5) energy transmission lines carrying electric power from a facility in (1), (2) or (3), as specified.

This bill specifies that eligible projects must meet the requirements of an environmental leadership project and therefore will also be eligible for expedited judicial review for litigation involving California Environmental Quality Act.

- **Distributed Electricity Backup Assets Program.** AB 205 establishes the Distributed Electricity Backup Assets Program to incentivize cleaner and more efficient distributed energy assets that would serve as on-call emergency supply or load reduction for the state's electrical grid during extreme events, as specified. The budget provides \$550 million in 2021-22, \$100 million in 2023-24, \$25 million in 2024-25 and 2025-26 for this purpose. Funding shall be used to support: (1) efficiency upgrades to existing power generators, and (2) deployment of new zero or low emission technologies, including but not limited to fuel cells or energy storage, at new or existing facilities.
- **Demand Side Grid Support Program.** AB 205 appropriates \$200 million to the CEC to provide payments for demand response actions, as specified, to reduce grid stresses during net peak periods. The budget agreement also provides \$95 million in 2023-24 for this purpose. AB 209 specifies that eligible recipients of the Demand Side Grid Support Program shall include all energy customers, except those already enrolled in a demand response or energy load reduction programs, as specified. The bill authorizes CEC, in consultation with the CPUC, to adopt additional participation requirements or limitations.
- **Implementation of Chaptered Legislation.** The budget provides funding to implement the following chaptered legislation: (1) SB 423 (Stern), Chapter 243, Statutes of 2021, (2) SB 68 (Becker), Chapter 720, Statutes of 2021, (3) SB 643 (Archuleta), Chapter 646, Statutes of 2021, and (4) SB 589 (Hueso), Chapter, Statues of 2021.
- **Energy Resources Program Account (ERPA) Trailer Bill Language.** The budget rejects the Administration's trailer bill language to raise the statutory cap on the ERPA surcharge, tie the statutory cap to the Consumer Price Index, and extend the surcharge to behind the-meter electricity consumption.

8660 CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

- **Public Utilities Fixed Charge.** AB 205 repeals the existing \$10 fixed charge cap for residential investor owned utility customers. The bill authorizes the PUC to use fixed charges

for any rate schedule for residential customers, as specified. The bill requires the fixed charge to be established on an income-graduated basis with no fewer than three income thresholds, such that a low-income ratepayer would realize lower average monthly bill without making any changes in usage, as specified.

- **Public Utilities Commission Audits and Reviews.** AB 209 implements a variety of changes to the auditing process of the CPUC. Specifically, the bill authorizes the CPUC to apply a risk-based methodology to conduct audits or review of program related activities, as specified. The bill requires the CPUC to conduct a review or audit of books of records of every electrical or gas corporation at least once every five years, and every high-risk telephone, water or sewer corporation at least once every ten years.
- **Independent System Operator Participation.** AB 209 requires specified electrical corporations to participate in the Independent System Operator (ISO), and prohibits them from withdrawing their facilities from the operational control of the ISO without CPUC approval, as specified.
- **Capacity Building Grants.** The budget provides \$30 million to the CPUC for capacity grants to community-based organizations that conduct outreach and obtain technical assistance for participation in the PUC decision-making process.
- **Implementation of Chaptered Legislation.** The budget provides funding to implement the following chaptered legislation: (1) SB 843 (Aguilar-Curry), Chapter 843, Statutes of 2021, (2) AB 41 (Wood), Chapter 659, Statutes 2021, (3) AB 14 (Aguilar-Curry), Chapter 658, Statutes of 2021, (4) SB 4 (Gonzalez), Chapter 671, Statutes of 2021, (5) AB 74 (Gonzalez), Chapter 410, Statutes of 2021, (6) SB 28 (Caballero), Chapter 673, Statutes 2021, and (7) AB 1250 (Calderon), Chapter 713, Statutes 2021.
- **Enterprise Solutions Ongoing Maintenance and Support Costs.** The budget provides \$5.8 million in 2022-23 and \$6.1 million ongoing from various special funds for ongoing maintenance and support costs of enterprise-wide information technology solutions and tools implemented in recent years.
- **Human Capital Management System.** The budget provides \$1.9 million in 2022-23 and \$200,000 ongoing from various special funds to procure, implement, and license the Human Capital Management system to increase CPUC Human Resources Division staff efficiency and provide greater timeliness and accuracy, while supporting related human resources data initiatives.
- **Centralized Enterprise Geographical Information Systems and Data Analytics Environment.** The budget provides \$1.5 million in 2022-23 and \$1.2 million ongoing to provide licensing and infrastructure to implement enhanced enterprise Geographic Information Systems and data analytics capabilities for the CPUC's public purpose programs, service quality activities and policy support, and respond to CPUC need for data and maps of utility services and infrastructure.

- **Summer Reliability and Generation Audits, and Public Safety Power Shutoff Oversight.** The budget provides \$1.9 million ongoing for seven new permanent positions in the Safety and Enforcement Division, and \$200,000 per year for three years for consultant services from the PUC Utilities Reimbursement Account. These resources will address an increased workload associated with the management of electric generation audits, establishing a real-time and ongoing generation monitoring program, and strengthening the CPUC's ability to address increasing complexities of investor-owned utility wildfire operations and Public Safety Power Shutoffs compliance oversight.
- **Administrative Law Judge (ALJ) Division Intervenor Compensation Program Support.** The budget provides \$866,000 per year for fiscal years 2022-23 and 2023-24, and \$596,000 ongoing effective 2024-25 from various special funds for the Administrative Law Judge Division to strengthen the administration of the Intervenor Compensation program and compensate intervenors in a timely and efficient manner in compliance with statutory deadlines.
- **Administrative Law Judge Division Management and Proceeding Support.** The budget provides \$1.2 million ongoing from various special funds for eight positions to address deficiencies in management resources and proceeding support for the ALJ Division.
- **Information Technology Services Division – Security Enhancements.** The budget provides \$1.9 million from various special funds for ten permanent positions in the information security office to support cyber security, consolidate enterprise information technology security, risk, and compliance activities, achieve compliance with State Administrative Manual (SAM) 5300 requirements, and address issues identified by both the State Auditor and by Independent Security Assessments.
- **Strengthen Internal Operations Core.** The budget provides \$1.7 million from various special funds for position authority and funding to convert nine positions into permanent positions to improve oversight and reporting of the Accounting Services Section, Human Resources Division and Legal Division.

VARIOUS DEPARTMENTS AND PROGRAMS

0509 GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

2240 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

3860 DEPARTMENT OF WATER RESOURCES

3900 CALIFORNIA AIR RESOURCES BOARD

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

7600 CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

7760 DEPARTMENT OF GENERAL SERVICES

- **Climate Catalyst Fund.** AB 209 establishes the Clean Energy Transmission Financing Account within the Climate Catalyst Revolving Loan Fund. The bill authorizes the Climate Catalyst program to support clean energy transmission projects. AB 209 specifies that the initial projects shall support transmission lines in the Salton Sea region, with future projects to other areas, as specified. The bill also authorizes PUC and CEC to use climate catalyst projects

to leverage federal financing. The budget provides \$200 million 2022-23 and \$50 million in 2023-24 to the Governor's Office of Business and Economic Development (Go-Biz) for this purpose.

- **Indoor Air Standards.** AB 209 requires the Department of Housing and Community Development (HCD) to submit policy recommendations to the Legislature by January 1, 2025 to help ensure that residential dwelling units can maintain safe indoor temperature, as specified. The budget provides \$5 million to HCD for this purpose.
- **Oroville Pump Storage.** The budget provides \$100 million in 2022-23 and \$140 million in 2023-24 to the Department of Water Resources (DWR) to support the Oroville Pump Storage System.
- **Strategic Reliability Reserve.** AB 205 establishes the Strategic Reliability Reserve (SRR) to be administered by DWR to support electrical grid reliability. The bill authorizes DWR to contract for, purchase, finance or otherwise secure electrical generation to create additional capacity available during extreme energy grid events. The bill requires DWR to submit a report to the Joint Legislative Budget Committee starting on January 31, 2023, and in specified intervals, on expenditures related to the program, among others. The budget includes \$1.5 billion in 2021-22, \$700 million in 2022-23, \$20 million in 2023-24, \$75 million in 2024-25 and in 2025-26 for this purpose.
- **California Arrearage Payment Program (CAPP).** AB 205 establishes CAPP at the Department of Community Services and Development to provide assistance to active utility customers with past due electricity utility bills incurred during the COVID-19 pandemic bill relief period, as specified. Establishes prioritization of issuance of assistance and allocation of funds, as specified. The bill requires a utility applicant to issue CAPP benefits to residential customers within 60 days of receiving CAPP funds. The bill specifies that \$1.2 billion in the 2022 Budget Act shall be used for this purpose.
- **Lithium Extraction Sales and Use Tax Exclusion.** AB 209 requires the California Alternative Energy and Advanced Transportation Financing Authority (CAETF A) to provide an additional \$15 million of sales and use tax exclusions in the 2022, 2023, and 2024 calendar year for projects that manufacture, refine, extract, process, or recover lithium. CAETF A is administered by the California Department of Tax and Fee Administration (CDTFA). The bill allows CAETF A to consider, in addition to the required existing criteria for these projects, specific criteria relating to relocation of projects to California from states that have enacted certain legislation.
- **Hydrofluorocarbons Refrigerants.** AB 209 requires the California Building Standards Commission at the Department of General Services to consider adopting specified consensus safety standards. Specifies that if the commission does not adopt the consensus safety standards, then on July 1, 2024, no state or local building code shall prohibit the use of refrigerants listed as acceptable under the provisions of the federal Clean Air Act, as specified.
- **Equitable Building Decarbonization.** The budget provides \$30 million (\$10 million Greenhouse Gas Reduction Fund) in 2022-23, \$20 million in 2022-22 and 2023-24 to

accelerate the adoption of ultra-low-global-warming-potential refrigerants through the Equitable Building Decarbonization program at CARB.

Energy Related Budget Bills and Budget Trailer Bills

1. *Budget Act of 2021 – Assembly Bill 180 (Committee on Budget), Chapter 44, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Committee on Budget), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Committee on Budget), Chapter 249, Statutes of 2022.*
4. *Energy Trailer Bill – Assembly Bill 205 (Committee on Budget), Chapter 61, Statutes of 2022.*
5. *Public Resources, Geothermal Resources, Lithium Trailer Bill – Senate Bill 125 (Committee on Budget and Fiscal Review), Chapter 63, Statutes of 2022.*
6. *Energy and Climate Change Trailer Bill – Assembly Bill 209 (Committee on Budget), Chapter 251, Statutes of 2022.*
7. *Public Resources Trailer Bill – AB 211 (Committee on Budget), Chapter 574, Statutes of 2022.*
8. *Diablo Canyon Power Plant Extension – Senate Bill 846 (Dodd), Chapter 239, Statutes of 2022.*

SUBCOMMITTEE 3
ON
HEALTH
AND
HUMAN SERVICES

Senate Committee on Budget and Fiscal Review

Members

Susan Eggman Talamantes, Chair
Melissa A. Melendez
Richard Pan

Consultants

Scott Ogus
Dr. Renita Polk

SUBCOMMITTEE No. 3

HEALTH and HUMAN SERVICES

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HEALTH

0000 MULTIPLE DEPARTMENTS

- **Behavioral Health, Primary Care, and Public Health Workforce Investments.** The budget includes expenditure authority of \$195.1 million (\$185.1 million General Fund and \$10 million Mental Health Services Fund) in 2022-23, and General Fund expenditure authority of \$134.1 million in 2023-24, \$34.1 million in 2024-25, and \$3.2 million in 2025-26 for investments in workforce development for providers of services in the fields of behavioral health, primary care, and public health. These investments include the following:

Behavioral Health

- *Addiction Psychiatry and Addiction Medicine Fellowship Programs* - \$25 million annually for two years to support additional slots for Addiction Psychiatry and Addiction Medicine Fellowship programs.
- *University and College Training Grants for Behavioral Health Professionals* - \$26 million annually for two years to support 4,350 licensed behavioral health professionals through grants to existing university and college training programs, including partnerships with the public sector.
- *Expand Masters in Social Work (MSW) Slots at Public Schools of Social Work* - \$30 million annually for two years to support grants to public schools of social work to immediately expand the number of MSW students. \$27 million would support the 18 California State University programs and \$3 million would support the two University of California programs.
- *Graduate Medical Education and Loan Repayment for Psychiatrists* - \$19 million annually for two years to support two training programs for psychiatrists: 1) \$5 million annually for two years for graduate medical education slots for psychiatrists, 2) \$7 million annually for two years to support loan repayment for psychiatrists that agree to a five year service commitment at the Department of State Hospitals, and 3) \$7 million annually for two years to support loan repayment for psychiatrists that agree to a five-year service commitment to provide psychiatric services in a local public behavioral health system with an emphasis on prevention and early intervention services for individuals with serious mental illness likely to become justice-involved or are, or at risk of, experiencing homelessness.

Primary Care

- *Additional Primary Care Residency Slots in Song-Brown* - \$10 million annually for three years to support additional primary care residency slots in the Song-Brown Primary Care Residency Program.

- *Clinical Dental Rotations* - \$10 million one-time to support new and enhanced community based clinical education rotations for dental students to improve the oral health of underserved populations.
- *Health Information Technology (IT) Workforce* - \$15 million one-time to support health IT workforce recruitment and training for health clinics and other providers in underserved communities.
- *California Reproductive Health Service Corps* - \$20 million one-time to support targeted recruitment and retention resources, and training programs to ensure a range of clinicians and other health workers can receive abortion training.
- *Certified Nurse Midwives Training* - \$1 million one-time to allow certified nurse-midwives to participate in the Song-Brown program, consistent with the Midwifery Workforce Training Act authorized by SB 65 (Skinner), Chapter 449, Statutes of 2021.
- *Nurse Practitioner Postgraduate Training* - \$4 million one-time to support Nurse Practitioner postgraduate training slots in primary care within underserved communities through the Song-Brown Healthcare Workforce Training Program.
- *Physician Assistant Postgraduate Training* - \$1 million one-time to support Physician Assistant postgraduate training slots in primary care within underserved communities through the Song-Brown Healthcare Workforce Training Program.
- *Golden State Social Opportunities Program* - \$10 million Mental Health Services Fund one-time to support postgraduate grants for behavioral health professionals that commit to working in a nonprofit eligible setting for two years, with priority given to individuals that are current or former foster youth and homeless youth.

Public Health

- *Waive Public Health Nurse Certification Fees* - \$3.3 million annually for three years to waive public health nurse certification fees for three years to reduce barriers to registered nurses entering the field of public health.
- *Public Health Incumbent Upskilling* - \$3.2 million annually for four years to establish the Public Health Workforce Career Ladder Education and Development Program to provide education and training for existing employees within the public health workforce, including stipends to offset up to 12 hours per week to complete educational requirements and grants for local health departments for additional hiring.
- *California Public Health Pathways Training Corps* - \$8 million annually for three years to expand the California Public Health Pathways Training Corps, which provides a workforce pathway for early-career public health professionals from diverse backgrounds and disproportionately impacted communities.

- *California Microbiologist Training* - \$3.2 million annually for three years to increase the number of Public Health Microbiologist Trainee spots, which is a requirement to become certified in California as a public health microbiologist.
- *Public Health Lab Aspire* - \$3.2 million annually for three years to restore funding for the Lab Aspire Program, to address the severe shortage of trained and qualified public health laboratory directors.
- *California Epidemiologic Investigation Service (Cal-EIS) Training* - \$3.2 million annually for three years to increase the number of Cal-EIS fellows, which trains epidemiologists for public health leadership positions.

The budget also includes General Fund expenditure authority of \$677.4 million over three years to support the following care economy workforce development investments:

- *Community Health Workers* - \$281.4 million over three years to recruit, train and certify 25,000 new community health workers by 2025, with specialized training to work with varying populations, such as justice-involved, people who are unhoused, older adults, or people with disabilities. The Legislature also approved trailer bill language to require HCAI to develop requirements for community health worker certificate programs, and establish other requirements for community health worker certification and renewal.
- *Comprehensive Nursing Initiative* - \$220 million over three years to increase the number of registered nurses, licensed vocational nurses, certified nursing assistants, certified nurse midwives, certified medical assistants, family nurse practitioners, and other health professions.
- *Expanding Social Workers* - \$126 million over three years to increase the number of social workers trained in the state by supporting social work training programs and providing stipends and scholarships for working people to create a new pipeline for diverse social workers who cannot otherwise afford the financial or time investment required to complete full-time training programs.
- *Nursing in Song-Brown* - \$50 million over three years to support nurse training slots in the Song-Brown Healthcare Workforce Training Program.
- **Reproductive Health Investments.** The budget includes General Fund expenditure authority of \$201.6 million, available over several years, to support and protect access to reproductive health and abortion services in California. These investments include the following:
 - *Uncompensated Care Funding for Reproductive Health Services* - \$40 million, available over six years, for the Department of Health Care Access and Information (HCAI) to award grants to reproductive health care providers to offset the cost of providing care to uninsured and underinsured individuals who do not have health coverage for abortion services.
 - *Equity and Infrastructure Payments for Clinic Abortion Provides* - \$30 million over two years for the Department of Health Care Services (DHCS) to provide supplemental

payments to non-hospital community clinics that offer abortion care services to Medi-Cal beneficiaries.

- *Los Angeles County Abortion Access Safe Haven Pilot Program* – \$20 million for DHCS to establish a pilot program for the purpose of expanding and improving access to reproductive health care in Los Angeles County.
- *Abortion Practical Support Fund* - \$20 million to HCAI to provide grants for non-profit organizations that assist patients overcoming barriers to abortion care.
- *California Reproductive Health Service Corps* - \$20 million to HCAI to support targeted recruitment and retention resources, and training programs to ensure a range of clinicians and other health workers can receive abortion training.
- *Clinical Infrastructure for Reproductive Health* - \$20 million for HCAI to provide scholarships and loan repayments to a variety of health care provider types that commit to providing reproductive health care services.
- *Capital Infrastructure for Reproductive Health* - \$20 million for HCAI to assist reproductive health care facilities in securing their physical and information technology infrastructure to enhance facility security.
- *California Reproductive Justice and Freedom Fund* - \$15 million to the Department of Public Health (DPH) to award grants to community-based reproductive health, rights, and justice organizations to conduct medically accurate and culturally competent outreach and education on sexual health and reproductive health issues.
- *Backfill Federal Title X Family Planning Funding* - \$10 million for DHCS to backfill the loss of federal Title X family planning funding.
- *Family Planning, Access, Care, and Treatment (FPACT) HPV Vaccine Coverage* – \$8 million (\$4.6 million General Fund) ongoing for DHCS to add the human papillomavirus (HPV) vaccine as a covered benefit under the FPACT program, effective July 1, 2022.
- *Comprehensive Reproductive Rights Website* - \$1 million for DPH to develop and maintain a website providing accurate and updated information to the public on the right to abortion care under state law, providers, and options for reproductive services coverage.
- *Research on Unmet Needs for Reproductive Health Services* - \$1 million for DPH to research the unmet needs for access to reproductive health care services.
- **Electronic Visit Verification Phase II.** The budget includes 16 positions (six at OSI, six at DHCS, and four at DDS) and total expenditure authority of \$13 million (\$3 million General Fund and \$10 million federal funds) in 2022-23, \$11.3 million (\$3 million General Fund and \$8.2 million federal funds) in 2023-24, \$9.3 million (\$2.5 million General Fund and \$6.8 million federal funds) in 2024-25, \$9.4 million (\$2.6 million General Fund and \$6.8 million federal funds) in 2025-26, and \$9.1 million (\$2.5 million General Fund and \$6.7 million federal

funds) in 2026-27 to continue the multi-departmental effort for the second phase (Phase II) of implementation of Electronic Visit Verification for personal care services and home health care services.

- **Child Welfare Services–California Automated Response and Engagement System (CWS-CARES).** The budget includes total expenditure authority of \$108.4 million (\$57.6 million General Fund and \$50.8 million federal funds) to continue the design, development, and implementation activities for OSI and the Department of Social Services to continue the CWS-CARES project, which will replace a legacy system with a modern technology application that aids child welfare stakeholders in assuring the safety and well-being of children at risk of abuse and neglect. The Legislature also approved provisional budget bill language to increase expenditure authority for this project by \$34.8 million (\$17.2 million General Fund and \$17.2 million federal funds), contingent on approval of project documents by the Department of Finance.

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY (CALHHS)

- **California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS).** The budget includes six positions and expenditure authority from the CalHHS Automation Fund of \$1.3 million annually to expand the CalHEERS support team to implement required state and federal system changes and manage recent changes to the CalHEERS Systems Integrator prime vendor contract.
- **Electronic Benefit Transfer (EBT) Project.** The budget includes three positions and expenditure authority from the CalHHS Automation Fund of \$480,000 in 2022-23 and 2023-24 to support management of three new EBT programs: 1) Online Purchasing, 2) Pandemic EBT, and 3) Summer EBT.
- **CalHHS Cybersecurity Program Augmentation.** The budget includes two positions and expenditure authority from the CalHHS Automation Fund of \$993,000 annually to support CalHHS entities' response to cybersecurity attacks and information security and privacy risks.
- **Office of Resilience and Response.** The budget includes nine positions and General Fund expenditure authority of \$2.6 million in 2022-23, 2023-24, and 2024-25 for CalHHS to establish an Office of Resilience and Response to coordinate emergency management and natural disaster resilience functions across CalHHS departments and offices.
- **Data Exchange Governance to Facilitate Health Information Exchange.** The budget includes 18 positions and General Fund expenditure authority of \$33.8 million in 2022-23 and 2023-24, and \$8.8 million annually thereafter to support grant and capacity development to establish a governance program for the California Data Exchange Framework and facilitate health information exchange in California.
- **Equity Implementation.** The budget includes General Fund expenditure authority of \$500,000 in 2022-23 to coordinate and support the development of an Equity Strategic Plan to reduce health inequities and disparities in CalHHS programs.

- **Office of the Agency Information Officer and Office of Systems Integration – Enterprise Capabilities.** The budget includes eight positions and General Fund expenditure authority of \$2.9 million in 2022-23 and \$2.5 million annually thereafter to realign resources and enhance enterprise-wide capabilities across CalHHS and to improve project delivery outcomes and technical service capabilities.
- **Center for Data Insights and Innovation Reimbursements.** The budget includes reimbursement authority of \$600,000 and a reduction of expenditure authority from the Center for Data Insights and Innovation Fund of \$443,000 annually, to account for interagency agreements between the Center and six other CalHHS departments for administration of the Committee for the Protection of Human Subjects.
- **Children and Youth Behavioral Health Initiative Funding.** The budget includes the following two adjustments related to the Children and Youth Behavioral Health Initiative:
 - Public Education and Change Campaign – The budget includes reappropriation of General Fund expenditure authority of \$25 million approved in the 2021 Budget Act to support the Adverse Childhood Experience Awareness Campaign and Trauma-Informed Training for Educators. These reappropriated funds will be available for encumbrance and expenditure until June 30, 2025.
 - Subject Matter Expertise and Evaluation – The Legislature approved provisional budget bill language to extend the availability of General Fund expenditure authority of \$20 million approved in the 2021 Budget Act, until June 30, 2026.
- **Equity Dashboard Reappropriation.** The budget includes reappropriation of General Fund expenditure authority of up to \$3.2 million approved in the 2021 Budget Act for implementation of an Equity Dashboard. These reappropriated funds will be available for encumbrance and expenditure until June 30, 2023.
- **Healthy California for All Commission Follow-Up Work.** The budget includes General Fund expenditure authority of \$1.4 million in 2022-23 and \$368,000 in 2023-24 to continue the work of the Healthy California for All Commission, including development and implementation of a federal partner engagement strategy to understand federal approvals needed to proceed with a state-based unified financing system for healthcare.
- **Early Childhood Policy Council Reappropriation.** The budget includes reappropriation of General Fund authority of \$1.5 million approved in the 2019 Budget Act to extend funding for the Early Childhood Policy Council until June 30, 2024.
- **Office of Youth and Community Restoration.** The budget includes General Fund expenditure authority of \$10 million annually for the Office of Youth and Community Restoration (OYCR). The Legislature also approved trailer bill language detailing the duties and responsibilities of the Ombudsperson within the OYCR.

- **Community Assistance, Recovery, and Empowerment (CARE) Court.** The budget includes General Fund expenditure authority of \$5 million, available until June 30, 2027, to support implementation of the Community Assistance, Recovery, and Empowerment (CARE) Act, pursuant to SB 1338 (Umberg and Eggman), Chapter 319, Statutes of 2022.

0977 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA)

- **Specialty Care Dental Clinics Infrastructure Grants.** The budget includes General Fund expenditure authority of \$25 million in 2022-23 and 2023-24 to support a grant program to fund the construction, expansion, or adaptation of dental surgical clinics or specialty dental clinics to increase access to oral health care for specialty populations, including individuals with intellectual or developmental disabilities, physical disabilities, or cognitive declines.
- **Non-Designated Public Hospital Bridge Loans.** The budget includes General Fund expenditure authority of \$40 million to provide cash flow loans to non-designated public hospitals, due to the financial impacts of the COVID-19 public health emergency.
- **Extension of Time Limitation Restrictions for Working Capital Financing.** The Legislature approved trailer bill language to extend from one year to two years the amount of interest which may be defined as “working capital”, and extends repayment terms for loans for working capital from within 15 months to within 24 months of the loan date.

4120 EMERGENCY MEDICAL SERVICES AUTHORITY (EMSA)

- **Replacement and Upgrade of Aging Vehicle and Radio Fleet Assets.** The budget includes General Fund expenditure authority of \$8.7 million in 2022-23 and \$50,000 annually thereafter to replace and upgrade emergency medical response fleet equipment and radio assets.
- **California Poison Control System Funding Augmentation.** The budget includes General Fund expenditure authority of \$1.1 million in 2022-23, \$1.5 million in 2023-24, and expenditure authority of \$2.1 million (\$1.7 million General Fund and \$349,000 reimbursements) annually thereafter to support increased salaries and benefit expenses for the California Poison Control System.
- **Paramedic Disciplinary Review Board.** The budget includes three positions and expenditure authority from the Emergency Medical Services Personnel (EMSP) Fund of \$703,000 in 2022-23 and \$665,000 annually thereafter to establish the Paramedic Disciplinary Review Board, pursuant to the requirements of AB 450 (Gonzalez), Chapter 463, Statutes of 2021.
- **Multicounty Local Emergency Medical Services Agency Funding Increase.** The budget includes General Fund expenditure authority of \$2 million annually to support additional local assistance funding for California’s multi-county Local Emergency Medical Services Agencies.

- **Increased Resources for Information Technology Mission Efficiency.** The budget includes two positions and General Fund expenditure authority of \$443,000 annually to manage growth in information technology workload and address security deficiencies.
- **California Emergency Medical Services Data Resource System Funding Reappropriation.** The budget includes reappropriation of General Fund expenditure authority of \$10 million approved in the 2021 Budget Act, available for encumbrance and expenditure until June 30, 2024, to continue and complete the project planning process for the California Emergency Medical Services Data Resource System (CEDRS) and increase data interoperability.
- **COVID-19 Medical Surge Staff Reimbursement.** The budget includes reimbursement authority of \$100 million in 2022-23 to recover costs for the deployment of medical surge staff to support pandemic response efforts.

4140 DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION (HCAI)

- **Office of Health Care Affordability.** The budget includes 59 positions in 2022-23, 117 positions and General Fund expenditure authority of \$13 million in 2023-24, and 142 positions and General Fund expenditure authority of \$31.6 million annually thereafter to support implementation of the Office of Health Care Affordability, which would establish and enforce statewide and sectoral health care cost targets. The Legislature also approved trailer bill language to govern establishment and administration of the Office. The position authority in 2022-23 will be supported by reappropriation of General Fund expenditure authority of \$30 million for the Office adopted in the 2021 Budget Act (see “*Office of Health Care Affordability Reappropriation*” below).
- **Office of Health Care Affordability Reappropriation.** The budget includes reappropriation of General Fund authority of \$30 million approved in the 2021 Budget Act, available until June 30, 2024, to establish the Office of Health Care Affordability to increase price and quality transparency, develop specific strategies and cost targets for different sectors of the health care industry, and financial consequences for entities that fail to meet these targets.
- **Uncompensated Care Fund for Abortion Services.** The budget includes General Fund expenditure authority of \$40 million, available for encumbrance or expenditure through June 30, 2028, to support an uncompensated care fund to assist with costs for abortion and contraceptive care of reproductive health care service providers.
- **Abortion Practical Support Fund.** The budget includes General Fund expenditure authority of \$20 million, available until June 30, 2028, and the Legislature approved trailer bill language to support practical support grants to nonprofit organizations in California that specialize in assisting pregnant people who are low income, or who face other financial barriers, to increase access to abortion.
- **Clinical and Capital Infrastructure for Reproductive Health Care.** The budget includes General Fund expenditure authority of \$40 million in 2022-23, available for

encumbrance and expenditure through June 30, 2028, to support workforce development and capital infrastructure for providers of reproductive health services.

- **CalRx Biosimilar Insulin Development.** The budget includes General Fund expenditure authority of \$100.7 million, available for encumbrance or expenditure until 2025-26, to support the CalRx Biosimilar Initiative, which would invest \$50 million in development of low-cost, interchangeable biosimilar insulin products and \$50 million towards a California-based insulin manufacturing facility, pursuant to the requirements of SB 852 (Pan), Chapter 207, Statutes of 2020. The Legislature also approved trailer bill language to exempt the program from contract requirements until December 31, 2027, and delay delivery of its feasibility report until December 31, 2023.
- **Workforce Augmentation and Budget Alignment.** The budget includes net expenditure authority from special funds and reimbursements of \$2.8 million in 2022-23 and \$2.7 million annually thereafter to shift program funding for the Peer Personnel and Mini-Grants Programs from state operations to local assistance consistent with current practice, increase funding for the Mini-Grants Program and the Song-Brown Healthcare Workforce Training Program, and continue the department's service agreement to administer the County Medical Services Program Loan Repayment Program.
- **Health Workforce Programs and Central Services Resources.** The budget includes 32 positions, funded with existing expenditure authority, to support administration of health and behavioral health workforce development programs approved by the Legislature in the 2022 Budget Act, as well as previous fiscal years.
- **Golden State Social Opportunities Program.** The budget includes expenditure authority from the Mental Health Services Fund of \$10 million, available until June 30, 2028, to support postgraduate grants for behavioral health professionals that commit to working in a nonprofit eligible setting for two years, with priority given to individuals that are current or former foster youth and homeless youth.
- **SB 650 – Skilled Nursing Facilities.** The budget includes four positions and expenditure authority from the California Health Data and Planning Fund of \$1.4 million in 2022-23, two additional positions and expenditure authority of \$1.2 million in 2023-24 and \$955,000 annually thereafter to support collection and auditing of financial reports from skilled nursing facilities, pursuant to the requirements of SB 650 (Stern), Chapter 493, Statutes of 2021.
- **SB 395 – Small and Rural Hospital Relief Program.** The budget includes four positions and expenditure authority from the Small and Rural Hospital Relief Fund of \$876,000 in 2022-23, \$842,000 in 2023-24, and \$684,000 annually thereafter to support administration of the Small and Rural Hospital Relief Program, which supports seismic upgrades for small, rural, and critical access hospitals, pursuant to the requirements of SB 395 (Caballero), Chapter 489, Statutes of 2021.
- **AB 1204 – Hospital Equity Reporting.** The budget includes two positions and expenditure authority from the California Health Data and Planning Fund of \$366,000 in

2022-23, two additional positions and expenditure authority of \$1.1 million in 2023-24, one additional position and expenditure authority of \$1.2 million in 2024-25, and \$861,000 annually thereafter. If approved, these positions and resources would allow HCAI to administer new requirements for hospitals to submit annual equity reports, pursuant to AB 1204 (Wicks), Chapter 751, Statutes of 2021.

- **AB 1020 – Health Care Debt and Fair Billing.** The budget includes 16 positions and expenditure authority of \$3.9 million (\$2 million General Fund and \$2 million California Health Data and Planning Fund) in 2022-23, and two additional positions and \$3.6 million (\$1.8 million General Fund and \$1.8 million California Health Data and Planning Fund) annually thereafter to support oversight and enforcement of new hospital requirements for discount payment and charity care policies, pursuant to AB 1020 (Friedman), Chapter 473, Statutes of 2021.
- **Small Rural Hospital Improvement Program Increase in Expenditure Authority.** The budget includes federal fund expenditure authority of \$127,000 annually to reflect increased federal support for the department’s Small Rural Hospital Improvement Program.

4150 DEPARTMENT OF MANAGED HEALTH CARE (DMHC)

- **Office of Plan Licensing Workload.** The budget includes three positions and expenditure authority from the Managed Care Fund of \$628,000 in 2022-23, \$604,000 in 2023-24, one additional position and \$842,000 in 2024-25, and \$834,000 annually thereafter to address additional workload in the Office of Plan Licensing related to major transaction reviews of health plans.
- **Office of Plan Monitoring Workload.** The budget includes 11 positions and expenditure authority from the Managed Care Fund of \$3.3 million in 2022-23, and \$3.2 million annually thereafter to address routine and follow-up medical surveys on an increasing number of licensed health plans, support increased rates charged by clinical consultants, and manage additional workload from an increase in network review volume, complexity, and technological expertise requirements.
- **Help Center Workload.** The budget includes 21 positions and expenditure authority from the Managed Care Fund of \$3.6 million in 2022-23 and \$3.4 million annually thereafter to address the increased volume of workload in the Help Center’s Consumer and Provider complaint sections, including meeting mandated timeframes for complaint review, facilitating a more robust case-auditing process, and aligning supervisory staffing with department growth.
- **Administrative Workload.** The budget includes 12 positions and expenditure authority from the Managed Care Fund of \$3.5 million in 2022-23, \$3.4 million annually between 2023-24 and 2028-29, and \$2.2 million annually thereafter to support administrative workload including human resources, business services, legal services, information technology, support for addressing systemic racism in the workplace, and to align supervisory, analytical and professional staffing with department growth.

- **Protection of Patient Choice in Telehealth Provider Act (AB 457).** The budget includes three positions and expenditure authority from the Managed Care Fund of \$1.1 million in 2022-23, \$957,000 in 2023-24, and \$614,000 annually thereafter to support oversight of health plan compliance with new telehealth rules, pursuant to the provisions of AB 457 (Santiago), Chapter 439, Statutes of 2021.
- **Health Care Coverage – Deductibles and Out-of-Pocket Expenses (SB 368).** The budget includes two positions and expenditure authority from the Managed Care Fund of \$591,000, \$571,000 in 2023-24, and \$456,000 annually thereafter to support review of health plan documents to determine compliance with requirements that plans provide enrollees with accrual balances toward their deductible and out-of-pocket maximum, pursuant to SB 368 (Limón), Chapter 602, Statutes of 2021.
- **Timely Access Standards for Follow-Up Appointments for Behavioral Health (SB 221).** The budget includes 16 positions and expenditure authority from the Managed Care Fund of \$3.9 million in 2022-23, an additional three positions and \$4.5 million in 2023-24, \$4.3 million in 2024-25, \$4.4 million in 2025-26, and \$4.2 million annually thereafter to address timeliness standards for follow-up appointments for certain behavioral health conditions, pursuant to the requirements of SB 221 (Wiener), Chapter 724, Statutes of 2021.
- **Health Care Coverage – Step Therapy (AB 347).** The budget includes 12 positions and expenditure authority from the Managed Care Fund of \$3.1 million in 2022-23, and \$3 million annually thereafter to address step therapy requirements for health care service plans implemented pursuant to AB 347 (Arambula), Chapter 742, Statutes of 2021.
- **Health Care Coverage – Employer Associations (SB 255).** The budget includes one position and expenditure authority from the Managed Care Fund of \$237,000 in 2022-23 and \$229,000 annually thereafter to support annual reviews of Multiple Employer Welfare Arrangement (MEWA) documents, pursuant to SB 255 (Portantino), Chapter 725, Statutes of 2021.
- **Health Care Coverage – Small Employer Groups (SB 718).** The budget includes expenditure authority from the Managed Care Fund of \$313,000 in 2022-23 and \$301,000 in 2023-24 through 2026-27 to support collection and review of Multiple Employer Welfare Arrangement (MEWA) documents for compliance with SB 718 (Bates), Chapter 736, Statutes of 2021.
- **Administrative Support Services.** The budget includes eight positions and expenditure authority from the Managed Care Fund of \$1.3 million in 2022-23 and \$1.2 million annually thereafter to support growth in workload for business management services, fiscal services, human resource administrative services, and information technology services.
- **Health Plans and Health Insurance – Third Party Payment (AB 290).** The budget includes expenditure authority from the Managed Care Fund of \$782,000 in 2022-23 and \$750,000 in 2023-24 to extend previously approved limited-term resources that support implementation of requirements on third party payment of health plan premiums, pursuant to AB 290 (Wood), Chapter 862, Statutes of 2019.

4260 DEPARTMENT OF HEALTH CARE SERVICES (DHCS)

- **Medi-Cal Local Assistance Funding.** The budget includes \$122 billion (\$25.1 billion General Fund, \$85.5 billion federal funds, and \$11.4 billion special funds and reimbursements) in 2021-22 and \$137.9 billion (\$36.4 billion General Fund, \$88.6 billion federal funds, and \$12.9 billion special funds and reimbursements) in 2022-23 for the delivery of health care services to low-income individuals and families in the Medi-Cal program. These funds are distributed as follows:
 - Medi-Cal Benefits: \$116.6 billion (\$24 billion General Fund, \$81.1 billion federal funds, and \$11.4 billion special funds and reimbursements) in 2021-22 and \$131.5 billion (\$34.9 billion General Fund, \$83.7 billion federal funds, and \$12.9 billion special funds and reimbursements) in 2022-23 for the provision of health care benefits to Medi-Cal beneficiaries.
 - County Administration and Eligibility: \$5 billion (\$897.7 million General Fund, \$4.1 billion federal funds, and \$18 million special funds and reimbursements) in 2021-22 and \$5.9 billion (\$1.3 billion General Fund, \$4.5 billion federal funds, and \$19.5 million special funds and reimbursements) in 2022-23 for eligibility determinations and other administrative activities performed by counties.
 - Fiscal Intermediary: \$447.1 million (\$25.1 million General Fund and \$285.8 million federal funds) in 2021-22 and \$479.8 million (\$36.4 million General Fund and \$336.9 million federal funds) in 2022-23 for claims processing and related activities performed by the Medi-Cal fiscal intermediary.
- **Family Health Programs Local Assistance Funding.** The budget includes \$232.7 million (\$186.4 million General Fund, \$46.2 million federal funds, and \$105.2 million special funds and reimbursements) in 2021-22 and \$264.8 million (\$227 million General Fund, \$5.1 million federal funds, and \$44.7 million special funds and reimbursements) in 2022-23 for state-only health care programs, as follows:
 - California Children's Services (CCS) Program: \$77.2 million (\$73.2 million General Fund and \$4 million reimbursements) in 2021-22 and \$87 million (\$83 million General Fund and \$4 million reimbursements) in 2022-23. Counties will contribute an additional \$76.3 million in 2021-22 and \$86.1 million in 2022-23 for state-only services in the CCS Program.
 - Genetically Handicapped Persons Program: \$117.6 million (\$102.9 million General Fund and \$14.7 million special funds and reimbursements) in 2021-22 and \$135.3 million (\$129.1 million General Fund and \$6.2 million special funds and reimbursements) in 2022-23.
 - Every Woman Counts Program: \$37.9 million (\$10.2 million General Fund, \$5.1 million federal funds, \$22.5 million special funds) in 2021-22 and \$42.6 million (\$15 million General Fund, \$5.1 million federal funds and \$22.5 million special funds) in 2022-23.

- **Medi-Cal Coverage for All Income-Eligible Californians.** The budget includes expenditure authority of \$835.6 million (\$626.1 million General Fund and \$209.5 million federal funds) in 2023-24, growing to \$2.6 billion (\$2.1 billion General Fund and \$500 million federal funds) when fully implemented, and the Legislature approved trailer bill language, to expand full-scope Medi-Cal eligibility to all income-eligible adults regardless of immigration status, beginning no later than January 1, 2024.
- **Share of Cost Reform.** The Legislature approved trailer bill language to reform calculations of share of cost and expand eligibility for Medi-Cal for medically needy older adults and persons with disabilities, if a determination is made in the spring of 2024 that General Fund over the multiyear forecast is available to support this program.
- **Continuous Coverage for Children Up to Age 5.** The Legislature approved trailer bill language to provide continuous Medi-Cal coverage for children up to age five, if a determination is made in the spring of 2024 that General Fund over the multiyear forecast is available to support this program.
- **Federal Public Health Emergency Unwinding.** The Legislature approved trailer bill language to make permanent certain flexibilities implemented during the COVID-19 public health emergency in the Medi-Cal program, including:
 - No longer requiring written signatures from voluntary patients consenting to antipsychotic medications.
 - Including adults 65 and older in the Hospital Presumptive Eligibility Program.
 - Providing payments for Intermediate Care Facilities-Developmental Disabilities (ICF-DDs) that are no less than on the last day of the public health emergency, inclusive of the 10 percent COVID-19 rate increase.
 - Continue reimbursement at 100 percent of Medicare rates for oxygen and respiratory durable medical equipment, clinical laboratory services for COVID-19 diagnostic testing and specimen collection, and COVID-19 vaccine administration.
- **COVID-19 Public Health Emergency – Resuming Regular Operations.** The budget includes expenditure authority of \$26.2 million (\$13.1 million General Fund and \$13.1 million federal funds) in 2022-23 and \$1.2 million (\$581,000 General Fund and \$581,000 federal funds) in 2023-24 and 2024-25 to unwind the program policy and system-related changes implemented during the COVID-19 Public Health Emergency.
- **Health Enrollment Navigators.** The budget includes expenditure authority of \$60 million (\$30 million General Fund and \$30 million federal funds), available over four years, to support the Health Enrollment Navigators Project, which provides navigators to help Medi-Cal beneficiaries enroll in, retain, and utilize Medi-Cal coverage.
- **Align Medi-Cal Redeterminations with Federal Guidelines.** The Legislature approved trailer bill language to align its Medi-Cal redetermination procedures with federal guidelines,

including: 1) deleting the requirements that beneficiaries sign or return redetermination forms, 2) requiring DHCS to develop future revisions to the forms, and 3) requiring eligibility redeterminations be performed in a timely manner, without requiring new applications, and without rescinding preceding terminations, when beneficiaries submit to counties a signed and completed form, within 90 days of termination, and are found eligible for Medi-Cal.

