



# **Final Action Report**

## **A Summary of the 2021 Budget Act**

**October 25, 2021**

**Chapters 21, 43, 69, 84, 240, Statutes of 2021**

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

# FINAL ACTION REPORT

October 25, 2021

Assembly Bills 128, 161, 164 and Senate Bills 129, and 170  
2021-22 Budget Bill

Senate Committee on Budget and Fiscal Review

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October 25, 2021

The Senate Committee on Budget and Fiscal Review has completed its Final Action Report, which is a detailed summary of the 2021-22 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 cursive script that reads "Nancy Skinner".

**NANCY SKINNER**  
Chair, Senate Budget and Fiscal Review

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# INTRODUCTION

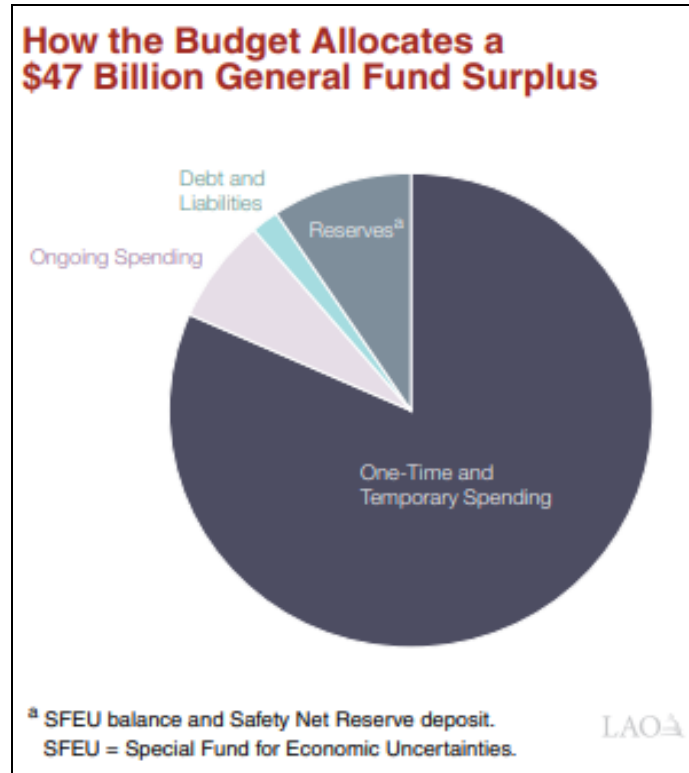
## 2021 Budget Act

### Summary

This Final Action Report from the Senate Committee on Budget and Fiscal Review provides a summary of the 2021 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 \$196.4 billion and assumes \$203.6 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 \$25.2 billion. This reserve total includes approximately \$15.8 billion in the BSA.

On June 14, 2021, the Legislature passed AB 128 (Ting), Chapter 21, Statutes of 2021, which represented the Legislature’s budget agreement. On June 28, 2021, the Legislature passed SB 129 (Skinner), Chapter 69, Statutes of 2021, which made amendments based off of AB 128 and represented the budget agreement between the Legislature and the Administration. On July 8, 2021, the Legislature passed AB 161 (Ting), Chapter 43, Statutes of 2021, which was a Budget Bill Junior that made changes to the Budget Act. On July 14, 2021, the Legislature passed AB 164 (Ting), Chapter 84, Statutes of 2021, which is a Budget Bill Junior that made changes to the Budget Act. On September 9, 2021, the Legislature passed SB 170 (Skinner), Chapter 240, Statutes of 2021, which was a Budget Bill Junior that made changes to the Budget Act. The 2021 Budget Act builds on priorities put forward in the Assembly’s “A Budget of Opportunity” blueprint, the Senate’s “Build Back Boldly” plan, and the Governor’s May Revision, representing arguably the most responsible, transformative, and bold state budget in modern history. The Legislature also approved numerous budget trailer bills prior to adjourning on September 10, 2021. Budget trailer bills are designed to implement certain provisions of the 2021 Budget Act as noted elsewhere in this report. The 2021 Budget Act was signed by the Governor on June 28, 2021, representing the state’s eleventh 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 September 10, 2021.