- **Extend Suspension of Medi-Cal Benefits for Adult Incarcerated Individuals.** The Legislature approved trailer bill language to suspend an adult Medi-Cal beneficiary's benefits on the date the adult became an inmate of a public institution and ends the suspension on the date the individual is no longer an inmate of a public institution.
- **Discontinue Child Health and Disability Prevention (CHDP) Program and Expand Children's Presumptive Eligibility.** The Legislature approved trailer bill to discontinue the CHDP Program and expand Children's Presumptive Eligibility, no sooner than July 1, 2024, with provisions requiring stakeholder engagement, transition planning, enrollment of CHDP providers into the Children's Presumptive Eligibility program, and other safeguards.
- **Behavioral Health Bridge Housing Program.** The budget includes General Fund expenditure authority of \$1 billion, available until June 30, 2027, to support the Behavioral Health Bridge Housing Program, which will award competitive grants to counties and tribal entities to address the immediate housing and treatment needs of people experiencing unsheltered homelessness who have serious behavioral health conditions. Of this amount, \$957.9 million would support the grant program and \$42.1 million would support administration of the program.
- **Behavioral Health Continuum Infrastructure Program.** The budget includes expenditure authority of \$1.7 billion (\$1.4 billion General Fund and \$218.5 million Coronavirus Fiscal Recovery Fund) to continue support for the Behavioral Health Continuum Infrastructure Program approved in the 2021 Budget Act. The program has approved, or expects to approve, the following grant awards:
 - Round 1: Crisis Care Mobile Units – The program has approved more than \$163 million distributed to 49 behavioral health authorities to create or enhance 245 mobile crisis teams throughout California.
 - Round 2: County and Tribal Planning Grants – The program has approved more than \$7.2 million to 18 tribal entities and 32 county behavioral health agencies to support preparation activities to plan for the acquisition and expansion of behavioral health infrastructure throughout the state.
 - Round 3: Launch Ready – The program has approved \$518.5 million to 46 grantees, including two tribal entities, to expand community capacity for serving the behavioral health needs of Californians, with a commitment to serve Medi-Cal beneficiaries.
 - Round 4: Children and Youth – The program plans to announce in December its grant awards for \$480.5 million allocated to projects that will expand the behavioral health continuum of treatment and service resources in settings that serve Californians ages 25 and

younger, including pregnant and postpartum individuals and their children, and transition-age youth, along with their families.

- Round 5: Crisis and Behavioral Health Continuum – The program plans to release its Request for Application (RFA) for \$480 million allocated to projects to expand infrastructure for crisis and other behavioral health services.
- Round 6: Outstanding Needs – The program is developing its RFA for Round 6, which will support projects that address outstanding needs beyond Rounds 1 through 5, based on a behavioral health needs assessment conducted by DHCS.
- **Medi-Cal Qualifying Community-Based Mobile Crisis Intervention Services Benefit.** The budget includes expenditure authority of \$108.5 million (\$16.3 million General Fund and \$92.2 million federal funds), and the Legislature approved trailer bill language, to provide qualifying community-based mobile crisis intervention services to Medi-Cal beneficiaries in need of Medi-Cal behavioral health services.
- **Medication Assisted Treatment Expansion Program.** The budget includes five positions and expenditure authority of \$101 million (\$96 million General Fund and \$5 million Opioid Settlement Fund) in 2022-23 and General Fund expenditure authority of \$61 million annually thereafter, and the Legislature approved trailer bill language, to support the Medication Assisted Treatment (MAT) Expansion Project, which reduces overdose and death related to opioid misuse by expanding MAT access statewide.
- **988 National Suicide Prevention Lifeline Start-Up Funding.** The budget includes General Fund expenditure authority of \$8 million in 2022-23 to support start-up costs at federally designated National Suicide Prevention Lifeline crisis centers in California to prepare for the implementation of 988, the new nationwide three-digit telephone and text number to provide support for individuals experiencing suicidal crisis or mental health-related distress.
- **Alameda County Supportive Housing.** The budget includes General Fund expenditure authority of \$10 million in 2022-23 to support the Alameda County Health Care Services Agency to fund supportive services for chronically homeless and special needs residents.
- **Behavioral Health Timely Access to Care Oversight (SB 221).** The budget includes eight positions and expenditure authority of \$1.3 million (\$660,000 General Fund and \$660,000 federal funds) in 2022-23 and \$1.2 million (\$624,000 General Fund and \$624,000 federal funds) annually thereafter to perform compliance oversight of Medi-Cal managed care plan timely access to care requirements for follow-up behavioral health services, pursuant to the requirements of SB 221 (Wiener), Chapter 724, Statutes of 2021.
- **Behavioral Health Workload.** The budget includes 34 positions and expenditure authority of \$21.2 million (\$9.8 million General Fund, \$10.6 million federal funds, and \$883,000 reimbursements) in 2022-23, \$20.9 million (\$9.6 million General Fund, \$10.4 million federal funds, and \$883,000 reimbursements) in 2023-24 and 2024-25, \$5.2 million (\$1.8 million General Fund, \$2.6 million federal funds, and \$883,000 reimbursements) in 2025-26, \$4.3 million (\$1.8 million General Fund and \$2.6 million federal funds) in 2026-27, and \$3.6

million (\$1.4 million General Fund and \$2.2 million federal funds annually thereafter to address increased workload related to behavioral health services.

- **California Peer-Run Warm Line Augmentation.** The budget includes expenditure authority of \$30 million (\$16.4 million General Fund and \$13.6 million Mental Health Services Fund), available until June 30, 2025, to support the peer-run warm line administered by the Mental Association of San Francisco.
- **Children and Youth Behavioral Health Initiative – Local Assistance.** The budget includes expenditure authority of \$37.8 million (\$28 million General Fund and \$9.8 million federal funds) in 2021-22 and \$1.4 billion (\$1.2 billion General Fund and \$121.3 million federal funds) in 2022-23 to support implementation of the Children and Youth Behavioral Health Initiative, including the following components:
 - School Behavioral Health Partnerships and Capacity – \$450 million General Fund in 2022-23
 - Evidence-Based Behavioral Health Practices – \$429 million General Fund in 2022-23
 - Increased Access to Student Behavioral Health Services – \$19.5 million (\$9.8 million General Fund and \$9.8 million federal funds) in 2021-22 and \$194.5 million (\$97.2 million General Fund and \$97.2 million federal funds) in 2022-23
 - Dyadic Services – \$40.2 million (\$16.2 million General Fund and \$24.1 million federal funds) in 2022-23
 - CalHOPE Student Support – \$8.3 million General Fund in 2021-22 and \$19.8 million General Fund in 2022-23
 - Behavioral Health Services and Supports Platform – \$10 million General Fund in 2021-22 and \$230 million General Fund in 2022-23
- **Urgent Needs and Emergent Issues in Children’s Behavioral Health.** The budget includes General Fund expenditure authority of \$120.5 million in 2022-23, \$25.5 million in 2023-24, and \$29 million in 2024-25 to support the urgent needs and emergent issues in children’s behavioral health including wellness and resilience supports, a School-Based Peer Mental Health Demonstration Project, a video series to provide parents with resources and skills to support their children’s mental health, and next generation digital supports for remote mental health assessment and intervention.
- **Community Assistance, Recovery, and Empowerment (CARE) Court – Local Assistance.** The budget includes seven positions and General Fund expenditure authority of \$57 million to be distributed to counties to support implementation of CARE Court, including hiring, training, development of policies and procedures, information technology costs, and new billing processes, consistent with the provisions of SB 1338 (Umberg and Eggman), Chapter 319, Statutes of 2022. Of this amount, \$26 million is available for the first cohort of counties to implement CARE Court.

- **Community Assistance, Recovery, and Empowerment (CARE) Court – State Operations.** The budget includes General Fund expenditure authority of \$20.2 million to support implementation of CARE Court, including technical assistance contracts, consistent with the provisions of SB 1338 (Umberg and Eggman), Chapter 319, Statutes of 2022.
- **Compliance Oversight of Insurance Policies for Licensed Alcohol and Drug Abuse Recovery or Treatment Facilities (AB 1158).** The budget includes four positions and expenditure authority from the Residential Outpatient Licensing Fund of \$626,000 in 2022-23, and \$590,000 annually thereafter to address increased workload related to monitoring compliance of insurance policies for licensed alcohol and other drug recovery or treatment facilities, pursuant to the requirements of AB 1158 (Petrie-Norris), Chapter 443, Statutes of 2021.
- **Foster Youth Substance Use Disorder Grant Program.** The budget includes General Fund expenditure authority of \$5 million to implement the Foster Youth Substance Use Disorder Evidence-Based and Promising Practices Program, a grant program to fund the development and implementation of evidence-based models and promising practices to serve foster youth with substance use disorders, including those residing in family-based settings.
- **Short-Term Residential Therapeutic Program (STRTP) Mental Health Program Approval, Oversight and Monitoring.** The budget includes nine positions and expenditure authority of \$1.3 million (\$661,000 General Fund and \$661,000 federal funds) annually to provide oversight, monitoring, and reviews of short-term residential therapeutic programs, mental health program approval, and children’s crisis residential programs.
- **Opioid Settlements Fund Oversight and State-Directed Programs.** The budget includes 11 positions and expenditure authority from the Opioid Settlement Fund of \$33.9 million in 2022-23 and \$2.6 million in 2023-24 and annually thereafter through the terms of California’s national opioid settlements, or 18 years. These positions and resources will support oversight of two of the opioid settlements, substance use disorder (SUD) workforce training, establishment of a web-based statewide addiction treatment locator platform, and an outreach and anti-stigma campaign.
- **Opioid Settlements Fund State-Directed Programs.** The budget includes expenditure authority from the Opioid Settlements Fund of \$39.1 million to support substance use disorder provider workforce training (\$29.1 million) and a naloxone distribution project targeting unhoused populations (\$10 million).
- **Shift of Suicide Prevention Voluntary Contribution Fund Administration.** The Legislature approved trailer bill language to shift oversight and administration of the Suicide Prevention Voluntary Contribution Fund from MHSOAC to DHCS.
- **California Advancing and Innovating Medi-Cal (CalAIM) – Local Assistance.** The budget includes expenditure authority of \$1.1 billion (\$458.6 million General Fund, \$624.9 million federal funds, and \$60.4 million special funds and reimbursements) in 2021-22 and \$3.1 billion (\$1.2 billion General Fund, \$1.8 billion federal funds, and \$100.2 million special funds and

reimbursements) in 2022-23, and the Legislature approved trailer bill language, to support implementation of the CalAIM initiative, including the following components:

- Enhanced Care Management and Community Supports Incentives – \$589 million (\$235.9 million General Fund and \$353.1 million federal funds) in 2021-22 and \$1.4 billion (\$571.7 million General Fund and \$847.5 million federal funds) in 2022-23
- Medi-Cal Providing Access and Transforming Health (PATH) – \$389.7 million (\$134.4 million General Fund, \$194.8 million federal funds, and \$60.4 million special funds and reimbursements) in 2021-22 and \$706.7 million (\$253.1 million General Fund, \$353.3 million federal funds, and \$100.2 million special funds and reimbursements) in 2022-23
- Population Health Management Platform – \$300 million (\$30 million General Fund and \$270 million federal funds) in 2022-23
- Dental Initiatives – \$119.4 million (\$58.1 million General Fund and \$61.4 million federal funds) in 2021-22 and \$240 million (\$116.5 million General Fund and \$123.4 million federal funds) in 2022-23
- Populations Transitioning Between Delivery Systems – \$11.8 million (\$4.3 million General Fund and \$7.4 million federal funds) in 2021-22 and \$224 million (\$86.1 million General Fund and \$137.9 million federal funds) in 2022-23
- Long-Term Care Benefit Transition – \$104.1 million (\$49.6 million General Fund and \$54.5 million federal funds) in 2022-23
- Inmate Pre-Release Program – \$63 million (\$19.8 million General Fund and \$43.1 million federal funds) in 2022-23
- Behavioral Health Quality Improvement Program – \$21.8 million General Fund in 2021-22 and \$45.4 million General Fund in 2022-23
- Organ Transplant Transition – \$11.8 million (\$3.3 million General Fund and \$8.4 million federal funds) in 2021-22 and \$11.2 million (\$3.6 million General Fund and \$7.6 million federal funds) in 2022-23
- Multipurpose Senior Services Program Carve-Out of Coordinated Care Initiative – \$1.6 million (\$800,000 General Fund and \$800,000 federal funds) in 2021-22
- **California Advancing and Innovating Medi-Cal (CalAIM) – State Operations.** The budget includes 97 positions and expenditure authority of \$107.8 million (\$53.9 million General Fund and \$53.9 million federal funds) to support state operations for the implementation of the components of the CalAIM initiative.
- **California Medi-Cal Enterprise Systems Modernization.** The budget includes five positions and expenditure authority of \$20.8 million (\$2.7 million General Fund and \$18.1 million federal funds) in 2022-23, \$14.2 million (\$2.9 million General Fund and \$11.3 million federal

funds) in 2023-24, and \$1 million (\$205,000 General Fund and \$802,000 federal funds) annually thereafter to support information technology modernization projects that support the Medi-Cal program.

- **Data Analytics and Management Support.** The budget includes 15 positions and expenditure authority of \$7.6 million (\$3.8 million General Fund and \$3.8 million federal funds) in 2022-23, \$9 million (\$4.5 million General Fund and \$4.5 million federal funds) in 2023-24, \$8.5 million (\$4.3 million General Fund and \$4.2 million federal funds) in 2024-25, and \$5.4 million (\$2.7 million General Fund and \$2.7 million federal funds) annually thereafter to address increased workload related to departmental data analytics, data provisioning, and data reporting functions to improve data management and transparency.
- **Elimination of Specified AB 97 Provider Rate Reductions.** The budget includes expenditure authority of \$19.6 million (\$9 million General Fund and \$10.6 million federal funds) annually, and the Legislature approved trailer bill language, to support elimination of provider rate reductions implemented pursuant to AB 97 (Committee on Budget), Chapter 3, Statutes of 2011, for 35 Medi-Cal provider and service categories.
- **Encounter Data Improvement Support.** The budget includes expenditure authority of \$17.5 million (\$15.7 million federal funds and \$1.7 million reimbursements) in 2022-23 and \$17.4 million (\$15.7 million federal funds and \$1.7 million reimbursements) in 2023-24 to advance improvements in data quality in managed care and county behavioral health.
- **Equity and Practice Transformation Provider Payments.** The budget includes expenditure authority of \$140 million (\$70 million General Fund and \$70 million federal funds) in 2022-23, \$215 million (\$107.5 million General Fund and \$107.5 million federal funds) in 2023-24, and \$115 million (\$57.5 million General Fund and \$57.5 million federal funds) annually in 2024-25 through 2026-27 to support equity and transformation payments to qualifying providers to improve quality, health equity, and primary care infrastructure.
- **Backfill Lost Title X Family Planning Funding.** The budget includes General Fund expenditure authority of \$10 million in 2022-23 to backfill the loss of federal Title X family planning funding to maintain and support the delivery of equitable, affordable, high quality, client-centered family planning services to patients with low incomes in California.
- **Equity and Infrastructure Payments for Clinic Abortion Providers.** The budget includes General Fund expenditure authority of \$15 million in 2022-23 and 2023-24 to support supplemental payments to non-hospital community clinics that offer abortion care and services to Medi-Cal beneficiaries.
- **Los Angeles County Reproductive Health Pilot.** The budget includes General Fund expenditure authority of \$20 million, available until June 30, 2028, to establish the Los Angeles County Abortion Access Safe Haven Pilot Program for the purpose of expanding and improving access to the full spectrum of sexual and reproductive health care, including abortion, in the County of Los Angeles.

- **Further Strengthen Fiscal Functions and Outcomes.** The budget includes ten positions and expenditure authority of \$2.4 million (\$1.2 million General Fund and \$1.2 million federal funds) in 2022-23, \$2.2 million (\$1.1 million General Fund and \$1.1 million federal funds) in 2023-24, and \$1.5 million (\$743,000 General Fund and \$742,000 federal funds) annually thereafter to continue to strengthen DHCS fiscal estimates and cash flow monitoring and provide resources for increasing and complex workloads.
- **Healthcare Worker Retention Payments.** The budget includes expenditure authority from the California Emergency Relief Fund of \$1.1 billion, and the Legislature approved trailer bill language, to support one-time retention payments for hospital and skilled nursing facility workers.
- **Clinic Workforce Stabilization Retention Payment Program.** The budget includes General Fund expenditure authority of \$70 million, available until June 30, 2024, and the Legislature approved trailer bill language to provide retention payments of up to \$1,000 to eligible clinic workers.
- **Increased Medi-Cal Acupuncture Reimbursement Rate.** The budget includes expenditure authority of \$10.9 million (\$3.3 million General Fund and \$7.6 million federal funds) to increase reimbursement rates for acupuncture providers in the Medi-Cal program.
- **Increased Program Workload.** The budget includes 35.5 positions and expenditure authority of \$5.6 million (\$2.5 million General Fund, \$2.8 million federal funds, and \$304,000 reimbursements) in 2022-23 and \$5.3 million (\$2.4 million General Fund, \$2.6 million federal funds, and \$286,000 reimbursements) annually thereafter to address increased program workload related to benefits, behavioral health financing, dental services, and administration.
- **Indian Health Grant Program.** The budget includes General Fund expenditure authority of \$12 million in 2022-23 and 2023-24 to restore grant funding for Tribal Health Programs.
- **Interoperability Federal Rule Implementation.** The budget includes expenditure authority of \$4.5 million (\$2.3 million General Fund and \$2.3 million federal funds) in 2022-23, \$2.9 million (\$1.4 million General Fund and \$1.4 million federal funds) in 2023-24 and 2024-25, and \$1.1 million (\$555,000 General Fund and \$555,000 federal funds) annually thereafter to support implementation and planning for new interoperability rules required by the federal Centers for Medicare and Medicaid Services (CMS). The budget also includes reappropriation of General Fund expenditure authority of \$2.3 million authorized in the 2021 Budget Act to support contracting resources.
- **Managed Care Plan Compliance and Oversight Program.** The budget includes 14 positions and expenditure authority of \$3.2 million (\$1.6 million General Fund and \$1.6 million federal funds) in 2022-23, \$3.1 million (\$1.6 million General Fund and \$1.6 million federal funds) in 2023-24, \$3.1 million (\$1.5 million General Fund and \$1.5 million federal funds) in 2024-25, and \$2.6 million (\$1.3 million General Fund and \$1.3 million federal funds) in 2025-26 to support monitoring and compliance efforts of the extensive new contract requirements and expectations of Medi-Cal managed care plans effective January 1, 2024.

- **Managed Care Program Annual Report (MCPAR).** The budget includes 21 positions and expenditure authority of \$3.5 million (\$1.8 million General Fund and \$1.8 million federal funds) in 2022-23, and \$3.1 million (\$1.5 million General Fund and \$1.5 million federal funds) annually thereafter to comply with new federal reporting requirements for monitoring of Medi-Cal managed care programs.
- **Maternal Care and Services (SB 65).** The budget includes expenditure authority of \$510,000 (\$255,000 General Fund and \$255,000 federal funds) in 2022-23 and \$492,000 (\$246,000 General Fund and \$246,000 federal funds) in 2023-24 to examine and evaluate the implementation of doula services in Medi-Cal, pursuant to the requirements of SB 65 (Skinner), Chapter 449, Statutes of 2021.
- **Medi-Cal Enterprise Systems Modernization – Federal Draw and Reporting Operations.** The budget includes expenditure authority of \$4.6 million (\$2.3 million General Fund and \$2.3 million federal funds) in 2022-23 and \$4.6 million (\$1.1 million General Fund and \$3.4 million federal funds) in 2023-24 to support the Federal Draw and Reporting system operations as part of the Medi-Cal Enterprise System Modernization project.
- **Skilled Nursing Facility Financing Reform.** The budget includes expenditure authority of \$340.2 million (\$164.6 million General Fund and \$175.7 million federal funds) in 2022-23, increasing to an estimated \$1.4 billion (\$773.8 million General Fund and \$626.2 million federal funds) in 2026-27, and the Legislature approved trailer bill language to implement reforms to skilled nursing facility financing, including an average four percent rate increase, a new Workforce and Quality Incentive Program, a one-year extension of the 10 percent COVID-19 rate increase, and additional rate increases subject to facilities meeting workforce standards, including collective bargaining agreements or participation in a labor management coordination committee.
- **Office of Compliance.** The budget includes 12 positions and expenditure authority of \$2.1 million (\$1.1 million General Fund and \$1.1 million federal funds) in 2022-23, \$2 million (\$1 million General Fund and \$1 million federal funds) in 2023-24, and \$1.8 million (\$891,000 General Fund and \$891,000 federal funds) annually thereafter to strengthen internal audit, federal compliance, and enterprise governance activities.
- **St. Paul’s Program for All-Inclusive Care for the Elderly (PACE).** The budget includes General Fund expenditure authority of \$10 million to support health information technology, housing, or wellness infrastructure projects at St. Paul’s PACE in San Diego.
- **Forgive Pharmacy Retroactive Recoupment.** The budget includes expenditure authority of \$106.6 million (\$114.4 million General Fund and repayment of \$7.9 million federal funds) to forego the recoupment of overpayments from independent pharmacies resulting from implementation of a federally required actual acquisition cost reimbursement methodology, for dates of service on or after April 1, 2017, through February 22, 2019.
- **Elimination of Copayments and Premiums in the Medi-Cal Program.** The budget includes expenditure authority of \$53.3 million (\$19.5 million General Fund, \$33.6 million federal funds, and \$177,000 Perinatal Insurance Fund), and the Legislature approved trailer bill

language, to eliminate authority for imposing copayments in the Medi-Cal program, and eliminate premiums for Medi-Cal enrollees including pregnant women, children, and disabled working adults in Title XXI or the Working Disabled Program.

- **Transforming Quality Outcomes and Health Equity in Medi-Cal.** The budget includes 19 positions and expenditure authority of \$4.7 million (\$2.3 million General Fund and \$2.3 million federal funds) in 2022-23, \$4.5 million (\$2.2 million General Fund and \$2.2 million federal funds) in 2023-24, and \$4.1 million (\$2 million General Fund and \$2 million federal funds) annually thereafter to administer and lead quality improvement and health equity efforts in the Medi-Cal program.
- **Tribal Investments.** The budget includes General Fund expenditure authority of \$30 million in 2022-23 to support two tribal projects: 1) construction of The Village San Francisco, and 2) establishment of a Regional Wellness Center by the Yurok Tribe of California.
- **Watsonville Community Hospital.** The budget includes General Fund expenditure authority of \$25 million in 2022-23 for the County of Santa Cruz to support the Pajaro Valley Health Care District acquisition of Watsonville Community Hospital.
- **Hearing Aid Coverage for Children.** The budget includes General Fund expenditure authority of \$10 million in 2022-23 to support the Hearing Aid Coverage for Children Program. The Legislature also approved provisional budget bill language to clarify eligibility for the program to include children with health insurance coverage with a coverage limit of \$1,500 or less for hearing aids.
- **Record Retention Requirements.** The Legislature approved trailer bill language to extend the length of time from three to ten years, for which every primary supplier of pharmaceuticals, medical equipment, or supplies is required to maintain accounting records subject to audit by DHCS.
- **Dental Managed Care Extension.** The Legislature approved trailer bill language to require DHCS to: 1) conduct a competitive bid and procurement process to award new dental managed care contracts no sooner than January 1, 2024; 2) extend existing dental managed care contracts through December 31, 2024, or the calendar day immediately preceding the effective date of the new contracts, whichever is later; and 3) provide an update to the Legislature if new contracts have not taken effect by July 1, 2024.
- **Medi-Cal Dental Policy with Evidence-Based Practices Update.** The Legislature approved trailer bill language to provide Medi-Cal coverage of laboratory-processed crowns on posterior teeth for persons 21 years of age or older when medically necessary to restore a posterior tooth back to normal function, to delete obsolete requirements, to require covered dental benefits and accompanying criteria to be identified in the Medi-Cal Dental Manual of Criteria, and to require DHCS to consider evidence-based practices consistent with the American Academy of Pediatric Dentistry and the American Dental Association guidelines for all covered dental benefits.

- **Conform Clinical Trials with Federal Law.** The Legislature approved trailer bill language to expand coverage for participation in certain clinical trials in the Medi-Cal program, consistent with federal law.
- **Continuous Glucose Monitors Reimbursement Methodology.** The Legislature approved trailer bill to amend the definition of medical supplies under the Medi-Cal pharmacy benefit to be inclusive of diabetic products, allowing for the implementation of a revised reimbursement methodology for continuous glucose monitoring.
- **Medi-Cal Telehealth Policy.** The Legislature approved trailer bill language to implement changes to the Medi-Cal program for services that may be delivered via telehealth, including the following:
 - Does not require face-to-face contact when covered Medi-Cal services are provided by video synchronous interaction, audio-only synchronous interaction, remote patient monitoring, or other permissible virtual communication modalities, meeting certain criteria.
 - Requires a provider furnishing services through video synchronous interaction or audio-only synchronous interaction to also offer those services through in-person, face-to-face contact or arrange for a referral to in-person care.
 - Authorizes a provider to establish a new patient relationship with a Medi-Cal beneficiary through video synchronous interaction, and prohibits a provider from doing so through other telehealth modalities.
 - Adopts various requirements on DHCS, or a Medi-Cal provider, relating to the use of telehealth modalities, including requirements concerning fee schedules and minimum reimbursement limits, services in border communities, as defined, consent standards, privacy and security compliance, informational notices, and a research and evaluation plan.
 - Expands the definition of patient “visit,” for Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs), to include an encounter between an FQHC or RHC patient and any of specified health care professionals using video synchronous interaction, audio-only synchronous interaction, or asynchronous store and forward modality when the applicable standard of care and other conditions are met.
 - Establishes other requirements on an FQHC or RHC relating to the use of those telehealth modalities, including requirements concerning reimbursement rates, consent standards, privacy and security compliance, the establishment of new patient relationships, and in-person services or referrals.
 - Authorizes reimbursement for additional medically necessary Drug Medi-Cal services and to other authorized individuals when those services are delivered through video synchronous interaction or audio-only synchronous interaction.
 - Establishes certain requirements relating to privacy and security compliance and the establishment of new patient relationships through telehealth modalities for Drug Medi-Cal.

- Requires DHCS to adopt regulations by July 1, 2024, to implement telehealth provisions specific to Drug Medi-Cal.
 - Extends from January 1, 2023 to January 1, 2026 certain time, distance, and appointment time standards for specified services to ensure that Medi-Cal managed care covered services are available and accessible to enrollees of Medi-Cal managed care plans in a timely manner.
 - Authorizes DHCS to allow a Medi-Cal managed care plan to use clinically appropriate video synchronous interaction as a means of demonstrating compliance with the time or distance standards, and as part of an alternative access standard request, and authorizes DHCS to develop policies for granting credit, as specified.
 - Makes changes to the frequency of alternative access standards request submissions made by Medi-Cal managed care plans when they cannot meet the time and distance standards, and requires the plan to close out any corrective action plan deficiencies in a timely manner to ensure beneficiary access is adequate and to continually work to improve access in its provider network.
- **Federally Qualified Health Center (FQHC) Alternative Payment Methodology Project.** The Legislature approved trailer bill language to update DHCS authority to implement an Alternative Payment Model reimbursement methodology for FQHCs to incentivize delivery system and practice transformation through flexibilities available by moving away from a volume-based reimbursement methodology, no sooner than January 1, 2024.

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- **Foundation for the Future of Public Health Investments.** The budget includes 404 positions and General Fund expenditure authority of \$300 million annually, and the Legislature approved trailer bill language, to modernize California's public health system with the goal of protecting and improving the health of all Californians. Of these resources, \$200.4 million will support California's 61 local health jurisdictions and \$99.6 million will support statewide public health priorities at DPH. The trailer bill language includes the following components:
 - Requires DPH to develop and implement a program to fund and support vital public health activities and services to be provided by the 61 local health jurisdictions (LHJs) in California.
 - Requires each LHJ, by December 30, 2023, and by July 1 every three years thereafter, to submit a public health plan to DPH that should be informed by the Community Health Assessment and Community Health Improvement Plan, including proposed evaluation methods and metrics.
 - Prohibits the supplanting of other funding with this funding by LHJs.

- Requires each LHJ to certify that 70 percent of these funds will be used to support staff, and that the remaining funds, not to exceed 30 percent, may be used for equipment, supplies, and other administrative purposes.
- Requires that each LHJ receive a base grant of \$350,000, and requires the remaining funding be distributed based on population, poverty, and demographics.
- Requires an LHJ, that does not have a completed community health needs assessment, community health improvement plan, or strategic plan commence coordination and planning activities by no later than October 1, 2022 and complete its triennial public health plan by December 30, 2023.
- Requires DPH to work in collaboration with the County Health Executives Association of California, California Conference of Local Health Officers, and Service Employees International Union to determine any minimum requirements for the funding and to establish statewide metrics to evaluate the impact of the investment of these funds on public health outcomes.
- Authorizes an LHJ, upon submission of a letter of support to DPH with a description of the regional capability being provided, direct a portion of its funds to another LHJ in support of regional capacity.
- Requires an LHJ to annually update its Board of Supervisors (or city council), on the State of the County's (or City's) Public Health, including the most prevalent causes of morbidity and mortality, and an update on progress addressing these issues.
- Requires this update to identify the county's most prevalent causes of morbidity and mortality, causes of morbidity and mortality with the most rapid three year growth rate, health disparities, and an update on progress addressing these issues through the strategies and programs identified in the LHJs triennial public health planning document, including identification of policy recommendations and fiscal estimates for addressing these issues.
- Requires the State Public Health Officer, on or before February 1 of every other year, to submit a written report to the Governor and both houses of the Legislature on the state of public health in California, and requires the State Public Health Officer to present an update annually to the Assembly and Senate Budget Committees, or relevant subcommittees, during legislative budget hearings.
- Requires this annual report to include specified data, including: information on public health indicators, health disparities, leading causes of morbidity and mortality, and incidence and prevalence of communicable and non-communicable chronic diseases and conditions, intentional and unintentional injuries, suicide, gun violence, mental illness and substance use disorders.
- Requires DPH to annually seek input from stakeholders, including legislative staff, on the contents of the required report.

- **Public Health Workforce Investments.** The budget includes General Fund expenditure authority of \$20.8 million in 2022-23 through 2024-25 and \$3.2 million in 2025-26 to support investments in the public health workforce, including: 1) Public Health Incumbent Upskilling (\$12.8 million over four years), 2) California Public Health Pathways Training Corp (\$24 million over three years), 3) California Microbiologist Training (\$9.6 million over three years), 4) Public Health Lab Aspire (\$9.6 million over three years), and 5) California Epidemiology Investigation Service Training (\$9.6 million over three years).
- **Disease Surveillance Readiness, Response, Recovery, and Maintenance of IT Operations.** The budget includes 130 positions and General Fund expenditure authority of \$235.2 million in 2022-23, ten additional positions and General Fund expenditure authority of \$156.1 million in 2023-24, and \$61.8 million annually thereafter to maintain and operate the technology platforms and applications necessary to support both COVID-19 response activities and other potential disease outbreaks.
- **Information Technology Data Science, and Informatics Framework for a 21st Century Public Health System.** The budget includes 33 positions and General Fund expenditure authority of \$20.1 million in 2022-23 and \$18.1 million annually thereafter to support foundational enterprise and strategic planning activities to modernize public health information technology infrastructure and systems, consistent with initiatives recommended by the Future of Public Health Workgroup. The Legislature also approved provisional budget bill language to authorize augmentation of the requested General Fund expenditure authority by \$15.9 million upon approval of enterprise planning and strategy documents by CalHHS and the California Department of Technology.
- **COVID-19 Direct Response Expenditures.** The budget includes expenditure authority from the California Emergency Relief Fund of \$2 billion and General Fund reimbursement authority of \$100 million in 2022-23 to continue the state's efforts to protect public health and safety against the spread of COVID-19 and to implement the state's SMARTER (Shots, Masks, Awareness, Readiness, Testing, Education, Rx) approach to the pandemic. These efforts include the following components:
 - *Medical Staffing.* \$100 million to support staffing costs for facilities needing additional medical surge staff during COVID-19 surges.
 - *Testing.* \$530 million to purchase antigen test kits, support school testing activities, continue rapid testing and treatment sites, and supporting laboratory network costs.
 - *Border Operations.* \$468 million for border operations that will continue the state's COVID-19 response and humanitarian activities at the southern border in anticipation of increased arrivals.
 - *Public Education and Outreach.* \$230 million for the Office of Community Partnerships and Strategic Communications to continue support for COVID-19 vaccine-related public education and outreach campaigns.

- *Operations Support.* \$183 million to support the COVID-19 call center, contractor support and contract costs, and the Public Health Reserve Corps.
- *Test-to-Treat Therapeutics.* \$158 million to implement a “test-to-treat” program for therapeutic treatment targeted at low-income, uninsured, and underinsured populations.
- *Vaccination.* \$93 million to prioritize vaccination of youth under five years old, additional boosters for eligible populations over 50 years old, and continuation of mobile vaccination sites through the end of 2022-23.
- *Enhanced Surveillance.* \$16 million to continue activities that allow tracking and monitoring of transmission of COVID-19, including wastewater surveillance, epidemiologic data analysis, modeling of future data trends, and research on the long-term impacts of COVID-19.
- *Emergency Contingency Funds.* \$250 million to support unanticipated COVID-19 emergency response needs.
- **AIDS Drug Assistance Program (ADAP).** The budget includes \$410.7 million (\$302.5 million ADAP Rebate Fund and \$108.1 million federal funds) in 2021-22 and \$455.1 million (\$356.1 million ADAP Rebate Fund and \$99 million federal funds) in 2022-23 for expenditures in ADAP, which provides access to life-saving medications for Californians living with HIV and assistance with costs related to pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) medications for Californians at risk of acquiring HIV.
- **MPox Response.** The budget includes General Fund expenditure authority of \$41.5 million for response activities related to the MPox state of emergency. Of this amount, \$15.8 million will support community response to MPox, including \$1.5 million for grants to community-based organizations to support the administration of vaccines.
- **Hepatitis B Outreach, Screening, and Linkage to Care.** The budget includes General Fund expenditure authority of \$3 million, available until June 30, 2027, to establish demonstration projects to allow for innovative, evidence-informed approaches to improve the health and well-being of the most vulnerable and underserved Californians living with, or at risk for, hepatitis B virus infection.
- **Syphilis and Congenital Syphilis Outbreak Strategy.** The budget includes General Fund expenditure authority of \$10 million, available until June 30, 2027, to provide grants to local health jurisdictions to support innovative and impactful syphilis and congenital syphilis prevention and control activities, with a focus on disproportionately impacted populations.
- **Hepatitis C Virus (HCV) and Sexually Transmitted Infections (STI) Funding.** The Legislature approved trailer bill language to make the following changes to funding programs for the prevention of HCV and STI infection: 1) expands activities eligible for funding to include integrated services for HCV, STIs, HIV, and drug overdose, and other activities that improve outcomes; 2) authorizes local health jurisdictions and community-based organizations to provide material support including sleeping bags, clothing items, and shelter; and 3)

authorizes capacity building assistance, including integrated services for HCV, HIV, STIs, and drug overdose to the extent they improve health outcomes for individuals living with, or at high risk for, HCV or STI infection.

- **Reproductive Health Awareness, Education, and Research.** The budget includes General Fund expenditure authority of \$17 million, available until June 30, 2025, to promote awareness of reproductive health rights and services, to conduct research into disparities in reproductive health access, and to support grants to community-based organizations to provide comprehensive reproductive and sexual health education.
- **Sexually Transmitted Disease – Testing (SB 306).** The budget includes three positions and General Fund expenditure authority of \$475,000 annually to provide technical assistance to local health jurisdictions and training to human immunodeficiency virus (HIV) test counselors to perform any HIV, hepatitis C, or other sexually transmitted disease test waived under the federal Clinical Laboratory Improvements Act (CLIA), pursuant to the requirements of SB 306 (Pan), Chapter 486, Statutes of 2021.
- **Public Health Electronic Licensing Program for Tissue Banks and Biologics Facilities.** The budget includes six positions and expenditure authority of \$3.6 million (\$583,000 Tissue Bank License Fund and \$3 million Clinical Laboratory Improvement Fund) in 2022-23, and \$2 million (\$583,000 Tissue Bank License Fund and \$1.4 million Clinical Laboratory Improvement Fund) annually thereafter to: 1) increase inspections and oversight of tissue banks, blood banks, and biologics facilities; and 2) establish the Electronic Tissue and Biologics System (ETABS) to migrate facility licensing processes from paper-based to an online platform.
- **Genetic Disease Screening Program (GDSP).** The budget includes expenditure authority from the Genetic Disease Testing Fund of \$145.9 million (\$34.5 million state operations and \$111.4 million local assistance) in 2021-22, and \$171.8 million (\$34.5 million state operations and \$137.3 million local assistance) in 2022-23 to fund the Genetic Disease Screening Program, which screens newborns and pregnant women for genetic and congenital disorders.
- **Center for Health Care Quality Program Estimate.** The budget includes expenditure authority for the Center for Health Care Quality of \$398.9 million (\$4.8 million General Fund, \$104.2 million federal funds, and \$290 million special funds and reimbursements) in 2021-22 and \$437.9 million (\$10.3 million General Fund, \$107.2 million federal funds, and \$320.4 million special funds and reimbursements) in 2022-23.
- **Los Angeles County Licensing and Certification Contract Extension.** The budget includes expenditure authority from the Licensing and Certification Fund of \$18.4 million annually to extend and augment the department’s health care facility certification contract with the Los Angeles County Department of Public Health to account for updated indirect cost and employee benefit rates, personnel costs, and lease costs.
- **Health Facilities Oversight.** The budget includes two positions and expenditure authority from the Licensing and Certification Fund of \$4 million in 2022-23 and \$284,000 annually

thereafter to increase infection prevention in health facilities and to provide quality assurance in Nursing Home Administrator training.

- **Hospice Fraud Prevention Taskforce.** The budget includes General Fund expenditure authority of \$1 million, available until June 30, 2025, to support the establishment and facilitation of an interagency and intra-agency Hospice Fraud Taskforce to address fraud in the hospice industry in California.
- **Skilled Nursing Facilities Staffing Audits.** The budget includes General Fund expenditure authority of \$4 million to support administrative activities associated with the Skilled Nursing Facility Workforce and Quality Incentive Program.
- **Women, Infants, and Children (WIC) Program.** The budget includes expenditure authority of \$960.6 million (\$759.9 million federal funds and \$200.7 million WIC manufacturer rebate funds) in 2021-22 and \$897.7 million (\$707.7 million federal funds and \$190 million WIC manufacturer rebate funds) in 2022-23 to fund the WIC Program, which provides nutrition services and food assistance for pregnant, breastfeeding, and non-breastfeeding women, infants, and children up to their fifth birthday at or below 185 percent of the federal poverty level.
- **Books for Low-Income Children.** The budget includes General Fund expenditure authority of \$10 million in 2022-23 to support an early childhood literacy program for participants in the Women, Infants, and Children (WIC) program.
- **Accountable Communities for Health.** The budget includes General Fund expenditure authority of \$15 million, available until December 31, 2025, to support Accountable Communities for Health, designed to convene local organizations to identify and respond to local health issues.
- **Home Visiting Programs.** The budget includes General Fund expenditure authority of \$25 million annually to expand the California Home Visiting Program.
- **Black Infant Health Program.** The budget includes General Fund expenditure authority of \$25 million annually to expand the Black Infant Health Program.
- **Alzheimer's Healthy Brain Initiative.** The budget includes General Fund expenditure authority of \$10 million, available until June 30, 2025, for DPH to allocate grants to six existing local health jurisdictions, and expand up to six additional jurisdictions, to participate in the California Healthy Brain Initiative Pilot Program.
- **Car Seats for Infants.** The budget includes General Fund expenditure authority of \$1 million to support a contract with Baby2Baby for the distribution of new infant car seats to low-income parents.
- **Childhood Lead Poisoning Prevention Program Information Technology Project Implementation Reappropriation.** The budget includes reappropriation of expenditure authority from the Childhood Lead Poisoning Prevention Fund of up to \$5.9 million approved

in the 2021 Budget Act to support the development and implementation of the Surveillance, Health, Intervention, and Environmental Lead Database Information Technology Project.

- **Children and Youth Suicide Prevention Grants and Outreach Campaign.** The budget includes General Fund expenditure authority of \$40 million to provide competitive grants to community based organizations to support children and youth at increased risk of suicide, with a focus on Black, Native American, Latino, and foster youth, and to develop a targeted children and youth suicide prevention public outreach campaign.
- **Urgent Needs and Emergent Issues in Children’s Behavioral Health.** The budget includes General Fund expenditure authority of \$25 million in 2022-23 and \$25 million in 2023-24 to develop and implement a three-year Youth Suicide Reporting and Crisis Response Pilot Program in at least four counties or regions to test models for making youth suicide and attempted suicide a reportable event and rapidly and comprehensively responding with crisis services and follow-up support.
- **Children and Youth Behavioral Health Initiative – Public Education and Change Campaign Reappropriation.** The budget includes reappropriation of General Fund expenditure authority of \$5 million, approved in the 2021 Budget Act, to be available until June 30, 2024, to increase behavioral health literacy of all Californians and normalize and support the prevention and early intervention of mental health and substance use challenges for the Children and Youth Behavioral health Initiative.
- **All Children Thrive Reappropriation.** The budget includes reappropriation of expenditure authority from the Mental Health Services Fund of \$2.6 million approved in the 2018 Budget Act to complete evaluation activities for the All Children Thrive pilot program.
- **Opioid Overdose Data Collection and Analysis.** The budget includes expenditure authority from the Opioid Settlements Fund of \$5 million to support participation in syndromic surveillance using the Center for Disease Control and Prevention’s BioSense platform to collect and analyze data on opioid overdose trends.
- **Opioid Public Awareness Campaign.** The budget includes expenditure authority from the Opioid Settlements Fund of \$40.8 million to support a media and health communications campaign targeted towards youth opioids education and awareness, and fentanyl risk education.
- **Climate and Health Surveillance Program.** The budget includes 30 positions and General Fund expenditure authority of \$10 million annually to provide near real-time notification for public health departments, first responders, and the community for emerging or intensified climate-sensitive diseases.
- **Public Health Regional Climate Planning.** The budget includes General Fund expenditure authority of \$25 million, available until June 30, 2025, to provide grants to local health departments, community-based organizations, and tribes to develop regional Climate and Health Resilience Plans.

- **Air Quality (AB 619).** The budget includes three positions and General Fund expenditure authority of \$586,000 annually. If approved, these positions and resources would allow DPH to create and maintain an air quality plan, pursuant to AB 619 (Calderon), Chapter 412, Statutes of 2021.
- **Clinical Dental Rotations.** The budget includes General Fund expenditure authority of \$10 million for the Office of Oral Health to establish community-based clinical education rotations for dental residents or for dental students in their final year.
- **Cannery Inspection Program Activities.** The budget includes expenditure authority from the Cannery Inspection Fund of \$900,000 annually to manage cannery inspection workload.
- **Commercial Fishing Inspection – Crab Traps (SB 80).** The budget includes three positions and General Fund expenditure authority of \$710,000 annually to review and approve crab evisceration food safety plans for commercial processors, establish labeling requirements for eviscerated crab, and issue evisceration orders to be followed by crab processors during elevated domoic acid events, pursuant to the requirements of SB 80 (McGuire), Chapter 757, Statutes of 2021.
- **Fluoroscopy – Temporary Permit (AB 356).** The budget includes one position and expenditure authority from the Radiation Control Fund of \$114,000 annually to issue temporary permits to operate or supervise the operation of fluoroscopic X-ray equipment, pursuant to the requirements of AB 356 (Chen), Chapter 459, Statutes of 2021.
- **Industrial Hemp Products (AB 45).** The budget includes 18 positions and General Fund expenditure authority of \$4 million in 2022-23, seven additional positions and expenditure authority from the Industrial Hemp Enrollment and Oversight Fund of \$5.2 million annually thereafter to implement the regulation of industrial hemp products mandated by AB 45 (Aguiar-Curry), Chapter 576, Statutes of 2021.
- **Maternal Care Services (SB 65).** The budget includes 16 positions and General Fund expenditure authority of \$5.5 million annually to establish the California Pregnancy-Associated Review Committee to conduct a review of pregnancy-related deaths, analyze common causes of severe maternal morbidity, and make recommendations to prevent maternal mortality and morbidity, pursuant to SB 65 (Skinner), Chapter 449, Statutes of 2021.
- **End of Life (SB 380).** The budget includes one position and General Fund expenditure authority of \$151,000 in 2022-23 and \$147,000 annually thereafter to manage an increase in processing of End of Life Act documents due to the reduced waiting period between initial and final requests implemented by SB 380 (Eggman), Chapter 542, Statutes of 2021.
- **Priority Inland Water-Contact Recreation Sites – Water Quality Monitoring (AB 1066).** The budget includes General Fund expenditure authority of \$195,000 in 2022-23 for DPH to co-chair a working group from the California Water Quality Monitoring Council to study water hazards at priority water-contact recreation sites, pursuant to the requirements of AB 1066 (Bloom), Chapter 711, Statutes of 2021.

- **Public Health – COVID-19 (SB 336).** The budget includes General Fund expenditure authority of \$307,000 in 2022-23 and 2023-24 to operate and maintain an e-mail distribution list for organizations, communities, nonprofits, and individuals to receive information regarding COVID-19 public health orders, pursuant to the requirements of SB 336 (Ochoa Bogh), Chapter 487, Statutes of 2021.
- **Sexual Orientation and Gender Identity Data Collection Pilot Project (AB 1094).** The budget includes General Fund expenditure authority of \$541,000 in 2022-23 through 2024-25 to establish and administer a three-year sexual orientation and gender identity data collection pilot project, pursuant to AB 1094 (Arambula), Chapter 177, Statutes of 2021.
- **e-WIC Post-Implementation Support.** The budget includes 25 positions and federal fund expenditure authority of \$2.9 million annually to modernize services and provide ongoing support for a recently implemented management information system (WIC WISE), the WIC Electronic Benefit Transfer card, the WIC App, WIC Direct, as well as users of these technologies.
- **Fitness Council.** The budget includes three positions and General Fund expenditure authority of \$10 million, available until June 30, 2025, to support the Governor’s Advisory Council on Physical Fitness and Mental Well-Being, established by the Governor in June 2021.
- **Homelessness – California Interagency Council on Homelessness (AB 1220).** The budget includes two positions and General Fund expenditure authority of \$389,000 annually to provide program coordination, data analytics, and technical assistance to the California Interagency Council on Homelessness, pursuant to the requirements of AB 1220 (Luz Rivas), Chapter 398, Statutes of 2021.
- **Increased Capacity, Training, and Care for LGBTQ+ Youth.** The budget includes General Fund expenditure authority of \$5 million, available until June 30, 2025, to support grants for counties and community-based organizations to provide culturally responsive care that addresses the unique needs and protections of LGBTQ+ youth.
- **Sickle Cell Disease Treatment Infrastructure.** The budget includes General Fund expenditure authority of \$5 million to support sickle cell disease treatment infrastructure.
- **Transgender Wellness and Equity Fund Reappropriation.** The budget includes reappropriation of General Fund expenditure authority of \$13 million approved in the 2021 Budget Act, available until June 30, 2025, to support the Transgender Wellness and Equity Fund grant program.
- **Amyotrophic Lateral Sclerosis Wraparound Model of Care.** The budget includes General Fund expenditure authority of \$2 million, available until June 30, 2026, to expand access to a wraparound model of care for individuals diagnosed with amyotrophic lateral sclerosis and their caregivers.

4440 DEPARTMENT OF STATE HOSPITALS (DSH)

- **Incompetent to Stand Trial (IST) Solutions.** The budget includes 12 positions and General Fund expenditure authority of \$93 million in 2021-22, 76 positions and \$535.5 million in 2022-23, 93.5 positions and \$482.2 million in 2023-24, 98.5 positions and \$517.9 million in 2024-25, and 95 positions and \$638 million in 2025-26, and the Legislature approved trailer bill language, to support implementation of solutions to provide timely treatment for patients determined incompetent to stand trial (IST) on felony charges and to support ongoing efforts to decriminalize mental illness in California. These solutions include the following components:
 - *Stabilization and Early Access to Treatment.* Five positions and \$24.9 million in 2021-22 and 10 positions and \$104 million in 2022-23 and annually thereafter will provide access to treatment services for individuals on the IST waitlist. Treatment would be facilitated in partnership with county jail mental health providers and include administration of medications such as long-acting injectable (LAI) medications, increased clinical engagement, and competency education.
 - *Care Coordination and Waitlist Management.* Seven positions and \$1.7 million in 2021-22, 23 positions and \$7 million in 2022-23, and 30 positions and \$8.6 million in 2023-24 and annually thereafter will support teams to screen all IST patients to determine eligibility for community-based programs, provide enhanced monitoring of the waitlist, and provide commitment-to-admission case management to coordinate appropriate placements and maximize bed usage.
 - *Expand Felony IST Community Programming via Community Based Restoration and Diversion.* \$66.4 million in 2021-22, nine positions and \$412.5 million in 2022-23, 15.5 positions and \$356.9 million in 2023-24, 20.5 positions and \$392.5 million in 2024-25, and 23 positions and \$520.1 million in 2025-26 would support expansion of community based restoration and diversion programming to establish 5,000 residential beds dedicated to the felony IST population, including interim housing and establishment of community-based treatment programs.
 - *IST Re-evaluation Services.* Six positions and \$2.4 million in 2022-23 and annually thereafter to continue support of the Re-evaluation for Felony IST pilot program approved in the 2021 Budget Act.
 - *Increased Conditional Release Program (CONREP) Placements.* Four positions and \$645,000 in 2022-23, and eight positions and \$1.4 million annually thereafter will support a pilot for a new independent placement determination panel to increase the number of individuals served in the community through the Conditional Release Program (CONREP). The panel would revise the role of the Community Program Director and improve the assessment process for individuals committed to DSH as Not Guilty by Reason of Insanity (NGI) and Offenders with a Mental Health Disorder (OMD). Increasing utilization of CONREP would increase bed capacity in the state hospitals available for inpatient treatment of IST patients.

- *Discharge Planning.* 24 positions and \$4 million in 2022-23 and annually thereafter will support improvements in discharge planning and coordination with county behavioral health for IST and other patients discharging from state hospitals or jails to the community to facilitate the coordination of county services and support upon discharge and support the increased transitions into the expanded continuum of care.
- *Alienist Training.* \$5 million in 2022-23, 2023-24, and 2024-25 will support a partnership with the Judicial Council to develop training to improve the quality of evaluations that are utilized by the courts to make determinations regarding a defendant's competency status.
- **IST Solutions Reappropriation.** The budget includes reappropriation of General Fund expenditure authority of \$15.3 million, approved in the 2021 Budget Act, available until June 30, 2024, to support the IST Solutions package.
- **Incompetent to Stand Trial (IST) Diversion Program Reappropriation.** The budget includes reappropriation of General Fund expenditure authority of \$5 million, approved in the 2021 Budget Act, until June 30, 2024, to support the IST Diversion Program.
- **Re-evaluation Services for Felony IST Programs Reappropriation.** The budget includes reappropriation of General Fund expenditure authority of \$4.1 million, approved in the 2021 Budget Act, available until June 30, 2024, to extend funding for the Re-evaluation Services for Felony IST Programs project.
- **Cost of Care Treatment.** The Legislature approved trailer bill language to update or remove outdated statutory language and make other changes related to recovery of costs for patient care and providing patient financial relief. The language includes the following provisions:
 - Requires DSH to develop and implement a financial assistance program that may reduce or cancel the amount that a patient owes for the cost of care and treatment at a state hospital.
 - Requires DSH to make its financial assistance program policy available to the public on DSH's internet website.
 - Authorizes DSH to develop reasonable payment plans suitable to the patient's ability to pay.
 - Deletes the following existing statutory provisions that authorize:
 - 1) The court to direct the guardian or conservator of a patient who has insufficient funds to cover their cost of state hospital care, to sell the patient's personal or real property to pay for the care.
 - 2) DSH to apply to become appointed as guardian or conservator of a patient's estate if the patient lacks legal capacity to make decisions, has no guardian or conservator, and is the owner of any property.

- 3) DSH to invest funds held as executor, administrator, or conservator of estates, or trustee, in specified bonds or obligations, and to establish one or more common trusts for investment of those funds.
 - 4) DSH, upon the death of a patient, to make proper disposition of the remains and pay for the disposition of the remains.
- **COVID-19 Direct Response Expenditures.** The budget includes General Fund expenditure authority of \$83.1 million in 2022-23 to support response activities to the COVID-19 pandemic, primarily for staffing, supplies, testing, and logistics.
 - **Atascadero: Potable Water Booster System.** The budget includes General Fund expenditure authority of \$2 million in 2022-23 to support the construction phase of the continuing project to install a potable water booster pump system to improve the performance of the main water system at Atascadero State Hospital.
 - **Patton: Fire Alarm System Upgrade.** The budget includes reappropriation of General Fund expenditure authority of \$9.4 million originally approved in the 2018 Budget Act, and a supplemental appropriation of General Fund expenditure authority of \$12.2 million in 2022-23 to support the construction phase of a project to remove and replace fire alarm systems in four secured patient housing buildings and treatment areas at Patton State Hospital.
 - **Metropolitan: Consolidation of Police Operations.** The budget includes reappropriation of expenditure authority from the Public Buildings Construction Fund of \$22 million, originally approved in the 2021 Budget Act, available until June 30, 2025, and a supplemental appropriation of expenditure authority from the Public Buildings Construction Fund of \$5.5 million in 2022-23 to support the construction phase of a project to consolidate hospital police services into a single, seismically safe location at Metropolitan State Hospital.
 - **Metropolitan: Central Utility Plant Replacement.** The budget includes General Fund expenditure authority of \$1.8 million in 2022-23 for Metropolitan State Hospital to replace its existing Central Utility Plant, which supplies steam for hot water and central heating and chilled water for air conditioning to 32 patient housing and administrative buildings.
 - **Metropolitan: Fire Water Line Connection.** The budget includes General Fund expenditure authority of \$548,000 in 2022-23 to support preliminary plans for Metropolitan State Hospital to provide the capacity of water required for its fire sprinkler system to comply with current fire code requirements.
 - **Atascadero: Sewer and Wastewater Treatment Plant.** The budget includes General Fund expenditure authority of \$4.1 million in 2022-23 to support preliminary plans for Atascadero State Hospital to provide upgrades to the sewer collection system, installation of a screening system, and connection to the City of Atascadero's wastewater treatment system.

- **Administrative Services Workload.** The budget includes 12 positions and General Fund expenditure authority of \$1.7 million annually to address additional administrative workload resulting from increases in staff in recent years and to address complex policy issues.
- **Program Update: Community-Based Restoration (CBR) Program.** The budget includes General Fund expenditure authority of \$3 million in 2022-23 and \$3.2 million annually thereafter to correct a calculation error and fund increased daily bed rates in the Los Angeles County CBR program.
- **Program Update: Conditional Release Program (CONREP) – Non-Sexually Violent Predator Program.** The budget includes 2.5 positions and General Fund expenditure authority of \$8.2 million in 2022-23 and \$8.7 million annually thereafter to support the department’s contracted CONREP caseload for non-sexually violent predators.
- **Program Update: CONREP – Sexually Violent Predators.** The budget estimates General Fund savings of \$1 million in 2021-22 and includes three positions and General Fund expenditure authority of \$2.8 million in 2022-23 and \$3.4 million annually thereafter to support the department’s contracted CONREP caseload for sexually violent predators.
- **Program Update: County Bed Billing Reimbursement Authority.** The budget includes reimbursement authority of \$9.2 million annually to support collections from counties for costs related to Lanterman-Petris-Short (LPS) civil commitments and for non-restorable incompetent to stand trial (IST) defendants not returned to the committing county in a timely manner.
- **Data Governance and De-Identification Compliance.** The budget includes General Fund expenditure authority of \$1.5 million in 2022-23 and 2023-24 to establish the leadership for the department’s Research, Evaluation, and Data Insights (REDI) Program, which would implement a comprehensive data strategy, establish a data governance structure, and comply with state data de-identification guidelines.
- **Program Update: Metropolitan Increased Secure Bed Capacity.** The budget estimates General Fund savings of \$21.8 million in 2021-22 due to delays in the activation of newly secured units at Metropolitan State Hospital to provide increased capacity for the treatment of IST patients.
- **Coalinga: Intermediate Care Facility Conversion.** The budget includes 27.3 positions and General Fund expenditure authority of \$4.5 million annually to support costs related to the conversion of one existing residential recovery unit into an intermediate care facility at Coalinga State Hospital.
- **DSH-Napa Camille Creek Implementation, Monitoring, and Adaptive Management Plan.** The budget includes six positions and General Fund expenditure authority of \$1.1 million in 2022-23 and \$1 million annually thereafter to implement and maintain operations of water storage facilities at Napa State Hospital, in compliance with the California Fish and Game Code.

- **Electronic Health Records Phase 3 – Wireless Network Upgrades.** The budget includes six positions and General Fund expenditure authority of \$2.4 million in 2022-23, two additional positions and General Fund expenditure authority of \$19.8 million in 2023-24, two additional positions and General Fund expenditure authority of \$20.8 million in 2024-25, and \$8.2 million annually thereafter to prepare for and support operation of the enterprise Continuum Electronic Health Records (EHR) Project.
- **Program Update: Enhanced Treatment Program Staffing.** The budget estimates a reduction of 56.5 positions and General Fund savings of \$9.2 million in 2021-22, \$8.6 million in 2022-23, and \$8.9 million annually thereafter due to delayed completion of Enhanced Treatment Program (ETP) units at Atascadero and Patton State Hospitals, as well as indefinite suspension of two units at Atascadero.
- **Increasing Regulations Resources to Improve Operations and Mitigate Departmental Risk.** The budget includes three positions and General Fund expenditure authority of \$510,000 annually to meet demand for the department to promulgate regulations, resulting in standardization of practices, transparency, and accountability across its integrated behavioral health system.
- **Program Update: Jail-Based Competency Treatment – Existing Programs.** The budget estimates General Fund savings of \$12.4 million in 2021-22 and includes General Fund expenditure authority of \$9.8 million in 2022-23 to support existing jail-based competency treatment bed capacity and expenditures.
- **Program Update: Jail-Based Competency Treatment – New Programs.** The budget includes General Fund expenditure authority of \$5.7 million in 2022-23 to support new jail-based competency treatment bed capacity and expenditures.
- **Program Update: Mission-Based Review Adjustments.** The budget estimates General Fund savings of \$36.3 million in 2021-22, and includes 13.9 positions and General Fund savings of \$3.9 million in 2022-23, and 11.5 positions and General fund savings of \$5.5 million related to mission-based review projects in the following areas: 1) Court Evaluations and Reports, 2) Direct Care Nursing, 3) Workforce Development, 4) Protective Services, and 5) Treatment Team and Primary Care Services. The budget also includes reappropriation of General Fund expenditure authority of \$12.2 million, approved in the 2021 Budget Act, available until June 30, 2024, to continue support of internal planning around its Treatment Team project.
- **Program Update: Patient-Driven Operating Expenses and Equipment.** The budget includes General Fund expenditure authority of \$1.9 million in 2022-23 and \$2.1 million annually thereafter to support operating expenses and equipment related to the care and treatment of state hospital patients.
- **Pharmacy Modernization Phase 3 Reappropriation.** The budget includes reappropriation of General Fund expenditure authority of \$2.7 million authorized in the 2020 Budget Act, and General Fund expenditure authority of \$3.2 million in 2023-24, \$3 million in 2024-25, \$2.9 million in 2025-26 and \$1.2 million in 2026-27 to complete the implementation phase of the

department's Pharmacy Modernization project for all hospitals, and cover initial maintenance and operations costs.

- **Quality Improvement and Internal Auditing, Monitoring, Risk Management, and Hospital Support.** The budget includes 11 positions and General Fund expenditure authority of \$1.6 million annually to support standards compliance and quality improvement operations, and provide resources to conduct independent financial, operational, compliance, and performance audits.
- **Program Update: Statewide IST Off-Ramp (SISTOR) Program.** The budget estimates General Fund savings of \$1 million in 2021-22 and annually thereafter due to dissolution of the Statewide IST Off-Ramp (SISTOR) program, to avoid discrepancies in referrals and reporting standards with the Re-evaluation Services for Felony IST Programs project.
- **Statewide Integrated Health Care Provider Network Reappropriation.** The budget includes reappropriation of General Fund expenditure authority of \$5.4 million, approved in the 2021 Budget Act, available until June 30, 2024, to account for implementation delays for the department's Statewide Integrated Health Care Provider Network.
- **Statewide Plant Operations Workload.** The budget includes 26 positions and General Fund expenditure authority of \$2.6 million annually to expand plant operations capacity at the five state hospitals to address deferred maintenance backlogs, regulatory compliance projects, and preventative maintenance programs.
- **Program Update: Vocational Services and Patient Minimum Wage Caseload.** The budget estimates General Fund savings of \$482,000 in 2021-22 due to lower than expected referrals to its Vocational Rehabilitation Program related to restrictions on patient activities and movement due to the COVID-19 pandemic.
- **Workplace Violence Prevention in Healthcare Reporting Compliance.** The budget includes six positions and General Fund expenditure authority of \$1.6 million in 2022-23 and \$1.1 million annually thereafter to support compliance with reporting requirements for prevention of workplace violence in the five state hospitals.

4560 MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION (MHSOAC)

- **Children and Youth Behavioral Health Initiative – Evidence-Based Programs.** The budget includes reimbursement authority of \$42.9 million in 2022-23 to reflect an interagency agreement with the Department of Health Care Services (DHCS) to support statewide expansion of evidence-based behavioral health programs as part of the Children and Youth Behavioral Health Initiative.
- **Mental Health Student Services Act Partnership Grant Program Augmentation.** The budget includes two positions and expenditure authority from the Mental Health Services Fund of \$16.6 million in 2022-23, available over five years, including a net-zero shift of expenditure

authority of \$1.2 million from local assistance to state operations in 2023-24 and annually thereafter, to support the administration and evaluation of the Mental Health Student Services Act Partnership Grant Program.

- **Mental Health Wellness Act of 2013 Expenditure Flexibilities.** The Legislature approved trailer bill language to increase flexibility in expenditures under the Mental Health Wellness Act of 2013, including: 1) authorizing CHFFA and MHSOAC to use a sole-source contracting process for grant-making if it is determined to be in the public's best interest; 2) expanding the types of entities that qualify for grants from local health departments to other local government agencies, community-based organizations, and other providers; 3) expanding the scope of the grant program to include crisis prevention, early intervention, and crisis response strategies; 4) adding education, training, and innovative, best practice, evidence-based, and related approaches to support crisis prevention, early intervention, and crisis response; and 5) authorizing MHSOAC to require matching funds from participating entities.
- **Advocacy Funding Augmentation.** The budget includes one position and expenditure authority from the Mental Health Services Fund of \$1.5 million annually to support stakeholder advocacy contracts for immigrants and refugees, and for children and youth.
- **California Behavioral Health Outcomes Fellowship for Transformational Change.** The budget includes expenditure authority from the Mental Health Services Fund of \$5 million to support the California Behavioral Health Outcomes Fellowship for Transformational Change, a fellowship designed to reduce racial, ethnic, and cultural disparities in behavioral health outcomes.
- **Evaluation of Full-Service Partnership Model Outcomes (SB 465).** The budget includes one position and expenditure authority from the Mental Health Services Fund of \$400,000 annually for MHSOAC to annually evaluate outcomes for those receiving community mental health services under a full service partnership, pursuant to the requirements of SB 465 (Eggman), Chapter 544, Statutes of 2021.
- **Legislative Affairs Workload.** The budget includes one position and expenditure authority from the Mental Health Services Fund of \$305,000 annually to support establishment of a Deputy Director of Legislative Affairs for MHSOAC.

4800 CALIFORNIA HEALTH BENEFIT EXCHANGE

- **Covered California Health Benefit Exchange.** The budget includes \$435.5 million from the California Health Trust Fund for operation of the California Health Benefit Exchange, which facilitates the enrollment of qualified individuals and small employers in qualified health plans, including through Covered California. The California Health Trust Fund collects revenue from charges on qualified health plans to support operation of the exchange.
- **Covered California Exchange Subsidies.** The budget includes expenditure authority from the Health Care Affordability Reserve Fund of \$304 million in 2022-23, and General Fund expenditure authority of \$304 million annually thereafter to support subsidies to improve

affordability for consumers purchasing coverage in the health benefit exchange, Covered California. The Legislature also approved provisional budget bill language authorizing these funds to be used to implement the previous State Premium Subsidy program in place before the more generous subsidies authorized by the federal American Rescue Plan were implemented, if those subsidies were not extended, or to implement an alternative program of financial assistance if the subsidies were extended. The federal Inflation Reduction Act extends those subsidies for an additional three years. Covered California adopted a contingent program design that would have eliminated deductibles up to \$4,750 and reduced copayments between 20 to 40 percent for office visits, prescription drugs, and lab tests. However, the Department of Finance declined to approve the Covered California program design, resulting in no additional relief for deductibles or copayments for health care consumers and reversion of the \$304 million allocated for this purpose to the reserve fund.

- **Federal Fund Grant Authority.** The Legislature approved trailer bill language to authorize the expenditure of recently awarded federal grant funds by the health benefit exchange.

Health Budget Trailer Bills and Budget Bills

1. *Budget Act of 2022 – Senate Bill 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Ting), Chapter 249, Statutes of 2022.*
4. *Health Omnibus – Senate Bill 184 (Committee on Budget and Fiscal Review), Chapter 47, Statutes of 2022.*
5. *Nursing Facility Financing Reform – Assembly Bill 186 (Committee on Budget), Chapter 46, Statutes of 2022.*
6. *Health Trailer Bill – Assembly Bill 204 (Committee on Budget), Chapter 738, Statutes of 2022.*

HUMAN SERVICES

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY (CALHHS)

The CalHHS budget includes the following:

- **Office of Youth and Community Restoration (OYCR).** The budget includes \$10 million General Fund ongoing for the Office. The budget includes trailer bill language detailing the duties and responsibilities of the Ombudsperson within the OYCR.

4100 STATE COUNCIL ON DEVELOPMENTAL DISABILITIES (SCDD)

The SCDD is responsible for engaging in advocacy, capacity building, and activities that promote self-determination, independence, productivity, and inclusion in all aspects of community life for Californians with developmental disabilities and their families. The budget for the SCDD includes \$13.3 million, including:

- **Self-Determination Report.** The budget includes trailer bill language extending the deadline for the SCDD to submit a report to the Legislature related to the program from December 31, 2022, to June 30, 2023.
- **Administration for Community Living COVID-19 Response Grant.** The budget includes a one-time increase of \$95,000 in federal fund authority and \$365,000 in reimbursement authority for a grant the SCDD received from the federal Administration for Community Living to respond to the COVID-19 pandemic.
- **Reappropriation of Vaccine Access Grant.** The budget includes the reappropriation of up to \$458,000 from the 2020 Budget to allow the SCDD to fully expend the vaccine access grant provided by the federal Administration for Community Living and the Centers for Disease Control

4170 CALIFORNIA DEPARTMENT OF AGING (CDA)

The budget includes \$476.3 million (\$283.1 million General Fund) for CDA, including:

- **Modernizing the Older Californians Act.** The budget includes \$59.3 million General Fund in 2022-23, \$86.9 million General Fund in 2023-24, and \$39.8 million General Fund in 2024-25 to restore supports and services for older adults that were reduced in the last recession. The budget includes budget bill language authorizing the department to work with Area Agencies on Aging to allocate the funding between the following: 1) senior nutrition programs, 2) family caregiver supports, 3) volunteer development programs, and 4) aging in place programs.
- **COVID-19 Mitigation and Resilience Grants.** The budget includes \$61.4 million General Fund one-time to provide grants to Adult Day Health Care centers and Adult Day Programs to combat senior isolation.

- **RN/Community Health Worker Pilot.** The budget includes \$12.5 million General Fund one-time to support a competitive grant pilot program for qualified nonprofit organizations to hire registered nurses and community health care workers to provide health education, navigation, coaching, and care to residents of senior citizen housing developments in the Counties of Contra Costa, Fresno, Orange, Riverside, Sacramento, San Diego, Shasta, and Sonoma.
- **Long-Term Care Services and Supports Research.** The budget includes \$5 million General Fund one-time for an addendum to Long-Term Services and Support (LTSS) research to account for individuals with disabilities.
- **Age Friendly Communities.** The budget includes budget bill language and \$4.5 million General Fund one-time, available over three years, to provide grants to local jurisdictions to plan age friendly communities.
- **CallLongTermCompare.Org.** The budget includes \$1 million General Fund one-time to complete the callongtermcarecompare.org website.
- **Long-Term Care Facilities and Public Health Emergencies Workgroup.** The budget includes budget bill language and \$450,000 General Fund one-time to support a working group including the California Department of Aging, the Office of the State Long-Term Care Ombudsman, the State Department of Public Health, the State Department of Social Services, and stakeholders to develop recommendations regarding best policies and practices for long-term care facilities during public health emergencies. The department must submit recommendations to the fiscal and appropriate policy committees of the Legislature no later than April 1, 2024.
- **Master Plan for Aging Administrative Workload.** The budget includes \$536,000 General Fund in 2022-23 and \$512,000 General Fund ongoing to support four permanent positions to address increased administrative workload related to the recent growth of the department and the ongoing implementation of the Master Plan for Aging.
- **Master Plan for Aging Implementation.** The budget includes \$10.9 million in 2022-23 and \$3.3 million General Fund ongoing to support nineteen permanent positions and resources to 1) continue implementation of the Master Plan for Aging; 2) establish a State Public Conservator Liaison within the department; 3) develop an Aging and Disability Institute of Learning and Innovation; 4) develop an Expanded Non-Medi-Cal HCBS Evaluation; 5) strategize, plan, coordinate and support disaster planning and response activities, 6) and develop a Long-Term Care (LTC) Ombudsman Outreach and Awareness campaign.
- **Technical Adjustment for Position Authority.** The budget includes position authority for eight permanent positions for the department that previously were temporary help positions. The department identified existing, ongoing funding for these positions thus no funding is associated with the positions.
- **Multipurpose Senior Services Program (MSSP).** The budget transfers local assistance expenditure authority for MSSP from the department to the Department of Health Care

Services. The Department of Aging will continue to oversee and administer the program. This adjustment streamlines fiscal administration of the program.

- **Caregiver Resource Centers.** The budget includes \$14.9 million ongoing General Fund and transfers oversight of California's Caregiver Resource Center program from the Department of Health Care Services to the Department of Aging. The budget also includes \$545,000 General Fund ongoing for statewide training and technical assistance. The budget includes trailer bill language to enact this change.
- **Statewide Roadmap for Home and Community-Based Services.** The budget includes \$4 million General Fund one-time to develop a statewide roadmap for the department, in partnership with the Department of Health Care Services, to support the development of home and community-based services for individuals regardless of income in underserved areas.
- **Long-Term Care Patient Representative Program.** The budget includes budget bill language to authorize the California Department of Aging to utilize expenditure authority to directly provide public patient representative services in any area of the state where the department is unable to contract with a local program.

4180 COMMISSION ON AGING

The California Commission on Aging's mission is to advise the Governor, Legislature, and state and local agencies on the issues and concerns of older Californians. The budget for the Commission includes an increase of federal fund authority of \$309,000 in 2022-23 and \$297,000 ongoing and two permanent positions to support the Commission's statutory obligations and increased workload associated with the Master Plan for Aging implementation.

4185 CALIFORNIA SENIOR LEGISLATURE (CSL)

The California Senior Legislature was established in 1980 to offer model legislation for older citizens and to advocate for the needs of seniors. The budget for the CSL was approved as budgeted and includes \$312,000 (\$307,000 General Fund and \$5,000 Senior Citizen Advocacy Voluntary Tax Contribution Fund) for support of the CSL. The budget did not include any new funding, other than workload adjustments, for the CSL compared to the previous fiscal year.

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES (DDS)

The budget includes a total of \$12.9 billion (\$7.6 billion General Fund) to support the department and its activities, including:

- **Service Provider Rate Acceleration.** The budget includes \$159.1 million General Fund in 2022-23, \$34.1 million General Fund in 2023-24, \$534 million General Fund in 2024-25, and \$13.6 million General Fund ongoing to accelerate service provider rate increases approved in the 2021 Budget Act. The budget includes trailer bill language to accelerate full

implementation to July 1, 2024; direct a portion of rate increases to wages for direct support professionals; and require service providers to be in compliance with federal regulations, or implementing a corrective action plan, to be eligible for a quality incentive program.

- **Early Start Transitions.** The budget includes \$65.5 million (\$45.1 million General Fund) in 2022-23 and \$82.5 million (\$55.8 million General Fund) ongoing to strengthen the transition process for three-year-old children with intellectual and/or developmental disabilities moving from the Early Start program (Part C of the federal Individuals with Disabilities Education Act (IDEA)) to special education (Part B of IDEA). The budget includes trailer bill language codifying specific service coordinator-to-child caseload ratios, establishing IDEA specialists at each regional center, and requiring parent and family engagement in the transition process.
- **Early Start Eligibility Changes.** The budget includes \$6.5 million General Fund in 2022-23, increasing to \$29.5 million General Fund in 2024-25, to support adjustments in identifying children with qualifying signs of developmental delays. The budget includes trailer bill language revising the Early Start qualification threshold from a 33 percent delay to a 25 percent delay in one of the specified assessment areas; separating communication delay assessments into expressive and receptive categories; and highlighting Fetal Alcohol Syndrome as a risk factor for intellectual and/or developmental delays. These changes are intended to engage families sooner with early intervention services.
- **Employment Opportunity Service Model Pilot.** The budget includes \$8.4 million (\$5.1 million General Fund) one-time, available over three years, to establish a service model pilot program focused on expanding employment opportunities for individuals with intellectual and/or developmental disabilities who are currently served through Work Activity Programs (WAPs) or are recent high school graduates. The budget includes trailer bill language to enact this change.
- **Communication Assessments for Deaf and Hard-of-Hearing Individuals.** The budget includes \$15 million (\$9 million General Fund) one-time to support communication assessments that will be used in developing individual program plans to improve services for individuals with intellectual and developmental disabilities who are deaf and hard-of-hearing. The budget includes budget bill language reviewing how the assessments will work in the 2023-24 fiscal year.
- **Workforce Stability.** The budget includes \$185.3 million General Fund one-time and \$1.1 million (\$881,000 General Fund) and seven positions ongoing to address challenges in recruiting and retaining regional center service coordinators and direct support professionals (DSPs). Specifically, the initiative includes 1) \$127.8 million to provide up to two \$500 training stipends (with an additional \$150 for taxes and administration) for DSPs; (2) \$22.5 million to implement a three-month training and internship program intended to establish an entry point into DSP career paths; (3) \$30 million to establish a tuition reimbursement program for regional center service coordinators pursuing advanced degrees in health and human services-related fields; and (4) \$5 million to pilot a program aimed at developing remote supports using technology systems to increase consumer independence and, when chosen and safe, reduce in-person and around-the-clock services. The budget includes trailer bill language

detailing the stipend and reimbursement amounts, related terms of service, key implementation timelines, and outcomes.

- **Service Access and Equity Grant Program.** The budget includes \$11 million General Fund one-time to increase the resources currently available for the department to award to regional centers and community-based organizations through its Service Access and Equity Grant Program, which focuses on supporting strategies to reduce disparities and increase equity in regional center services. The budget also includes supplemental report language requiring the department to report on implementation updates and outcomes of the additional \$11 million in funding for Service Access and Equity Grant Program, with the inclusion of Regional Center representatives.
- **Self-Determination Program – Costs of Financial Management Services.** The budget includes \$7.2 million (\$4.4 million General Fund) ongoing to pay for financial management services for participants in the Self-Determination Program. The budget includes trailer bill language to move the cost of Financial Management Services out of individual participant budgets.
- **Regional Center Family Fees.** The budget includes \$4.7 million General Fund in 2022-23 to suspend the Regional Center Family Fees for one additional year. The budget includes trailer bill language to enact this change.
- **Emergency Planning and Preparedness.** The budget includes \$850,000 General Fund ongoing to continue the distribution of emergency go-bags and batteries and other foundational activities.
- **Half-Day Billing.** The budget includes \$2.8 million (\$1.9 million General Fund) to reflect the elimination of the half-day billing policy for service providers. The budget includes trailer bill language to enact this change.
- **Disposition of Fairview Developmental Center.** The budget includes \$3.5 million General Fund one-time for the department to allocate to the City of Costa Mesa to facilitate disposition of the Fairview DC property.
- **Research and Data Enhancements.** The budget trailer bill language requiring access to both DDS and CDSS information via each department’s website regarding children served by both agencies. Additionally, the language continues the requirement that the departments provide that information in a report to the Legislature, but the report was changed to annual instead of semi-annual.
- **Tailored Day Services.** The budget includes trailer bill language making changes to the rates paid to providers of tailored day services.
- **Contracting – National Core Indicators Survey.** The budget includes trailer bill language exempting specific contracts to implement a quality assurance instrument from specified contracting requirements until there is more than one available assessment that meets statutory requirements.

- **Directive Authority – Home and Community-Based Services.** The budget includes trailer bill language authorizing the department to adopt regulations and interim administrative program directives to implement and comply with federal home and community-based settings.
- **Canyon Springs Admissions.** The budget includes trailer bill language extending the deadline for the prohibition of admissions to Canyon Springs Community Facility from June 30, 2022, to June 30, 2023. The language also requires staff to conduct an initial transition plan to be completed within 60 days of admission and a transition review meeting 45 days before transitioning individuals from the facility.
- **Compliance with Home and Community-Based Services (HCBS) Requirements.** The budget includes \$1.2 million (\$993,000 General Fund) in 2022-23 and \$811,000 (\$669,000 General Fund) ongoing for five permanent positions and one-year limited-term resources equivalent to three positions to comply with federal requirements necessary for continued federal funding for HCBS programs. This includes \$100,000 General Fund to establish an interagency agreement with the State Council on Developmental Disabilities (SCDD) to support legislative reporting requirements on the effectiveness of the Self-Determination Program. Additionally, it includes \$550,000 General Fund in 2022-23 and \$400,000 General Fund ongoing for screening activities for regional centers and vendors, staffing to coordinate screening, and contract resources to conduct the federal database checks.
- **Warm Shutdown of Developmental Centers.** The budget includes \$18.2 million (\$11.7 million General Fund) to extend the warm shutdown for Sonoma Developmental Center and Fairview Developmental Center.
- **SANDIS Case Management.** The budget includes \$250,000 General Fund to support data workload resulting from the planned system changes.
- **Clinical Monitoring for Specialized Community Homes.** The budget includes \$698,000 (\$558,000 General Fund) ongoing and five permanent positions to support the development and monitoring of specialized community homes and services for consumers currently placed in, or at risk for placement in, congregate/institutional type settings and/or consumers in crisis. The specialized community homes include Adult Residential Facilities for Persons with Special Health Care Needs (ARFPSHNs), Group Homes for Children with Special Health Care Needs (GHCSHNs), Enhanced Behavioral Supports Homes (EBSHs), and Community Crisis Homes (CCHs).
- **Safety Net Program Support.** The budget includes \$546,000 (\$437,000 General Fund) ongoing for three permanent positions to enhance the developmental services safety net program. The budget includes trailer bill language requiring the department to update its safety net plan by January 10, 2023.
- **Stabilization, Training, Assistance and Reintegration (STAR) and Crisis Assessment and Stabilization Teams (CAST).** The budget includes \$968,000 (\$774,000 General Fund) for seven permanent positions in 2022-23 to provide administrative support for STAR and CAST

facilities, protective services, and related workload increases as the STAR homes move to community settings.

- **Information Security Staffing Support.** The budget includes \$905,000 (\$774,000 General Fund) ongoing for four permanent positions and cybersecurity consulting services, to meet federal and state information technology risk and compliance requirements, operate and maintain DDS' security systems infrastructure, and support the increasingly complex technology and data needs of DDS' business programs.
- **Reimbursement System Project (RSP) Implementation.** The budget includes \$428,000 (\$342,000 General Fund) ongoing for two permanent positions and one-time funding of \$1.7 million General Fund in 2023-24 for Maintenance and Operation and reappropriates \$6.1 million General Fund from 2021-22 to 2022-23, RSP Stage 4 was approved by the Department of Technology on March 24, 2021. The project plans for a phased-in transition of DDS' current federally funded programs into the new reimbursement system in 2022-23.
- **Porterville Developmental Center Fire Sprinkler System Reappropriation.** The budget reappropriates \$3.9 million General Fund from fiscal year 2021-22 to 2022-23. The working drawings and construction phases for installation of an automatic fire sprinkler system in nine (9) residences in the Secure Treatment Area (STA) at Porterville Developmental Center were previously approved in the 2021-22 enacted budget.
- **Electronic Visit Verification (EVV) Phase II.** As part of a multi-department proposal, the budget includes \$3.6 million (\$2.3 million General Fund) to ensure the EVV Phase II Project's continued progress towards implementation and operation of an EVV Solution for California required by the federal 21st Century Cures Act while avoiding further federal penalties for failure to meet federal implementation deadlines.
- **E-Signatures/e-Forms and Accounting Support.** The budget includes \$436,000 (\$409,000 General Fund) total ongoing and position authority for four permanent positions, and consulting resources in 2022-23 (\$300,000) for implementation and maintenance of an electronic forms (e-Forms) and signature (e-Signature) system.
- **Clinical Software Replacement and Electronic Health Record Implementation.** The budget includes \$1.7 million (\$1.5 million General Fund) in 2022-23; \$2.2 million (\$2 million General Fund) in 2023-24; and \$223,000 (\$178,000 General Fund) ongoing, to plan for the replacement of clinical software used at state-operated residential facilities.
- **Deferred Maintenance Reappropriation.** The budget reappropriates item 4300-490 for deferred maintenance funding that was originally appropriated in the 2018 Budget Act and reappropriated in the 2021 Budget Act. Additional time is needed to complete the replacement of air handlers due to project delays, including COVID-19 Pandemic-related impacts.
- **Coordinated Family Support Services Pilot Program.** The budget trailer bill includes language requiring the department to establish a Coordinated Family Support Services pilot program for adults with developmental disabilities that reside in the family home.

- **Division of Community Assistance and Resolutions and Fair Hearing Procedures.** The budget includes \$4.4 million (\$3.7 million General Fund) ongoing and 20 permanent positions to establish a new Division of Community Assistance and Resolutions. Included in this funding is \$915,000 for an interagency agreement with the Department of General Services to partner on improvements to the state hearings process. The budget includes trailer bill language making various changes to the department's fair hearings procedures including the establishment of an advisory committee composed of various stakeholders to assist the hearing office by providing recommendations for improvements to the process.
- **Remote Meetings.** The budget includes trailer bill language extending the ability to conduct meetings regarding regional center services and supports by remote communication.
- **Alternative Nonresidential Services.** The budget includes trailer bill language authorizing a provider of nonresidential services to utilize Alternative Nonresidential Services, as authorized in a specified directive of the department, to meet a consumer's service needs until December 31, 2022.
- **Complex Needs Data.** The budget includes trailer bill language requiring Institutions for Mental Disease to make quarterly reports to the department regarding specified consumer information, including age, race, and ethnicity.
- **State-Operated Facilities–Enhanced Federal Funding.** The budget includes an increase of \$750,000 due to an increase in reimbursements associated with the extension of the federal public health emergency related to the COVID-19 Pandemic through September 30, 2022.
- **HCBS American Rescue Plan Act (ARPA) Funding.** The budget includes \$384.6 million in HCBS ARPA funding and \$250.8 million in matching reimbursements, inclusive of purchase of services and operations.

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT (CSD)

The budget includes \$1.8 billion (\$25 million General Fund; \$413.4 million federal funds) for CSD. The department's budget includes the following:

- **California Arrearage Payment Program - Energy Utility Arrearages.** The budget includes \$1.2 billion for energy utility arrearages. The budget includes trailer bill language to enact this change. See the Climate and Energy Package in the Natural Resources Section for more detail on this proposal.
- **Headquarters Position Authority.** The budget includes position authority for seven permanent positions from the temporary help blanket. The department has identified ongoing funding for these positions, thus no funding is associated with the proposal.
- **Low-Income Household Water Assistance Program (LIHWAP).** The budget includes \$200 million to provide financial assistance to low-income Californians to help manage their residential water utility costs. The budget includes trailer bill language to enact this change.

- **Weatherization Assistance Program.** The budget includes \$125.3 million one-time in increased federal fund authority for the program received from the federal Department of Energy Weatherization Assistance program.
- **Reappropriation of Greenhouse Gas Reduction Funds for Low-Income Weatherization Program.** The budget includes budget bill language to extend the liquidation period for encumbrances for specific funding provided in the 2018 Budget Act by an additional year to June 30, 2023. This will allow the department to complete existing projects in the Low-Income Weatherization Program funded by this appropriation.

5160 DEPARTMENT OF REHABILITATION (DOR)

The budget includes \$519.2 million (\$89.8 million General Fund) for DOR to provide direct services and advocacy resulting in employment, independent living, and equality for individuals with disabilities. The department's budget includes the following:

- **Disability Innovation Fund – Pathways to Success Program.** The budget includes \$3.7 million in federal fund authority per year for five fiscal years to perform project activities and provide program oversight required under the federal Disability Innovation Fund: Pathways to Success Project. The department received a grant award of \$18.4 million from the federal Disability Innovation Fund for this program and is anticipating expending \$3.7 million annually over five years. The grant is funded by the U.S. Department of Education's Rehabilitation Services Administration (RSA) and was awarded on September 28, 2021.
- **Opioid Settlements Fund – Integrating Employment in Recovery Program.** The budget includes \$4 million Opioid Settlements Fund (OSF) one-time to implement the Integrating Employment in Recovery (IER) Program. The budget includes budget bill language to establish authority for the pilot program and to make this funding available for encumbrance or expenditure through June 30, 2025, to provide flexibility for the department to expend the funding over three years, and to provide for an evaluation for the pilot.
- **Community Living Fund.** The budget includes \$10 million General Fund one-time, available over three years, for the Community Living Fund. The fund will assist non-Medi-Cal eligible older adults and persons with disabilities, including older adults, in transitioning from nursing homes to an independent living community.
- **Supported Employment – Provider Rate Adjustment.** The budget includes \$1.1 million General Fund ongoing to support implementation of the phased-in rate increases for service providers based on the Department of Developmental Services' rate study models. Both the Department of Developmental Services and the Department of Rehabilitation serve similar populations and utilize some of the same service providers. This proposal allows the Department of Rehabilitation to implement the same rate increases to avoid adverse impacts to service delivery and includes funding for the out years.

- **Limited Examination and Appointment Program (LEAP).** Trailer bill language extends the sunset for the LEAP and, correspondingly, the date for the Department of Human Resources to provide an alternative to the traditional civil service examination and appointment process to facilitate the hiring of persons with disabilities from January 1, 2023 to January 1, 2024.