As the Legislative Analyst’s Office (LAO) points out that the budget includes the allocation of approximately a \$47 billion surplus. The surplus reflects significantly higher revenues than were estimated at the time of the 2020-21 Budget Act. As reflected in the following chart from the LAO, the majority of this surplus, approximately \$39 billion, is dedicated to one-time or temporary program augmentations. Approximately \$3.4 billion of the total is dedicated to ongoing spending. However, the full implementation cost of the ongoing commitments grows to \$12.4 billion by 2025-26.



Source: Legislative Analyst's Office

Overall, the 2021 Budget Act includes approximately \$72 billion in Discretionary General Fund spending. This includes approximately \$30 billion in discretionary Proposition 98 expenditures and \$42 billion in non-Proposition 98 spending. In addition, the budget allocates \$27 billion in American Rescue Plan funds, which is detailed in the following LAO chart. The level of resources available in the 2021 Budget Act allowed our state to make significant investments in critical programs and services. These include the ongoing effort to combat homelessness, K-12 and early Education – including Transitional Kindergarten and Universal School Meals, Higher Education – including historic expansion of financial aid and an unprecedented investment in student housing, Healthcare – including Medi-Cal coverage to those 50 and older regardless of immigration status, Broadband, and various Resources and Climate packages.

<b>How the Budget Package Allocates \$27 Billion in ARP Fiscal Relief Funds</b>	
<i>(In Millions)</i>	
	<b>Amount</b>
Replace Lost State Revenue	\$9,196
Address Increased Homelessness and Housing Shortages	4,876
Broadband Infrastructure, Access, and Affordability	3,772
Relief for Unpaid Energy Utility Bills and Arrearages	2,000
Child Savings Accounts	1,778
Small Business Grants	1,500
COVID-19 Response Costs	725
Community Economic Resilience	600
Behavioral Health Continuum Infrastructure Program	530
Training and Education Support for Displaced Workers	473
Community Care Expansion	450
Economic Support for Ports	250
Emergency Financial Aid for Community College Students	250
Youth Workforce Development	185
CaliforniansForAll College Service Program	128
Mental Health Student Services Partnership Grant Program	100
Revitalization of California Tourism	95
Legal Aid for Renters	80
Reserve for Accountability and Oversight	19
Federal Tracking, Accountability, and Cost Recovery <sup>a</sup>	11
<b>Total</b>	<b>\$27,017</b>

<sup>a</sup> Expenditures planned over four-year period.  
ARP = American Rescue Plan and COVID-19 = coronavirus disease 2019.

Source: Legislative Analyst's Office

Prior to action on the 2021 Budget Act, the Legislature took action on a number of early action items that are detailed in this report. These included approximately \$6.8 billion of General Fund commitments as outlined in the following display from the LAO. In addition to the actions with General Fund costs described below, early actions were taken to address issues such as rental assistance and tenant relief, schools returning to in-person instruction, supplemental paid sick leave, and Division of Juvenile Justice realignment clean-up.

<b>Early General Fund Actions in the 2021-22 Budget Process</b>		
<i>(In Millions)</i>		
Income Assistance	Golden State Stimulus payments <sup>a</sup>	\$3,786
Business Assistance	Small business and cultural institution grants	2,075
Resources and Environment	Wildfire and forest resilience package	411
Human Services	Exempt pandemic UI from CalWORKs income eligibility	242
Other	License renewal fee waivers (ABC and BBC)	119
Other	Other, various	93
Human Services	Child welfare, various	42
<b>Total</b>		<b>\$6,767</b>

<sup>a</sup> Includes direct payments to families, as well additional payments to CalWORKs and SSI/SSP recipients.  
UI = unemployment insurance; CalWORKs = California Work Opportunity and Responsibility to Kids; ABC = Alcoholic Beverage Control; and BBC = Board of Barbering and Cosmetology.

Source: Legislative Analyst's Office

## Budget Framework and Resources

The budget primarily incorporates the Administration's revenue estimates for the General Fund. It also retains the Administration's Proposition 2 debt reduction proposal. The General Fund budget summary is as follows:

<b>General Fund Budget Summary Prior Year and Adopted Budget (Dollars in Millions)</b>		
	<u>2020-21</u>	<u>2021-22</u>
<b>Prior Year Balance</b>	<b>\$5,557</b>	<b>\$28,274</b>
Revenues and Transfers <sup>1</sup>	<u>188,775</u>	<u>175,345</u>
<b>Total Resources Available</b>	<b>\$194,332</b>	<b>\$203,619</b>
Non-Proposition 98 Expenditures	98,373	130,041
Proposition 98 Expenditures	<u>67,685</u>	<u>66,374</u>
<b>Total Expenditures</b>	<b>\$166,058</b>	<b>\$196,415</b>
<b>Fund Balance</b>	<b>\$28,274</b>	<b>\$7,204</b>
Reserve for Liquidation of Encumbrances	3,175	3,175
Special Fund for Economic Uncertainties	25,099	3,979
<b>Safety Net Reserve</b>	<b>\$450</b>	<b>\$900</b>
<b>Public School System Stabilization Account</b>	<b>\$1,889</b>	<b>\$4,506</b>
<b>Budget Stabilization Account</b>	<b>\$12,339</b>	<b>\$15,781</b>

<sup>1</sup> includes a \$7.8 billion withdrawal from the BSA in 2020-21

The Budget Act of 2021 includes total spending of \$262.6 billion, including \$196.4 billion from the General Fund. The adopted budget contains total General Fund reserves of \$25.2 billion, including \$15.8 billion in the Constitutional Rainy Day Fund, \$900 million in the Safety Net Reserve, \$4.5 billion in the PSSSA, and \$4.0 billion in the SFEU.

The budget includes revenue assumptions for 2021-22 of \$181.6 billion, representing a decrease of about .4 percent from the prior year. However, revenues for 2020-21 reached historic highs. According to the LAO, between 2019-20 and 2020-21, revenues are estimated to have increased 25 percent, the largest single year increase in over four decades.

Personal income tax, the largest source of General Fund revenue, is projected to decline by 1.4 percent in 2021-22, sales and use tax is projected to increase by 3.8 percent, and the corporation tax is projected to decrease by 12.6. 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>2020-21</u>	<u>2021-22</u>	<u>Percent Change</u>	<u>Percent Total<sup>1</sup></u>
Personal Income Tax	\$125,151	\$123,298	-1.4	67.9
Sales and Use Tax	27,936	28,986	3.8	15.9
Corporation Tax	20,720	18,106	-12.6	10.0
Insurance Tax	3,348	3,428	2.4	1.9
Other Sources <sup>2</sup>	3,785	7,798	106.0	4.3
<b>Total</b>	<b>\$180,940</b>	<b>\$181,616</b>	<b>-.4</b>	<b>--</b>

<sup>1</sup>Based on 2021-22.

<sup>2</sup>Excludes 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 budgeting responsibly. Major spending categories are shown in the table below:

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

	<u>2020-21</u>	<u>2021-22</u>	<u>Percent Total<sup>1</sup></u>
Legislative, Judicial, Executive	\$7,789	\$10,139	5.2
Business, Consumer, Housing	616	1,679	.8
Transportation	30	1,425	.7
Natural Resources	3,522	5,704	2.9
Environmental Protection	2,484	2,980	1.5
Health and Human Services	44,221	57,029	29.0
Corrections and Rehabilitation	11,913	13,226	6.7
K-12 Education	67,685	66,374	33.8
Higher Education	15,374	19,821	10.1
Labor and Workforce	140	928	.5
Government Operations	2,157	11,933	6.1
General Government	4,800	-1,449	-.7
Capital Outlay	207	1,129	.6
Debt Service	5,120	5,497	2.8
<b>Total</b>	<b>\$166,058</b>	<b>\$196,415</b>	<b>--</b>

<sup>1</sup>Based on 2021-22.

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 2021 Budget Act. Some highlights include:

- **K-12 Funding.** 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 \$124.3 billion in 2021-22, \$135.6 billion in 2020-21, and \$101 billion in 2019-20.
- **Local Control Funding Formula (LCFF).** The budget provides a total of approximately \$66.7 billion for the LCFF. This funding amount essentially provides a cost-of-living adjustment (COLA) of \$3.2 billion (5.07 percent) for school districts, charter schools, and county offices of education (COEs), known as Local Educational Agencies (LEAs), in 2021-22.
- **Universal Transitional Kindergarten.** The budget expands the Transitional Kindergarten Program beginning in the 2022-23 school year, and achieves Universal Transitional Kindergarten eligibility by 2025-2026.
- **School Nutrition and Universal School Meals.** The budget provides \$54 million Proposition 98 General Fund for the Child Nutrition Program to provide the state reimbursement rate for universal breakfast and lunch in the 2021-22 budget year. The budget also requires local educational agencies to provide two school meals free of charge for grades Transitional Kindergarten through grade twelve during each school day, regardless of a student's eligibility for federally funded free or reduced-price meals, commencing with the 2022-23 school year. The budget provides for the state reimbursement of school meals up to the combined free breakfast and lunch reimbursement rate amounts not covered by federal meal reimbursements for schools participating in the federally funded school meals programs.
- **Early Childhood Care and Education.** Beginning July 1, 2021, the majority of child care programs, with the exception of the California State Preschool Program are under the Department of Social Services. The budget included the transfer of child care program and authority from the Education Code and the Department of Education to the Welfare and Institutions Code and the Department of Social Services.
- **Child Care Slots.** The budget provides \$739 million in one-time federal funds for the Department of Education in the 2021-22 fiscal year to be transferred to the Department of Social Services for the expansion of access to child care slots. Of the total, \$403 million is available for allocation in the 2021-22 fiscal year, and \$336 million is available for allocation in the 2022-23 fiscal year. A total of 200,000 child care slots will be added over a five year period including budget year investments.
- **Child Care Reimbursement Rates.** Beginning January 1, 2022, trailer bill language increases all direct-contract childcare rates to the 75th percentile of their county 2018 Regional Market Rate or the new Standard Reimbursement Rate as of December 31, 2021, whichever is highest. This policy replaces the Standard Reimbursement rate for contracts with higher county-based

Regional Market rates, in the 2018 survey, beginning January 1, 2022. In addition, the budget adopts the 75th percentile of the 2018 Regional Market Rate survey as the funding ceiling for the CalWORKs Stages child care programs, and the California Alternative Payment Program. These policies are consistent with the Child Care Providers United - California bargaining contract agreed to on June 25th, 2021.

- **University of California (UC) Base Increase.** The budget restores the \$302.4 million ongoing General Fund cut made to the UC in the 2020-21 Budget Act. In addition, the budget provides an increase of \$173.2 million ongoing General Fund for a five percent base increase.
- **UC Resident Undergraduate Enrollment.** The budget specifies that it is the intent of the Legislature to provide resources in 2022-23 to support enrollment of 6,230 new resident undergraduates starting in the 2022-23 year, compared to the 2020-21 academic year. The agreement notes \$67.8 million ongoing General Fund will be available in 2022-23 to support 6,230 new California students.
- **California State University (CSU) Base Adjustment.** The budget provides CSU with an increase of \$299 million ongoing General Fund to backfill a reduction made in the 2020-21 Budget Act. Additionally, the budget approves the May Revision proposal to provide an increase \$185.9 million ongoing General Fund to reflect a five percent base increase.
- **CSU Enrollment Growth.** The budget specifies legislative intent to provide ongoing resources in 2022-23 to enroll 9,434 new resident undergraduates in 2022-23. The budget agreement notes \$81 million ongoing General Fund for this purpose.
- **Cal Grant Expansion.** AB 132 establishes the California Community College Expanded Entitlement Awards, which eliminates the age and time out of high school Cal Grant eligibility requirements for CCC students. The bill specifies that CCC Expanded Entitlement Awards may retain their Cal Grant Award when they transfer to a UC or CSU. The budget provides \$152.8 million for this purpose.
- **Middle Class Scholarship Program.** AB 132 specifies that starting with the 2022-23 academic year; an eligible student shall receive a Middle Class Scholarship (MCS) that helps cover the total cost of attendance at UC and CSU. The award amount for each student is the difference between the cost of attendance and other financial aid and family and student contributions. The bill adjusts the 2020-21 and 2021-22 appropriation for the program to \$117 million each based on projected caseload. Starting with the 2022-23, the annual appropriation for the program is determined by the Budget Act. The budget agreement notes that funding for MCS program will increase by \$542 million in 2022-23, bring total funding to \$659 million.
- **CalKIDS College Savings Program.** The budget modifies the May Revision proposal to support the CalKIDS college savings accounts and provides \$1.9 billion in 2021-22 (\$1.8 billion one-time federal American Rescue Plan Act of 2021 funds, \$91.7 million one-time General Fund, and \$16 million ongoing General Fund) and an additional \$170 million ongoing General Fund beginning in 2022-23. AB 132 and this funding will establish college savings accounts for all current low-income public school students in grades 1-12, as defined for purposes of the

Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a public school, and for successive cohorts of these student populations as they enter first grade. The \$16 million ongoing General Fund supplements the \$25 million one-time General Fund provided to establish CalKIDS in the 2019 Budget Act, for purposes of establishing college savings accounts for all newborns.