5175 DEPARTMENT OF CHILD SUPPORT SERVICES

The budget includes \$1.2 billion (\$364.7 billion General Fund) for child support services to establish parentage and collect child support. Specifically, the department's budget includes the following:

- **Local Assistance Expenditures.** The budget includes \$1 million ongoing to update federal fund local assistance expenditures based on additional child support collections data becoming available.
- **Federal Final Rule: Non-Custodial Parent Capacity to Pay.** The budget includes trailer bill language making several changes to help bring the state into compliance with federal requirements relating to child support collections, including suspending a money judgment or order for child support for a paying parent who is incarcerated or involuntarily institutionalized, requiring the Judicial Counsel to include additional data in its review of the statewide uniform guidelines for child support, and requires the court, when determining earning capacity of a parent to consider specified circumstances.
- **Child Support Pass-Through for Current CalWORKs Families.** The budget includes \$75 million General Fund in 2024-25 and \$150 million in 2025-26 to implement a full pass-through of child support payments to families currently receiving public assistance. The budget includes trailer bill language to enact this change and makes the proposal subject to appropriation in the budget act beginning with the 2024-25 fiscal year and states legislative intent for the DCSS to implement a full passthrough of child support payments collected to families currently receiving CalWORKs benefits by January 1, 2025. In addition, trailer bill language requires that DSS, in conjunction with the DCSS, to convene a workgroup to evaluate unintended consequences of enacting a full pass through of child support payments to custodial families currently receiving CalWORKs benefits, and submit a report to the Legislature by April 1, 2024.
- **Child Support Pass-Through for Former CalWORKs Families.** The budget includes \$187 million ongoing to waive the state's share of recoupment of child support payments for families formerly receiving CalWORKs benefits. The budget includes trailer bill language to require that any amount of child support collected in a month in payment of an assigned support obligation to be passed through to a former recipient of CalWORKs aid, commencing July 1, 2023. In addition trailer bill language requires DSS, in conjunction with DCSS, to report to the Legislature on the number of claims made for recoupment after payments are made, and the impact of unintended consequences of a full pass-through to families formerly receiving CalWORKs benefits. Finally, trailer bill language specifies that on January 1, 2024, or the date when automation can be completed, whichever is later, that the state will exempt the reasonably anticipated full amount of support passed through to families from being deducted from the amount of aid to which an assistance unit would be eligible.

5180 DEPARTMENT OF SOCIAL SERVICES (DSS)

Overall, the budget approves \$43.1 billion (\$17.2 billion General Fund) for the department. Notable program funding and investments include:

California Work Opportunity and Responsibility to Kids (CalWORKs). Specifically, the CalWORKs budget includes:

- **No Child in Deep Poverty/CalWORKs Maximum Aid Payment (MAP) Levels.** The budget includes \$296.2 million from the Child Poverty and Family Supplemental Support Subaccount for an eleven percent increase to CalWORKs MAP levels, effective October 1, 2022. Additionally, the budget includes \$301 million General Fund to further increase MAP levels by ten percent, also effective October 1, 2022. The second investment brings all CalWORKs children out of deep poverty, defined as 50 percent of the Federal Poverty Level, which has been a long-term goal of the Legislature. The budget includes trailer bill language making the ten percent increase subject to appropriation in the budget act beginning with the 2024-25 fiscal year.
- **CalWORKs Single Allocation – Eligibility Services.** The budget includes \$55 million General Fund in both 2022-23 and 2023-24 to restore funding for eligibility within the CalWORKs Single Allocation.
- **Child Support Pass-Through for Current CalWORKs Families.** The budget includes \$75 million General Fund in 2024-25 and \$150 million in 2025-26 to implement a full pass-through of child support payments to families currently receiving public assistance. The budget includes trailer bill language to enact this change and makes the proposal subject to appropriation in the budget act beginning with the 2024-25 fiscal year, as described above under DCSS.
- **Child Support Pass-Through for Former CalWORKs Families.** The budget includes \$187 million ongoing to waive the state’s share of recoupment of child support payments for families formerly receiving CalWORKs benefits. The budget includes trailer bill language to enact this change, as described above under DCSS.
- **CalWORKs Benefits for Afghan Arrivals.** The budget \$36.5 million in 2021-22 and \$80.5 million in 2022-23 to provide CalWORKs benefits to approximately 20,000 Afghan arrivals (adults with children).
- **CalWORKs Aid to Pregnant Parents Technical Cleanup.** The budget includes trailer bill language that includes technical cleanup relating to trailer bill language in the 2021 Budget that made changes to how CalWORKs benefits are provided to pregnant individuals.
- **CalWORKs Overpayments.** The budget includes trailer bill language clarifying that a CalWORKs overpayment classified as an administrative error during the COVID-19 pandemic cannot be reclassified once the COVID-19 pandemic ends, unless it is determined to be fraudulent.

- **CalWORKs Home Visiting Program.** The budget includes trailer bill language that increases the dollar amount of payments provided for the purchase of material goods for program participants from \$500 to \$1,000.
- **CalWORKs Program Innovation.** The budget includes \$1.2 million General Fund in 2022-23 and \$1.1 million General Fund ongoing for seven permanent positions and resources to continue strengthening innovation to support the success of the CalWORKs Outcomes and Accountability Review process. In addition, trailer bill language requires the DSS to consult with the CalWORKs Outcomes and Accountability Review (Cal-OAR) workgroup in the fall of 2022 to develop recommendations to mitigate the existing emphasis on penalties for not complying with the federal work participation rate while implementing the first cycle of the Cal-OAR process and to further consider the costs of county operations in the CalWORKs single allocation in 2024-25 and every third year.

CalFresh, Emergency Food, and other Food Assistance Programs. Specific items in the budget relating to the CalFresh program and other food assistance programs include:

- **California Food Assistance Program (CFAP) Expansion.** The budget includes \$35.2 million General Fund, increasing to \$113.4 million General Fund annually in 2025-26, to expand the CFAP to Californians age 55 and older regardless of immigration status. The budget also includes trailer bill language to enact this change.
- **CalFood Program.** The budget includes \$112 million General Fund total for the CalFood program in 2022-23. The budget approved an additional \$52 million General Fund in 2023-24 above the program's baseline budget in 2023-24. The budget also includes trailer bill language to enact this change.
- **Food Access for Native Tribes.** The budget includes \$5 million ongoing to increase food access among native California tribes. The budget also includes trailer bill language to enact this change.
- **CalFresh Administrative Support and Rebase.** The budget includes \$35 million General Fund one-time for administrative support for the program. The budget also includes trailer bill language delaying the implementation of a new funding methodology until the 2023-24 fiscal year.
- **Food Security Insights.** The budget includes \$500,000 General Fund one-time to support the Food Security Insights pilot in the counties of Fresno, Santa Cruz, and San Diego.
- **CalFresh Student Data Dashboard.** The budget includes trailer bill language requiring the department to publish data specific to students' receipt of CalFresh benefits on its existing CalFresh Data Dashboard, and to update the dashboard as additional data becomes available.
- **CalFresh Employment and Training Program Workers' Compensation Fund.** The budget includes trailer bill language that establishes the CalFresh E&T Workers' Compensation Fund

for the purpose of paying workers' compensation claims resulting from CalFresh recipients' participation in the CalFresh E&T Training Program.

- **Electronic Benefits Transfer Fraud and Theft Prevention.** The budget includes \$680,000 (\$221,000 General Fund) and four positions to monitor, investigate, and support criminal prosecution of EBT theft of public assistance funds at the state level.
- **Higher Education County Liaisons.** The budget includes \$13.6 million (\$6.8 million General Fund) for counties to designate a single point of contact for California Community Colleges, California State Universities, and University of California schools to provide information on programs and services offered by the county health and human services agency to attending students, as required by Assembly Bill 1326 (Arambula), Chapter 570, Statutes of 2021.
- **Emergency Food Assistance Program Reach and Resiliency Grant.** The budget includes \$5 million federal funds one-time to expand the Emergency Food Assistance Program's reach into remote, rural, Tribal, and low-income areas that are underserved by the program.
- **CalFresh Costs.** Trailer bill language requires the DSS to review CalFresh costs of county operations for the 2027–28 fiscal year and every third fiscal year thereafter.

Child Welfare Services (CWS) and Foster Care. The budget includes the following related to CWS:

- **Los Angeles County Child Welfare Stabilization.** The budget includes \$200 million General Fund in 2022-23 and \$100 million General Fund in 2023- 24 (for a combined one-time investment of \$300 million over two years), with budget bill language, for the stabilization of child welfare services in Los Angeles County.
- **Flexible Family Supports for Home-Based Foster Care.** The budget includes \$50 million General Fund in both 2022-23 and 2023-24 to increase the use of home-based family care and the provision of services and supports to children in foster care and their caregivers. The funds can be used for a variety of purposes, including respite care, costs to facilitate a child's participation in enrichment activities, and costs associated with facilitating a placement with a relative or nonrelative extended family member. The budget includes budget bill language to enact this change.
- **Emergency Child Care Bridge.** The budget includes \$35 million General Fund ongoing for expansion of the Emergency Child Care Bridge, with full funding for increasing the number of navigators (\$5 million) and to increase trauma-informed training (\$4 million), with the remaining amount to provide additional vouchers to children in care. The budget also includes trailer bill language to enact this change.
- **Transitional Housing Program and Housing Navigators Program.** The budget includes \$34 million General Fund in ongoing, to expand the Transitional Housing Program and Housing Navigators Program for current and former foster youth. This program will be administered by the Department of Housing and Community Development. The budget also includes trailer bill language to enact this change.

- **Tribally Approved Homes Compensation Program.** The budget includes \$8.2 million General Fund ongoing for the program. The budget also includes trailer bill language to enact this change.
- **Legal Counsel for Tribes.** The budget includes \$2.1 million General Fund ongoing to provide legal counsel to tribes in Indian child welfare cases. In addition, trailer bill language establishes the Tribally Approved Homes Compensation Program and the Tribal Dependency Representation Program to provide grants and legal assistance for the foster or adoptive placement of an Indian child and for representation of Indian tribes in a California Indian child custody proceeding. Further, the budget includes \$3 million in federal funds for the Tribally Approved Homes Compensation Program.
- **Foster Youth with Substance Use Disorders Grant Program.** The budget includes \$5 million General Fund one-time, with budget bill language, for the Foster Youth with Substance Use Disorders Grant Program. This program will be administered by the Department of Health Care Services.
- **Supplemental Security Income (SSI) for Foster Youth.** The budget includes \$1.1 million (\$1 million General Fund) in 2022-23 and \$600,000 General Fund on-going to help facilitate access to SSI for foster youth. The budget includes trailer bill language to enact this change.
- **Statewide Child Welfare Information System.** The budget includes trailer bill language making technical changes to change references to the Child Welfare Services/Case Management System to the statewide child welfare information system.
- **Federal Families First Prevention Services Act (FFPSA) Cleanup.** The budget includes trailer bill language making technical cleanup changes to statutory changes that were made relating to the FFPSA in the 2021 Budget Act.
- **Supplemental Report Language – FFPSA.** The budget includes supplemental report language to track the progress of FFPSA implementation.
- **Foster Care Interim Rates Extension.** The budget includes trailer bill language that extends the date by which the department must develop a permanent rate structure for payments to foster care providers from December 31, 2022, to December 31, 2024.
- **Emergency Caregiver Funding: Good Cause Exemption.** The budget includes a total of \$6.6 million General Fund ongoing provide for emergency payments to caregivers for up to 365 days under certain circumstances. The budget includes trailer bill language to enact this change.
- **Resource Family Approval (RFA).** The budget includes \$50 million General Fund ongoing to assist counties in reducing approval timelines for foster caregiver applications, also known as the Resource Family Approval (RFA) process. The resources will allow counties to hire additional staff to reduce pending and probationary resource family applications.

- **Foster Youth Independence Pilot Program.** The budget includes \$1 million General Fund one time, available over two years, for county child welfare agencies to provide case management and support services for former foster youth utilizing federal housing choice vouchers.
- **Parent and Youth Helpline.** The budget includes \$4.7 million General Fund one-time, available over three years, to continue operation of a helpline for parents and youth. The helpline is a statewide triage and support system, established during the COVID-19 Pandemic, that helps deliver services to children, families, and caregivers by phone and online.
- **Family Finding and Engagement Services.** The budget provides \$150 million General Fund one-time for intensive family finding and engagement services for children in foster care. Trailer bill language establishes, the Excellence in Family Finding, Engagement, and Support Program, administered by the DSS to conduct specialized permanency work with a focus on establishing and maintaining permanent connections for foster children,
- **Commercially and Sexually Exploited Youth.** The budget includes \$25 million General Fund one-time for prevention, intervention, and services for youth who have been the victims of sex trafficking. Budget bill language is included to require the department to perform a service gap analysis for youth who have been exploited and specify services to be funded with this appropriation.
- **Short-Term Residential Therapeutic Program (STRTP) Transitions.** The budget includes \$10.4 million General Fund one-time to support a portion of STRTP providers to transition to a reduced capacity of 16 beds or fewer, or other programs models, through December 2022. This funding will help prevent a loss of federal Medicaid funding resulting from STRTPs being classified as Institutions for Mental Disease, as clarified in federal guidance.
- **STRTP Non-Accreditation Supplement.** The budget includes \$906,000 General Fund ongoing to assist new STRTP providers with meeting federal accreditation requirements.
- **Child Welfare Services-California Automated Response and Engagement System (CWS-CARES).** The budget includes \$108 million one-time funding (\$57.6 million General Fund) to continue the design, development, and implementation activities for the CWS-CARES project. The project is replacing a legacy system with a modern technology application that aids child welfare stakeholders in assuring the safety and well-being of children at risk of abuse and neglect.
- **Foster Care Placement Services.** The budget includes \$729,000 in 2022-23 and \$687,000 ongoing for five permanent positions to implement statutory changes related to the criminal exemption process for resource family applicants, relative placement applicants, and non-relative extended family applicants, as mandated by Senate Bill 354 (Skinner), Chapter 687, Statutes of 2021.
- **Child and Family Services Acute Review and Response.** The budget includes \$351,000 (\$257,000 General Fund) for two permanent positions to review and respond to statewide trends in emergent safety and well-being concerns raised for children in the Child Welfare

System. The budget also includes budget bill language requiring an on-going outcomes assessment reported periodically, pursuant to discussions with the department, starting in 2022-23, tracking progress on the key metrics of shelter stays for children under six and overstays for youth at STRTPs.

- **Child Welfare Services Training.** The budget reappropriates unexpended funds included in item 5180-151-0001 in the 2021 Budget Act for enhancing the Child Welfare Training Program.
- **Family Resource Centers.** The budget reappropriates unexpended funds included in the 2021 Budget Act for Family Resource Centers.

Supplemental Security Income/State Supplemental Payment (SSI/SSP) and the Cash Assistance Program for Immigrants (CAPI). The budget includes the following related to SSI/SSP and CAPI:

- **Grant Increase.** The budget includes \$150 million General Fund in 2023-24 for one-year acceleration of the increase to restore SSP grants to 2009 levels from a January 1, 2024 planned implementation date to an earlier, January 1, 2023 implementation date. The budget includes trailer bill language to enact this change and to require a display on how grants are faring against costs of living over time, monitoring the status of the grants and their ongoing purchasing power, as they do not receive a statutory cost of living adjustment (COLA).
- **Community Care Expansion – Operating Subsidies for Board and Care Facilities.** The budget includes \$55 million General Fund one-time, with budget bill language, to provide capitalized operating subsidy reserves to existing adult residential facilities and residential facilities for the elderly to avoid the closure of facilities and to increase the acceptance of new qualified residents.
- **Golden State Grants Sunset.** The budget includes trailer bill language to repeal the Golden State Program as of January 1, 2024. The Golden State Grant Program provided one-time grant payments of \$600 to qualified grant recipients, including recipients of the SSI/SSP program.

In-Home Supportive Services (IHSS). The budget includes the following augmentations related to IHSS:

- **Permanent Backup Provider System.** The budget includes \$34.4 million (\$15.4 million General Fund) ongoing to establish a permanent backup provider system for IHSS recipients to avoid disruptions to caregiving due to an immediate need or emergency. A portion of the funding is for transition activities and is intended to allow counties to maintain existing emergency back-up provider services until October 2022 when the permanent system is implemented. The budget includes trailer bill language to enact this change.
- **Case Management Information and Payrolling System (CMIPS).** The budget includes \$3.4 million General Fund one-time to reprogram CMIPS for CalSavers access for IHSS providers. The budget also includes \$4.5 million (\$1.2 million General Fund) to replace an obsolete database to maintain the system's functionality.

- **IHSS Seven Percent Penalty Withhold.** The budget includes trailer bill language clarifying that the seven percent withholding of a county's 1991 Realignment funds if the county does not reach a collective bargaining agreement is one-time and that the funds are to be withheld pursuant to a schedule developed by the Department of Finance.
- **Electronic Visit Verification (EVV).** The budget includes \$1.5 million General Fund for seven permanent positions to administer the EVV and IHSS social worker training.
- **Supplemental Report Language – IHSS Terminations.** The budget includes supplemental report language to (1) track IHSS terminations and possible coverage under the IHSS Residual program as Medi-Cal redeterminations begin again in 2022-23; and (2) review, with the Department of Health Care Services, how the redetermination process currently functions and if simplifications can be made to prevent inappropriate Medi-Cal terminations, particularly for vulnerable populations.
- **IHSS Extension of Medical Accompaniment for Vaccinations.** The budget includes \$6.6 million to continue allowing a provider to accompany a recipient receiving services related to COVID-19.
- **Supplemental Paid Sick Leave.** The budget includes \$4.7 million (\$2.2 million General Fund) one-time to provide IHSS providers supplemental paid sick leave due to COVID-19. The benefit expires on September 30, 2022. This benefit is authorized by Senate Bill 114 (Committee on Budget and Fiscal Review), Chapter 2, Statutes of 2022, via early action.
- **IHSS Provider Orientations.** The budget includes trailer bill language that makes changes to how counties must hold provider orientations when a state or local public health agency issues an order limiting the size of gatherings.

Adult Protective Services (APS). The budget includes the following related to the APS program:

- **APS Program Expansion.** The budget includes \$4.6 million General Fund ongoing, and trailer bill language, to continue formerly funded Adult Protective Services (APS) training. The budget also reappropriates unexpended funds included in the 2021 Budget Act for the Adult Protective Services program expansion and approves position authority for five permanent positions to assist with the program expansion authorized in the 2021 Budget Act. No funding was associated with the additional position authority.

Office of Equity and Immigrant/Refugee/Asylee Services. The budget includes the following augmentations related to immigration services:

- **Civil Rights Accessibility, Racial Equity and Immigrant Integration.** The budget includes \$4.82 million General Fund in 2022-23 and \$2.14 million General Fund ongoing to help the Office of Equity fulfill its civil rights compliance reviews and complaints obligations as well as provide support to immigrants, asylees, and vulnerable noncitizens.
- **Training for Services to Unaccompanied Minors.** The budget includes \$1 million (\$750,000 General Fund) ongoing to provide additional technical assistance and training to counties in

meeting the needs for children in foster care and unaccompanied minors to be connected to family.

- **Rapid Response.** The budget includes \$175 million one-time General Fund for rapid response efforts to provide additional support for migrant arrivals at the Southern California border and funding for other emergent issues. The budget also includes budget bill language requiring regular reporting on expenditures.
- **California Immigrant Justice Legal Fellowship.** The budget includes a total of \$10 million General Fund to fully fund a second cohort of program fellows.
- **Refugee Programs Bureau Operations Support.** The budget includes \$3.1 million and 18 permanent positions to support the Refugee Resettlement Program and meet increased caseload pressures.
- **Racial Equity and Implicit Bias Training for County Social Workers.** The budget includes budget bill language to update the amount of funding available for this purpose in 2022-23. The 2021 Budget Act provided \$3 million in 2021-2022 and \$10 million in 2022-23 to develop training on racial equity and implicit bias for county social workers.
- **Temporary Expansion of Trafficking and Crime Victim Assistance Program for Ukrainian Arrivals.** The budget includes updated budget bill language to support Ukrainian citizens and nationals admitted to the United States as humanitarian parolees not eligible for state-funded CalWORKs benefits.

Community Care Licensing (CCL). The budget includes the following related to the CCL program:

- **Home Care Fund Loan Forgiveness.** The budget pauses General Fund loan repayments for one year. The budget includes budget bill language requiring the department and the Department of Finance to report on revenue trends and structural solutions for the fund.
- **CCL Workload.** The budget includes \$1.3 million General Fund ongoing for eight permanent positions to support and provide expertise to the CCL Division regional offices in the Adult and Senior Care Program, Child Care Program, and Children's Residential Program.
- **Migrating Data from Legacy Systems.** The budget includes \$1.5 million General Fund and two one-year limited term positions to complete the project to migrate existing systems to the new staging relational database.

Automation Projects. The budget includes the following augmentations related to automation projects:

- **CalFresh Recertification Application Revision.** The budget includes \$476,000 (\$238,000 General Fund) to revise the CalFresh recertification application to ensure compliance with state and federal policy.

- **CalFresh Disaster Application Revision.** The budget includes \$1.8 million (\$900,000 General Fund) to revise the application for Disaster CalFresh to ensure compliance with state and federal policy and to avoid duplicate and inaccurate numbering throughout the sections in the existing format of the application document.

Child Care and Development. The budget includes the following related to child care programs (related changes were made the California State Preschool Program and are included in the K-12 Education section).

- **Early Action Adjustments to the 2021-22 Budget.** The following adjustments were made to the 2021-22 budget for Early Care and Education:
 - Provided \$3.25 million to the Department of Social Services (DSS) for Administrative Costs for supplemental funding to center-based child care providers in the General Child Care and Migrant Child Care programs.
 - Provided \$47.7 million to DSS for supplemental funding for Private Center Based Child Care Providers (including Administrative costs).
- **Child Care Rates and Slots.** The budget implements the 2021-22 budget agreement and included an increase of \$1.09 billion to annualize the 2021-22 Budget Act's 120,000 new slots and further increase child care program access to 145,000 slots, with the continued goal from the 2021-22 Budget Act to serve 200,000 more children by 2025-26. In addition, the budget includes \$413 million to annualize current year increases in child care funding rates, from the 2021-22 Budget Act.
- **Cost-of-Living Adjustment.** The budget included cost-of-living adjustments to the Standard Reimbursement Rate of \$136 million General Fund for child care programs.
- **Child Care Workforce Benefits.** The budget provides \$100.2 million General Fund for agreements between the State of California and the Child Care Providers Union for providing health care benefits and other agreements.
- **Child Care Infrastructure.** The budget builds upon the 2021-22 Budget Act investment in the Department of Social Services Child Care Infrastructure program with an additional one-time \$100.5 million in federal funds child care facility renovation and repair.
- **Family Fee Waivers.** Extends the 2021-22 Budget Act actions taken during the COVID-19 pandemic to waive family fees for childcare and create hold harmless policies for the 2022-23 fiscal year. The budget provides \$136 million in one-time federal funds for the costs of family fee waivers for state-subsidized child care programs.
- **Child Care Stipends.** The budget re-purposes \$354 million in remaining federal funds for the Department of Social Services to implement child care stipends.

- **Alternative Payment Programs.** Provides \$20 million in one-time General Fund for Alternative Payment Programs to support administration needs related to additional slots.
- **Non-Operative Days.** Allocates \$2 million for alternative care and 16 additional non-operative days for state subsidized child care programs, due to COVID-19 related closures, contingent on a Child Care Providers Unified agreement.
- **Direct Deposit Payments.** The budget provides \$6.0 million General Fund one-time, to continue to contract with a vendor to allow child care providers to elect direct deposit payment.

Other Budget Adjustments. The budget includes various other augmentations and provisions related to the DSS budget, including:

- **Promise Neighborhoods.** The budget includes \$12 million General Fund one-time, available over three years, to support Promise Neighborhoods in Chula Vista, Corning, Hayward, and Mission District in San Francisco.
- **Interagency Advisory Committee on Apprenticeship (IACA).** The budget includes \$174,000 General Fund for one position to support the IACA, as mandated by Assembly Bill 565 (Lackey), Chapter 194, Statutes of 2021.
- **California Holocaust Survivor Assistance Program.** The budget \$36 million General Fund one-time to provide specialized services to Holocaust survivors and their caregivers.
- **Guaranteed Income Pilot Project.** The budget includes trailer bill language authorizing the department to establish an appropriate method, process, and structure for grant management, fiscal accountability, payments to guaranteed income pilot participants, and technical assistance and supports for grantees that ensure transparency and accountability in the use of state funds. The language also excludes any payments received by an individual from a guaranteed income pilot program or project, as specified, from the gross income of recipients for personal income tax purposes.
- **Hearings Workload and Legal Infrastructure Support.** The budget includes \$6.4 million (\$3.2 million General Fund) in 2022-23 and \$6.2 million (\$3.1 million General Fund) ongoing for 32.5 permanent positions to support new workload associated with fair hearing processes for the Department of Rehabilitation (DOR) and to manage current workload in the State Hearings Division (SHD) and Legal Division.
- **Homeless Management Information System (HMIS).** The budget includes \$352,000 General Fund ongoing to support two positions that will help implement new requirements and assist grantees with collecting and reporting data into the HMIS, to meet the statutory obligations associated with Assembly Bill 977 (Gabriel) Chapter 397, Statutes of 2021.
- **Administration Division Infrastructure.** The budget includes \$6.14 million (\$3 million General Fund) for 38 permanent positions and associated expenditure authority to address the growing workload and resource shortages in the human services and fiscal areas.

- **County Expense Claim Reporting Information System (CECRIS).** The budget includes \$2 million (\$880,000 General Fund) in 2022-23; \$713,000 (\$306,000 General Fund) in 2023-24; and four two-year limited term positions to support the continued development and maintenance and operation of CECRIS.
- **Emergency Capacity and Capabilities.** The budget includes \$2.3 million and 12 permanent positions to strengthen disaster services capabilities to respond to and recover from increasingly complex disasters and emergency events.
- **Addressing Extreme Heat.** See the Climate and Energy Package for actions on the Addressing Extreme Heat proposal, which requested four limited-term positions to support: regulation development, quality management and data collection, program implementation and program oversight and evaluation, at a one-time cost of \$8.5 million General Fund over two years. Additionally, the department requested contracted resources to support mitigation strategies (e.g., shade, generators, repairs, etc.) for facilities that may not have the resources to prevent heat related illness.
- **Work Number Contract: CalWORKs and CalFresh Income Verification.** The budget includes \$13.1 million (\$8.5 million General Fund) to extend the contract for a third-party service used by county welfare agencies to verify applicant income for CalWORKs and CalFresh eligibility determinations.
- **Project Roomkey.** The budget reappropriates unexpended funds included in the 2021 Budget Act for Project Roomkey.

Human Services Budget and Trailer Bills

1. *Budget Act of 2022 – Senate Bill 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Ting), Chapter 249, Statutes of 2022.*
4. *Human Services – Senate Bill 116 (Committee on Budget and Fiscal Review), Chapter 5, Statutes of 2022.*
5. *Human Services – Senate Bill 187 (Committee on Budget and Fiscal Review), Chapter 50, Statutes of 2022.*
6. *Developmental Services – Senate Bill 188 (Committee on Budget and Fiscal Review), Chapter 49, Statutes of 2022.*
7. *Human Services – Assembly Bill 207 (Committee on Budget), Chapter 573, Statutes of 2022.*

Early Childhood Education Trailer Bills

8. *Early Childhood Education – Assembly Bill 210 (Committee on Budget), Chapter 62, Statutes of 2022*
9. *Education Finance Trailer Bill – Assembly Bill 185 (Committee on Budget), Chapter 571, Statutes of 2022.*

SUBCOMMITTEE 4
ON
STATE ADMINISTRATION
AND
GENERAL GOVERNMENT

Senate Committee on Budget and Fiscal Review

Members

Sydney K. Kamlager, Chair
Anna M. Caballero
Jim Nielson
Richard D. Roth

Consultants

Anita Lee
James Hacker
Yong Salas
Elisa Wynne

SUBCOMMITTEE No. 4

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STATE ADMINISTRATION

0511 GOVERNMENT OPERATIONS AGENCY (GovOps)

- **Government Excellence and Transformation (GET) Center.** The budget provides four positions and \$665,000 General Fund ongoing to staff the GET Center. The GET Center seeks to help modernize state operations by partnering with state departments to conduct state operations pilot projects.
- **Office of Data and Innovation.** The budget provides \$4.82 million General Fund ongoing to establish the Office of Digital Innovation (ODI) as a standalone state entity. This new department will merge the existing Office of Digital Innovation, GET Center and CalData Program into one entity reporting to GovOps starting in 2023-24. The budget also adopts trailer bill language for this purpose. The budget also approves \$20 million one-time General Fund to replenish the Data and Innovation Services Revolving Fund. SB 156 (Committee on Budget and Fiscal Review), Chapter 112, Statutes of 2022 implements this transition, and makes the appointment of the ODI director subject to Senate confirmation.
- **Workload Adjustments.** The budget provides two positions and \$435,000 (\$170,000 General Fund) ongoing to fund and manage existing workload associated with oversight and management of state operations. Specifically, this funding and positions will support and provide oversight over the state's emergency services functions and policy development for privacy policies. The two new positions are Statewide Privacy Officer and Assistant Secretary.
- **Excluded Employees Trailer Bill Language.** Senate Bill 189 (Committee on Budget and Fiscal Review), Chapter 48, Statutes of 2022 specifies that employees within the office of the Secretary of Government Operations are classified as excluded employees.
- **Chief Equity Officer.** Senate Bill 189 establishes the Chief Equity Officer at GovOps, which shall be appointed by the Governor. The Chief Equity Officer is responsible for improving equity and inclusion throughout state government operations.
- **Language Access Pilot Program.** The budget provides \$5 million one-time to develop a pilot program to increase non-English or limited-English speakers in public hearings and meetings.

0840 STATE CONTROLLER'S OFFICE (SCO)

- **State Controller Payroll System.** The budget included funding and positions for the SCO to support the project through the next stages of development. In addition, trailer bill language requires the State Controller's Office (SCO), in consultation with the California Department of Human Resources (CalHR), to submit a report to each of the relevant budget

subcommittees of the Legislature on the proposed California State Payroll System (CSPS) information technology (IT) project, by February 1, 2023. The reports shall include a summary of project planning, governance plans, engagement with other state agencies, business processes, risks, and other issues.

- **Affordable Care Act Workload.** The budget provided four permanent positions and \$500,000 (\$300,000 General Fund and \$200,000 Central Service Cost Recovery Fund) ongoing funds to the SCO to support the state's compliance with the Affordable Care Act.
- **California State Employees Telework and Healthcare Stipends.** The budget provided \$495,000 in fiscal year 2022-23 and \$194,000 in 2023-24 and ongoing (combined General and Special Fund) to support the processing and disbursement of the bargained Telework and Healthcare stipends.
- **Unclaimed Property Management System Replacement.** The budget provides \$323,000 Special Fund in 2022-23, growing to \$1.7 million in the out-years to support the replacement of the current unclaimed property management system as it nears the end of its useful life.

0855 CALIFORNIA GAMBLING CONTROL COMMISSION

- **Gambling Control Commission Annual Licensing Fee.** SB 189 repeals the existing fee structure for application licensing fees at cardrooms, and authorizes the commission to adopt a fee schedule pursuant to regulation, but not to exceed \$1,200, as specified. The fees shall be limited to the reasonable regulatory expenditure of the department and commission for their activities, as specified. The bill also includes biennial reporting requirements on the fees, a description of how the fees were established and calculated, among others.
- **Support Staffing.** The budget provides \$494,000 (\$217,000 Indian Gaming Special Distribution Fund and \$277,000 Gambling Control Fund) and four positions in 2022-23, and \$486,000 in 2023-24 and ongoing to support implementation of recommendations by the California State Auditor and to address an increase in workload within the Licensing, Information Technology and Support, and Legislative and Regulatory Affairs Units.

0890 SECRETARY OF STATE

- **Facilities.** The budget provides funding to support the following facilities related projects:
 - \$3.6 million (\$1.7 million General Fund, and \$1.9 million Business Fees Fund) in 2022-23, and \$4 million (\$1.9 million General Fund and \$2.1 million Business Fees Fund) ongoing to support increased rent costs of the March Fong Eu Secretary of State Building Complex.

- \$1 million General Fund in 2022-23 and \$645,000 annually thereafter to support two positions and to convert existing storage space and expand protective measures for historic records housed in the California State Archives.
- \$2.7 million (\$808,000 General Fund and \$1.9 million Business Fees Fund) for security improvements to the March Fong Eu Secretary of State Building Complex.
- **Business Programs Division Processing Times.** The budget approves the Governor's January proposal to provide \$5.3 million one-time Business Fees Fund to support 47 positions, temporary help, and overtime to address processing time for Business Filings and Statements of Information.
- **Fee Relief for New Businesses.** The budget provides \$39.8 million one-time General Fund to waive document filing fees on a one-time basis for all new businesses registering with the Secretary of State from July 1, 2022, through June 30, 2023, to encourage business growth in California.
- **California Automated Lobbying and Campaign Contributions and Expenditure Search System (CAL-ACCESS) Replacement System Project.** The budget authorizes the use of \$10.3 million in existing funds, and \$1 million in new funds to restart the CAL-ACCESS project, including pre-planning and planning activities.
- **Business Connect Project.** The budget provides \$8.1 million (\$1.5 million Business Programs Modernization Fund and \$6.6 million Business Fees Fund) in 2022-23 to complete the California Business Connect project including nine months of maintenance and support costs and three months of program costs. The total project cost for 2022-23 is \$9.7 million of which \$8.1 million is new spending authority and \$1.6 million represents costs to be absorbed within existing resources.
- **Implementation of Legislation.** The budget provides funding to implement the following chaptered legislation: (1) AB 796 (Berman), Chapter 314, Statutes of 2021, (2) SB 686 (Glazer), Chapter 321, Statutes of 2021, (3) SB 35 (Umberg), Chapter 318, Statutes of 2021, (4) AB 277 (Valladares), Chapter 457, Statutes of 2021, and (5) Senate Bill 501 (Glazer), Chapter 929, Statutes of 2018.
- **Elections.** The budget approves the Governor's proposal to provide:
 - \$540,000 General Fund in 2022-23 and ongoing for the use of temporary staff to assist with statewide election voter support on the Secretary of State's Voter Hotline.
 - \$3.7 million Federal Trust Fund authority in 2022-23 to continue implementation of the statewide mandates of the Help America Vote Act of 2002.

- \$10.2 million Federal Trust Fund authority in 2022-23 to cover the procurement costs of a new maintenance and operations vendor and data analysis, security assessment, Election Management Systems support and verification, data lines, security enhancements, and off-premises cloud costs for the statewide voter registration system, VoteCal.
- \$452,000 General Fund in 2022-23 and \$437,000 annually thereafter to support three positions for the continued administration of the Voter's Choice Act of 2016 mandates.
- **State Operations.** The budget provides 13 positions and \$2.43 million (\$726,000 General Fund and \$1.7 million Business Fees Fund) to support IT project management, fiscal staffing needs, and to support the implementation of the Financial Information System of California (FI\$Cal).
- **Statewide General Elections.** Senate Bill 131 (Committee on Budget and Fiscal Review), Chapter 65, Statutes of 2022 requires the SOS to submit Senate Constitutional Amendment (SCA) 10 of the 2021-22 Regular Session, if adopted by the Legislature, to the voters for approval at the November 8, 2022 statewide general election, and specifies that SCA 10 shall be designated as "Proposition 1." The bill provides \$150,000 to the SOS to prepare the state voter information guide.

0911 REDISTRICTING COMMISSION

- **Support Costs.** The budget provides one position and \$122,000 General Fund in 2022-23 and \$94,000 General Fund annually thereafter through 2029-30 to bring the Commission's total budget to \$244,000 General Fund in 2022-23 and \$216,000 annually through 2029-30. This funding will allow the Commission to maintain basic operational and administration support functions for the next eight years of its statutory term.

1111 DEPARTMENT OF CONSUMER AFFAIRS (DCA)

- **Business Modernization Cohort 2.** The budget provides \$4.3 million one-time Special Funds for DCA to continue business modernization efforts for five more boards and bureaus (the Structural Pest Control Board, the California Architects Board, the Landscape Architects Technical Committee, the Cemetery and Funeral Bureau, and the Bureau of Household Goods and Services).
- **Bureau for Private Postsecondary Education.** The budget provides \$24 million General Fund over three years to provide support to the Bureau with funding while the Bureau develops an improved fee model for its licensees. AB 178 requires that the department provide a report by January 30, 2024 regarding a proposal for a new fee structure to support the Bureau's operations on an ongoing basis.

- **BreEZe System Maintenance and Credit Card Funding and Business Modernization Cohort 1 Maintenance and Operations.** The budget provides two year limited term funding of \$8.5 million to support 37 positions that conduct BreEZe maintenance and operation and to fund credit card processing fees on behalf of users of credit card payments.
- **Implementation of Chaptered Legislation.** The budget provides funding and positions to implement the following chaptered legislation: (1) SB 509 (Wilk), Chapter 219, Statutes of 2021, (2) SB 362 (Newman), Chapter 334, Statutes of 2021, (3) AB 1194 (Low), Chapter 417, Statutes of 2021, (4) AB 1221 (Flora), Chapter 452, Statutes of 2021, (5) SB 534 (Jones), Chapter 491, Statutes of 2021, (6) AB 293 (Kalra), Chapter 514, Statutes of 2021, (7) SB 310 (Rubio), Chapter 541, Statutes of 2021, (8) AB 1533 (Committee on Business and Professions), Chapter 629, Statutes of 2021, (9) AB 1534 (Committee on Business and Professions) Chapter 630, Statutes of 2021, (10) AB 1536 (Committee on Business and Professions), Chapter 632, Statutes of 2021, (11) SB 806 (Roth), Chapter 649, Statutes of 2021, (12) AB 107 (Salas), Chapter 693, Statues of 2021, (13) AB 229 (Holden), Chapter 697, Statutes of 2021, and (14) AB 1282 (Bloom), Chapter 752, Statutes of 2021.

1115 DEPARTMENT OF CANNABIS CONTROL

- **Cannabis Tax Reform.** The budget makes several statutory changes to the tax structure related to cannabis taxes, including:
 - Suspension of the state’s cannabis cultivation tax. Maintains a 15 percent cannabis excise tax, as required by Proposition 64, until June 30, 2025. Moves collection of the excise tax from the distributor to the point-of-sale.
 - Requirement that by July 1, 2025, the California Department of Tax and Fee Administration (CDTFA) will adjust the excise tax every two years by a rate that would generate an amount of revenue equivalent to what would have been collected from the cultivation tax.
 - Setting the baseline of new cannabis tax revenue for Allocation 3 entities (these entities use cannabis revenues to operate youth programs related to substance use education, prevention, and treatment, environmental programs, and law enforcement) at \$670 million in 2022-23, 2023-24, and 2024-25, which can be satisfied with tax revenues, or General Fund backfill if needed. The budget sets aside \$150 million General Fund to backfill any lost revenue.
 - An economic report on the status of the cannabis industry by January 1, 2025.
 - A reduce excise tax rate for equity retailers who have received an equity fee waiver from the Department of Cannabis Control, allowing equity retailers to retain 20 percent of the excise tax they collect.

- Authority for CDTFA to revoke an operator’s tax permit if they fail to comply with the cannabis tax provisions. The budget also makes illicit cannabis operators liable for the cultivation and excise tax they would have had to pay if they were operating in the legal market.
- **High-Road Cannabis Tax Credit.** The budget allows high-road cannabis employers to claim tax credits of up to \$250,000 beginning in the 2023 taxable year, for a program total of \$20 million.
- **Cannabis Equity Operator Tax Credit.** The budget allows cannabis equity operators to claim tax credits of up to \$10,000 beginning in the 2023 taxable year, for a program total of \$20 million.
- **Labor Peace Agreements.** The budget requires cannabis businesses to enter into labor peace agreements with its employees with additional enforcement tools, and lowers the threshold of applicable businesses from 20 employees to 10 employees beginning in 2024.
- **Unlicensed Cannabis Commercial Properties: Civil Penalties.** The budget allows state and local governments to impose civil penalties on individuals who knowingly rent, lease, or make available commercial properties to facilitate unlicensed cannabis operations.
- **Unauthorized Water Use in Unlicensed Cannabis Activities.** The budget authorizes a county counsel to file a civil action relating to unlawful water pollution and unauthorized water diversions due to unlicensed cannabis cultivation on behalf of the state.
- **Cannabis Task Force.** The budget establishes a task force on state and local entity regulation of commercial cannabis activity to promote communication between state and local entities engaged in the regulation of commercial cannabis activity and facilitate cooperation to enforce applicable state and local laws.
- **Adding Delivery to Track and Trace.** The budget adds delivery information to track and trace by January 1, 2023. Each delivery will have a unique “trip” number assigned to it in the track and trace system and this information will be interfaced over to California Law Enforcement Tracking System for law enforcement to verify the legitimacy of a delivery. This is the first step in protecting delivery drivers from licensed retailers. It also assists delivery drivers if they interface with law enforcement while on trips.
- **Cannabis Retail Incentive Grant Program.** The budget includes \$20.5 million for the cannabis retail incentive grant program, which provides funding to local jurisdictions that do not currently have a local cannabis retailer licensing program.

1703 CALIFORNIA PRIVACY PROTECTION AGENCY

- **Consumer Privacy Implementation and Enforcement.** The budget provides 34 positions in fiscal year 2022-23 and ongoing in six divisions (Executive Function, Legal Division, Enforcement Division, Policy/ Legislative Affairs Division, Public Affairs Division, and the Administrative Division). These positions will provide the initial staff resources to allow the Agency to start up and fulfill its immediate statutory responsibilities. The Administration notes that these positions, including salaries, wages and benefits, would cost \$5.6 million. Additionally, the operating expenses and equipment for the Agency is \$408,000.

1750 CALIFORNIA HORSE RACING BOARD

- **Federal Horseracing Integrity and Safety Authority.** SB 189 authorizes the board to enter into agreements within the federal Horseracing Integrity and Safety Authority and any other entity that is responsible for administrating the Federal Horseracing Integrity and Safety Act of 2020. Additionally, the bill authorizes the board, on behalf of the authority, to collect and remit fees assessed by the authority. The budget provides \$3 million ongoing to support annual agreements between the Federal Horseracing Integrity and Safety Authority and the California Horse Racing Board to enforce safety components of the Horseracing Integrity and Safety Act.

2100 DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL (ABC)

- **Business Modernization and Responsible Beverage Service.** The budget provides four positions and an increase in expenditure authority of \$2.8 million, Alcohol Beverage Control Fund in 2022-23 and 2023-24, \$2.3 million in 2024-25, and \$1.8 million ongoing, for support costs following the completion of the Business Modernization and Responsible Beverage Service (BizMod/RBS) Project and to continue the initiative to modernize the department's operations and services to the public.

2320 DEPARTMENT OF REAL ESTATE (DRE)

- **Various Investments.** The budget provides \$716,000 ongoing to support information technology security, internal audit workload and real estate licensees' education requirements (pursuant to SB 263 (Rubio), Chapter 361, Statutes of 2021).

7502 DEPARTMENT OF TECHNOLOGY (CDT)

- **CDT State Data Center Services Rate Evaluation.** SB 189 requires CDT to reassess the formal rate methodology and relevant policies and procedures, as specified, for state data center services. The bill requires CDT to submit a report to the Joint Legislative Budget Committee (JLBC) by April 1, 2023 and annually until August 1, 2025. While CDT undergoes the rate evaluation process, the budget provides \$10.5 million General Fund in 2022-23 in lieu of the Technology Services Revolving Fund (TSRF) for the Office of Technology Services, and \$41.7 million General Fund in lieu of TSRF for the Statewide Centralized Services.
- **Middle Mile Broadband Network.** SB 189 specifies that it is the intent of the Legislature to appropriate a total of \$550 million General Fund in 2023-24 and 2024-25 to support the middle mile broadband network. Specifies that the funds shall not be available until CDT provides a report to the JLBC on specified information about the network. Additionally, the bill requires annual reporting on updates, as specified for the project until January 1, 2026.
- **Office of Information Security.** The budget provides \$2.8 million General Fund in 2022-23 and 2023-24, and \$2.1 million ongoing and 11 positions to address various State Auditor findings regarding CDT's security and privacy assessments and state compliance.
- **Security Operation Center (SOC).** The budget provides \$1.7 million ongoing for infrastructure costs related to cloud hosting of SOC software and tools for security monitoring.
- **Workload Adjustments.** The budget provides \$3.5 million ongoing from the Technology Services Revolving Fund to meet increased demand for project approval, independent project oversight, Budget Change Proposal analysis, and procurement services to state entities as required under existing law.
- **Technology Modernization.** The budget provides \$55.7 million one-time General Fund in 2022-23, and \$711,000 ongoing General Fund and four positions to support the modernization of critical state infrastructure. This investment augments the \$25 million one-time General Fund provided to the CDT in the 2021 Budget Act for Technology Modernization Funding.

7760 DEPARTMENT OF GENERAL SERVICES

- **Office of Administrative Hearings.** SB 189 specifies that proceedings at a hearing may be recorded electronically if a stenographic reporter is unavailable and upon finding of good cause by the administrative law judge.

- **Facilities.** The budget provides funding to support the following facilities projects:
 - **State Capitol Building Annex.** SB 189 amends existing law and specifies that it is the intent of the Legislature that the State Capitol Building Annex project be cash funded, and that all work performed shall be executive and managed by the Joint Rules Committee. The bill requires the Department of General Services to provide counsel and advice to the Joint Rules Committee for this purpose. The budget includes \$917 million General Fund in 2022-23 years to support the project.
 - **Secretary of State Roof Replacement and Repairs.** The budget provides \$1.8 million in one-time expenditure authority from the General Fund in fiscal year 2022-23 for full project funding to replace and repair the roof structure at the Secretary of State Archives Building located at 1500 11th Street in Sacramento.
 - **Joe Serna Jr. California Environmental Protection Agency Building Acquisition.** The budget provides \$36,000 from the General Fund in 2022-23 to exercise the lease purchase option to acquire the Joe Serna Jr. California Environmental Protection Agency (CalEPA) Building located at 1001 “I” Street in Sacramento.
 - **Fund Repayment.** SB 156 authorizes General Fund repayment of a capital outlay bond to be made from any other lawfully available source of funds.
 - **Elevators.** The budget provides \$100.7 million General Fund on a one-time basis to address critical elevator and Direct Digital Control deficiencies in buildings owned and operated by DGS. Specifically, this will support the following projects:

Elevator Projects

Location	Building Name	Age of Elevators	Number of Stories	Number of Cars	Estimated Project Cost
Los Angeles	Junipero Serra Building	24	10	7	\$8,190,000
Sacramento	Attorney General Building	27	19	8	\$8,184,000
San Francisco	Ronald M. George SOC (Hiram Johnson)	23	14	13	\$15,210,000
Totals				31	\$31,584,000

Direct Digital Control Projects

Location	Building Name	Square Feet	Cost/ft ²	Estimated Cost
Los Angeles	Junipero Serra	550,000	\$15.00	\$8,250,000
Los Angeles	Ronald Reagan	850,000	\$15.00	\$12,750,000
Riverside	Riverside Cal-Tower	162,000	\$15.00	\$2,430,000
Sacramento	Attorney General Building	560,661	\$15.00	\$8,409,915
Sacramento	East End Complex	1,492,501	\$15.00	\$22,387,515
Sacramento	Franchise Tax Board	514,616	\$15.00	\$7,719,240
San Francisco	Pat Brown (CPUC)	383,503	\$15.00	\$5,752,545
Santa Rosa	Santa Rosa	97,377	\$15.00	\$1,460,655
Totals				\$69,159,870

- **Regulation Copies.** SB 189 repeals the requirement for state agencies to deliver six hard copies of regulations to the Office of Administrative Law at the time of transmittal for filing a regulation or order of repeal.
- **Bagley-Keene Open Meetings Act Teleconferencing.** SB 189 authorizes state entities to hold public meetings, subject to specified notice and accessibility requirements, through teleconferencing and making public meetings accessible telephonically or otherwise electronically to the public, as specified. The bill also sunsets these provisions on July 1, 2023.
- **COVID-19 Direct Response Expenditures.** The budget provides \$8.3 million one-time California Emergency Relief Fund to provide the DGS resources for COVID-19 Direct Response related expenditures.
- **Increase Diversity and Inclusiveness.** The budget provides \$3.9 million one-time General Fund, available for three years, to support DGS Procurement Division's efforts to increase outreach to Small Businesses and Disabled Veteran Business Enterprises, aimed at increasing diversity in state contracting.
- **Enterprise Technology Solutions.** The budget provides \$4.9 million in authority from the Service Revolving Fund in 2022-23 and 2023-24, and then \$4.7 million in ongoing authority from the Service Revolving Fund beginning in 2024-25 to support software purchases and licensing, IT equipment, and security tools. The budget also provides position authority for seven permanent positions and limited-term funding for two positions beginning in 2022-23 to support DGS' information technology security, privacy, and enterprise services.

- **Office of Public Affairs.** The budget provides \$412,000 in ongoing authority from the Service Revolving Fund (SRF) and three positions beginning in 2022-23 due to the increased need for public affairs services to DGS programs and external customers.
- **Procurement Division Emergency Services.** The budget provides \$728,000 (\$305,000 ongoing) two-year limited-term authority from the Service Revolving Fund and five positions in 2022-23 to support emergency procurement services workload in accordance with the State Emergency Plan.
- **Statewide Travel Program.** The budget provides \$738,000 ongoing Service Revolving Fund authority and four permanent positions beginning in 2022-23 to address increasing workload from emergency response functions, support the training and compliance auditing of the statewide travel policy, and increase usage of its services among optional users.
- **Telework Policy Oversight and Compliance Review.** The budget provides \$1.9 million in two-year limited term expenditure authority from the General Fund, and 10 positions, beginning in 2022-23 to implement oversight and review compliance functions to ensure the successful implementation of a productive distributed work environment.

8260 CALIFORNIA ARTS COUNCIL

- **Cultural Districts.** The budget provides \$30 million General Fund one-time to support existing and establish new cultural districts. Budget bill language requires the Arts Council prioritize funding in underserved communities. Budget bill language also requires the Arts Council to notify the Joint Legislative Budget Committee and report to the Legislature on the planned and actual allocation of funds, and steps it took to ensure that diversity and equity is increased in the program, among other outcomes.

8620 FAIR POLITICAL PRACTICES COMMISSION (FPPC)

- **Implementation of Chaptered Legislation.** The budget provides funding to implement SB 686 (Glazer), Chapter 321, Statutes of 2021.

8800 FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA

- **Information Technology Security and Internal Control Resources.** The budget provides \$5.3 million in 2022-23, \$4.2 million in 2023-24 and 2024-25, \$3.4 million ongoing and 13 positions to address information technology security and internal control and compliance risks.
- **Departmental Onboarding and California State Payroll System (CSPS) Adjustment, and Transitioning Consultant Workload to State Staff and Workload Backlog**

Adjustment. The budget provides \$24.3 million (\$14.6 million General Fund and \$9.7million Central Service Cost Recovery Fund (CSCRF) in 2022-23, \$5 million (\$3 million General Fund and \$2 million CSCRF) in 2023-24, \$3.1 million (\$1.9 million General Fund and \$1.2 million CSCRF) in 2024-25, \$0.8 million (\$0.5 million General Fund and \$0.3 million CSCRF) ongoing, and five permanent positions to support departmental onboarding of FI\$Cal.

- **FI\$Cal Transition.** Senate Bill 156 (Committee on Budget and Fiscal Review), Chapter 112, Statutes of 2022, creates a statutory framework for the reporting and oversight of remaining FI\$Cal project milestones, including the integration of cash management functions and the migration of the ten remaining deferred departments to the system.

8820 CALIFORNIA COMMISSION ON THE STATUS OF WOMEN AND GIRLS

- **Regional Outreach and Interdepartmental Coordination.** The budget provides \$493,000 ongoing General Fund and three positions for additional outreach and coordination with state entities and regional women and girls commissions, and to bolster daily operations of the Commission.
- **State Operation and Regional Support.** The budget provides \$7.9 million to the Commission for state operations, of this \$5 million will support regional women and girls commissions.

8885 COMMISSION ON STATE MANDATES

- **Municipal Storm Water and Urban Run-off Discharges.** The budget provides \$18.4 million General Fund to reimburse local agencies under the jurisdiction of the Los Angeles Regional Water Quality Control Board for costs related to the Municipal Storm Water and Urban Runoff Discharges Mandate.
- **Administrative Staff for Mandatory Requirements.** The budget provides \$467,000 ongoing and \$8,000 one-time General Fund for three positions to implement digital signature and website accessibility compliance requirements.
- **Elections Code Mandate.** The budget provides \$5.8 million one-time General Fund and \$5.9 million ongoing to reimburse cities and counties for the workload costs associated with complying with Elections Code section 3010, which requires local elections officials to provide prepaid postage on identification envelopes delivered to voters with their vote-by-mail ballots for specified elections.

8940 CALIFORNIA MILITARY DEPARTMENT (CMD)

- **California Cadet Corps Restoration.** The budget provides \$3 million and five positions in 2022-23 and \$4.3 million and ten positions in 2023-24 ongoing to expand the CMD's California Cadet Corps program. This request will increase program participation from 90 schools and 6,000 students to 135 schools and 9,095 students by 2026-27.
- **Lease Revenue Debt Service Adjustment, Consolidated Headquarters Project.** The Governor's budget proposed shifting project funds from bonds to General Fund. The May Revision proposes to eliminate item 8940-003-0001 to represent a decrease of \$9.6 million, as planned lease-revenue debt service authority is no longer necessary due to the removal of the Consolidated Headquarters Project from future lease-revenue bond sales.
- **Drug Interdiction Efforts Update.** The budget provides \$30 million for CMD's drug interdiction efforts. The budget specifies that the CMD shall prioritize illegal drugs that can cause overdose deaths, and requires the department to submit a report by October 1, 2023 on the use of funds including requesting agency, type of substance targeted, among other information.
- **State Information Technology.** The budget provides 11 State Civil Service positions and \$3.1 million General Fund in 2022-23, and \$2.1 million General Fund annually thereafter, to continue the development, implementation, and maintenance of its State Information Technology Network.

8955 CALIFORNIA DEPARTMENT OF VETERAN AFFAIRS (CalVet)

- **Yountville Emergency Power Connection.** The budget provides \$5.3 million General Fund in 2022-23 to CalVet to install transfer switches and upgrade electrical panels in seven residential buildings at the Veterans Home of California Yountville. Total project costs include design, construction, project management, and associated project fees. This project will allow for temporary emergency generator power connections and protect the health and safety of residents and staff.
- **California Veteran Health Initiative.** The budget provides \$40 million one-time for the California Veteran Health Initiative to support veteran mental health and suicide awareness, treatment, and research. Funding shall be used for competitive grants to existing service providers for education and outreach about veteran mental health and to establish a multidisciplinary team of professionals and stakeholders to identify, collect, analyze, and assess veteran mental health and suicide.

- **Settlement Cost.** The budget provides \$51 million one-time to pay for settlement costs at the Veterans Home of California, Yountville related to the 2018 shooting.
- **Veterans Home of California, Yountville: Steam Distribution System Renovation.** The budget provides \$39.2 million for working drawings and construction for the Steam Distribution System Renovation project at Yountville. This project received construction bids in 2021 that were significantly higher than the state’s initial estimate, largely due to the volatility in the construction market.
- **Administrative Support.** The budget provides ten positions and \$1.6 million (\$1.5 million General Fund) in 2022-23, and \$1,505,000 (\$1,454,000 General Fund and \$51,000 Farm and Home Building Fund of 1943) annually thereafter, for administrative support in the Homes, Legal Affairs, Administration, and Communications Divisions.
- **Information Services Division Information Technology Refresh.** The budget provides \$1.4 million ongoing for information technology refresh to accommodate the increase in the number and complexity of the CalVet information technology hardware and software assets.
- **Northern California Veterans Cemetery, Igo: Columbaria Expansion.** The budget provides \$2.2 million for the construction phase of the columbarium expansion project at the Northern California Veterans Cemetery (NCVC) in Igo, California.

9210 LOCAL GOVERNMENT FINANCING

- **Assessors IT Grant Program.** The budget provides \$10 million annually through 2024-25 for a three-year total of \$30 million, to provide IT system improvement grants to county assessor offices. Trailer bill language established the County Assessor’s Grant Program from July 1, 2022, to June 30, 2025 and provides for a grant program to meet the information technology needs of county assessors in administering the property tax system.
- **Subvention Definition.** Trailer bill language specifies that, commencing with the 2021-22 fiscal year, the state’s subventions to local governments (an exclusion from appropriations subject to limitation pursuant to Article XIII B of the California Constitution) include money provided to a local agency from various specified state programs. Language further specifies that such funds shall be included within the Article XIII B appropriations limit of the recipient local agency, but only up to that local agency’s appropriation limit and that any portion of those funds received by the local agency that exceeds its appropriations limit shall be calculated and included within the state’s appropriations limit. These changes essentially reduce amounts subject to the state’s Article XIII B appropriations limit by approximately \$10 billion per year commencing in 2021-22, resulting in a like amount becoming subject to recipient local agencies’ appropriations limits.

CONTROL SECTION 8.75

- **Control Section 8.75.** Adds Control Section 8.75 to allow the Department of Finance to adjust or create budget items to meet federal matching requirements under the federal Infrastructure Investment and Jobs Act (IIJA).

CONTROL SECTION 11.91

- **Control Section 11.91.** Makes technical amendments to Control Section 11.91 to reflect that COVID-19 direct response expenditures will be appropriated from the California Emergency Relief Fund rather than the General Fund.

CONTROL SECTION 11.96

- **Control Section 11.96.** Amends Control Section 11.96 to reflect revisions to the calculation of revenue replacement funds allocated from the Coronavirus State Fiscal Recovery Fund as authorized by the federal American Rescue Plan Act of 2021 (P.L. 117-2) and defined by federal statute and guidance from the U.S. Treasury. It also provides authority to the Director of Finance to transfer funds for programs currently funded by the Coronavirus Fiscal Recovery Fund of 2021 to the General Fund.

CONTROL SECTIONS 19.56

- **Control Section 19.56** Added Control Section 19.56 to appropriate funds for various Legislative priorities throughout the state.

CONTROL SECTION 20.00

- **Control Section 20.00.** Control Section 20.00 was added to the annual Budget Act to establish an administrative approval process to revert or extend the deadline to commit and expend certain general obligation and lease revenue bond funds.

General Government and State Administration Budget Trailer Bills

1. *Budget Act of 2022 – Senate Bill 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Ting), Chapter 249, Statutes of 2022.*
4. *State Government – Senate Bill 189 (Committee on Budget and Fiscal Review), Chapter 48, Statutes of 2022.*
5. *State Government – Senate Bill 156 (Committee on Budget and Fiscal Review), Chapter 112, Statute of 2022.*

FINANCIAL MANAGEMENT

0110/0120/0130 STATE LEGISLATURE

The Legislature's budget for 2022-23 was increased to reflect the growth in the state's appropriation limit (SAL), which was calculated to be 7.9 percent in the Governor's May Revision. Applying the May Revision SAL rate to the legislative budget resulted in funding of \$170.4 million for the Senate and \$224.5 million for the Assembly.

0509 GOVERNOR'S OFFICE OF BUSINESS AND DEVELOPMENT (GO-BIZ)

GO-Biz provides a single point of contact for economic development, business assistance, and job creation efforts. GO-Biz includes the Office of the Small Business Advocate (CalOSBA), the Infrastructure and Economic Development Bank (IBank), the California Film Commission (CFC), and the California Office of Tourism, among others.

Early Action Adjustments to the 2020-21 Budget. The following adjustments were made to the 2021-22 budget:

- **California Small Business COVID-19 Relief Grant Program.** The budget creates the California Emergency Relief Fund (Fund) in the state treasury, transfers \$150 million in General Fund into the Fund and appropriates \$150 million from the Fund for the California Small Business COVID-19 Relief Grant Program to fund remaining eligible waitlisted grant applicants.

The enacted budget for GO-Biz for the fiscal year 2022-23 includes 144.3 positions and \$994.6 million (\$570 million General Fund), including:

- **California Containerized Ports Interoperability Grant Program.** The budget includes \$30 million for the California Containerized Ports Interoperability Grant Program to provide grant funding to specified ports in California for the purpose of improving interoperability among containerized ports. Funds are available for encumbrance and expenditure through June 30, 2025.
- **Immigrant Support Programs.** The budget includes a total of \$11.6 million one-time and \$500,000 ongoing, with the bulk of the funds for competitive grants: \$8.7 million to develop or expand local immigrant integration initiatives and \$2 million to service providers to develop export training programs and curriculum aimed at underserved business owners, including immigrant entrepreneurs.
- **California Small Agricultural Business Drought Relief Grant Program.** The budget includes \$75 million from the California Emergency Relief Grant Fund for the California Small Agricultural Business Drought Relief Grant Program to be administered by the Governor's Office of Business and Economic Development. Funding is available for encumbrance or expenditure until June 30, 2024. Federal funds may be used for these purposes if they are made available.

- **Local Government Budget Sustainability Fund.** The budget provides \$300 million General Fund (\$100 million in 2023-24, \$100 million in 2024-25, and \$100 million in 2025-26) for the Local Government Budget Sustainability Fund to provide grant funding for project support for county governments with a goal of providing opportunities for revenue stability, based on criteria developed by GO-Biz.
- **CalCompetes Tax Credit Expansion and Grant Program.** The budget extends the CalCompetes Tax Credit program through the 2027-28 fiscal year at the current level of \$180 million per year and provides \$120 million one-time General Fund to fund a second year of the CalCompetes Grant Program for businesses that meet specified criteria.
- **California Tourism.** The budget provides \$15 million one-time General Fund to implement strategic media recovery campaigns that will help continue the recovery of the travel and tourism industry in California. The California Office of Tourism, within GO-Biz, will coordinate with Visit California to implement this initiative.
- **Hydrogen Hub Program.** The budget provides \$5 million for a grant to the Alliance for Renewable Clean Hydrogen Energy Systems for activities related to establishing a federally-funded hydrogen hub in California and trailer bill language provides authority for GO-Biz to apply for federal funds for hydrogen hubs.
- **Federal Economic Development Administration Grant Awards.** The budget includes \$2.4 million in federal funds for the California Business Investment Services (CalBIS), within GO-Biz, to administer a competitive grant for \$1.4 million from the Economic Development Administration (EDA)'s Public Works and Economic Adjustment Assistance program, and block grant from the EDA's Statewide Planning, Research, and Network program.
- **Human Resources Staffing.** The budget provides \$110,000 ongoing General Fund and one Staff Services Analyst position for Human Resources workload.
- **IBank Venture Capital Program.** The budget establishes the Venture Capital Program within I-Bank under the Small Business Act to acquire contract rights, or make loans with respect to investment funds, investment fund management companies, special purpose investment vehicles, trusts, nonprofit entities, small businesses, and other private business entities. I-Bank is authorize to use the fund created under this program to make loans, guarantees, and other financial products that may be provided under the program. The budget provides two positions to oversee the IBank venture capital program that is being created with federal State Small Business Credit Initiative funds

CalOSBA. GO-Biz's 2022-23 budget includes \$441.4 million and 14.8 positions for CalOSBA, including:

- **Small Business COVID-19 Relief Grants.** The budget includes funding and language for CalOSBA to provide grants to businesses affected by the economic impacts of the COVID-19 pandemic. This includes the following programs:
 - California Small Business COVID-19 Relief Grant Program: Trailer Bill Language update various definitions and requirements for the program.

- California Nonprofit Performing Arts Grant Program: Trailer bill language extends the program by an additional year, repealing the program on June 30, 2023, instead of June 30, 2022.
- California Microbusiness COVID-19 Relief Grant Program: Trailer bill language extends the program by an additional year, repealing the program on June 30, 2023, instead of June 30, 2022.
- California Venues Grant Program: The budget includes \$15 million in California Emergency Relief Grant Funds to expand the California Venues Grant Program to include independent theatres. Trailer bill language makes a variety of changes to ensure eligibility of venues, including adding specified performing arts and recreation businesses to the list of types of businesses, classified under the North American Industry Classification System, and the National Taxonomy of Exempt Entities, eligible for the program.
- **California Small Business Development Technical Assistance Expansion Act of 2022:** The budget provides \$6 million General Fund in 2022-23 and \$26 million ongoing to fund the California Small Business Development Technical Assistance Expansion Program (TAEP) as an ongoing program to provide grants to nonprofit small business technical assistance centers. Of the ongoing total, \$23 million is to permanently fund TAEP and \$3 million is for the Capital Infusion Program.
- **Women’s Business Center Enhancement Program Grants.** The budget includes \$8 million one-time funding for Women’s Business Center Enhancement Program Grants. Funds are available for encumbrance and expenditure through June 30, 2025.
- **Inclusive Innovation Hub Program.** The budget includes a total of \$20 million for the Inclusive Innovation Hub Program to be expended over a four-year period, including \$6.6 million for entrepreneurship grants.
- **California Regional Initiative for Social Enterprises Program (CalRISE).** The budget establishes the California Regional Initiative for Social Enterprises Program within the CalOSBA to provide financial and technical assistance to employment social enterprises for purposes of accelerating economic mobility and inclusion for individuals that experience employment barriers. The CalRISE competitive grant program will provide grants of up to \$500,000 per grantee through June 2024, to employment social enterprises, accompanied by technical assistance.

0870 OFFICE OF TAX APPEALS

The budget for the Office of Tax Appeals for the fiscal year 2022-23 includes 117 positions and \$27.1 million General Fund. This includes:

- **Workload Resources.** The budget provides \$2.8 million ongoing General Fund and 15 positions to support workload in the Legal, Case Management, and Administration Divisions.
- **Tax Appeal Process.** Trailer bill language includes provisions to allow non-attorney administrative law judges to hear tax appeals, and makes conforming changes, including repealing the process for closed hearings

0950 STATE TREASURER'S OFFICE (STO)

The State Treasurer provides banking services for state government with goals to minimize interest and service costs and to maximize yield on investments. The budget for STO for the fiscal year 2022-23 includes 252.4 positions and \$46.4 million (\$15 million General Fund), including:

- **AB 1177 Commission Operations and Market Analysis.** The budget provides \$2.7 million in fiscal year 2022-23, \$709,000 in 2023-24, and \$609,000 in 2024-25 to provide limited term funding for three positions and operational costs to implement legislation—The California Public Banking Option Act, AB 1177 (Santiago), Chapter 451, Statutes of 2021.
- **Enterprise Risk and Compliance Officer.** The budget provides \$73,000 General Fund, \$119,000 reimbursements and \$36,000 from the Central Service Cost Recovery Fund ongoing, to fund a requested officer position. The position will assist the Treasurer's Office and the Boards, Commissions, and Authorities (BCAs) under its purview, in the evaluation of enterprise risk, development of risk mitigation plans, compliance tracking of regulations and laws, coordination of all externally performed audits, and helping to address areas with control deficiencies.
- **Jesse Unruh Building Relocation Costs.** The budget provides \$226,000 one-time to support relocation costs for Treasurer's Office staff and building contents necessary to facilitate renovation of the Jesse Unruh building.
- **California Hope, Opportunity, Perseverance, and Empowerment (HOPE) Program.** The budget provides \$100 million in one-time General Fund and \$15 million ongoing to the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Fund. Funds in this account will be used to create trust accounts for children who have lost a parent or primary caregiver to COVID-19 and for children in long-term foster care. Trailer bill language creates the HOPE board under the STO and establishes a workgroup for program design and implementation.
- **Banking Operations Item Processing Software Upgrade.** The budget provides \$842,000 in 2022-23 and \$217,000 ongoing to support the upgrade of mission-critical check-processing software.
- **Pooled Money Investment Account (PMIA) Workload Increase.** The budget provides \$20,000 General Fund, \$135,000 reimbursements, and one Associate Treasury Program Officer position to support increased workload for the PMIA.

0954 SCHOLARSHARE INVESTMENT BOARD

- **CalKIDS College Savings Account Program Implementation.** The budget provides the following investments in CalKIDS implementation:

- Staff and administrative costs related to the CalKIDS college savings account program, including \$238,000 ongoing General Fund and two positions (associate governmental program analysts) to administer the program, and \$336,000 ongoing General Fund to support costs for an integrated recordkeeping platform and information technology needs for the program.
- \$5 million ongoing General Fund to support financial literacy outreach.
- \$5 million one-time General Fund to support grants to local child savings account programs that will provide outreach and coordination with state programs.

0959 CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)

The mission of the California Debt Limit Allocation Committee is to allocate tax-exempt, private activity bond authority for the State of California.

- **CDLAC Bond Allocation Program Workload.** The budget provides \$1 million for six permanent positions to accommodate workload for CDLAC and its support areas.

0968 CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE (CTCAC)

The mission of the California Tax Credit Allocation Committee is to fairly allocate federal and state tax credits to create and maintain safe, quality affordable rental housing for low-income households in California.

- **Development and Compliance Section Workload Increases.** The budget includes \$1.4 million ongoing funding from the Tax Credit Allocation Fee Account and eight positions to support workload increases.

0971 CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) was established by Chapter 908, Statutes of 1980, to promote the prompt and efficient development of energy sources which are renewable or which more efficiently utilize and conserve scarce energy resources.

- **CAEATFA Workload.** The budget provides additional reimbursement and expenditure authority in the amount of \$27.4 million for 2022-23 and available through 2026-27 to (1) continue to appropriately carry out its functions as the administrator of the California Hub for Energy Efficiency Financing (CHEEF) programs on behalf of the California Public Utilities Commission (CPUC), and (2) allow for the incorporation of non-ratepayer funds to expand the reach of the programs.

- **Expanded Staff Resources for Administration of the Sales Tax Exclusion Program.** The budget provides \$315,000 in fiscal years 2022-23 through 2024-25 and \$158,000 in 2025-26 to support increased workload associated with the Sales and Use Tax Exclusion Program.
- **CAEATFA Sales Tax Exclusion Authority.** Trailer bill language increases the Sales Tax Exclusion authority at the CAEATFA for the 2022, 2023, and 2024 calendar years, and authorizes the authority to provide an additional \$15 million of sales and use tax exclusions for projects that manufacture, refine, extract, process, or recover lithium

0974 CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

The California Pollution Control Financing Authority is committed to stimulating local economies in California by making capital more accessible to small businesses and delivering innovative financing for projects that protect and restore the environment.

- **California Investment and Innovation Fund.** The budget provides for the transfer of \$50 million in General Fund to the California Investment and Innovation Fund. Funds in this account will be used to provide technical assistance and capital access to certain community financial institutions in economically disadvantaged areas of the state.

0981 CALIFORNIANS ACHIEVING A BETTER LIFE EXPERIENCE BOARD

The Californians Achieving a Better Life Experience (CalABLE) Board was established by SB (Pavley), Chapter 796, Statutes of 2015, to create a Qualified ABLE Program. The Program will provide eligible individuals with disabilities the opportunity to save private funds in tax-advantaged ABLE accounts for the purpose of supporting persons with disabilities to maintain their health, independence, and quality of life.

- **CalABLE Workload.** The budget provides \$197,000 for the addition of one Associate Governmental Program Analyst (AGPA) level position and funding to support the development of a marketing, outreach, and public education program to successfully implement and grow the California Achieving a Better Life Experience Program.

0984 CALSAVERS RETIREMENT SAVINGS BOARD

The CalSavers Retirement Savings Board was established by SB 1234 (De León), Chapter 734, Statutes of 2012. SB 1234 (De León), Chapter 804, Statutes of 2016, subsequently authorized the Board to implement the CalSavers Retirement Savings Program, a state-administered retirement savings program for private sector employees in California with no access to workplace retirement savings plans.

- **CalSavers Workload.** The budget provides a General Fund loan of \$6 million from 2022-23 through approximately 2024-25 to provide resources for the Board and the CalSavers Retirement Savings Program to continue to operate, including funding for existing staff, employer compliance enforcement services through the Franchise Tax Board (FTB), external consultants, and marketing, administrative, and overhead costs.

1701 DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION (DFPI)

DFPI helps and protects consumers of financial services by overseeing providers, providing education and awareness, and preventing fraud and abuse in the financial sector. The budget for DFPI for the fiscal year 2022-23 includes 818 positions and \$156.8 million (\$10 million General Fund), including:

- **Student Loan Borrower Assistance.** The budget provides \$10 million one-time General Fund in 2022-23 for outreach and education efforts to assist student loan borrowers. Of the total, \$2 million is for a targeted statewide campaign, \$7.3 million is for local grants over a three-year period; and \$750,000 is for program administration.
- **Mortgage Loan Originator Licensing.** The budget provides nine positions and \$1.9 million Financial Protection Fund in 2022-23, and \$1.8 million in 2023-24, to process an increase in mortgage license applications, which will result in more help for interested Californians to refinance their homes at low interest rates.
- **Debt Collection - Identity Theft Workload.** The budget provides an increase in expenditure authority of \$596,000 (Financial Protection Fund) in 2022-23, and \$558,000 in 2023-24, and ongoing, and three permanent positions to implement the provisions of AB 430 (Grayson), Chapter 265, Statutes of 2021.
- **Security Transactions Workload.** The budget provides two permanent positions and an increase in expenditure authority of \$758,000 (Financial Protection Fund) in 2022-23, and \$658,000 ongoing, to implement the provisions of AB 511 (Muratsuchi), Chapter 617, Statutes of 2021.
- **Financial Abuse of Elders or Dependent Adults Workload.** The budget provides two positions and an increase in expenditure authority of \$531,000 (Financial Protection Fund) in 2022-23, and \$470,000 in 2023-24, and ongoing, for the Department of Financial Protection and Innovation to address increased workload related to mandatory reports of known or suspected financial abuse of elders or dependent adults.

7600 DEPARTMENT OF TAX AND FEE ADMINISTRATION (CDTFA)

CDTFA administers numerous tax and fee programs, including the Sales and Use Tax, the Cigarette and Tobacco Products Tax Program, and the excise and cultivation taxes for medicinal and recreational cannabis. The CDTFA also administers the alcohol excise tax and the insurance tax pursuant to agreements with the State Board of Equalization. The budget for CDTFA for the fiscal year 2022-23 includes 4,557.7 positions and \$707.1 million (\$376.5 million General Fund), including:

- **Used Motor Vehicle Sales Tax Gap.** The budget includes \$4.1 million General Fund in fiscal year 2022-23 and \$3.9 million General Fund in 2023-24 and ongoing for CDTFA to reimburse the Department of Motor Vehicles (DMV) for costs associated with the collection of sales tax on retail sales of used motor vehicles.
- **Centralized Revenue Opportunity System (CROS) Maintenance and Operations.** The budget provides \$14.4 million in 2022-23 from a variety of fund sources for the CROS. Of this,

funding \$10.6 million is for maintenance and operations, \$2.6 million is for final release of revenue-based compensation, and \$1.2 million is for operating expenses and equipment.

- **HOPE Act: California Electronic Cigarette Excise Tax.** The budget provides \$1.4 million Electronic Cigarette Excise Tax Fund for 5.5 positions in 2022-23, \$1.2 million for 3.8 positions in 2023-24, and \$1.4 million for 3.5 positions for mandated workload associated with SB 395, the Healthy Outcomes and Prevention Education (HOPE) Act.

7730 FRANCHISE TAX BOARD (FTB)

FTB is responsible for collecting personal income tax and corporation tax revenue and operating various collection and auditing programs.

Early Action Adjustments to the 2021-22 Budget. The following adjustments were made to the 2021-22 budget:

- **Net Operating Loss.** Ends, one year early, temporary limits on the ability of businesses to use net operating loss (NOL) deductions and tax credits to reduce their tax payments, removing these limits for 2022. AB 85 (Committee on Budget), Chapter 8, Statutes of 2020, suspended the use of NOL deductions for taxpayers with income of more than \$1 million and limited the amount of most business tax credits any taxpayer could claim to \$5 million business credits for 2020, 2021, and 2022 to temporarily increase tax revenue. In addition, clarified changes to the \$5 million limit on tax credits that apply in the 2021 tax year. Ending NOL and business tax credit limitations for 2022 is estimated to reduce General Fund revenues by \$5.5 billion in 2022-23, with corporate tax revenues decreasing by \$5.2 billion and personal income tax revenues decreasing by \$300 million.
- **State Tax Law Conformity.** Conforms state tax law to federal tax law for Restaurant Revitalization Fund (RRF) and federal Shuttered Venue Operators (SVOG) grants. The RRF program made grants to eligible restaurants, caterers, and bars that experienced a decline in revenue during the pandemic. The SVOG program made grants to eligible theatres, performing arts organizations, and many other cultural institutions. Federal tax laws were changed to specifically exclude these pandemic-related financial assistance programs from taxable income, with the exception of taxpayers that are publicly traded companies or did not have at least a 25 percent reduction in gross receipts. Conformity to federal law for the RRF and SVOG resulted in an estimated revenue loss of \$130 million in 2021-22 and \$144 million in 2022-23 and will result in nearly \$500 million total revenue loss over several years
- **Elective Pass-Through Entity Tax and Tax Credit program.** The Pass-Through Entity Tax and Tax Credit program was created in the 2021 Budget Act to help certain business owners in California fully deduct, on their federal tax returns, the California taxes they pay on pass through business income, by allowing certain Pass-Through entities to pay tax on behalf of their owners. These amendments would apply to 2021 tax liabilities before the March 15, 2022 tax filing and payment deadline for pass through business entities. This trailer bill action: a) Allows the Pass-Through Entity Tax Credit, passed to owners of pass through entities that elected to pay the tax, to reduce the tentative minimum tax (TMT) below regular tax, effective for the 2021 taxable year, and makes additional changes relating to the ordering of credits against TMT starting in the 2022 tax year; b) Allows disregarded limited liability companies owned by individuals to claim

the credit. c) Allows guaranteed payments to qualify for the credit; and, d) Allows pass-through entities that have partnerships as one of their owners to participate in the credit. Changes to the Pass-Through Entity Tax Credit create small revenue gains over several fiscal years.

Enacted 2022-23 Budget. The enacted budget for FTB for the fiscal year 2022-23 includes 6,802.8 positions and \$1.221 billion (\$1.182 billion General Fund), including:

- **Better For Families Act.** Trailer bill legislation establishes the Better for Families Act, a framework to provide approximately \$9.5 billion of payments to low-income and middle-income Californians in order to provide financial relief for economic disruptions resulting from the COVID-19 emergency, such as the financial burdens of inflation and increasing costs for gas, groceries, and other necessities.
 - Better for Families tax rebates will be provided to individuals who filed taxes for the 2020 taxable year by October 15, 2021. Tax filers are eligible for credits of \$350, \$250, or \$200 per individual filer (each person will get the credit if they file jointly), depending on the amount of taxable income and those with dependents are eligible for an additional credit.
- **Young Child Tax Credit (YCTC) and Foster Youth Tax Credit.** The budget expands the existing Young Child Tax Credit to zero-income filers, indexes the credit to inflation starting in the 2022 tax year, and creates a Foster Youth Tax Credit to provide a \$1,000 credit to young adults who were in the foster care system.
- **Debt Intercept.** The budget includes trailer bill language to create a process to prevent debt intercepts of the CalEITC for low-income taxpayers.
- **Data Sharing.** Trailer bill language provides authority for the Franchise Tax Board, Department of Social Services and Department of Health Care Services to exchange data for the purposes of informing eligible residents of Volunteer Income Tax Assistance, CalFile, and federal and state EITC programs.
- **Paycheck Protection Program (PPP) Conformity.** Trailer bill language makes changes to update conformity of state tax law to the federal PPP grant period. Previous conformity actions excluded an extension of the federal PPP grant program by two months in spring of 2021. This proposed action allows for all federal PPP grants to be excluded from the definition of income for the purposes of state taxation. The budget also includes a \$450 million revenue reduction over five years, starting in 2021-22, to reflect this change.
- **CalCompetes Tax Credit.** The budget includes an extension of the CalCompetes Tax Credit program through the 2027-28 fiscal year at \$180 million per year, as noted under GoBiz.
- **California Earned Income Tax Credit (CalEITC) Outreach.** The budget provides \$20 million General Fund in 2022-23 and 2023-24 and extends \$10 million in funding ongoing for the continuation of CalEITC grants to support education and outreach of the CalEITC program and free tax preparation services.

- **First-Time Tax Abatement.** The budget provides \$265,000 ongoing General Fund for administrative costs for the FTB, with a revenue impact of \$8.7 million in 2022-23, and \$7.3 million ongoing for the first time tax abatement program.
- **Homeless Hiring Tax Credit.** Trailer bill language makes clarifying amendments for the implementation of the Homeless Hiring Tax Credit that was enacted in the 2021 Budget Act.
- **Mainstreet Tax Credit.** The budget includes trailer bill language that makes changes to the Mainstreet Tax Credit that will allow taxpayers that did not claim the credit on the original return to claim the credit in the subsequent five tax years.
- **Estimated Payment Reporting.** The budget includes trailer bill language to require, on or before March 1, 2023, the Legislative Analyst's Office to report to legislative budget and revenue and taxation committees on the fiscal impacts and state administrative costs of changing personal and corporate income tax estimated payment amounts to 25 percent per quarter beginning in tax year 2024, thereby returning to the estimated tax payment policy in place prior to the Great Recession.
- **Worker's Tax Credit.** The budget establishes the Workers' Tax Credit beginning on or after January 1, 2024, to allow a tax credit for union dues instead of a credit deduction, which will allow for more union dues paying employees to receive a credit. The implementation of this tax credit is dependent on an evaluation by the Legislature and Administration of the state's available resources.

FTB Administrative Costs. The budget includes funding and positions that reflect FTB's increased administration responsibilities, and that support FTB's efforts to update their data center and tax systems.

- **Tax Appeal Workload.** The budget provides \$4.64 million General Fund for 16 permanent positions, 10 position upgrades, and unfunded needs for staff salaries in 2022-23; and \$4.5 million in 2023-24 and ongoing to address increased volume and complexity in tax appeal, protest, and litigation workloads.
- **Section 41 Reporting Workload.** The budget provides \$657,000 General Fund and four permanent positions in 2022-23, growing to five positions and \$749,000 ongoing for the Statistical Research Bureau within FTB to manage the increasing workload due to the volume of bills with a Revenue and Taxation Code Section 41 reporting requirement.
- **Enterprise Data to Revenue (EDR2).** The budget provides \$151.1 million General Fund and 17 permanent positions, 23.5 full time equivalent limited-term positions, and 21 permanent-intermittent positions to begin second-year implementation of the Enterprise Data to Revenue (EDR2) project, which is the second phase of the Tax System Modernization (TSM) plan at the Franchise Tax Board. In addition, the budget provides for the re-appropriation of \$5 million of unexpended contingency funds approved in the 2021 Budget.
- **Data Storage.** The budget provides \$6.8 million General Fund and \$4,000 Special Funds for the Franchise Tax Board to refresh aging equipment and software approaching end-of-life (EOL) within the enterprise storage system and storage area network (SAN) fiber channel switches.
- **FTB FI\$Cal Workload.** The budget provides \$856,000 General Fund and \$32,000 special funds for six three-year limited-term positions and funding for five classification upgrades in 2022-23;

reducing to \$67,000 General Fund and \$2,000 special funds in 2025-26 and ongoing. These resources will conduct accounting, procurement, and budgeting and resource management functions as the department continues to work in the Financial Information System for California (FI\$Cal) to comply with statewide accounting, procurement, and budgeting policies.

- **Network Infrastructure Refresh.** The budget provides \$8.9 million General Fund and \$373,000 Special funds over three years, for the Franchise Tax Board (FTB) to refresh, by way of replacement, a portion of FTB's network infrastructure.
- **Fraud and Threat Reduction.** The budget provides \$3.5 million, 17 permanent positions and one limited-term position in 2022-23 to accommodate both new workloads and growth within the critical functions of policy, security, and disclosures that are a part of FTB's business processes utilizing a new identity verification tool for fraudulent calls and a threat behavior analytics tool.
- **Microsoft Licensing Agreement.** The budget includes \$1.4 million General Fund and \$60,000 special funds growing to \$2 million General Fund and \$83,000 special fund ongoing to establish a fully-funded baseline budget for FTB's implementation of the state master agreement Microsoft 365 Government Community Cloud and tools software package used by FTB.
- **Volunteer Income Tax Assistance Expansion (VITA) and CalEITC Grant Funding.** The budget provides \$1.7 million General Fund and five positions in 2023-24 and \$1.2 million ongoing for FTB to expand its VITA services and to reimburse costs incurred by the Department of Community Services Development for administering the CalEITC grants. The resources will allow FTB to expand its VITA services to support the ongoing grant funding appropriated to increase free tax preparation and to expand marketing and outreach of CalEITC, the Young Child Tax Credit, and Individual Taxpayer Identification Number (ITIN) tax status eligibility.
- **California Earned Income Tax Credit Outreach Workload.** The budget provides \$1.8 million General Fund and 11.5 positions in 2022-23; \$4.9 million General Fund and 24.3 positions in 2023-24; \$4 million General Fund and 19.3 positions in 2024-25; \$3.9 million General Fund and 18.3 positions in 2025-26 and ongoing to the FTB to conduct targeted outreach initiatives to promote awareness of the CalEITC.
- **Young Child Tax Credit Expansion and Foster Youth Tax Credit Implementation.** The budget provides \$4.3 million General Fund and 14.5 positions in 2022-23; \$1.3 million General Fund and 11.5 positions in 2023-24; \$1.1 million General Fund and 10.5 positions in 2024-25 and ongoing for the FTB to implement the expansion of Young Child Tax Credit (YCTC) to households that have no earned income, but who otherwise meet the criteria for qualifying for the California Earned Income Tax Credit (CalEITC). In addition, the budget provides \$2.9 million General Fund and 4.5 positions in 2022-23; \$280,000 General Fund and two positions in 2023-24 and ongoing to the FTB to implement the new Foster Youth Tax Credit (FYTC) program.
- **FTB Central Office Campus Data Center Upgrades.** The budget provides \$26.6 million General Fund for the construction phase of the FTB Central Office Campus Data Center in 2022-23.

- **Ongoing Litigation.** The budget includes \$2 million one-time General Fund to reimburse the Office of the Attorney General for litigation defense.

8860 DEPARTMENT OF FINANCE (DOF)

The Director of Finance serves as the Governor's chief fiscal policy advisor and promotes long-term economic sustainability and responsible resource allocation. The enacted budget for DOF for the fiscal year 2022-23 includes 512.1 positions and \$99.8 million (\$52.6 million General Fund), including:

- **Department of Finance Workload.** The budget provides \$6.2 million (\$6 million General Fund and \$176,000 other funds) and 28 ongoing positions to address substantial increases in Department of Finance workload and reduce excessive overtime.

Financial Management Budget Trailer Bills

1. *Budget Act of 2022 – Senate Bill 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Ting), Chapter 249, Statutes of 2022.*
4. *Economic Relief: COVID-19 Pandemic – Senate Bill 113 (Committee on Budget and Fiscal Review), Chapter 3, Statutes of 2022.*
5. *State Government – Senate Bill 189 (Committee on Budget and Fiscal Review), Chapter 48, Statutes of 2022.*
6. *Economic Development – Senate Bill 193 (Committee on Budget and Fiscal Review), Chapter 68, Statutes of 2022.*
7. *Taxation: Earned Income Tax Credit – Senate Bill 201 (Committee on Budget and Fiscal Review), Chapter 72, Statutes of 2022.*
8. *State Government – Assembly Bill 156 (Committee on Budget), Chapter 569, Statutes of 2022.*
9. *State Government – Assembly Bill 157 (Committee on Budget), Chapter 570, Statutes of 2022.*
10. *Taxation – Assembly Bill 158 (Committee on Budget), Chapter 737, Statutes of 2022.*
11. *Better For Families Rebates – Assembly Bill 192 (Committee on Budget), Chapter 51, Statutes of 2022.*
12. *Taxation – Assembly Bill 194 (Committee on Budget), Chapter 55, Statutes of 2022.*

HOUSING AND HOMELESSNESS

HOMELESSNESS AND HOUSING INVESTMENTS

The budget includes a multi-billion dollar package of investments to address the state's ongoing housing and homelessness crisis.