- **Higher Education Student Housing Grant Program, and Capacity Expansion Grant Program.** The budget rejects the May Revision proposal to provide the California School Finance Authority with \$4 billion one-time to support student housing projects. SB 169 creates two new programs to support affordable student housing at the UC, CSU and Community Colleges, and campus expansion projects at UC and CSU. Appropriates \$500 million one-time General Fund in 2021-22 for student housing projects, includes legislative intent to provide \$750 million in 2022-23 and \$750 million in 2023-24 for this purpose. This appropriation and proposed funding will be divided as follows: 50 percent to CCCs, 30 percent to CSUs, and 20 percent to UCs. The budget creates a process for campuses to propose housing projects by October 2021 for inclusion in the subsequent budget act. In addition, the budget creates the campus expansion program and includes legislative intent to provide funding for this program in the future.
- **Zero Emission Vehicle Package.** The budget includes \$2.7 billion for a variety of programs related to zero emission vehicles. This is intended to be the first year of a three-year, \$3.9 billion investment.
- **Broadband Funding.** The budget provides \$6 billion over three years in federal and General Fund resources for several broadband investments.
- **Water Arrearages.** The budget adds \$15 million Coronavirus Fiscal Recovery Fund one-time, and \$985 million Coronavirus Fiscal Recovery Fund to authorize SWRCB to provide this funding via grants or direct payments to community water systems to offset COVID-19 Pandemic associated with water enterprise customer arrearages or other COVID-19 Pandemic related revenue losses and to aid in the continued provision of water service to customers of these systems.
- **Circular Economy Package.** The budget includes \$205 million in 2021-22, which is part of a two-year, total package of \$270 million (\$130 million General Fund) to support a circular economy that recognizes waste as a resource, with the purpose of shifting the state's focus to a more resilient and renewable economy.
- **Wildfire Prevention and Resilience Package.** In April 2021, the Legislature passed and the Governor signed an early action package totaling \$536 million (\$411 General Fund; \$125 million Greenhouse Gas Reduction Fund (GGRF)) for a broad set of investments that support a statewide strategy on forest health and fire prevention. This funding was designed to start critical projects before the upcoming fire season and launch several new programs.

In September, an additional \$988 million was allocated for 2021-22 (\$758 million General Fund; \$230 million GGRF) for wildfire prevention and resilience projects and programs. This includes, but is not limited to, funding to create resilient wildlands, support wildfire fuel breaks, advance science-based management and streamlined permitting, and support community hardening.

- **Water and Drought Resilience Package.** The budget includes \$5.2 billion (\$4.7 billion General Fund) over three years to support immediate drought response and long-term water resilience. This includes funding to support drought response: drinking water, wastewater, and water supply reliability; water recycling and groundwater clean-up; flood management; restoration of natural areas and ecosystems; Salton Sea; groundwater sustainability; water conveyance; and water and habitat improvement for environmental flows. These investments provide immediate drought support and address long-term water resilience.
- **Climate Resilience Package.** The budget includes \$3.69 billion General Fund over three years to support investments that address the state’s multi-faceted climate risks. These funds will build community resilience and capacity where resources are most needed. Investments will support multi-benefit and nature-based solutions, which includes funding to support climate change impacts on fish and wildlife, habitat restoration, and activities that accelerate climate smart management of California’s natural and working lands. Funds are also included to address the impacts of extreme heat, build ocean and coastal resilience, and support California’s fifth climate assessment.
- **Sustainable Agriculture Package.** The final budget agreement includes the Sustainable Agriculture Package totaling \$1.1 billion, \$683 million of which is appropriated in 2021-22.
- **Children and Youth Behavioral Health Initiative.** The budget includes expenditure authority of \$1.4 billion (\$1 billion General Fund, \$100 million Coronavirus Fiscal Recovery Fund or CFRF, \$222 million federal funds, and \$105 million Mental Health Services Fund) in 2021-22, \$1.3 billion (\$769.2 million General Fund, \$429 million CFRF, and \$124 million federal funds) in 2022-23, \$275.2 million (\$175.2 million General Fund and \$100 million federal funds) in 2023-24, \$262.1 million (\$156.1 million General Fund and \$106 million federal funds) in 2024-25, and \$227.1 million (\$121.1 million General Fund and \$106 million federal funds) in 2025-26, to support the Children and Youth Behavioral Health Initiative and other interventions to support behavioral health services for students. The total investment over five years is \$3.5 billion.
- **Home- and Community-Based Services Expansion.** The budget includes Control Section authority of approximately \$3 billion of funding made available for home- and community-based services (HCBS) by the federal American Rescue Plan Act through 2023-24. \$1.5 billion of this funding supports the cost of new HCBS proposals included in the budget. The remaining \$1.5 billion will support the cost of new HCBS augmentations identified by the Administration.
- **California Advancing and Innovating in Medi-Cal (CalAIM).** The budget includes 69 positions and expenditure authority of \$1.6 billion (\$675.7 million General Fund and \$954.7