- **Homelessness Investments.** The budget includes \$1.55 billion in 2022-23, and \$1.5 billion in 2023-24, in investments to provide affordable housing and combat homelessness statewide. These include:
 - \$300 million in 2022-23 and \$400 million in 2023-24 for Encampment Resolution grants, to help local governments with resolving critical encampments and transitioning individuals into permanent housing.
 - \$400 million over two years for Adaptive Reuse of non-residential structures and parcels for residential purposes.
 - \$10 million in reappropriated funds for additional adaptive reuse purposes.
 - \$425 million over two years for the Infill Infrastructure Grant Program.
 - \$100 million over two years for mobile homes and manufactured housing.
 - \$150 million over two years for the preservation of existing affordable housing.
 - \$100 million over two years for affordable housing on state excess sites.
 - \$350 million over two years for the CalHOME program.
 - \$250 million for the Housing Accelerator Program.
 - \$325 million over two years for the Multifamily Housing Program.
 - \$50 million for the Joe Serna Jr. Farmworker Housing Program.
 - \$50 million for ADU financing.
 - \$100 million over two years to continue the Veterans Housing and Homelessness Prevention Program created by Proposition 41 (2014).
- **HHAPP Funding.** Includes an additional \$1 billion in 2023-24 for the Homeless Housing, Assistance, and Prevention Program (HHAPP).
- **Legal Aid for Eviction Protection.** Provides \$30 million in 2022-23 to increase funding for legal aid to prevent eviction protection.

- **California Dream For All.** Establishes the California Dream For All program to make homeownership more achievable for first time homebuyers, a critical first step to thriving in the middle class and building generational wealth. Under the program, the state will partner annually with approximately 8,000 first-time homebuyers in a shared appreciation agreement which results in homebuyers being able to purchase a home with a low down payment and with more than a 1/3 reduction in monthly mortgage payments, saving a typical homebuyer more than \$12,000 per year. The budget provides \$500 million in General Fund resources to establish and implement the program.

0515 BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY (BCSH)

The budget provides \$1.3 billion from a variety of funds in 2022-23. The total budget includes:

- **Workload Resources.** The budget includes \$1.5 million and seven positions in 2022-23 through 2024-25 to address the current and anticipated ongoing workload stemming from an increase in oversight and strategic coordination required to support existing Agency programs along with significant growth in new program responsibilities, specifically in the housing and homelessness portfolio of programs.
- **Encampment Resolution Grants.** Includes \$700 million for Encampment Resolution grants over two years, to help local governments with resolving critical encampments and transitioning individuals into permanent housing including a set aside for encampments on the state's right-of-ways.
- **Homeless Housing, Assistance, and Prevention Program (HHAPP).** Provides \$1 billion in 2023-24 for the Homeless Housing, Accountability, and Prevention Program.
- **San Diego Regional Task Force on Homelessness.** \$4,000,000 to the San Diego Regional Task Force on Homelessness (SDRTFH) to be allocated equally among SDRTFH, the Voices of Our City Choir, and the Monarch School for housing, case management, resource and capacity building.

0650 GOVERNOR'S OFFICE OF PLANNING AND RESEARCH (OPR)

The budget includes \$1.35 billion million to support 115 positions in 2022-23. The total budget includes:

- **California Institute to Advance Precision Medicine.** Extends the Precision Medicine program's sunset date from January 1, 2026 to June 30, 2029, to allow the Office of Planning and Research to award research contracts for newly-funded projects, which extend beyond the current sunset date of the program. In addition, this bill includes language clarifying that the ten percent administrative cost cap in the Precision Medicine program only applies to demonstration projects - which are grant-funded external research and demonstration projects - and not for non-demonstration research projects, as these projects are completed by the Precision Medicine program and typically use more than ten percent for administrative costs. The 2022 Budget Act includes \$19.3 million General Fund for Precision Medicine projects, including \$10 million for

depression research and \$9.3 million to increase participation of underrepresented communities in biomedical research. The change in administrative cost cap for non-demonstration projects will allow OPR to implement the \$9.3 million program to implement the participation of underrepresented communities in biomedical research as planned.

- **Office of Community Partnerships and Strategic Communications.** Approves \$271 million in outreach activities for the newly proposed Office of Community Partnerships and Strategic Communications. This includes:
 - \$100 million in one-time COVID-19 outreach activities.
 - \$100 million for one-time drought resilience and response outreach and “Save Our Water” campaign.
 - \$20 million total for community outreach related to extreme heat outreach.
 - \$65 million for other outreach, with provisional language requesting Individual Taxpayer Identification Number (ITIN) outreach as a priority in the budget year.
- **California for All College Service Program.** Approves \$65 million for the California for All College Service Program to extend the program through 2024-25 and ending in 2025-26.
- **Volunteer Opportunities for Older Adults.** Provides \$10 million one-time General Fund for volunteer programs to engage older adults in volunteer service that benefits schools, families, and communities across the state.
- **Neighbor to Neighbor.** Adds \$10 million ongoing General Fund to expand California’s existing volunteer infrastructure and bolster the statewide Neighbor-to-Neighbor initiative to recruit, train, equip, and organize neighbors to address community needs.
- **Depression Research.** Includes \$10 million one-time General Fund for a competitive grant program to support precision medicine-based approaches to preventing, diagnosing, and treating depression.
- **Increasing Participation in Biomedical Research.** Adds \$9.3 million one-time General Fund to increase participation in biomedical research to better reflect California's diversity service that benefits schools, families, and communities across the state.
- **Extends and Re-Appropriate Funding for Climate Change Research.** Proposes to extend and re-appropriate \$4.75 million Greenhouse Gas Reduction Fund (GGRF) appropriated in 2019 for the Climate Research Program.
- **Extend Funding for Market Development for Woody Biomass.** \$4 million one-time General Fund over two years: \$2 million in 2022-23 and 2023-24 to extend the woody biomass pilot program adopted in 2021.

- **AB 680.** Approves \$574,000 GGRF and one position ongoing to support the California Air Resources Board with workload related to the implementation of AB 680 (Burke), Chapter 746, Statutes of 2021.
- **CEQA Filing Process.** Includes \$374,000 General Fund and one position to modernize the CEQA filing process and other responsibilities related to the implementation of AB 819 (Levine), Chapter 97, Statutes of 2021.
- **Affordable Housing and Sustainable Communities.** Adds \$158,000 General Fund and one position ongoing to support new workload related to the implementation of the Affordable Housing and Sustainable Communities Program pursuant to AB 1095 (Cooley), Chapter 355, Statutes of 2021.
- **AB 525.** Authorizes \$354,000 General Fund one time for technical assistance to support a study of supply chain, economic development strategies, and workforce development assessments to meet the requirements of AB 525 (Chiu), Chapter 231, Statutes of 2021.
- **Climate and Wildfire Workload.** Includes \$219,000 General Fund and one position ongoing to support Climate and Wildfire workload related to several new laws enacted last year.
- **Legislative Workload.** Approves \$438,000 General Fund until 2025-26 for Legislative Workload to support bill analysis workload across OPR and its programs such as California Volunteers and the Strategic Growth Council.
- **California Education Learning Lab (CELL).** Authorizes \$3 million General Fund annually, until 2025-26, for California Education Learning Lab. Of this amount, \$2 million would restore CELL's ongoing base to its pre-pandemic level of \$10 million. The remaining \$1 million would support the expansion of a free adaptive learning homework system. The existing system, which was developed by faculty at UC Davis, CSU San Bernardino, and Mendocino College for introductory chemistry, was supported by a one-time CELL grant.
- **Carnegie Science Center.** Approves \$20 million one-time General Fund for a grant to Carnegie Science for a climate research hub in Pasadena.
- **Associate Degree for Transfer.** Includes \$421,000 one-time to allow the Office of Planning and Research to contract with a third-party planning facilitator to support the Associate Degree for Transfer Intersegmental Implementation Committee pursuant to AB 928 (Berman), Chapter 566, Statutes of 2021.
- **CEQA Review.** Adopts trailer bill language to allow the reappropriation of 2021 funds for SB 7 CEQA Review activities.
- **Summer Youth Job Corps.** Includes provisional language specifying \$25 million of the California Volunteers funding provided to OPR will be used for the Summer Youth Job Corps.
- **Save Our Water.** Appropriates \$25 million General Fund to the OPR for the Save Our Water Campaign.

- **Extreme Heat.** Appropriates \$6 million to the Office of Planning and Research for a community-based public awareness campaign as it relates to extreme heat.
- **Community Resilience.** Appropriates \$25 million to OPR for the Community Resilience and Heat Program.
- **Climate Action Corps.** The budget includes \$3.86 million General Fund in 2024-25 through 2025-26 to support statewide cohorts of fellows dedicated to addressing climate change through direct service and community outreach in local communities across California.
- **Various Projects.** The budget includes funding for several specific projects, including:
 - \$10 million for the Jefferson Boulevard Affordable Housing and Park Project.
 - \$2 million to the City of San Diego for startup costs for emergency shelter for victims of domestic violence.
 - \$1 million to the City of Sacramento to provide navigation, rental assistance, and other services for individuals and families experiencing homelessness in and around the California Capitol State Park.
 - \$400,000 to the Family Services Agency of Burbank for services for families experiencing homelessness.

1700 DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING (DFEH)

The budget provides \$54.9 million for 321.3 positions in 2022-23. This includes:

- **Enforcement Investigation and Conciliation Enhancements.** The budget includes \$1.4 million General Fund in 2022-23, 2023-24, and 2024-25 to decrease the wait time between complaint intakes and investigative appointments, and to increase the number of complaints successfully conciliated and settled by investigators.
- **Pay Data Enforcement.** The budget includes \$716,000 General Fund and three positions in 2022-23, and \$689,000 in General Fund and three positions in 2023-24 and ongoing, to analyze pay equity data and produce reports on an ongoing basis by industry showing the progress, or lack thereof, in demographic representation and gender pay equity.
- **Administrative Workload.** Provides \$1.3 million General Fund and seven positions in 2022-23, and \$836,000 General Fund and seven positions in 2023-24, and ongoing, to provide additional resources to support DFEH's administrative workload, including appeals, public records requests, media outreach, contracts and procurement, and accounting processes, and help administering a Statewide Hate Crime Hotline.

- **IT Services Division.** Includes \$521,000 General Fund and three positions in 2022-23; and \$517,000 General Fund in 2023-24, and ongoing to provide in-house support for the Information Technology Services Division (ITSD).
- **Hate Incident Training and Consultation.** Appropriates \$889,000 in 2022-23 and \$883,000 in 2023-24 and 2024-25 to provide training and consultation to communities facing hate incidents or other conflict over discriminatory practices.
- **Commission on the State of Hate.** Approves \$1.8 million and two positions annually through 2025-26 and \$900,000 in 2026-27 for the Commission on the State of Hate to study hate in California and develop antihate resources for law enforcement and others, consistent with the provisions of AB 1126 (Bloom), Chapter 712, Statutes of 2021.
- **Civil Rights Department.** Includes trailer bill language to change the name of the Department of Fair Employment and Housing to the Civil Rights Department and change the Fair Employment and Housing Council to the Civil Rights Council to more accurately reflect the duties and responsibilities of the Department.

2240 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD)

The budget provides \$4.9 billion in 2021-22 to support 1398.5 positions at HCD. This includes:

- **California Dream for All.** The budget provides \$500 million in General Fund resources to establish the California Dream for All program. The budget also includes trailer bill language establishing the program and providing direction to the California Housing Finance Authority in the development and implementation of the program.
- **Codes Field Operations Staffing Increase.** The budget includes an augmentation of \$393,000 in state operations from the Mobilehome-Special Occupancy Park Revolving Fund (Fund 0245) to support three positions in 2022-23 and ongoing.
- **Consolidated Housing Accountability Application Procurement Project.** The budget includes \$6,713,000 in state operations from the General Fund in 2022-23 to improve its monitoring and management of loans and grants business programs through the procurement and implementation of a new enterprise Information Technology (IT) solution.
- **Workload Resources (Various Legislation).** The budget includes a General Fund augmentation of \$2,269,000 for 11.8 positions in 2022-23, \$1,969,000 for 11.8 positions in 2023-24, and \$1,678,000 for 10.3 positions in 2024-25 and ongoing, to implement and support various legislation. Additionally, the budget includes a Federal Trust Fund authority increase of \$1,800,000 for seven positions in 2022-23, and \$1,187,000 ongoing for seven positions to support and implement AB 816 (Chiu), Chapter 396 Statutes of 2021. Specifically, the budget includes the following:
 - \$186,000 in General Fund resources for one position in 2022-23 and ongoing for AB 68 (Quirk-Silva), Chapter 341, Statutes of 2021, which requires the Statewide Housing Plan to

include an estimate of the number of affordable units needed to meet the state's housing needs.

- \$75,000 in General Fund resources for 0.3 attorney positions in 2022-23 and ongoing to implement AB 215 (Chiu), Chapter 342, Statutes of 2021, which adds, among other things, five new areas of state housing law to HCD's existing accountability and enforcement authority under AB 72.
- \$680,000 in General Fund resources for two positions, and a \$300,000 consulting contract in 2022-23, \$380,000 for two positions in 2023-24, and \$190,000 for one position in 2024-25 and ongoing to implement the provisions of AB 602 (Grayson), Chapter 347, Statutes of 2021, which requires local jurisdictions to conduct a nexus study with prescribed standards before implementing any fee that impacts development.
- \$186,000 in General Fund resources for one position in 2022-23 and ongoing to implement AB 787 (Gabriel), Chapter 350, Statutes of 2021, which allows cities and counties to receive credit towards their regional housing need for the conversion of above moderate-income units to moderate-income units through reporting these conversions on the APR that is submitted to HCD each year.
- A Federal Trust Fund authority increase of \$1,800,000 in 2022-23 and \$1,187,000 ongoing for seven positions to implement increased federal funding for the National Housing Trust Fund (NHTF) program.
- \$101,000 in General Fund resources for 0.5 two-year limited-term positions in 2022-23 and 2023-24 to research, develop, and implement new homeownership funding policy in the Affordable Housing and Sustainable Communities (AHSC) program per AB 1095, (Cooley), Chapter 355, Statutes of 2021, which clarifies that the AHSC program can grant awards to projects that create owner-occupied housing and authorizes the program to include criteria in its guidelines for projects that provide owner-occupied housing.
- \$186,000 in General Fund resources for one position in 2022-23 and ongoing to implement SB 63 (Stern), Chapter 382, Statutes of 2021, which requires HCD, in coordination with the State Fire Marshal, to propose wildfire resilient building standards to be adopted by the California Building Standards Commission's (BSC) triannual code cycle.
- \$70,000 in General Fund resources for 0.5 positions in 2022-23 and ongoing to implement SB 478 (Wiener), Chapter 363, Statutes of 2021, which increases HCD's enforcement authority to prohibit a local agency from imposing specified standards to housing development projects consisting of three to ten residential units.
- \$89,000 in General Fund resources for 0.5 positions in 2022-23 and ongoing to respond to requests for technical assistance, enforce accountability, and update guidance documents related to State Density Bonus Law (SDBL) per SB 728 (Hertzberg), Chapter 365, Statutes of 2021.
- \$695,000 in General Fund resources for five administrative positions in 2022-23 and ongoing to support ongoing business needs due to the passage of various enacted bills.

- **Administrative Workload Resources.** The budget includes \$1.6 million in state operations from the General Fund for 25 positions in 2022-23, and ongoing to support the Governor's priority housing and homelessness programs. Specifically, the request includes:
 - Accounting Branch - Two positions to address the increasing workload in the general ledger and accounts payable units and support ongoing financial compliance with federal and state guidelines.
 - Business and Contract Services Branch (Contract Services) - Three positions to support HCD's ongoing purchasing, service, and local assistance contracting needs in relation to program expansion and growth.
 - Financial Management Branch (FMB) - Six positions to effectively centralize financial management of HCD's loan portfolio, forecasting, and ongoing reconciliation of programmatic financial data to align with reporting to the federal government and the accounting book of record (FI\$Cal).
 - Human Resources Branch (HRB) - Two positions to support HCD's ongoing human capital business needs due to programmatic expansion and growth.
 - Information Technology Branch (ITB) - Nine positions to support the expansion and growth of HCD's programs through the development of technological support and solutions, the maintenance of IT infrastructures, and addressing security concerns while mitigating against the risk of cyber security threats.
 - Internal Audits - Two positions to provide independent review and analysis of HCD's state, bond, and federal funds to ensure fiscal and programmatic compliance.
 - Organizational Development (OD) - One position to support HCD's expansion and growth by developing its capacity for change and reinforce strategies to achieve operational efficiencies and promote transparency.
- **California Surplus Land Unit.** The budget includes \$2.4 million General Fund and 12 positions in 2022-23 and ongoing to establish the California Surplus Land Unit pursuant implement SB 791 (Cortese), Chapter 366, Statutes of 2021, to facilitate agreements between local agencies and developers on surplus properties, collect and compile data on housing production on local surplus land, collaborate with state housing finance agencies, provide technical assistance, consultative and technical service to developers and local agencies, and prepare an annual report of its activities.
- **Accessory Dwelling Unit Working Group.** Directs the California Housing Finance Agency (CalHFA) to convene a working group to identify and recommend changes to the Agency's Accessory Dwelling Unit Program. This bill requires the working group to consist of representatives from various stakeholders involved in the ADU market, including private lenders, federal mortgage agencies, community development financial institutions, local housing trust funds, community based organizations, and credit unions, among others. It directs the working group to explore options to expand program utilization, mitigate risks for participating lenders,

increase program outreach, expand financing options for construction costs and manufactured options, and ease constraints for participating homeowners. It directs the working group to develop recommendations by July 1, 2023 for consideration by CalHFA,

- **Foreclosure Intervention Housing Preservation Program Cleanup.** Makes technical and clarifying changes to Foreclosure Intervention and Housing Preservation Program created in the Budget Act of 2021 to clarify to role of third party fund managers, clarify the reuse of returned program funds, and better define eligible program participants.
- **Adaptive Reuse.** Expands the allowable uses for the Infill Infrastructure Grant Program to include adaptive reuse and “catalytic qualifying infill areas.” Specifically, this bill makes the statutory changes necessary to implement the \$400 million in funding provided over two years for adaptive reuse purposes.
- **Indoor Air Standards.** Requires the Department of Housing and Community Development to submit policy recommendations to the Legislature by January 1, 2025 to help ensure that residential dwelling units can maintain safe indoor temperature.

Housing Budget Trailer Bills

1. *Budget Act of 2022 – Senate Bill 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Ting), Chapter 249, Statutes of 2022.*
4. *Housing – Senate Bill 197 (Committee on Budget and Fiscal Review), Chapter 70, Statutes of 2022.*
5. *State Government – Assembly Bill 157 (Committee on Budget), Chapter 570, Statutes of 2022.*

SUBCOMMITTEE 5
ON
CORRECTIONS,
PUBLIC SAFETY,
JUDICIARY, LABOR AND
TRANSPORTATION

Senate Committee on Budget and Fiscal Review

Members

Maria Elena Durazo, Chair
Dave Cortese
Shannon Grove
Josh Newman

Consultants

Nora Brackbill
Christopher Francis
James Hacker

SUBCOMMITTEE No. 5

CORRECTIONS, PUBLIC SAFETY, JUDICIARY, LABOR, AND TRANSPORTATION

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THE JUDICIARY

0250 JUDICIAL BRANCH

The budget includes \$5.2 billion (\$3.3 billion General Fund and \$1.9 billion other funds) in 2022-23 for the Judicial Branch, of which \$2.8 billion is provided to support trial court operations.

- **Reduction of Fines and Fees.** The budget includes the following changes to reduce the impact of fines and fees in the justice system:
 - **Reduction of the Civil Assessment.** The budget appropriates \$100 million ongoing General Fund and \$10 million General Fund one-time in backfill to trial courts, and includes trailer bill language to:
 - Reduce the maximum civil assessment from \$300 to \$100.
 - Redirect civil assessment revenue to the General Fund instead of returning to the courts that charged the assessment, to eliminate the incentive courts have to charge the assessment.
 - Provide one-time amnesty of all outstanding civil assessment debt.
 - **Filing Fee Waivers.** The budget includes \$18 million ongoing General Fund and trailer bill language to expand eligibility for automatic waivers of filing fees. The expanded eligibility includes increasing the income threshold from 125 percent to 200 percent of the federal poverty guidelines, and automatic eligibility for recipients of the California Special Supplemental Nutrition Program for Women, Infants, and Children and of unemployment compensation.
 - **Backfill.** The budget includes \$10.3 million to backfill trial courts for reduced revenues due to AB 177 (Committee on Budget), Chapter 257, Statutes of 2021. The budget also includes trailer bill language requiring the Director of Finance to finalize the methodology for determining per county allocations for the backfill.
 - The budget includes trailer bill language to prohibit privately operated programs from imposing application or administrative fees related to work furlough and electronic home detention programs, consistent with the prohibition for publicly operated programs.
- **Firearm Relinquishment.** The budget appropriates \$40 million General Fund one-time available over three years and includes budget bill language to support court-ordered firearm relinquishment efforts.
- **Trial Court Funding.** The budget includes additional General Fund to support general trial court operations, including:
 - \$151.5 million General Fund to backfill the Trial Court Trust Fund.

- \$84.2 million ongoing General Fund for a 3.8 percent inflation adjustment.
- \$100 million ongoing General Fund to improve fiscal equity in trial courts across the state according to workload calculations.
- \$20.9 million ongoing for trial court employee health benefit and retirement costs.
- **Judgeships.** The budget includes \$42.6 million General Fund in 2022-23 and \$42.3 million ongoing thereafter for 23 new judgeships, and \$53.9 million General Fund in associated facility modifications and new construction.
- **Court Modernization and Remote Proceedings.** The budget includes the following resources and statutory changes to support remote court proceedings and to continue to modernize the courts, including data systems:
 - \$33.2 million General Fund in 2022-2023 and 2023-2024, and \$1,632,000 ongoing to implement and support remote access in courtroom proceedings, including upgrading audio and video equipment in courtrooms.
 - \$34.7 million General Fund in 2022-23, \$38.8 million in 2023-24, \$40.4 million in 2024-25, and \$40.3 million ongoing thereafter for branch wide information technology upgrades.
 - Trailer bill language to extend many remote court proceedings until January 1, 2024, with limitations.
 - \$15 million General Fund in 2022-23 and \$3.75 million General Fund ongoing beginning in 2023-24 to establish and implement branch data and information governance and expand the technology platform needed to improve and expand Judicial Branch data access, use, and sharing.
 - \$2.6 million General Fund in 2022-23 and three positions and \$1.7 million in 2023-24 and ongoing to implement, support, and maintain electronic filing interfaces for domestic violence restraining orders, domestic temporary restraining orders, and gun violence restraining orders at all trial courts.
- **Capital Outlay and Facilities Investments.** The budget included significant investments in new courthouses and facility modifications, including:
 - \$11.3 million General Fund in 2022-23 for the Central Justice Center in Orange County to make fire, life, and safety improvements.
 - \$15.3 million General Fund for the East County Regional Center in San Diego County to make fire, life, and safety improvements.
 - \$10 million General Fund for the Shasta County New Redding Courthouse.

- \$21.16 million General Fund for the Fresno County Courthouse.
- \$53.05 million General Fund for the Santa Clarita Courthouse in Los Angeles County.
- \$7.06 million General Fund for the New Quincy Courthouse in Plumas County.
- \$721,000 General Fund and \$479,000 reappropriation for the San Bernardino County Juvenile Dependency Courthouse addition.
- \$29.7 million General Fund for the San Diego Hall of Justice Facility Modification to make fire, life, and safety improvements.
- \$29.17 million General Fund for the San Luis Obispo Courthouse.
- \$21.41 million General Fund for the Solano County Hall of Justice.
- \$136.27 million lease revenue bond authority for the Ukiah Courthouse in Mendocino County.
- \$6.55 million lease revenue bond authority for the Modesto Courthouse in Stanislaus County.
- \$77.23 million lease revenue bond authority for the Lakeport Courthouse in Stanislaus County (Note: This project was authorized at \$66.6 million in the 2021-22 budget, but that authorization was revoked and replaced with the new appropriation due to increases in construction costs and inflation).
- \$3.1 million reappropriation for the New Fort Ord Courthouse in Monterey County.
- \$328,000 reappropriation for the Butte County Juvenile Hall Addition and Renovation and \$3.351 million in General Fund.
- \$15.4 million ongoing General Fund, and \$4.0 million ongoing State Court Facilities Construction Fund reimbursement authority for other facility modifications.
- \$15 million General Fund and budget bill language to expand access to lactation facilities.
- **Community Assistance, Recovery, and Empowerment (CARE) Court.** The budget includes \$6 million for the Judicial Branch to implement CARE Court contingent on the passage of implementing legislation.
- **Legal Aid.** The budget includes additional funding for legal aid organizations, including:
 - \$30 million General Fund for eviction defense.
 - \$15 million General Fund for consumer debt protection.

- \$250,000 to prepare for CARE Court.
- **Dependency Counsel.** The budget provides \$30 million General Fund ongoing for a corrective adjustment to dependency counsel funding.
- **Court of Appeals Court Appointed Counsel.** The budget includes \$8.3 million ongoing General Fund to support the Courts of Appeal Court Appointed Counsel Program. This includes \$6.4 million ongoing General Fund for a \$15 rate increase for non-capital appeal appointments, and \$1.9 million for a permanent 10.5 percent increase in the Project Offices annual contracts.
- **Court Appointed Special Advocates (CASA).** The budget includes \$20 million General Fund per year for three years to support the Court Appointed Special Advocates program across the state.
- The budget also includes:
 - Trailer bill language that enables the Court Reporters Board of California to certify voice writers and allows qualified voice writers to practice as certified shorthand reporters.
 - \$1.25 million one-time General Fund in 2022-2023 to support costs of producing a comprehensive study of probate conservatorships in California and developing statewide recommendations, as required by AB 1194 (Low), Chapter 417, Statutes of 2021.
 - \$1.2 million General Fund in 2022-23 and \$1.1 million General Fund in 2023-24 and ongoing to address the rapidly increasing volume and complexity of work related to requests for legal guidance and support with public access requirements for judicial branch administrative records and proceedings.
 - \$1.16 million General Fund ongoing to provide ongoing training, technical assistance, and legal support to courts on water law, environment, and climate change issues.
 - Minor changes to the budget bill language for pretrial diversion and for ongoing funding for court reporters in family and civil cases.
 - Technical adjustments to the lease revenue debt service for Tuolumne County new Sonora Courthouse and Siskiyou County new Yreka Courthouse.
 - Reduction in the Improvement and Modernization Fund (IMF) by \$4 million one-time to reflect updated expenditures and correct a technical error, and budget bill language allowing the transfer of additional General Fund as needed.
 - \$3 million ongoing General Fund for trial court security, \$1,000 ongoing General Fund for trial court security related to judgeships, and \$534,000 in 2022-23, \$533,000 in 2023-24 and 2024-25 for the Central Justice Center trial court security.

- Statutory technical changes and clarifications related to the Judicial Council’s online ability to pay tool, including specifying that trials conducted under the specified provisions are to be conducted by declaration through the online tool.
- \$4.4 million ongoing reimbursement authority for the Court Facilities Trust Fund to allow the Judicial Council to collect county share of maintenance and utilities costs.

0280 COMMISSION ON JUDICIAL PERFORMANCE

- The budget reappropriates \$200,000 and provides an additional \$200,000 one-time General Fund for legal and administrative costs related to the Committee to Review the Operations and Structure of the Commission on Judicial Performance.

0390 JUDGES’ RETIREMENT FUND

- The budget reappropriates \$80,000 General Fund related to ongoing litigation.

Courts Budget and Trailer Bills

1. *Budget Act of 2022 – Senate Bill 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Ting), Chapter 249, Statutes of 2022.*
4. *Courts – Assembly Bill 199 (Committee on Budget), Chapter 57, Statutes of 2022.*
5. *Public Safety Trailer Bill – Assembly Bill 160 (Committee on Budget), Chapter 771, Statutes of 2022.*
6. *State Government – Assembly Bill 156 (Committee on Budget), Chapter 569, Statutes of 2022.*

CORRECTIONS AND REHABILITATION

0552 OFFICE OF INSPECTOR GENERAL

The budget includes total funding of \$42.3 million for the Office of Inspector General and was approved as budgeted. Major additional funding for the office includes:

- **Staff Misconduct Oversight.** The budget includes \$7.9 million General Fund in 2022-23 and \$15.1 million ongoing to oversee the new staff misconduct process in prisons.
- **Medical Care Oversight.** The budget includes \$3.3 million General Fund ongoing to expand the unit that provides oversight of prison medical care.
- **Oversight, C-ROB, and Intake (OCI) Unit.** The budget provides \$232,000 ongoing General Fund to support staffing increase for the OCI Unit.

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR)

The budget includes total funding of \$14 billion (\$13.4 billion General Fund and \$603.2 million other funds) for CDCR in 2022-23. The budget assumes an estimated prison population of 102,932 and parolee population of 43,591 in 2022-23.

- **Staff Misconduct and Employee Discipline Processes.** The budget provides \$34.4 million General Fund in 2022-23 increasing to \$34.8 million in 2025-26 and ongoing for the implementation of a new system to handle allegations of staff misconduct in prisons. The budget also provides \$6.2 million General Fund in 2022-23, growing to \$11.8 million in 2024-25 for thorough investigations and progressive discipline of employee misconduct within its existing central intake process and to strengthen disciplinary procedures.
- **Health Care Resources.** The budget includes \$3.8 billion for health care services at CDCR, including the following new resources:
 - \$240.1 million (\$198.9 million General Fund and \$41.2 million in reimbursement authority) for CDCR's COVID-19 response, including testing, personal protective equipment, and extra cleaning and sanitation services.
 - \$126.6 million General Fund in 2022-23 and \$162.5 million ongoing to expand the integrated substance use disorder treatment program, including increasing the number of participants and adding a post-treatment aftercare program and other enhancements.
 - \$47.1 million General Fund in 2022-23, \$76.3 million in 2023-24, and \$40.4 million in 2024-25 for Hepatitis C virus treatment for incarcerated individuals.

- \$18.4 million General Fund to improve medication preparation and distribution spaces at five facilities.
- \$12.9 million ongoing increase in reimbursement authority (increasing to \$40.5 million by 2026-27) offset by an ongoing \$2.3 million reduction in General Fund (the reduction growing to \$29.9 million by 2026-27) to implement California Advancing and Innovating Medi-Cal (CalAIM) services. The budget bill also includes language allowing the General Fund and reimbursement authority to be adjusted based on the actual amounts of reimbursable expenses.
- \$8.6 million in 2022-23 and \$10.5 million ongoing for the California Prison Industry Authority (CalPIA) janitorial program to provide cleaning for additional health care spaces.
- **Rehabilitation and Reentry Programs.** The budget provides additional resources for programs that support rehabilitation and successful reentry, including:
 - \$40 million General Fund per year for three years and budget bill language for the expansion of community reentry programs.
 - \$10.6 million General Fund per year for three years and budget bill language to support reentry housing through the Returning Home Well program.
 - \$3 million one-time General Fund to support a creative workforce training and reentry program.
 - \$3.9 million General Fund and 62.5 positions in 2022-23 and \$4.6 million and 72.5 positions ongoing for staffing to facilitate rehabilitative programming in prisons.
 - \$20 million General Fund for a capacity building grant to community-based organizations that provide programming for prisons.
 - \$10 million General Fund for restorative justice programming over three years, including \$4 million in 2022-23.
 - \$4.1 million General Fund for veteran programming at the Correctional Training Facility.
 - \$5 million General Fund in 2022-23 and \$4.7 million ongoing to permanently fund Bachelor's degree programs at seven institutions in collaboration with California State University.
 - \$567,000 General Fund in 2022-23 and \$1.1 million through 2025-26 to provide tattoo removal services for people preparing for release or leaving prison gangs.
- **Capital Outlay and Facilities.** The budget provides funding for significant capital outlay investments, facility modifications, and other facility services, including:

- \$265.3 million one-time General Fund to convert two projects from Lease Revenue Bonds to General Fund, including the Ironwood State Prison, Blythe: Heating, Ventilation, and Air Conditioning System project and the Monterey County Jail Project.
- \$37 million General Fund in 2022-23 to start two new and continue five other capital outlay projects, including:
 - California State Prison, Corcoran: Radio Tower and Equipment Vault.
 - California State Prison, Corcoran: Correctional Treatment Center Individual Exercise Yards.
 - California State Prison, Sacramento, Folsom: New Cognitive Behavioral Treatment Classrooms.
 - California Substance Abuse Treatment Facility and State Prison, Corcoran: Air Cooling Facility F and G.
 - California State Prison, Los Angeles County, Lancaster: Medication Preparation Room Unit D5.
 - Chuckawalla Valley State Prison, Blythe: New Potable Water Wells.
 - California Health Care Facility, Stockton: Facility B Individual Exercise Yards.
- Adjustment of the funding levels for two previously approved projects at the California Institution for Men, Chino: \$120.6 million in lease revenue bond authority for the 50-Bed Mental Health Crisis Facility project and \$18.46 million for the Air Cooling Facility A project.
- \$8.205 million in reappropriations for five capital outlay projects that have been delayed:
 - Correctional Training Facility, Soledad: Health Care Facility Improvement Program – Specialty Care Clinic.
 - Folsom State Prison, Folsom: Water Storage Tanks.
 - San Quentin State Prison, San Quentin: New Boiler Facility.
 - Sierra Conservation Center, Jamestown: Health Care Facility Improvement Program – Central Health Services Building Renovation.
 - Valley State Prison, Chowchilla: Arsenic and Manganese Removal Water Treatment Plant.
- \$67.6 million in additional funding to finish 11 outstanding Health Care Facility Improvement Program projects.

- \$73 million one-time General Fund for roof replacements at California Institution for Men and the California Medical Facility.
- \$1 million General Fund to perform advanced planning functions and prepare budget packages for capital outlay projects.
- \$29.2 million General Fund ongoing for utilities and waste removal.
- \$1.1 million ongoing reimbursement authority to provide administrative staff support for various construction projects and the Inmate-Ward Labor program.
- **Prison Population and Closures.** The budget includes statutory language to specify the closure of the California Correctional Center in Susanville by June 30, 2023, and to clarify statutes related to prison closures. Due to projected long-term decreases in the incarcerated population, CDCR anticipates closing an additional three prisons by 2024-25.
- **Communication.** The budget reappropriates approximately \$10 million to extend cost-free communications in prisons for two years.
- **Cellular Interdiction.** The budget includes \$12.6 million General Fund in 2022-23 and \$18.5 million in 2023-24 to update and expand the cellular interdiction program, which prevents unauthorized cell phone usage in prisons.
- **Surveillance Video Systems.** The budget includes \$97.55 million General Fund in 2022-23 and \$7.8 million ongoing to install fixed camera systems at ten additional institutions and deploy body-worn cameras at four additional institutions.
- **Americans with Disabilities Act (ADA) Court Mandates.** The budget provides \$22.2 million for facility improvements and \$2.6 million for staffing to support court-mandated ADA measures.
- **Data Collection and Evaluation.** The budget includes \$6 million General Fund and budget bill language for data collection and evaluation regarding the outcomes of formerly incarcerated individuals.
- **Legal Services and Information Technology.** The budget includes significant resources to update data systems and support legal staff to facilitate compliance with public records requests, court orders, and ongoing litigation, including:
 - \$2.1 million ongoing General Fund to augment resources for the privacy office to enhance cybersecurity.
 - \$19.5 million General Fund in 2022-23 and \$1.4 million ongoing to develop an eDiscovery platform and increase staffing for the centralized video storage, and redaction unit.
 - \$4.4 million General Fund in 2022-23 and \$5.2 million General Fund in 2023-24 and ongoing thereafter to address information security and cybersecurity vulnerability.

- \$1.1 million for redaction related workload to SB 16 (Skinner), Chapter 402, Statutes of 2021.
- \$11.5 million General Fund in 2022-23, \$16.1 million in 2023-24, and \$17.5 million in 2024-25 and ongoing, to cover the increased cost of moving to a statewide contract for Microsoft End User Licensing Agreement.
- \$2.4 million General Fund in 2022-23 and \$2.3 million ongoing to handle legal work involved in class action lawsuits and budget bill language requiring reporting on savings.
- \$1.5 million ongoing General Fund for legal services from the Department of Justice.
- \$3.1 million ongoing General Fund to support additional mental health reporting tasks, a new data validation project related to the *Coleman* court, and to address increased reporting requests from both internal and external stakeholders.
- The budget also:
 - Provides \$500,000 General Fund for a consulting contract to repurpose condemned housing areas, making permanent the Condemned Inmate Transfer Pilot Program.
 - Provides six new proposed positions for victim restitution collection services and shifts unit funding from special funds to the General Fund beginning in 2024-25.
 - Provides \$9.5 million ongoing General Fund to continue providing modified work assignments for staff with medical conditions.
- The budget includes the following additional statutory changes:
 - Establishes the Delancey Street Restaurant Management Program at California State Prison, Solano, which will provide participants with the skills needed to operate a full-service restaurant.
 - Reduces the lease revenue bond authority for county jail construction programs by \$100 million, reflecting a corresponding expenditure for behavioral health infrastructure in the Budget Act for the AB 900 Los Angeles County Jail Project.
 - Clarifies that incarcerated individuals who successfully participate in an institutional firehouse program may petition to have their pleading dismissed, consistent with existing policy for incarcerated individuals who participate as hand crew members in conservation camps.

JUVENILE JUSTICE

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR) 5227 BOARD OF STATE AND COMMUNITY CORRECTIONS (BSCC)

- The budget provides \$100 million one-time General Fund for grants administered by BSCC for county juvenile facilities to support the realignment of the Division of Juvenile Justice (DJJ).
- The budget makes statutory changes to facilitate the closure of DJJ and clarify secure youth track commitments and arson and sex offender registration post-realignment.
- The budget reduces the budget for DJJ by \$6 million General Fund and 32.5 positions in 2021-22, \$15.7 million and 95 positions in 2022-23, and \$87.8 million and 554.7 positions in 2023-24 and ongoing. The budget assumes an estimated average daily population of 641 youth in 2021-22 and 430 youth in 2022-23, with approximately 300 youth remaining in custody on June 30, 2023 when DJJ closes.
- The budget provides \$3 million one-time General Fund to BSCC for transitional housing for youth discharged by the Board of Juvenile Hearings.
- The budget includes budget bill language requiring CDCR to report on the distribution of retention payments to employees at DJJ.

Corrections and Rehabilitation Budget and Trailer Bills

1. *Budget Act of 2022 – Senate Bill 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Ting), Chapter 249, Statutes of 2022.*
4. *Public Safety Omnibus – Assembly Bill 200 (Committee on Budget), Chapter 58, Statutes of 2022.*
5. *County Jail Financing – Assembly Bill 202 (Committee on Budget), Chapter 59, Statutes of 2022.*
6. *Public Safety Trailer Bill – Assembly Bill 160 (Committee on Budget), Chapter 771, Statutes of 2022.*

PUBLIC SAFETY

LOCAL PUBLIC SAFETY

- **Community Corrections Performance Incentive Grant (SB 678).** The budget provides \$123.8 million General Fund to county probation departments for the California Community Corrections Performance Incentive Act of 2009 (SB 678 (Leno), Chapter 608, Statutes of 2009) grant program and adopts trailer bill language to stabilize the grant formula for two years in response to COVID-19 impacts.
- **Proposition 47 Savings.** Proposition 47 requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits incarcerated persons previously sentenced for these reclassified crimes to petition for resentencing. Proposition 47 established a fund to invest savings from reduced prison utilization in prevention and support community programs. The Department of Finance estimates net General Fund savings of \$161.1 million in 2022-23. These funds are allocated according to the formula specified in the initiative, which requires 65 percent be allocated for grants to public agencies to support various recidivism reduction programs (such as mental health and substance use treatment services), 25 percent for grants to support truancy and dropout prevention programs, and 10 percent for grants for victims' services.
- **Post Release Community Supervision.** The budget includes \$20.9 million one-time General Fund for county probation departments to supervise the temporary increase in the average daily population of individuals on Post Release Community Supervision because of the implementation of Proposition 57.

0690 CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CalOES)

The 2022-23 budget includes \$2.35 billion and 1,752 positions for CalOES. The budget includes the following programs.

- **Nonprofit Security Grant.** The budget includes \$50 million one-time General Fund for the Nonprofit Security Grant to provide security assistance to nonprofit organizations at risk of hate-motivated violence.
- **9-8-8 Behavioral and Mental Health Hotline.** The budget provides \$7.52 million General Fund in 2022-23 and \$6 million ongoing and ten positions for the implementation of the 9-8-8 Behavioral and Mental Health Hotline.
- **Flexible Assistance for Survivors.** The budget provides \$50 million General Fund available over four years and includes trailer bill language to establish a grant program for community-based organizations to provide flexible assistance to survivors of crime.
- **Emergency Response Capacity.** The budget includes various investments in the state's emergency response, including:

- \$114 million ongoing for the California Disaster Assistance Act adjustment, an increase of \$37.4 million from the previous year, and establishes a new baseline at \$100 million ongoing.
- \$11.2 million General Fund in 2022-23, \$10.9 million ongoing, and 11 positions to enhance the Fire and Rescue Mutual Aid Fire Fleet.
- \$17.1 million ongoing General Fund and three positions for the California Earthquake Early Warning System.
- \$25 million General Fund and five positions ongoing to provide local law enforcement support during disasters and emergencies.
- Language directing the Office of Emergency Services to create a statewide strategic plan that includes goals for and an assessment of emergency response capacity.
- \$18.6 million one-time General Fund for the Los Angeles Regional Interoperable Communication System (LA-RICS).
- \$4 million ongoing for Fire and Rescue Training at the California Specialized Training Institute.
- \$7.2 million in 2022-23 and \$5.8 million ongoing for the California Specialized Training Institute.
- Additional resources for responding to COVID-19, including:
 - \$114.3 million one-time General Fund to provide warehouse space, purchase new and replace expiring personal protective equipment, increase commodity supply, and secure logistic support equipment.
 - \$29.5 million General Fund one-time to continue COVID-19 testing efforts and to provide resources in the event of future outbreaks.
- Additional funding for general emergency operations, including:
 - \$5.8 million in 2022-23 (\$5.5 million General Fund), \$5.1 million ongoing (\$4.8 million General Fund), and 20 positions to expand regional response capacity.
 - \$4.9 million ongoing General Fund and 21 positions for logistics management.
 - \$5.04 million General Fund, \$3.95 million Federal Trust Fund, \$145,000 State Penalty Fund, and \$68,000 bonds ongoing for support capacity.
 - \$8.1 million General Fund in 2022-23, \$5.2 million ongoing, and 19 positions for the California State Warning Center to better analyze, monitor, coordinate, and inform decision-makers on critical emergency incidents and disasters.

- **Capital Outlay.** The budget provides additional funding for CalOES facilities, including:
 - \$19 million one-time General Fund in capital outlay and support for updates to the headquarters in Mather, including upgrading the State Operations Center.
 - \$5.4 million one-time General Fund for the Southern Regional Center.
 - \$2.467 million General Fund for the Relocation of Red Mountain Communications Site project in Del Norte County to reflect inflation and increased construction costs.
- **Data Modernization.** The budget includes \$19 million General Fund in 2022-23, \$10.5 million ongoing, and eight positions to modernize CalOES’s technology and data capabilities.
- The budget also:
 - Provides \$5 million General Fund per year for the next three years for the Internet Crimes Against Children Taskforce.
 - Increases federal reimbursement authority by \$34.5 million to account for Family Violence Prevention and Services Act American Recovery Plan COVID-19 Testing, Vaccine Access, and Mobile Health Units supplemental funding.
 - Reappropriates up to \$16,042,000 for community-wide home hardening.
 - Provides \$6.4 million in reimbursement authority to CalOES to extend an existing contract for an operational observer, related to public safety power shutoffs, and includes provisional language requiring reporting on various data points.
 - Includes \$250 million one-time General Fund in 2023-24 for a Multifamily Seismic Retrofit Matching Grant Program and trailer bill language establishing the grant program.
 - Provides \$1.41 million ongoing General Fund to implement AB 580 (Rodriguez), Chapter 744, Statutes of 2021.
 - Provides \$63,000 one-time special fund for the Nuclear Planning Assessment Special Account Consumer Price Technical Adjustment.
 - Provides \$375,000 one-time special funds for Equality in Prevention and Services for Domestic Abuse.
 - Augments the Disaster Service Worker Program by \$500,000 ongoing.
 - Provides \$525,000 one-time General Fund for a coastal and inland regional operations centers study.

- Provides \$536,000 General Fund one-time and \$236,000 ongoing to implement AB 1568, (Committee on Emergency Management), Chapter 8, Statutes of 2022, to establish and maintain a statewide donations system.

0820 DEPARTMENT OF JUSTICE (DOJ)

The 2022-23 budget includes total funding of \$1.2 billion, including \$433.6 million General Fund, and 5,791 positions to support DOJ. The budget includes the following programs.

- **Taskforces and Statewide Coordination.** The budget includes:
 - \$6 million General Fund per year for three years and \$500,000 ongoing for statewide coordination and prosecution of organized retail theft.
 - \$5 million ongoing General Fund and budget bill language to make permanent various statewide taskforces.
 - \$7.9 million General Fund in 2022-23 and \$6.7 million ongoing to establish the Fentanyl Enforcement Program to target statewide fentanyl-trafficking criminal networks.
 - \$2.5 million one-time General Fund to cover increased DOJ workload, external consultants, and travel for the Reparations Task Force pursuant to AB 3121 (Weber), Chapter 319, Statutes of 2020.
- **DNA Identification (ID) Fund Backfill.** The budget provides \$35.4 million General Fund to backfill the DNA ID Fund.
- **Firearms.** DOJ includes the Bureau of Firearms, which regulates the manufacture, sale, ownership, safety training, and transfer of firearms. The budget includes the following investments to support the Bureau:
 - \$5.2 million one-time Dealer Record of Sale (DROS) Special Account for firearm tracking system modernization.
 - \$2.3 million (\$6,000 General Fund and \$2.3 million DROS Special Account) in 2022-23, increasing to \$3.5 million in 2023-24, and \$973,000 ongoing, to implement modifications to DOJ's firearms databases to align with firearm transfer laws pursuant to SB 715 (Portantino), Chapter 250, Statutes of 2021.
 - \$223,000 ongoing General Fund to support accelerated implementation and ongoing workload associated with tracking the sale, possession, and transfer of precursor parts in California, pursuant to AB 879 (Gipson), Chapter 730, Statutes of 2019. Given the increased risk to public safety associated with illegal possession of firearms constructed through precursor parts kits ("ghost guns"), SB 118 (Committee on Budget and Fiscal Review), Chapter 29, Statutes of 2020, accelerated the implementation timeline of AB 879 by three years.

- \$327,000 General Fund in 2022-23, and \$306,000 ongoing, to analyze and report information submitted by local law enforcement agencies to DOJ related to firearms that were illegally possessed, used in a crime, or suspected of being used in a crime pursuant to AB 1191 (McCarty), Chapter 683, Statutes of 2021.
- Statutory changes to exempt classes and events that promote firearm safety, hunting, or sport shooting from prohibitions on advertising to minors.
- **Implementation of Legislation.** The budget includes the following resources to implement recently enacted legislation:
 - \$2.3 million General Fund in 2022-23, and \$1.6 million in 2023-24 and ongoing, to investigate officer-involved shootings that result in the death of an unarmed civilian pursuant to AB 1506 (McCarty), Chapter 326, Statutes of 2020.
 - \$7.4 million (\$3.4 million General Fund and \$4 million Legal Services Revolving Fund) in 2022-23 and \$6.5 million (\$2.7 General Fund and \$3.8 million Legal Services Revolving Fund) to prepare records pertaining to police officer conduct for public disclosure pursuant to SB 16 (Skinner), Chapter 402, Statutes of 2021.
 - \$4.8 million General Fund to implement recently enacted legislation pertaining to criminal resentencing, including:
 - \$396,000 in 2022-23, and \$382,000 ongoing, to provide legal response to appeals when criminal resentencing is denied, or a defendant claims error occurred in resentencing, pursuant to AB 1540 (Ting), Chapter 719, Statutes of 2021.
 - \$3.6 million in 2022-23, and \$3.5 million ongoing, to address an increase in resentencing and vacatur appeals pursuant to SB 775 (Becker), Chapter 551, Statutes of 2021.
 - \$794,000 in 2022-23, and \$768,000 in 2023-24, to address increased resentencing hearings pertaining to initial sentence enhancements pursuant to SB 483 (Allen), Chapter 728, Statutes of 2021.
 - \$4.5 million General Fund in 2022-23 and \$2.2 million ongoing thereafter to address the workload mandated by SB 384 (Weiner), Chapter 541, Statutes of 2017, related to sex offender re-tiering.
 - \$1.3 million General Fund in 2022-23 and \$1.2 million ongoing thereafter to implement AB 958 (Gipson), Chapter 408, Statutes of 2021, related to law enforcement gangs.
 - \$879,000 General Fund in 2022-23, and \$671,000 ongoing, to implement new data reporting requirements, prepare an annual report that details anti-reproductive healthcare rights violations and criminal offenses, and provide legal guidance to state and local entities pursuant to AB 1356 (Bauer-Kahan), Chapter 191, Statutes of 2021.

- \$396,000 General Fund in 2022-23 and \$382,000 ongoing to address an increase in consumer complaints, engage in settlement proceedings, and enforce consumer genetic privacy law pursuant to SB 41 (Umberg), Chapter 596, Statutes of 2021.
- \$1.7 million General Fund in 2022-23, \$1.5 million in 2023-24, and \$135,000 as a loan to the Fingerprint Fees account to make information technology changes to automatically reflect approved conviction records relief information pursuant to AB 898 (Lee), Chapter 202, Statutes of 2022.
- \$415,000 Registry of Charitable Trusts Fund in 2022-23 and \$659,000 ongoing thereafter to implement and pursue actions pursuant to AB 488 (Irwin), Chapter 616, Statutes of 2021.
- \$1.11 million General Fund in 2022-23 to implement SB 179 (Atkins), Chapter 853, Statutes of 2017.
- \$491,000 General Fund in 2022-23, \$99,000 in 2023-24, and \$95,000 ongoing thereafter to update the Criminal Justice Data Exchange pursuant to AB 262 (Patterson), Chapter 193, Statutes of 2021.
- **Medi-Cal Fraud and Elder Abuse.** The budget includes \$7.8 million (\$6.1 million Federal Trust Fund, \$1.2 million False Claims Act Fund, and \$474,000 General Fund) in 2022-23 and \$7.1 million (\$5.6 million Federal Trust Fund, \$1.1 million False Claims Act Fund, and \$406,000 General Fund) in 2023-24 and ongoing to provide sufficient authority for DOJ to receive the full amount of a reoccurring federal grant that supports investigative, enforcement, and prosecutorial duties carried out by the Department's Division of Medi-Cal Fraud and Elder Abuse.
- The budget also:
 - Provides \$2 million one-time General Fund for plaintiff appeal fees, appellate fees, and accrued interest pertaining to *Buffin v. City and County of San Francisco*.
 - Reappropriates \$3.84 million General Fund to be used for the purposes of implementing the provisions of AB 3099 (Ramos), Chapter 170, Statutes of 2020.
 - Includes \$137,000 ongoing Indian Gaming Special Distribution Fund to comply with mandated duties associated with the Tribal Nation Grant Program.
 - Provides \$902,000 Gambling Control Fines and Penalties Fund in 2022-23 to support continued Project Approval Lifecycle efforts related to the replacement of the Bureau of Gambling Control's License 2000 System.
 - Provides \$1.4 million Registry of Charitable Trusts Account in 2022-23, \$1.3 million in 2023-24, \$1.4 million in 2024-25, and \$1.4 million ongoing thereafter to support increased workload.
 - Reappropriates funding for local entities to submit reimbursements related to sexual assault examinations.

- Makes various changes to AB 1356 (Bauer-Kahan), Chapter 191, Statutes of 2021, including the addition of district attorneys and city attorneys to the agencies that the Attorney General is required to collect information related to anti-reproductive rights crimes from, changes the first report due date to January 1, 2025, and authorizes the Attorney General to submit these reports electronically.
- Includes \$5 million one-time General Fund to provide grants to Girl Scouts Councils in California for background checks for volunteers.

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS (BSCC)

BSCC provides leadership and technical assistance to local criminal justice entities. BSCC also administers numerous local grant programs. The 2022-23 budget includes \$1.35 billion to support BSCC operations and programs, and 133 positions.

- **Retail Theft.** The budget includes the following resources to combat retail theft:
 - \$85 million General Fund per year for three years for grants to local law enforcement to combat organized retail theft.
 - \$10 million General Fund per year for three years for grants to district attorneys to combat retail theft using vertical prosecution.
- **Gun Buyback Program.** The budget includes \$25 million one-time General Fund for grants to local law enforcement agencies to run gun buyback programs. The budget includes trailer bill language that requires the destruction of surrendered weapons collected by law enforcement agencies, including firearms collected through gun buyback programs, unless the firearm is evidence in a case or necessity of retention is established by certificate from a judge of a court of record or the district attorney of the county.
- **Mobile Probation Centers.** The budget includes \$20 million one-time General Fund for grants to county probation departments to implement mobile service centers to facilitate court appearances and provide resources, particularly for unhoused probationers.
- **Peace Officer Wellness.** The budget appropriates \$50 million one-time General Fund for grants to counties for peace officer wellness initiatives.
- **Missing Indigenous Persons.** The budget includes \$4 million General Fund per year for three years to establish a competitive grant program to help California tribes locate and identify missing Indigenous persons.
- **Expanded Adult Reentry Grant.** The budget provides an additional \$20 million per year for three years to the Adult Reentry Grant, bringing the total appropriation to \$57 million General Fund.
- **Fresno Jail Project.** The budget converts \$81.48 million lease revenue bond authority to General Fund for the Fresno County jail project.

- **Use-of-Force and De-escalation Training Pilot.** The budget includes \$10 million one-time General Fund for grants to establish a use-of-force and de-escalation strategies training pilot program for selected police and sheriff's departments.

7870 VICTIM COMPENSATION BOARD (VCB)

Cal VCB provides financial compensation to victims of crime through the Restitution Fund. The budget includes the following changes to VCB.

- **Trauma Recovery Centers.** The budget includes \$23 million General Fund one-time available over three years to expand Trauma Recovery Centers.
- **Outreach.** The budget includes \$3 million one-time Restitution Fund for outreach and education related to the victim compensation program.
- **Benefit Limit Increases.** The budget includes an increase of \$7 million ongoing Federal Trust Fund expenditure authority to reflect the Federal Victims of Crime Act reimbursement rate increase from 60 percent to 75 percent. The budget also includes trailer bill language to increase benefit limits for crime scene cleanup costs (from \$1,000 to \$1,700), funeral/burial costs (from \$7,500 to \$12,800), and relocation claims (from \$2,000 to \$3,400) to adjust for inflation since these limits were set in 2000. These benefit increases will be supported by the increased federal reimbursements.
- **Erroneous Convictions.** The budget provides \$535,000 General Fund in 2022-23 and \$471,000 ongoing thereafter to implement SB 446 (Glazer and Becker), Chapter 490, Statutes of 2021, related to erroneous convictions, and provides \$7 million ongoing General Fund and statutory changes authorizing the California Victim Compensation Board to approve claims and provide timely payments for incarcerated individuals who were falsely accused of crimes. The budget includes budget bill language authorizing the Director of Finance to augment the appropriation of funds if they are insufficient.
- **IT Enhancements.** The budget provides \$2.37 million Restitution Fund in 2022-23 and \$808,000 ongoing thereafter for information technology security and systems enhancement.
- **Legal Fees.** The budget provides \$874,000 General Fund in 2022-23 and \$874,000 in 2023-24 for increased costs for legal representation by the Attorney General's office in lawsuits associated with claims for erroneous convictions.
- **Elimination of Restitution Fines and Expansion of Eligibility and Benefits.** Subject to fiscal conditions, the budget provides \$75 million ongoing beginning in 2024-25 to support expanded eligibility and an improved process for the compensation of victims of crime, and to eliminate restitution fines. The budget includes trailer bill language, subject to future appropriation, that makes the following changes to victim compensation:
 - Expands eligibility to individuals who are on parole or post-release supervision.

- Specifies that victims cannot be denied for lack of cooperation at the scene of the crime or for a delay in reporting a crime.
- Removes the reimbursement limit for victims receiving outpatient mental health care.
- Increases the following benefit limits:
 - Relocation to \$7,500.
 - Funeral and burial to \$20,000.
 - Total award to \$100,000.
- Expands loss of income benefits for victims and derivative victims that are unable to work due to the qualifying crime.
- Expands required education and outreach to potentially eligible victims of crime by law enforcement and acute care hospitals and makes other changes to facilitate the process for applicants.
- Expands erroneous conviction compensation to include time served on parole and have automatic inflation updates.

8120 COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING (POST)

The Commission on Peace Officer Standards and Training (POST) is responsible for establishing selection and training standards, improving management practices, and providing financial assistance to local agencies relating to the training of law enforcement officers. The 2022-23 budget includes \$110 million and 263 positions for POST.

- **Peace Officer Certification.** The budget includes \$23 million General Fund in 2022-23 and \$20.6 million and 127 positions ongoing to implement SB 2 (Bradford), Chapter 409, Statutes of 2021.
- **Officer Wellness.** The budget includes \$5 million one-time General Fund to develop a Law Enforcement Wellness Program to support officers' overall health.
- **Distance Learning.** The budget reappropriates \$10.3 million for Distance Learning and Use of Force Training and equipment.

8140 OFFICE OF THE STATE PUBLIC DEFENDER

- **General Workload.** The budget includes \$442,000 ongoing General Fund to support general workload.

- **Indigent Defense Study.** The budget includes \$1 million for an indigent defense study pursuant to AB 625 (Arambula), Chapter 583, Statutes of 2021.

8830 CALIFORNIA LAW REVISION COMMISSION

- **Research Activities.** The budget provides \$1.77 million one-time General Fund to fund three years of contract research activities, including secure data hosting, with the California Policy Lab, a research center based in the University of California system.
- **Trailer Bill Language.** The budget includes trailer bill language allowing local governmental entities to give the Committee on Revision of the Penal Code within the California Law Revision Commission full information and reasonable assistance in any matters of research, or data within their knowledge or control.

Public Safety Budget and Trailer Bills

1. *Budget Act of 2022 – Senate Bill 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Ting), Chapter 249, Statutes of 2022.*
4. *Public Safety Omnibus – Assembly Bill 200 (Committee on Budget), Chapter 58, Statutes of 2022.*
5. *Public Safety Trailer Bill – Assembly Bill 160 (Committee on Budget), Chapter 771, Statutes of 2022.*
6. *State Government – Senate Bill 189 (Committee on Budget and Fiscal Review), Chapter 48, Statutes of 2022.*

LABOR

0559 LABOR AND WORKFORCE DEVELOPMENT AGENCY (LWDA)

- **Staffing at LWDA for Care Economy Workforce.** The budget includes \$500,000 General Fund for 2022-23, 2023-24, and 2024-25 for LWDA staff to develop and implement the Workforce for a Healthy California Initiative in partnership with California Health and Human Services Agency.
- **Agency Information Security Program Development.** The budget includes three positions and \$615,000 from reimbursements in 2022-23 and ongoing to meet the new IT security standards outlined in the Cal-Secure roadmap. These positions and funding will also accommodate workload growth associated with increased demands for securing critical information technology assets from compromise or business impact and ensuring the confidentiality, integrity, and privacy of confidential citizen information.
- **LWDA Operations.** The budget includes 10 positions and \$1.4 million from reimbursements and \$916,000 Labor and Workforce Development Fund in 2022-23 and ongoing to manage new and existing workloads.
- **High Road Standards Reporting Across LWDA.** The budget includes budget bill language that directs LWDA, by January 10, 2023 to document relevant programs and initiatives under Employment Development Department (EDD), California Workforce Development Board (CWDB), and Department of Industrial Relations (DIR), for which the high road standard is a candidate for application. For those initiatives, LWDA reports the current statutory and regulatory requirements for each, including whether administering departments currently apply the high road standard.

7100 EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD)

- **Unemployment Insurance (UI) Debt Paydown.** The budget includes \$1 billion General Fund of which \$250 million General Fund in 2022-23 and \$750 million in 2023-24, to begin repaying the outstanding balance on the state's federal Unemployment Insurance (UI) loans.
- **Unemployment Insurance Cost Relief on Businesses.** The budget includes \$500 million, to be appropriated in the 2024-25 Budget Act and as reflected in the state's multi-year financial forecast, to provide relief to small businesses because of the anticipated increases in federal unemployment insurance taxes.
- **Vendor Contracts.** The budget includes \$96.3 million in 2022-23, and \$45.1 million in 2023-24 and 2024-25, split between the General Fund and the Unemployment Compensation Disability Fund, to continue financing vendor services contracts that were entered into during the COVID-19 Pandemic. Vendors provide services to reduce fraud,

manage the workload backlog, and improve the claimant experience for Californians filing for benefit payments.

- **EDDNext Modernization.** The budget includes \$136 million in 2022-23, split evenly between the General Fund and the Unemployment Compensation Disability Fund, for the EDDNext modernization effort. This anticipated multi-year effort focuses on EDD's benefits systems and services' modernization, including improvement to customer service across unemployment insurance, disability insurance, and paid family leave benefit programs. The budget adopts budget language making funding contingent on EDD demonstrating satisfactory progress towards implementation milestones.
- **Cyber Security Resilience and Instrumentation.** The budget includes \$10.2 million General Fund in 2022-23, \$6.1 million in 2023-24 and 2024-25, and authorizes 29 cybersecurity positions, totaling \$22.4 million, to assist with fraud mitigation and improve cybersecurity and suspicious event monitoring, response, and resiliency.
- **Identify Theft Awareness/Prevention and Fraud Investigative Support.** The budget includes \$21.5 million in 2022-23 (\$8.9 million General Fund, \$12.6 million Unemployment Compensation Disability Fund) and \$9.9 million in 2023-24 (\$3.1 million General Fund, \$6.8 million Unemployment Compensation Disability Fund) to support EDD fraud investigation and interdiction efforts, provide financial assistance to local prosecutors engaged in criminal cases, support legal records and file management, fund dedicated staff for restitution and asset recovery.
- **Information Technology Branch Technology Modernization.** The budget includes \$23.5 million General Fund for 2022-23, 2023-24, and 2024-25, totaling \$70.5 million, for the Department's Information Technology Branch's 122 Unemployment Insurance workload positions to be able to maintain support for current and future workload at the Department.
- **Microsoft Office 365 Enterprise License Agreement.** The budget includes \$4.9 million in 2022-23, \$5.7 million in 2023-24, and \$6.2 million in 2024-25, split between the General Fund and the Disability Insurance Fund, to cover annual licensing costs associated with the Microsoft Office 365 Enterprise License Agreement.
- **UI Command Center Division (UICCD).** The budget includes \$1.5 million General Fund and 10 positions annually for three years to operate the UICCD. This Command Center is responsible for workload forecasting and management, and call center data collection.
- **Assembly Bill (AB) 110 (Petrie-Norris), Chapter 511, Statutes of 2021.** The budget includes \$2.2 million EDD Contingent Fund and 4.6 positions in 2022-23, \$934,000 and 3.6 positions in 2023-24, and \$720,000 and 3.5 positions in 2024-25. These resources will implement provisions of AB 110 that was recently chaptered. AB 110 requires the Department of Corrections and Rehabilitation to provide the names, social security numbers, known aliases, birthdates, booking date and expected release date of current

incarcerated individuals to EDD for the purpose of preventing payments on fraudulent claims for UI benefits.

- **Assembly Bill (AB) 397 (Mayes and Chiu) Chapter 516, Statutes of 2021.** The budget includes \$241,000 EDD Contingent Fund and one position in 2022-23. These resources will implement provisions of AB 397 that was recently chaptered. AB 397 requires the EDD to provide notice and allow a claimant to dispute the potential disqualification prior to actually disqualifying an individual from receiving benefits.
- **Emergency Medical Technician Training.** The budget includes \$20 million General Fund annually from 2022-23 through 2024-25 to launch a program that provides targeted emergency medical technician training.
- **Displaced Oil and Gas Worker Fund.** The budget includes \$40 million General Fund in 2022-23 to launch the Displaced Oil and Gas Worker Fund. This grant program will to provide access to transitional jobs, career counseling, employment and training services to help displaced oil and gas workers for careers in other industries. The budget includes trailer bill language to implement the fund.
- **English Language Learners (ELL) program.** The budget includes \$20 million General Fund in 2022-23 to expand the Integrated Education and Training for the ELL program. The ELL program uses various strategies to increase the rate at which adult basic education and English-as-a-second language students advance to college-level occupational programs and complete postsecondary credentials in fields offering good wages and career advancement. The budget also includes budget language that allows funding for undocumented immigrants, consistent with federal law.
- **Local Law Enforcement Data Sharing.** The budget, through trailer bill, SB 191 (Committee on Budget and Fiscal Review), Chapter 67, Statutes of 2022, authorizes EDD to exchange information with federal, state, or local governmental departments and agencies that are concerned with the administration of unemployment or disability insurance, and with other federal, state, or local departments or agencies of government as necessary for the administration of provisions relating to unemployment and disability compensation.
- **Unemployment Insurance Eligibility Notifications.** The budget, through trailer bill SB 191, authorizes EDD to serve notices personally, electronically, by mail, or in any other manner the department elects. The law specifies that service is deemed completed on the date on which the notice is sent, mailed, or emailed, unless a notice is personally served, in which case service is deemed completed on the date on which the notice is delivered.
- **Cannabis Control Fund.** The budget appropriates \$3.6 million Cannabis Control Fund in 2022-23 for support of EDD.
- **Employment Training Program (ETP) - Employment Training Panel Expansion for Health and Social Work.** The budget appropriates \$25 million General Fund in 2022-23

for a Healthcare Workforce Advancement Program. This program aims to support job entry and career advancement for entry-level and other workers in care, healthcare, and human services social work settings. Adopts budget language that funding must meet high-road requirements and includes reporting requirements on job commitments, including the number of jobs and quality of wages and benefits.

- **Employment Training Program (ETP) – Workforce Literacy Pilot Program.** The budget appropriates \$10 million General Fund in 2022-23 for a Workforce Literacy Pilot Program. These funds aim to support expanding workplace literacy in contextualized English, digital skills, and technical skills training for incumbent and newly hired workers, as well as for unemployed individuals, who are limited English proficient.
- **ETP- Social Entrepreneurs for Economic Development (SEED) Initiative Liquidation Extension.** The budget extends the liquidation term for the Social Entrepreneurs for Economic Development (SEED) Initiative authorized by the 2020 Budget Act, from June 30, 2022 to June 30, 2023. The budget provides authority to extend contract terms entered into by grantees of the first round of the SEED Initiative, known as “SEED 1.”

7120 CALIFORNIA WORKFORCE DEVELOPMENT BOARD (CWDB)

- **High Road Training Partnerships in Health and Human Services.** The budget includes \$135 million General Fund over three years, to recruit, train, hire, and advance California’s health and human services sectors. Funding will be awarded through regional grants. Partners may include community colleges, workforce boards, employers, and non-profit organizations.
- **California Youth Leadership Corps.** The budget includes \$20 million General Fund in 2022-23 and \$20 million General Fund in each of 2023-24 and 2024-25 as advance payment and support to the Emerald Cities Collaborative for the California Youth Leadership Corps for community change learn-and-earn career pathway programs at 20 selected community colleges over four-year period.
- **Oil and Gas Well Capping Workforce Pilot.** The budget includes \$20 million in 2022-23 General Fund to support the Oil and Gas Well Capping Workforce pilot initiative in Kern County and Los Angeles to provide training and employment for impacted oil and gas workers.
- **Low Carbon Economy Initiative.** The budget includes \$15 million General Fund annually from 2022-23 through 2024-25 to support the Low Carbon Economy Initiative. New sectors that are supported include zero emission bus manufacturing, energy storage, food and agriculture, fossil fuel transition, clean transportation, forestry, utility line tree-trimming, and offshore wind.

- **Goods Movement Workforce Training Campus.** The budget includes \$110 million General Fund over three years to build and establish the Goods Movement Workforce Training Campus at the Port of Los Angeles.
- **Statewide Reentry Employment Grant Program.** The budget includes \$50 million General Fund in 2022-23 for a Statewide Reentry Employment Grant Program at the CA Workforce Development Board. The program will award competitive grants to eligible non-profit organizations and local partnerships to support activities including, but not limited to, reskilling, upskilling, training, and supportive services for the reentry population to ensure employment, employment opportunities, and job mobility.
- **CWDB, Extreme Heat Workforce.** The budget includes \$17 million General Fund over two years to expand high road training partnerships in industry sectors that support the state's response to extreme heat, such as heating, ventilation and cooling, cool roofs, urban forestry, climate smart natural resource management, as well as other industries identified through collaboration with other state agency partners.
- **California Hospitality Training Center.** The budget appropriates \$20 million General Fund in 2022-23 for the establishment of a Hospitality Training Center in Los Angeles. Funding is to transform this long-abandoned property to a modern, multi-union training center with a commercial kitchen. This center will incorporate High Road Training Partnerships and enable participants to provide this training to disadvantaged and vulnerable communities, and place these residents into union jobs with living wages, benefits and worker voice.
- **Impact Justice California.** The budget appropriates \$15 million General Fund in 2022-23 to Impact Justice California to support youth and adult workforce development, training and apprenticeship programs, and reentry wraparound services.
- **AB 680 (Burke), Chapter 746, Statutes of 2021, Implementation.** The budget includes \$160,000 Greenhouse Gas Reduction Fund (GGRF) ongoing and one position, an Interagency Climate Policy Specialist, to implement AB 860. AB 680 requires the State Air Resource Board to work with the LWDA to update, by July 1, 2025, the funding guidelines for administering agencies to ensure that all applicants to grant programs funded by the GGRF meet fair and responsible employer standards.
- **Five Keys Appropriations.** The budget appropriates \$15 million General Fund in 2022-23 to support Five Keys Adult School (SF Sheriff's), Five Keys Charter (SF Sheriff's), and Five Keys Independence High School (SF Sheriff's).
- **Hollywood Partnership.** The budget includes \$400,000 General Fund in each of 2022-23 and 2023-24 for the Hollywood Partnership to add hospitality ambassadors and provide the hospitality services needed for those in the community.

7350 DEPARTMENT OF INDUSTRIAL RELATIONS (DIR)

- **COVID-19 Supplemental Paid Sick Leave Extension.** The budget agreement included two trailer bills related to COVID-19 Supplemental Paid Sick Leave. The first bill is the early action trailer bill SB 114 (Committee on Budget and Fiscal Review), Chapter 4, Statutes of 2022. SB 114 re-established COVID-19 supplemental paid sick leave provisions that were part of 2021 Budget Act early action but expired on September 30, 2021. SB 114 requires employers with more than 25 employees to provide up to 40 hours for workers in the public and private sector as specified. The law also entitles a covered employee, in addition to the 40 hours of COVID-19 supplemental paid sick leave, to take up to 40 more hours of COVID-19 supplemental paid sick leave if the covered employee, or a family member for whom the covered employee is providing care, tests positive for COVID-19. This law applied retroactively to January 1, 2022, and will remain in effect until September 30, 2022. Finally, SB 114 appropriated \$100,000 from the General Fund to the Labor Commissioner to implement the provisions related to the COVID-19 supplemental paid sick leave.

The second trailer bill, AB 152 (Committee on Budget), Chapter 736, Statutes of 2022 extends the expiration date for the provisions of 2022 COVID-19 Supplemental Paid Sick Leave program contained in SB 114 from September 30, 2022 to December 31, 2022. AB 152 also establishes the California Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant Program within California Office of Small Business Advocate (CalOSBA) to assist qualified small businesses and nonprofits, with between 26 to 49 employees, for incurring costs for COVID-19 supplemental paid sick leave pursuant to Sections 248.6 and 248.7 of the Labor Code, through administration of grants.

- **Women in Construction Priority Unit.** The budget includes \$15 million General Fund in 2022-23 and ongoing and trailer bill language, in SB 191, that requires the DIR to establish a Women in Construction Priority Unit to coordinate and help ensure collaboration across DIR's subdivisions and maximize state and federal funding to support women and nonbinary individuals in the construction workforce. The trailer bill language does the following:
 - Outlines the initial duties and responsibilities of this unit.
 - Requires the director of DIR by July 1, 2023, to convene an advisory committee to make recommendations to advance the unit's objectives.
 - Requires the advisory committee to be composed of representatives from recognized or certified collective bargaining agents representing construction workers, labor-management groups, construction industry employers or employer associations, state government departments, and non-profit stakeholders.
- **California Youth Apprenticeship Program.** The budget includes \$20 million General Fund in 2022-23, \$20 million in 2023-24 and \$25 million in 2024-25 to establish the Youth Apprenticeship Grant Program. Trailer bill language in SB 191 does the following:

- Requires the Division of Apprenticeship Standards (DAS) to administer the program, which would provide grants for the purpose of providing funding for existing apprenticeship and preapprenticeship programs or to develop new apprenticeship and preapprenticeship programs to serve the target population and satisfy the goals and objectives of the grant program, as specified.
- Defines “target population” as individuals from 16 to 24 years of age who are at risk of disconnection or are disconnected from the education system or employment, unhoused, in the child welfare, juvenile justice, or criminal legal systems, living in concentrated poverty, or are facing barriers to labor market participation. “Target population” includes youth who face chronic opportunity educational achievement gaps, attend schools in communities of concentrated poverty, or attend high schools with a negative school climate.
- Authorizes the grant funds for specific purposes.
- Requires grant proposals to include, among other things, the knowledge, experience, and capacity to provide services to the target population, as defined, and the industries and career pathways targeted. Requires the program to collect, analyze, and report specified program data on race, gender, income, rurality, ability, foster youth, homeless youth, English language learner, and other key characteristics.
- Requires the Division of Apprenticeship Standards (DAS) to monitor and audit grant recipients to ensure compliance with policies, procedures, and requirements for use of the grant funds.
- Requires the Chief of the DAS to convene a committee to develop recommendations, of specified topics, to DAS on the expansion of youth apprenticeships in California.
- **Apprenticeship Innovation Funding Program.** The budget includes \$55 million in 2022-23 for the Apprenticeship Innovation Funding Program, which expands non-traditional apprenticeship programs and supports additional apprentice activities. This agreement includes \$60 million General Fund in each of 2023-24 and 2024-25 to fund the program. Trailer bill language in SB 191 does the following:
 - Establishes the program, which requires DAS to administer the program, which provides grants, reimbursements, or other funding for the support of an apprenticeship program or training of apprentices.
 - Authorizes an apprenticeship program or eligible entity, as specified, to submit an application to the DAS to request funds in a manner specified by the DAS. Identifies specified entities that have registered apprentices with the DAS as “eligible entities,” including public educational institutions, labor organizations, and industry associations, among others.

- Authorizes the DAS, upon application of an apprenticeship program or eligible entity, to provide support funds to organize, run, and sustain an apprenticeship program in an amount determined by the DAS and specifies factors to be considered by the DAS in determining the amount.
- Specifies eligible activities for using support funds, including employer outreach, support, onboarding, and management, among others.
- Authorizes DAS to provide training funds either directly to public educational institutions for the training of apprenticeships or to apprenticeship programs that meet specified criteria, and specifies eligible activities for using training funds, including development of courses and classroom instruction, among others.
- **Retaliation Complaint Investigation Unit.** The budget includes \$3.9 million Labor Enforcement and Compliance Fund in 2022-23 and growing to \$14 million Labor Enforcement and Compliance Fund ongoing augmentation in 2025-26 for this unit.
- **COVID-19 Workplace Outreach Project (CWOP).** The budget includes \$25 million General Fund each in 2022-23 and in 2023-24 for the CWOP program at DIR. CWOP partner organizations are conducting outreach activities to educate workers and employers in high-risk industries, such as the food and agriculture sectors, on how to minimize the spread of COVID-19 in the workplace, and educating essential workers about COVID-19-related labor laws.
- **DIR, Protections from Extreme Heat.** The budget includes \$8 million General Fund annually in 2022-23 and 2023-24 to protect vulnerable populations through targeted outreach and education in multiple languages for employers and employees, and increased strategic enforcement before and during heat events to protect workers from heat-related illness and wildfire smoke hazards.
- **Enhanced Enforcement and Compliance (Various 2021 Legislation).** The budget includes \$10.4 million and 53.5 positions in 2022-23, decreasing to \$2.7 million and 13 positions by 2025-26, and ongoing, to implement various chaptered legislation.
- **Continued Support for Subsequent Injuries Benefits Trust Fund.** The budget includes \$2.5 million and 15 positions in 2022-23, increasing to \$4.0 million and 24 positions in 2023-24 and ongoing, from the Workers Compensation Administration Revolving Fund to provide permanent resources to review claims.
- **Reaching Every Californian.** The budget includes two positions and \$650,000 General Fund ongoing, to expand the Reaching Every Californian outreach campaign.
- **Electronic Adjudication Management System Modernization.** The budget includes \$2.5 million in 2022-23 from the Workers' Compensation Administration Revolving Fund. The Division of Workers' Compensation's Electronic Adjudication Management System is nearing the end of its technological life and must be replaced to maintain functionality.

DIR is requesting initial funding to replace this system to allow the division to continue providing quality services to its stakeholders.

- **Garment Worker Center.** The budget appropriates \$8 million General Fund in 2022-23 to the Garment Worker Center for a justice campus in the Los Angeles Fashion District to provide labor rights education and advocacy, legal services, mutual aid, job creation, and workforce development.
- **SB 62 (Durazo), Chapter 329, Statutes of 2021 Technical Changes.** The budget corrects an erroneous cross-reference contained in the provisions and makes other non-substantive changes.
- **Electronic Filing Access for Workers' Compensation Community.** The budget includes \$1.2 million from the Workers' Compensation Administration Revolving Fund for 2022-23, and \$500,000 ongoing, to support the purchase of software to enable stakeholders to e-sign documents and also for licenses to allow all users to electronically file documents. These resources will allow for all users to e-file their documents in the division's electronic adjudication management system and to allow users to electronically sign documents. This is necessary to fulfill requirements recently issued by the Department of General Services.
- **Workers' Compensation Workload.** The budget includes \$933,000 and five positions in 2022-23, and \$864,000 ongoing from the Workers' Compensation Administration Revolving Fund to increase staffing in Division of Workers' Compensation's Medical Unit to meet rising workload.
- **Occupational Safety and Health Standards Board Legal Program Support.** The budget includes \$983,000 and five positions in 2022-23, and \$914,000 ongoing from the Occupational Safety and Health Fund for the Occupational Safety and Health Standards Board to assist with legal unit workload levels that have increased significantly over the past six years. These positions will help provide timely processing of variance applications, which are necessary public services (Labor Code Sections 143 and 143.1).
- **Occupational Safety and Health Appeals Board Legal Staff.** The budget includes \$267,000 and one position for 2022-23, and \$253,000 ongoing from the Occupational Safety and Health Fund for the Occupational Safety and Health Appeals Board Legal Unit, to address an increase in petitions for reconsideration and writs of mandate required because of COVID-19.
- **Goat Herders Pay.** The state government trailer bill, AB 156 (Committee on Budget), Chapter 569, Statutes of 2022, includes the following changes related to goat herder and sheep herder parity:
 - Prohibits an employer from crediting meals or lodging against the minimum wage owed to sheepherders and would require every employer to provide to each sheepherder not less than the minimum monthly meal and lodging benefits required

to be provided by employers of shearers under the provisions of the H-2A visa program.

- Increases the civil penalties for violations of the above prohibitions.
- Applies, until January 1, 2024, the labor provisions specifically applicable to shearers to be applicable to goat herders.
- Prior to the aforementioned sunset date, directs the Labor Commissioner to issue a report to the Legislature on wage violations, including minimum wage and overtime, affecting shearers and goat herders.

Labor Budget and Trailer Bills

1. *Budget Act of 2022 – SB 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – AB 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Employment: COVID-19: supplemental paid sick leave – SB 114 (Committee on Budget and Fiscal Review), Chapter 4, Statutes of 2022.*
4. *State Government – SB 189 (Committee on Budget and Fiscal Review), Chapter 48, Statutes of 2022.*
5. *Employment trailer bill – SB 191 (Committee on Budget and Fiscal Review), Chapter 67, Statutes of 2022.*
6. *COVID-19 relief: supplemental paid sick leave – AB 152 (Committee on Budget), Chapter 736, Statutes of 2022.*
7. *State Government – AB 156 (Committee on Budget), Chapter 569, Statutes of 2022.*

PUBLIC EMPLOYMENT AND RETIREMENT

CROSS-CUTTING

- **New Employee Orientation.** The budget includes new provisions related to new employee orientations in SB 191 (Committee on Budget and Fiscal Review), Chapter 67, Statutes of 2022. The trailer bill includes the following changes:
 - Until June 31, 2025, requires that an exclusive representative be entitled to schedule an in-person meeting at the worksite during employment hours, if a public employer has not conducted an in-person new employee orientation within 30 days, as specified.
 - Requires that newly hired employees be relieved of other duties in order to attend the meeting, during which an exclusive representative would be authorized to communicate with newly hired employees in the applicable bargaining unit for up to 30 minutes on paid time.
 - Requires employers to provide appropriate onsite meeting space within seven calendar days of receiving a request from an exclusive bargaining representative.
 - Authorizes an exclusive representative to schedule multiple meetings or schedule a meeting or meetings once the order is lifted or modified, if the state or a local public health agency issues an order limiting the size of gatherings or prohibiting gatherings, as specified.
 - Generally authorizes the employer and the exclusive representative, through mutual agreement, to waive or modify these and other specified requirements.
- **Workers Tax Fairness Tax Credit.** The budget includes \$400 million General Fund each in 2024-25 and 2025-26 for the Workers Tax Fairness Credit. More information is contained in the revenue and taxation section of the Final Action Report.

7501 CALIFORNIA DEPARTMENT OF HUMAN RESOURCES (CalHR)

- **State Workforce Demographic Data Collection.** The budget, through SB 189 (Committee on Budget and Fiscal Review), Chapter 48, Statutes of 2022, includes provisions stating that on or after January 1, 2024, the State Controller's Office, to the extent the State Controller's Office has completed the functionality necessary, and the CalHR, when collecting demographic data as to the ancestry or ethnic origin of persons hired into state employment, shall establish and include new demographic categories for the collection of data pertaining to the ancestry or ethnic origin of African American employees. The collection of this data continues CalHR's duties to maintain statistical information necessary for the evaluation of equal employment opportunity and upward mobility within state civil service.

- **Labor Relation Officers.** The budget, through SB 191, increases the number of labor relations officers that the Governor is authorized to appoint to 12. Prohibits the additional two appointments from resulting in an increase in the authorized expenditures of the Department of Human Resources.
- **California Leads as an Employer.** The budget includes 43.0 permanent positions and \$7.6 million (\$6.3 million General Fund, \$1 million Reimbursement, and \$250,000 other funds) for 2022-2023, and \$6.8 million (\$5.5 million General Fund, \$986,000 Reimbursement, and \$239,000 other funds) for 2023-2024 and ongoing. This amount is for CalHR to begin implementing the recommendations of the “California Leads as an Employer” taskforce.
- **Departmental Workload.** The budget includes 22.5 positions and \$6.3 million General and special funds for 2022-23, and \$4.8 million General and special funds in 2023-24 and ongoing. These resources are to address: 1) staffing issues in the Administrative Services and Information Technology Divisions; 2) realignment of the Legal Division funding; 3) obtain a single legal management system; 4) create a new Dependent Reverification Unit; and 5) increase funding for the Savings Plus Program.
- **California State Payroll System Project.** The budget includes 15.0 permanent positions and \$3.4 million General Fund in 2022-23, \$3.3 million General Fund in 2023-24 and 2024-25, and \$2.6 million General Fund in 2025-26 and ongoing to support the California State Payroll System through the continuation of the California Department of Technology Project Approval Lifecycle Stage 4 and into the execution phase System Development Lifecycle of the approved project.
- **Statewide Learning and Development (L&D) Assessment.** The budget includes \$750,000 General Fund for consulting services to conduct a thorough system review and analysis of all L&D systems and make recommendations for a statewide L&D strategy.
- **Funding Model Realignment.** The budget converts a portion of CalHR funding structure from reimbursement authority to General Fund. Specifically, the budget substitutes \$3 million Reimbursement for \$3,012,000 General Fund in 2022-23 and ongoing to make exams and testing, support for use of online examination and certification systems, and discrimination complaint tracking system available for all state departments without a reimbursement cost model.

7900 CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CalPERS)

- **Supplemental Pension Payment.** The budget, through SB 191, appropriates \$2.9 billion in one-time Proposition 2 debt repayment funding in 2022-23 to further reduce the unfunded liabilities of the CalPERS state plans.
- **CalPERS State Contributions.** State contributions to CalPERS have decreased by a net total of \$215.6 million (\$180.1 million General Fund) in 2022-23 relative to the Governor’s Budget. The decrease is a result of CalPERS’ adjustment to the state’s contribution rates, which is largely driven by the normal progression of the existing amortization and smoothing policy; elimination of the \$2.5 billion pension payment to the state’s unfunded liabilities over fiscal years 2019-20 to 2021-22, as authorized by AB 84 (Committee on Budget), Chapter 16, Statutes of 2020; and changes in experience and actuarial assumptions (including impacts of the 21.3 percent

investment return in 2020-21 and the reduction in the discount rate from 7.00 percent to 6.80 percent). The Governor's Budget assumed that the state would contribute \$8.4 billion (\$4.8 billion General Fund) in 2022-23 to pay for state employee pension benefits (including CSU employees).

7920 CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM (CalSTRS)

- **State Contributions.** State contributions to CalSTRS increased by \$6 million General Fund in 2022-23, relative to the Governor's Budget, due to a revision in reported compensation for K-12 and community college teachers. The Governor's 2022-23 Budget proposal included \$3.7 billion General Fund in required contributions to CalSTRS. No supplemental payments to CalSTRS is proposed in 2022-23, in contrast to past few years.
- **Organizational Support and Management.** The budget includes \$17.4 million for 10 positions and funding to support increased administrative workload and funding for property management services and various information technology capabilities.

7320 PUBLIC EMPLOYMENT RELATIONS BOARD (PERB)

- **Information Technology Upgrade.** The budget includes \$416,000 General Fund and one position to enable the Public Employment Relations Board to comply with California Department of Technology standards and information system modernizations.