million federal funds) to support implementation of the California Advancing and Innovating in Medi-Cal (CalAIM) Initiative.

- **Behavioral Health Continuum Infrastructure Program.** The budget includes expenditure authority of \$755.7 million (\$445.7 million General Fund and \$310 million Coronavirus Fiscal Recovery Fund or CFRF) in 2021-22, \$1.4 billion (\$1.2 billion General Fund and \$220 million CFRF) in 2022-23 and \$2.1 billion General Fund in 2023-24 for competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. Of this amount, \$150 million is available to support mobile crisis infrastructure. The Legislature approved trailer bill language to implement the grant program.
- **Eliminate Assets Test in Medi-Cal.** The budget includes expenditure authority of \$394 million (\$197 million General Fund and \$197 million federal funds) annually beginning in 2022-23, and the Legislature approved trailer bill language, to increase the Medi-Cal asset limit to \$130,000 for an individual (plus \$65,000 for each additional household member) no sooner than July 1, 2022, and to fully eliminate the asset limit no sooner than January 1, 2024.
- **Full-Scope Medi-Cal Coverage Age 50 and Older Regardless of Immigration Status.** The budget includes expenditure authority of \$67.3 million (\$48 million General Fund and \$19.3 million federal funds) in 2021-22 and \$1.5 billion (\$1.3 billion General Fund and \$200 million federal funds) when fully implemented, and the Legislature approved trailer bill language, to expand full-scope Medi-Cal coverage for income-eligible adults age 50 years of age and older regardless of immigration status, beginning May 1, 2022.
- **Public Health Infrastructure and Health Equity Investments.** The budget includes General Fund expenditure authority of at least \$300 million annually beginning in 2022-23 to support local health jurisdictions, community-based organizations addressing health equity and racial justice, as well as other public health interventions and support.
- **Department of Developmental Services Service Provider Rate Reform.** The budget includes \$146 million (\$89.9 million General Fund) in 2021-22, growing to \$2.1 billion (\$1.2 billion General Fund) ongoing in 2025-26, for a five-year phase-in of rate reform to achieve the rates in the 2019 DDS Rate Study. The budget begins to phase in rate reform on April 1, 2022.
- **California Arrearage Payment Program.** The budget includes \$1 billion from the Coronavirus Fiscal Recovery Fund to prevent energy utility disconnections for consumers experiencing financial hardship due to the economic impacts of the COVID-19 pandemic by providing financial assistance to customer accounts in arrears.
- **CalWORKs Maximum Aid Payment (MAP) Increase.** The budget includes \$141.9 million for the 2021-22 fiscal year to reflect a 5.3 percent increase to CalWORKs MAP levels, beginning October 1, 2021. These increased grant costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccounts of the Local Revenue Fund.