9800 EMPLOYEE COMPENSATION

- **Collective Bargaining.** The budget increases employee compensation by \$217.6 million in 2022-23 (\$132.2 million General Fund) and \$143.0 million ongoing (\$70.5 million General Fund) to reflect updated estimates to the dental and vision premium rates, changes to enrollment in health and dental plans, updated employment information for salary increases and other post-employment benefit contributions, telework stipends, and Division of Juvenile Justice recruitment and retention differentials.

The budget also reflects a decrease of \$329 million General Fund in 2022-23 for retiree health and dental benefits reflecting lower-than-expected retirements and updated enrollment information.

- **Bargaining Agreements – Memoranda of Understanding.** The budget includes four trailer bills that ratify memoranda of understanding (MOUs), MOU addenda and side letters negotiated between the state and Judges and 19 bargaining units (BUs) that represent state employees.

Assembly Bill 151. AB 151 (Committee on Budget), Chapter 250, Statutes of 2022, makes necessary statutory changes to ratify and implement MOUs between the state and BUs 2, 8, 9 and 18, MOU side letter agreements with three BUs and appropriates funds for General Salary Increase (GSI) adjustments for BU 5 and Judges. For 2022-23, these MOUs, side letters and GSI

adjustments cost \$298,737,000 (\$105,531,000 General Fund). The agreements cover Judges and state employees represented by seven exclusive employee representatives, as follows:

- California Attorney, Administrative Law Judges, and Hearing Officers in State Employment (CASE)
 - Bargaining Unit 2: Attorneys and Hearing Officers
- California Association of Highway Patrolmen (CAHP)
 - Bargaining Unit 5: Highway Patrol
- California Department of Forestry and Fire Protection Firefighters, CalFire Local 2881
 - Bargaining Unit 8: Firefighters
- Professional Engineers in California Government (PECG)
 - Bargaining Unit 9: Professional Engineers
- California Association of Professional Scientists (CAPS)
 - Bargaining Unit 10: Professional Scientific
- California Association of Psychiatric Technicians (CAPT)
 - Bargaining Unit 18: Psychiatric Technicians
- American Federation of State, County and Municipal Employees (AFSCME)
 - Bargaining Unit 19: Health and Social Services/Professional

Senate Bill 130. SB 130 (Committee on Budget and Fiscal Review), Chapter 64, Statutes of 2022, ratifies MOU side letter agreements between the state and BUs 5, 6, 7 and 8. For 2022-23, the side letters cost approximately \$79.40 million one-time (\$52.23 million General Fund). The agreements cover state employees represented by four exclusive employee representatives, as follows:

- California Association of Highway Patrolmen (CAHP)
 - Bargaining Unit 5: California Highway Patrol Officers
- California Correctional Peace Officers Association (CCPOA)
 - Bargaining Unit 6: Correctional Peace Officers
- California State Law Enforcement Association (CSLEA)
 - Bargaining Unit 7: Protective Services and Public Safety
- California Department of Forestry and Fire Protection Firefighters, CAL FIRE Local 2881
 - Bargaining Unit 8: Firefighters

Senate Bill 132. SB 132 (Committee on Budget and Fiscal Review), Chapter 66, Statutes of 2022, makes necessary and conforming changes to ratify and implement MOU side letters between the state and BUs 16 and 18. For 2022-23, the agreements cost \$14 million General Fund to

implement the side letters. The agreements cover state employees represented by two exclusive employee representatives, as follows:

- Union of American Physicians and Dentists (UAPD)
 - Bargaining Unit 16: Physicians, Dentists, and Podiatrists
- California Association of Psychiatric Technicians (CAPT)
 - Bargaining Unit 18: Psychiatric Technicians

Senate Bill 196. SB 196 (Committee on Budget and Fiscal Review), Chapter 69, Statutes of 2022 makes necessary statutory changes to ratify and implement an MOU and MOU side letters between thirteen BUs and the state. For 2022-23, these agreements cost approximately \$59.54 million (\$33.31 million General Fund) to implement the provisions of the agreements. The agreements cover state employees represented by thirteen exclusive employee representatives, as follows:

- Service Employees International Union, Local 1000 (SEIU 1000)
 - BU 1: Administrative, Financial, and Staff Services
 - BU 3: Professional Educators and Librarians
 - BU 4: Office and Allied
 - BU 11: Engineering and Scientific Technicians
 - BU 14: Printing Trades
 - BU 15: Allied Services
 - BU 17: Registered Nurses
 - BU 20: Medical and Social Services
 - BU 21: Education Consultants and Library Employees
- California Department of Forestry and Fire Protection Firefighters, CalFire Local 2881
 - Bargaining Unit 8: Firefighters
- International Union of Operating Engineers (IUOE)
 - Bargaining Unit 13: Stationary Engineers
- Union of American Physicians and Dentists (UAPD)
 - Bargaining Unit 16: Physicians, Dentists, and Podiatrists
- American Federation of State, County and Municipal Employees (AFSCME)
 - Bargaining Unit 19: Professional Health and Social Services

Public Employment and Retirement Budget and Trailer Bills

1. *Budget Act of 2022 – SB 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Budget Act of 2022 – Assembly Bill 178 (Ting), Chapter 45, Statutes of 2022.*
3. *Budget Act of 2022 – Assembly Bill 179 (Ting), Chapter 249, Statutes of 2022.*

4. *State Government – SB 189 (Committee on Budget and Fiscal Review), Chapter 48, Statutes of 2022.*
5. *Employment trailer bill – SB 191 (Committee on Budget and Fiscal Review), Chapter 67, Statutes of 2022.*
6. *State Employment – AB 151 (Committee on Budget), Chapter 250, Statutes of 2022.*
7. *State Government – AB 156 (Committee on Budget), Chapter 569, Statutes of 2022.*
8. *State Employment – SB 130 (Committee on Budget and Fiscal Review), Chapter 64, Statutes of 2022.*
9. *State Employment – SB 132 (Committee on Budget and Fiscal Review), Chapter 66, Statutes of 2022.*
10. *State Employment – SB 196 (Committee on Budget and Fiscal Review), Chapter 69, Statutes of 2022.*

TRANSPORTATION

LOCAL AIRPORTS

- **Airport Customer Facilities Charge Sunset Date.** The budget extends the sunset date for airport customer facility charges from January 1, 2023 to January 1, 2024. Existing law authorizes an airport operated by a city and county to require a rental car company to collect a fee from its customers on behalf of the airport for the use of an airport-mandated common use busing system or light rail transit system operated for the movement of passengers between the terminal and a consolidated on-airport rental car. Under current law the proceeds of these fees would be used to finance bond debt related to certain capital improvements.

TRANSPORTATION INFRASTRUCTURE PACKAGE

The budget includes a \$14.8 billion multiyear transportation package, including funding for transit, freight, active transportation, climate adaptation, and other purposes across the state. In addition to those items, the budget establishes an independent Office of Inspector General for the high-speed rail project and appropriates the remaining \$4.2 billion of Proposition 1A high-speed rail funds with legislative direction to prioritize construction of a Merced-Bakersfield segment. This package includes:

- **Transit Infrastructure.** \$3.65 billion for transit investments in the current year through the California State Transportation Agency (CalSTA) Transit and Intercity Rail Capital Program as follows:
 - \$1.5 billion for Northern California.
 - \$1.8 billion for Southern California.
 - \$300 million for adapting certain rail lines to sea level rise.
 - Sets aside a minimum of \$900 million in each regional allocation for priority projects for which additional state funding would help maintain or secure additional federal or local funds.
 - Includes up to \$150 million for the development of future projects that could eventually compete for additional funding.
 - \$2 billion allocated by formula per year for 2023-24 and 2024-25.
 - Allocates a minimum of \$300,000 to each eligible entity and the remaining funds distributed by population to each eligible entity.
- **Grade Separations.** Includes \$350 million through CalSTA for high-priority grade-separation projects.

- **Ports and Freight Infrastructure.** Includes \$1.2 billion over two years through CalSTA for freight-related infrastructure at and around the state’s ports.
- **Workforce Development Center.** Includes \$110 million over three years for the California Workforce Development Board (CWDB) to invest in the supply chain workforce.
- **Active Transportation Program.** Includes \$1 billion in the current year for the Active Transportation Program and \$150 million at Caltrans for a pilot program for planning and delivery of projects that will inform the future conversion of underutilized highways into multimodal corridors that serve existing communities.
- **Climate Adaptation.** Includes \$200 million at the California Transportation Commission in funding for local climate adaptation planning and projects and \$200 million in federal funds at Caltrans for adaptation projects on the state highway system.
- **Clean California Program.** Includes \$100 million in the out years for the Clean California program.
- **California High Speed Rail Project.** Appropriates the remaining \$4.2 billion in Proposition 1A funds for the High Speed Rail Authority – and provides that \$2.2 billion will be available when specified conditions are met by the Authority, and includes trailer bill language specifying the following:
 - Provides legislative direction for the prioritization for the construction of the Merced to Bakersfield segment of the project.
 - Provides that the Prop. 1A funds may only be used on the Merced to Bakersfield segment.
 - Provides that the prioritization of the Greenhouse Gas Reduction Fund (GGRF) funds shall be Merced to Bakersfield and provides exceptions as to when the funds may be outside Merced to Bakersfield.
 - Establishes an Independent Office of Inspector General to provide project oversight and improved governance of the High-Speed Rail Authority.

0521 CALIFORNIA STATE TRANSPORTATION AGENCY (CALSTA)

- The budget provides roughly \$1.03 billion for the California State Transportation Agency, including \$238 million from the Greenhouse Gas Reduction Fund.
- **Freight Policy Unit.** The budget provides funding for three positions for three years to establish a freight policy team and approves the requested facility costs. Additionally, includes supplemental reporting language requiring CalSTA to report on efforts to coordinate statewide freight policy.

- **Office of Traffic Safety.** The budget includes \$2.3 million in state and federal funding authority for 2022-23 and \$1.7 million in ongoing authority for the Office of Traffic Safety Program Planning and Outreach. This includes an increase in federal spending authority of \$1.61 million and state transportation funds authority to hire 10 new positions.
- **Freight Infrastructure.** The budget provides \$1.2 billion over two years for freight-related infrastructure at and around the state's ports. This funding will support port-specific high priority projects that increase goods movement capacity on rail and roadways at port terminals, including railyard expansions, new bridges, and zero-emission equipment modernization and deployment.
- **Traffic Safety Program.** The budget increases special funds appropriated for the California Traffic Safety Program at the Transportation Agency by \$678,000.

2600 CALIFORNIA TRANSPORTATION COMMISSION (CTC)

The budget provides \$13.6 million (mostly from the State Highway Account and Public Transportation Account) for 2022-23 fiscal year.

- **Road Charge Pilot Program.** The budget provides \$450,000 over two years for the CTC to implement their part of the Road Charge Pilot Program as created by SB 339 (Weiner), Chapter 308, Statutes of 2021.
- **Clean Freight Corridor.** The budget includes \$900,000 over three years for the CTC to implement the Clean Freight Corridor Efficiency Assessment in SB 671 (Gonzalez), Chapter 769, Statutes of 2021.
- **Transportation Equity.** The budget includes an increase of budgetary authority in the amount of \$218,000 (\$116,000 State Highway Account and \$102,000 Public Transportation Account) for one full-time permanent position to respond to increased workload focused on transportation equity.

2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)

The budget provides \$19.7 billion for Caltrans, including \$8.6 billion in federal funds, to support 22,160 positions.

- **Office of Unmanned Aircraft Systems.** The budget provides \$414,000 State Highway Account for two positions, software and ongoing training to establish the Office of Unmanned Aircraft System Program.
- **Financial Management Software.** The budget adopts a one-time augmentation of \$8 million to upgrade the department's Financial Management System to a supported CGI Advantage software.

- **Fleet Replacement Funding.** The budget provides \$176 million annually for two years from the State Highway Account to begin replacing its aging fleet and to install zero emission vehicle (ZEV) infrastructure and fast fueling infrastructure to meet state mandates and regulations. Additionally, adopts provisional language requiring Caltrans to prioritize the purchase of ZEVs wherever feasible and when not feasible prioritize vehicles with the lowest emissions.
- **Pedestrian and Bicyclist Safety Investigations.** The budget provides \$2.3 million in State Highway Account funding to permanently establish the Pedestrian and Bicyclist Safety Investigations Program.
- **Enterprise Data Governance.** The budget adopts a one-time increase of \$535,000 from the State Highway Account to complete Project Approval Lifecycle stage 3 for the Enterprise Data Governance Technology Solution project. Includes a net zero transfer of six positions and \$868,000 from the Independent Office of Audits and Investigations (IOAI) to the Caltrans Administration Program to reestablish an Internal Audits Office within the Administration program.
- **Transportation Network System.** The budget provides ten positions and resources for \$6.9 million in 2022-23 for the Transportation System Network Replacement Year 2 project costs.
- **Traffic Operations System Network Cybersecurity.** The Budget adopts \$8.3 million in 2022-23, \$8.9 million in 2023-24, and \$4.5 million in 2024-25 and ongoing State Highway Account for 26 positions and Traffic Operations Systems Network Cybersecurity Enhancements. Includes \$18.6 million in 2022-23, \$16.8 million in 2023-24, and \$937,000 in 2024-25 and ongoing from the State Highway Account. Additionally, the request includes six permanent positions, contract resources, and equipment to increase data storage and protection.
- **Proposition 1B Workload.** The budget provides funding to continue the administration of the workload associated with Caltrans' responsibilities under Proposition 1B and includes the continuation of funding for 12 positions totaling \$1.8 million for 2022-23 and 2023-24.
- **Road Charge Pilot Program.** The budget provides \$6 million in State Highway Account over two years and six two-year limited-term positions to implement the Road Charge Pilot Program as created by SB 339 (Weiner), Chapter 308, Statutes of 2021.
- **FI\$Cal.** The budget includes a one-time increase of \$1.6 million from the State Highway Account to support ten administrative services positions in the Division of Accounting and Division of Information Technology to support the increased workload for preliminary planning activities required in preparation for Caltrans on-boarding to the FI\$Cal System.
- **Infrastructure Investment and Jobs Act.** The budget adopts \$50.3 million State Highway Account and 295 positions ongoing to implement the increased state and local transportation funding provided through the Federal Infrastructure Investment and Jobs Act (IIJA).
- **Diesel Sales Tax Rate Pause.** The budget approves Governor's proposal for a 12-month pause, effective October 1, 2022, on the General Fund (approximately four percent rate) portion of the sales tax rate on diesel fuel, with \$439 million included in the fiscal plan across two fiscal years

to continue making transfers from the General Fund to the Public Transportation Account, thereby having no impact on transportation funding and potentially reducing costs by up to 23 cents per gallon (primarily for businesses).

- **Liberty Canyon.** The budget includes reappropriations for the Liberty Canyon Wildlife Crossing to allow funds to be applied for both construction support and capital purposes; and for the General Transit Feed Specification (GTFS) to allow Caltrans to continue to oversee the implementation and expansion of the GTFS by providing support for medium, small and rural transit districts.
- **Infrastructure Package Implementation.** The budget adopts trailer bill language for the transportation infrastructure package implementation for the following:
 - **Advance Payments for Transit.** Expands and clarifies the authority for Caltrans to advance funds to public agencies for transit and passenger rail projects funded by the State Transportation Improvement Program.
 - **Design Build Procurement Authority.** The budget provides authority for an additional six projects in 2022-23 and 2023-24 for projects on which Caltrans is authorized to use its design build procurement authority.
 - **State ROW Permitting.** The budget adopts trailer bill language for State Highway Systems Right-of-Way (ROW), to clarify Caltrans' authority to issue permits for ROW along state roads owned and controlled by Caltrans.
 - **Best Value Procurement.** Allows the Department of General Services (DGS) to utilize the Best Value procurement method to purchase and equip heavy mobile fleet vehicles and special equipment for use by Caltrans. DGS and Caltrans previously held this authority, but it expired January 1, 2022. Consistent with past practice, this bill defines "best value" as a contract award determined by objective criteria related to price, features, functions, and life-cycle costs, rather than simply lowest-cost. This bill also defines requirements for bid evaluation and protest procedures. This bill requires the department to develop and publish a report on its use of best value procurement by March 1, 2024, which includes, to the extent feasible, information on the labor and economic impacts of the program. This bill sunsets the department's ability to use best value procurement on June 30, 2025.

2665 CALIFORNIA HIGH SPEED RAIL AUTHORITY (HSRA)

The budget includes \$1.3 billion for the High-Speed Rail Authority, including \$1.2 million in infrastructure funding, not including the new Proposition 1A funds described below.

- **Merced to Bakersfield Segment.** Authorizes the remaining \$4.2 billion in Proposition 1A funds for the High Speed Rail Authority – and provides that \$2.2 billion will be available only when specified conditions are met by the Authority. Also includes trailer bill language to provide legislative direction for improved governance and the prioritization for the construction of the Merced to Bakersfield segment of the project, as discussed above.

2665 CALIFORNIA HIGH SPEED RAIL AUTHORITY OFFICE OF THE INSPECTOR GENERAL

- **Office of the Inspector General.** The budget provides \$1 million from the Public Transportation Account to establish the Office of Inspector General for the High-Speed Rail project, and provides that this may be augmented by up to \$1 million in additional funding with Joint Legislative Budget Committee notification and approval.

2720 CALIFORNIA HIGHWAY PATROL (CHP)

The budget includes \$3.19 billion (including \$2.6 billion from the Motor Vehicle Account (MVA)) to support 11,236 positions at CHP.

- **Custodian of Records.** The budget adopts two-year limited-term funding of \$696,000 for six positions from MVA in 2022-23 and 2023-24 to establish a centralized Custodian of Records (COR) Unit within the CHP headquarters.
- **State Capitol Annex and Swing Space.** The budget includes \$18.5 million in 2022-23, \$12.93 million in 2023-24, \$9.97 million in 2024-25, and \$7 million in 2025-26, all from MVA, for the protection and security of the new State Capitol Swing Space and the new State Capitol Annex.
- **Recruitment Efforts.** The budget adopts \$2 million annually from MVA for three years to support recruitment efforts. Funding would support the increased costs of advertising campaigns, expand the scope of recruitment efforts, and improve diversity and inclusiveness when advertising.
- **Information Technology (IT) Baseline Funding.** The budget includes one-time funding of \$15 million in 2022-23 from MVA to cover increased costs for the IT Baseline.
- **Highway Violence Task Force.** The budget provides one-time funding from the General Fund of \$4 million in 2022-23, \$3.3 million in 2023-24 and \$3.3 million in 2024-25, to address violent crime occurring on state highways through a Highway Violence Task Force and adopts supplemental reporting language related to reporting requirements.
- **Organized Retail Crime Task Force.** The budget includes \$6 million General Fund annually through 2024-25, \$10.5 million in 2025-26, and \$15 million in 2026-27 and ongoing for the CHP to expand and make permanent its Organized Retail Crime Taskforce.
- **Sideshow Task Force.** The budget provides \$5.5 million General Fund to create a new task force for sideshows. Includes authority for nine additional positions to provide the necessary oversight for the administration of the Cannabis Tax Fund (CTF) Grant Program as required by the passage of both the Control, Regulate, and Tax Adult Use of Marijuana Act and the Medicinal and Adult-Use of Cannabis Regulation and Safety Act.

- **Audio Logging System.** The budget includes \$21 million over six fiscal years (\$7.95 million in 2022-23, \$6.2 million in 2023-24, \$1.95 million in 2024-25, \$2.003 million in 2025-26, \$2.1 million in 2026-27, and \$0.874 million in 2027-28) from MVA to replace obsolete 9-1-1 and public safety radio communications audio logging systems currently in use at the CHP's 24 communications centers. This action includes a disaster recovery system to meet continuity of operations requirements.
- **Dispatch Radio Control System.** The budget includes a permanent augmentation of \$596,000 and position authority from MVA to permanently retain four limited-term positions for the ongoing support of the CHP's dispatch radio console system.
- **Capital Outlay Projects:** The budget includes funding for the following capital outlay projects:
 - \$5.5 million from MVA for the relocation of the Tracy Area office to a new, build-to-suit facility.
 - \$5.5 million General Fund for the construction phase of one site of the California Highway Patrol Enhanced Radio System: Replace Tower and Vault, Phase 1 project, at Leviathan Peak.
 - \$2.2 million General Fund for the performance criteria phase of the Gold Run Area Office Replacement.
 - \$1.8 million General Fund for the acquisition phase of the Redding Area Office Replacement.
 - \$2.5 million General Fund for the acquisition phase of the Los Banos Area Office Replacement.
 - \$1.9 million General Fund for the acquisition phase of the Antelope Valley Area Office Replacement.
 - \$3 million General Fund for the acquisition phase of the Barstow Area Office Replacement.
 - \$1.3 million General Fund for the acquisition phase of the Porterville Area Office Replacement.
 - \$1.5 million General Fund to identify suitable parcels for replacing up to five additional field offices and to develop studies for those sites.
 - Trailer bill language to allow the Santa Ana Office Replacement project to proceed as a Build to Suit Lease.

- **State Compensation Insurance Fund.** The budget provides \$43.6 million ongoing from MVA to cover additional costs resulting from increased State Compensation Insurance Fund fees and workers' compensation and medical costs.
- **California Public Records Act.** The budget includes a permanent augmentation of \$3.6 million from MVA for 22 permanent positions and procurement of a records management system (RMS) and redaction software to support the CHP's increased workload resulting from approved legislation related to the California Public Records Act (CPRA), and to address other statutory requirements related to the CPRA.

2740 DEPARTMENT OF MOTOR VEHICLES (DMV)

The budget includes \$1.64 billion (\$1.36 billion in MVA) to support 8,600 positions at the DMV in 2022-23.

- **Capital Outlay Projects.** The budget provides funding for the following capital outlay projects:
 - \$1.2 million in 2022-23, \$1.8 million in 2023-24, and \$1.9 million in 2024-25 and ongoing for a new leased Laguna Hills Field Office due to the loss of the lease at the current office.
 - \$50,000 in 2022-23, \$660,000 in 2023-24, and \$718,000 in 2024-25 and ongoing to consolidate and relocate the Vallejo Investigations District into one office.
 - \$833,000 from the General Fund to fund the preliminary plans phase (\$320,000) and the working-drawing phase (\$513,000) with a two-year expiration date to complete an elevator modernization project for the DMV Headquarters Campus in Sacramento.
 - \$3.06 million General Fund to fund the acquisition phase of the DMV El Centro/Brawley DMV Field Office Replacement/Commercial Drive Test Center project.
 - \$600,000 General Fund to perform advanced planning and identify suitable parcels to replace two field offices.
- **Capital Outlay Project Reversions and Appropriations.** The budget reverts and appropriates new funds for the Design-Build and Construction phase funding of the following:
 - Quincy: Design-Build Phase, revert \$43.93 million and adds \$51.13 million General Fund.
 - Baldwin Park: Design-Build Phase, revert \$54.29 million and adds \$65.21 million General Fund.

- Santa Fe Springs: Design-Build Phase, revert \$53.52 million and adds \$67.98 million General Fund for Keller Peak: Construction Phase, revert \$2.635 million and adds \$3.23 million from MVA.
- **Commercial Drivers Licenses.** The budget provides \$40 million through 2025-26 for DMV to improve its ability to issue commercial driver licenses. This includes \$34 million to fund leasing costs to establish dedicated commercial drive test centers in the Bay Area and Northern Los Angeles County, and one-time funding of \$6 million in 2022-23 to fund additional staffing for commercial driver license exams.
- **Road Charge Pilot Program.** The budget includes \$171,000 State Highway Account to implement the road charge revenue collection pilot authorized by SB 339 (Weiner), Chapter 308, Statutes of 2021.
- **Heavy Duty Vehicle Inspections.** The budget provides \$3.6 million in 2022-23, \$3.1 million in 2023-24, and \$2.6 million in 2024-25 Air Pollution Control Fund to continue implementation of SB 210 (Leyva), Chapter 298, Statutes of 2019. This legislation requires the California Air Resources Board (CARB) to adopt and implement a regulation for a Heavy-Duty Vehicle Inspection and Maintenance Program for non-gasoline motor vehicles with a gross vehicle weight rating of more than 14,000 pounds.
- **Disabled Placards.** The budget adopts \$6.2 million in 2022-23, \$193,000 in 2023-24, \$1.8 million in 2024-25, \$193,000 in 2025-26, and \$1.7 million in 2026-27, all from the MVA, to continue implementation activities associated with SB 611 (Hill), Chapter 485, Statutes of 2017, which related to how the department handles disabled placards.
- **Motor Voter Program.** The budget includes \$1.4 million in one-time General Fund to implement AB 796 (Berman), Chapter 314, Statutes of 2021. AB 796 makes numerous changes to the California New Motor Voter Program including, but not limited to, modifying voter registration application acceptance dates, and requiring the department to establish a National Voter Registration Act (NVRA) coordinator.
- **Vehicle Dismantling Industry Strike Team.** The budget provides \$414,000 in 2022-23, \$299,000 in 2023-24, and \$164,000 in 2024-25, all from the MVA, to implement SB 366 (Umberg), Chapter 601, statutes of 2021, which reinstates the seven-agency Vehicle Dismantling Industry Strike Team to investigate unlicensed and unregulated vehicle dismantling through January 1, 2025 and implements several recommendations from the Strike Team's 2020 report to the Legislature.
- **Enterprise Content Management System.** The budget establishes a department-wide Enterprise Content Management (ECM) System to consolidate document resources, maintain and manage a centralized repository along with applying a federated model to provide the ability to integrate multiple content repositories. \$802,000 will be immediately available for expenditure on July 1, 2022, and the remaining \$4.7 million appropriation will be available through provisional budget language contingent upon approval of the Stage Four Project Readiness/Approval. The costs in 2022-23 and beyond are estimated through the PAL process.

- **Used Car Sales and Use Taxes.** The budget includes reimbursements be increased by \$4.144 million in 2022-23 and \$3.92 million in 2023-24 through 2025-26, to provide for reimbursement from the California Department of Tax and Fee Administration (CDTFA) to continue the process of collecting sales and use tax from used car dealers and continue building an IT solution to automate the process. AB 82 (Committee on Budget), Chapter 14, Statutes of 2020, and AB 85 (Committee on Budget) Chapters 8, Statutes of 2020, require the DMV to collect sales tax upon sale of a used vehicle at a dealership instead of requiring used car dealers to remit sales tax quarterly to CDTFA.
- **Digital Experience Platform.** Reappropriates \$35.6 million in 2022-23 of previously approved MVA funds for the Digital Experience Platform (DXP) Project. DMV encountered delays in its procurement schedule because it required potential vendors to go through demonstrations of their products to lay the foundation for the success of the future vehicle registration, Driver Licensing and Control Cashiering phases. The procurement schedule change moved the completion of the occupational licensing phase start date and the resulting delay had an effect on the other phases. The proposal is for a two-year encumbrance period, and DMV plans to encumber \$25.6 million in 2022-23 and \$10 million in 2023-24 for these contracts.
- **Mobile Driver License Pilot.** The budget reappropriates \$8.5 million in 2022-23 of previously approved General Fund for the Mobile Drive License (mDL) Pilot Project. The mDL Program will allow California residents to obtain a digital driver license or identification card that could be accessed through a smartphone.
- **DMV First-Line Service Provider Fee Adjustment.** The budget applies an annual cost-of-living adjustment (COLA) to the first-line service provider portion of the first-line service provider fee, using January 1, 2022, as the baseline for calculation. First-line service providers develop and run the software that electronically titles and registers vehicles with the DMV. They have fulfillment centers that ship license plates and stickers to vehicle purchasers. They also provide services in connection with the state’s new “temp-tag” function that creates temporary license plates for vehicle purchasers to use before they receive their permanent plates. First-line service providers are compensated for providing this functionality through a modest fee paid by a vehicle purchaser, currently set at \$31. The first-line service provider is contractually obligated to pay the DMV a portion (\$6) of the \$31 fee. The DMV’s portion of the fee is automatically increased based on a COLA, causing the DMV’s portion of the fee to double from its original level of \$3 per transaction up to \$6 per transaction today. The first-line service provider’s portion of this fee, currently set at \$25, has not increased since 2013 and has not kept pace with inflation. This bill action aligns the fee structure for this portion of the fee with the portion paid to DMV.

Transportation Budget and Trailer Bills

1. *Budget Act of 2022 – Senate Bill 154 (Skinner), Chapter 43, Statutes of 2022.*
2. *Transportation – Senate Bill 198 (Committee on Budget and Fiscal Review), Chapter 71, Statutes of 2022.*
3. *State Government – Assembly Bill 157 (Committee on Budget), Chapter 570, Statutes of 2022.*

APPENDIX

Budget and Trailer Bill List	i
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BUDGET and TRAILER BILLS

Bill Number	Chapter Number	Topic	Date Chaptered
SB 154	43	Budget Act of 2022	6/27/22
AB 178	45	Budget Act of 2022	6/30/22
AB 179	249	Budget Act of 2022	9/6/22
SB 115	2	Budget Act of 2021	2/9/22
SB 119	9	Budget Act of 2021	3/14/22
AB 180	44	Budget Act of 2021	6/30/22
AB 129	64	State Employment: State Bargaining Units 16 and 18: Agreements	6/30/22
AB 131	65	Elections: Nov. 8, 2022: Ballot Measures	6/30/22
AB 151	250	State Bargaining Units	9/6/22
AB 152	736	COVID-19 Relief: Supplemental Sick Leave	9/29/22
AB 156	569	State Government	9/27/22
AB 157	570	State Government	9/27/22
AB 158	737	Taxation	9/29/22
AB 160	771	Public Safety	9/29/22
AB 181	52	Education	6/30/22
AB 182	53	COVID-19 Emergency Response: Learning Recovery Emergency Fund	6/30/22
AB 183	54	Higher Education	6/30/22
AB 185	571	Education	9/27/22
AB 186	46	Skilled Nursing Facility Financing Reform	6/30/22
AB 190	572	Higher Education	9/27/22
AB 192	51	Better for Families Rebates	6/30/22
AB 194	55	Taxation	6/30/22
AB 195	56	Cannabis	6/30/22
AB 199	57	Courts	6/30/22
AB 200	58	Public Safety	6/30/22
AB 202	59	Public Safety Infrastructure	6/30/22
AB 203	60	Resources	6/30/22
AB 204	738	Health	9/29/22
AB 205	61	Energy	6/30/22
AB 207	573	Human Services	9/27/22
AB 209	251	Energy	9/6/22

AB 210	62	Early Childhood Education	6/30/22
AB 211	574	Resources	9/27/22
SB 113	3	Economic Relief: COVID-19 Pandemic	2/9/22
SB 114	4	Employment: COVID-19 Supplemental Paid Sick Leave	2/9/22
SB 116	5	Human Services	2/9/22
SB 117	6	State Employment: State Bargaining Units: Memorandum of Understanding	2/9/22
SB 118	10	California Environmental Quality Act: Higher Education	3/14/22
SB 125	63	Lithium Valley	6/30/22
SB 130	64	State Employment: State Bargaining Units 5, 6, 7, and 8	6/30/22
SB 131	65	November 8, 2022: Statewide General Election: Ballot Measures	6/30/22
SB 132	66	State Employment: State Bargaining Units 16 and 18: Agreements	6/30/22
SB 139	71	Golden State Stimulus II: Golden State Stimulus	7/12/22
SB 184	47	Public Health	6/30/22
SB 187	50	Human Services	6/30/22
SB 188	49	Developmental Services	6/30/22
SB 189	48	State Government	6/30/22
SB 191	67	Employment	6/30/22
SB 193	68	Economic Development	6/30/22
SB 196	69	State Employment: State Bargaining Units: Agreements	6/30/22
SB 197	70	Housing	6/30/22
SB 198	71	Transportation	6/30/22
SB 201	72	Taxation: Earned Income Tax Credit	6/30/22

General Fund Multiyear Forecast

2022 Budget Act

(Dollars in Millions)

	2021-22	2022-23	2023-24	2024-25	2025-26
RESOURCES:					
Prior Year Balance	\$38,334	\$22,450	\$7,791	\$1,536	\$828
Revenues/Transfers	\$232,738	\$222,675	\$233,583	\$235,316	\$237,700
Transfer to Budget Stabilization Account	-\$5,677	-\$2,968	-\$1,159	-\$1,994	-\$3,176
Total Resources	\$265,395	\$242,157	\$240,215	\$234,858	\$235,352
EXPENDITURES:					
Proposition 98	\$83,677	\$82,312	\$87,408	\$91,879	\$93,619
Non-Proposition 98	\$159,268	\$151,589	\$149,498	\$140,694	\$136,936
Prop 2 Infrastructure/Deferred Maintenance	\$0	\$465	\$1,772	\$1,457	\$1,971
Total Expenditures	\$242,944	\$234,366	\$238,678	\$234,031	\$232,526
FUND BALANCES:					
	\$22,450	\$7,791	\$1,536	\$828	\$2,826
Reserve for Encumbrances	\$4,276	\$4,276	\$4,276	\$4,276	\$4,276
SFEU	\$18,174	\$3,514	-\$2,740	-\$3,449	-\$1,450
Safety Net Reserve	\$900	\$900	\$900	\$2,900	\$4,900
Budget Stabilization Account (Mandatory Deposits)	\$18,521	\$21,489	\$22,648	\$23,642	\$23,818
Budget Stabilization Account (Total Deposits)	\$20,320	\$23,288	\$24,447	\$26,441	\$29,617
Public School System Stabilization Account	\$7,290	\$9,514	\$9,514	\$9,514	\$9,514
Total Reserves	\$46,684	\$37,217	\$32,121	\$35,407	\$42,581
BSA mandatory balance as a percentage of General Fund Tax Proceeds	8.4%	10.0%	10.0%	10.0%	10.0%
SFEU/Safety Net/PSSSA/Total BSA as a percentage of Total Resources	17.6%	15.4%	13.4%	15.1%	18.1%
Operating Surplus/Deficit with BSA Transfer	-\$15,884	-\$14,660	-\$6,255	-\$708	\$1,998
One-time Investments (2022 Budget Act)	\$21,708	\$21,689	\$22,180	\$0	\$0
One-time Investments (2021 Budget Act)	\$27,304	\$10,726	\$0	\$0	\$0
Operating Surplus/Deficit--Excluding One-Time	\$33,128	\$17,754	\$15,925	-\$708	\$1,998

Note: Totals may not add due to rounding

General Fund Revenues
2022 Budget Act
(Dollars in Millions)

	2021-22	2022-23	2023-24	2024-25	2025-26
1 Major Revenues					
2 Alcoholic Beverage Taxes and Fees	430	435	440	445	451
3 Cigarette Tax	54	49	43	42	40
4 Corporation Tax	46,395	38,464	42,013	45,446	38,647
5 Insurance Gross Premiums Tax	3,468	3,667	3,865	3,979	4,121
6 Personal Income Tax	136,497	137,506	143,755	148,917	156,229
7 Retail Sales and Use Tax	32,750	33,992	35,145	36,199	37,327
8 Total Major Revenues	\$219,595	\$214,112	\$225,262	\$235,028	\$236,815
9 Minor Revenues	3,287	8,937	8,155	2,676	2,590
10 Local Agencies - Miscellaneous Revenue	(163)	(116)	(64)	(64)	(64)
11 Royalties - State Lands	(154)	(161)	(133)	(108)	(79)
12 Investment Income - Pooled Money Investments	(237)	(478)	(911)	(1,082)	(1,051)
13 Abandoned Property Revenue	(427)	(506)	(520)	(533)	(546)
14 Cost Recoveries - Other	(1,280)	(6,879)	(5,701)	(63)	(63)
15 Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	(98)	(98)	(98)	(98)	(98)
16 Miscellaneous Revenue	(146)	(35)	(73)	(73)	(33)
17 Penalty Assessments - Other	(193)	(43)	(43)	(43)	(43)
18 Individual Shared Responsibility Penalty Assessments	(433)	(435)	(435)	(435)	(435)
19 Other Miscellaneous Minor Revenues	(156)	(186)	(176)	(177)	(176)
20 Revenue Transfers	5,033	-2,641	-828	-3,703	-4,881
21 Transfer to Safety Net Reserve	(-450)	(0)	(0)	(-2,000)	(-2,000)
22 Transfers to BSA	(-5,677)	(-2,968)	(-1,159)	(-1,994)	(-3,176)
23 All Other Transfers	(11,160)	(327)	(331)	(291)	(295)
24 Loans	-854	-703	-165	-679	1
25 Loan Repayments from Loan Repayments Drill	(-589)	(-608)	(-73)	(-679)	(0)
26 All Other Loans	(-266)	(-95)	(-92)	(1)	(1)
27 Total Minor Revenues/Transfers/Loans	\$7,466	\$5,594	\$7,162	-\$1,706	-\$2,291
28 Total Revenues/Transfers/Loans	\$227,061	\$219,707	\$232,424	\$233,322	\$234,524

*Dollars may not add due to rounding

**Proposition 98 Multiyear
2022 Budget Act**

(Dollars in Millions)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
General Fund	55,981	65,964	69,279	72,876	77,085	78,595
Education Protection Account GF (Less health care share)	14,223	17,713	13,033	14,532	14,794	15,024
Total Prop 98 General Fund	70,204	83,677	82,312	87,408	91,879	93,619
Local Property Tax	25,869	26,560	28,042	29,335	30,623	31,991
Total Prop 98	96,073	110,237	110,354	116,743	122,502	125,610
<i>Prop 98 Change to Prior-year</i>	<i>16,744</i>	<i>14,164</i>	<i>117</i>	<i>6,389</i>	<i>5,759</i>	<i>3,108</i>
<i>Percent Change to Prior-year</i>	<i>21.11%</i>	<i>14.74%</i>	<i>0.11%</i>	<i>5.79%</i>	<i>4.93%</i>	<i>2.54%</i>
<i>Prop 98 Operative Test</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>Maintenance Factor Balanc</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Other Prop 98						
Other Prop 98						
Settle-Up						
Amounts Applied from Over Appropriations	0	0	0	0	0	0
General Fund Payments for Prior Fiscal Years	0	0	0	0	0	0
Settle-Up Balance	0	0	0	0	0	0
Mandate Balance	1,118	1,118	1,118	1,118	1,118	1,118
Public School Stabilization Account Transfer	3,302	3,988	2,224			
Public School Stabilization Account Balance	3,302	7,290	9,514	9,514	9,514	9,514

General Fund Multiyear N98 Expenditures by Agency
2022 Budget Act
(Dollars in Millions)

N98 excludes Capital Outlay, Debt Service	2021-22	2022-23	2023-24	2024-25	2025-26
Legislative, Executive	\$15,473	\$10,448	\$7,420	\$4,460	\$2,438
Courts	3,283	3,642	3,767	3,866	3,986
Business, Consumer Services, and Housing	2,190	2,289	1,256	149	142
Transportation	2,401	645	374	54	33
Natural Resources	10,494	6,283	4,224	3,182	3,097
Environmental Protection	3,979	1,168	1,033	111	111
Health and Human Services	52,909	67,730	65,606	70,838	73,774
Corrections and Rehabilitation	13,759	13,760	13,324	12,804	12,359
Education	20,924	18,887	21,339	20,115	19,851
Labor and Workforce Development	1,577	1,478	1,540	1,243	407
Government Operations	20,135	4,922	4,333	3,031	2,694
General Government	5,307	12,155	17,325	12,840	11,712
Non-Agency Departments	(1,724)	(1,810)	(2,335)	(936)	(932)
Tax Relief/Local Government	(638)	(667)	(558)	(558)	(548)
Statewide Expenditures	(2,945)	(9,679)	(14,433)	(11,346)	(10,233)
Capital Outlay	1,594	2,792	2,407	669	471
Debt Service	5,242	5,391	5,550	7,332	5,860
Total N98 Expenditures	\$159,268	\$151,589	\$149,498	\$140,694	\$136,936

Note: Totals may not add due to rounding

Debts and Liabilities Eligible for Payments Under Proposition 2

2022 Budget Act

(Dollars in Millions)

	Outstanding Amount at Start of 2022-23 ^{2/}	Use of 2022-23 Pay Down	Proposed Use of 2023-24 Pay Down	Proposed Use of 2024-25 Pay Down	Proposed Use of 2025-26 Pay Down
State Retirement Liabilities					
1 State Retiree Health	95,191	365	325	340	360
2a State Employee Pensions—SB 84 Loan from SMIF		143	97	836	590
2b State Employee Pensions	43,639	2,925	2,509	1,275	1,197
3 Teachers' Pensions ^{1/}	60,136	0	0	0	0
4 Judges' Pensions	2,365	0	0	0	0
Total	\$201,331	\$3,433	\$2,931	\$2,451	\$2,147

^{1/} The state portion of the unfunded liability for teachers' pensions is \$13.065 billion.

^{2/} For retiree health and pensions, the amounts reflect latest actuarial report available.

**Prop 2 Rainy Day Fund - 2022-23 and Out Years
2022 Budget Act**

(Dollars in Millions)

	2022-23	2023-24	2024-25	2025-26	
1.5% of General Fund Revenues & Transfers					
1	General Fund Revenues and Transfers (before BSA transfer)	\$215,991 ^{1/}	\$227,944 ^{1/}	\$235,316	\$237,700
2	1.5% of General Fund Revenues & Transfers	\$3,240	\$3,419	\$3,530	\$3,566
Capital Gain Revenues (Sec 20(b))					
3	General Fund Tax Proceeds	\$214,887	\$226,475	\$236,419	\$238,180
4	Personal Income Taxes from Capital Gains	\$23,041	\$22,079	\$21,146	\$20,246
5	% of General Fund Tax Proceeds	10.7%	9.7%	8.9%	8.5%
6	8% of General Funds Tax Proceeds	\$17,191	\$18,118	\$18,914	\$19,054
7	Personal Income Taxes from Capital Gains in Excess of 8% General Fund Tax Proceeds	\$5,850	\$3,961	\$2,232	\$1,192
8	Prop 98 Share of Capital Gains Tax Revenue above 8%	\$2,224	\$1,518	\$860	\$464
9	Non 98 Share of Capital Gain Tax Revenue above 8%	\$3,626	\$2,443	\$1,372	\$728
10	Total Available (Line 2 + Line 9)	\$6,866	\$5,862	\$4,902	\$4,294
11	Debt Repayment (50%)	\$3,433	\$2,931	\$2,451	\$2,147
12	Deposit to Rainy Day Fund (50%)	\$3,433	\$2,931	\$2,451	\$2,147
Fund Balances					
13	Mandatory Balance from Previous Fiscal Year (Does <u>not</u> include discretionary amount)	\$18,521	\$21,489	\$22,648	\$23,642
14	10 percent of GF Tax Proceeds	\$21,489	\$22,648	\$23,642	\$23,818
15	Infrastructure/Deferred Maintenance (Mandatory balance in excess of 10 percent GF Tax Proceeds)	\$465	\$1,772	\$1,457	\$1,971
16	Adjusted Deposit to Rainy Day Fund (Line 12 - Line 15)	\$2,968	\$1,159	\$994	\$176
17	Mandatory Balance	\$21,489	\$22,648	\$23,642	\$23,818
17.1	Mandatory Percentage	10.0%	10.0%	10.0%	10.0%
18	Supplemental Deposit/Withdrawal (Deposits are positive numbers and withdrawals are negative)	\$0	\$0	\$1,000	\$3,000
19	Discretionary Balance	\$1,799	\$1,799	\$2,799	\$5,799
20	Total Rainy Day Fund Balance (Line 17+ Line 19)	\$23,288	\$24,447	\$26,441	\$29,617
20.1	Total Balance (Line 19) as a Percentage of General Fund Tax Proceeds (Line 3)	10.8%	10.8%	11.2%	12.4%

^{1/} Excludes \$6.7b in 2022-23 and \$5.6b in 2023-24 for estimated FEMA cost recoveries for COVID-19 and wildfires