- **Home Visiting Program.** The budget includes \$69.1 million General Fund in 2022-23 to support the CalWORKs Home Visiting program.
- **Food Bank Emergency Resources.** The budget includes \$110 million one-time General Fund for food bank resources to meet COVID-19 pandemic demands. Budget bill language is included to facilitate the efficient and timely expenditure of funds.
- **Food Bank Capacity and Climate Resilience.** The budget includes \$182 million General Fund one-time to support capacity and infrastructure needs for food banks and disaster resiliency needs. Budget bill language is included to facilitate the efficient and timely expenditure of funds.
- **Complex Care Needs for Foster Youth.** The budget includes \$139.2 million General Fund to assist counties with serving foster youth with complex needs and behavioral health conditions within California, as well as youth that return from an out-of-state congregate placement.
- **Supplemental Security Income/State Supplemental Payment (SSI/SSP) and Cash Assistance Program for Immigrants (CAPI) Grant Increase.** The budget includes \$225 million General Fund in 2021-22 and \$450 million in 2022-23 to increase grants for SSP, Cash Assistance Program for Immigrants (CAPI), and California Veterans Cash Benefits recipients, to 50 percent of the remaining 2009 SSI/SSP grant reduction. Beginning January 1, 2022, the maximum payments for individuals will increase from \$954.72 to \$993.21 and a couple from \$1,598.14 to \$1,695.64. The budget also includes trailer bill language that allows for an additional grant increase to restore the remaining 50 percent, beginning January 1, 2024, subject to an appropriation in the 2023 Budget Act.
- **Restoration of Seven Percent Reduction in IHSS Service Hours.** The budget includes \$248 million General Fund in 2022-23 and \$496 million ongoing General Fund to permanently eliminate the seven percent reduction in service hours. The budget also includes trailer bill language that permanently repeals the reduction in service hours.
- **Film and Television Tax Credit Expansion.** The budget includes trailer bill language that expands the existing Film and TV Tax Credit by \$90 million per year for 2021-22 and 2022-23, and allows CFC to allocate up to \$150 million towards a new tax credit for studio construction projects.
- **Small Business COVID-19 Relief Grants.** The budget includes funding and language for California Office of Small Business Advocate (CalOSBA) to provide grants to businesses affected by the economic impacts of the COVID-19 pandemic. This includes the following programs:
  - **Small Business Grant Program.** The budget includes \$1.5 billion one-time Coronavirus Fiscal Recovery Fund in 2021-22 for three additional rounds of grants for small businesses. Trailer bill language allows CalOSBA to administer additional rounds targeted at nonprofit cultural institutions using \$16 million that was unspent in 2020-21 and moved to 2021-22.

- **California Microbusiness Grant Program.** The budget includes \$50 million one-time General Fund in 2021-22 for CalOSBA to partner with local organizations to provide \$2,500 grants to qualified microbusinesses.
- **California Venues Grant Program.** The budget includes \$150 million one-time General Fund in 2021-22 to provide grants of up to \$250,000 to independent venues, live events businesses, and minor league sports.
- **Golden State Stimulus 2.0.** The budget includes \$8.1 billion General Fund for a GSS payment for individuals making under \$75,000 and additional payments for filers with dependents and that use Individual Taxpayer Identification Numbers (ITINs). The first GSS was done as part of early action and provided \$600 payments to Californians who qualified for the California Earned Income Tax Credit (CalEITC), or who were recipients of other specified benefit programs.
- **Homelessness Investments.** The budget includes \$7.3 billion in 2021-22, and \$11.9 billion through 2022-23, in investments to combat homelessness statewide.
- **Housing Investments.** The budget includes roughly \$4.5 billion in one-time investments in planning, producing, and preserving additional affordable and livable housing statewide.
- **California Dream for All.** The budget includes trailer bill language directing the State Treasurer’s Office, in consultation with other relevant stakeholders, to study the creation of a state-funded California Dream for All First Time Homebuyer’s Program, with the goal of assisting low and middle income Californians achieve homeownership. This report is to be completed by April 2022, with funding for the program considered as part of the 2022 budget.
- **Establishment of the Department of Cannabis Control.** The budget shifted \$154 million in Cannabis Control Fund from various cannabis licensing entities to administer the new Department of Cannabis Control, and also included trailer bill language that makes the necessary statutory changes to consolidate the state’s licensing authorities into the Department of Cannabis Control. Among the statutory changes is the renewal of the cannabis provisional licensing program and the authorization of cannabis trade samples.
- **Financial Support for Independent Special Districts.** The budget provides \$100 million General Fund to support independent special districts who have not received other state or federal assistance.
- **Rehabilitation, Re-entry and Recidivism Reduction Package.** The budget includes a “Rehabilitation, Re-entry and Recidivism Reduction Package” of \$200+ million starting in 2021-22 for career development, rehabilitative programming, local support for individuals to remain out of the criminal justice system, and removal of barriers to successful re-entry.
- **Community Economic Resilience Fund (CERF).** SB 162 (Committee on Budget), Chapter 259, Statutes of 2021 provides \$600 million in federal funds from the Coronavirus Fiscal



Recovery Fund to establish the CERF, which will be administered by the Workforce Service Branch at the EDD. CERF will be overseen by the Labor and Workforce Development Agency, Office of Planning and Research and the Governor's Office of Business and Economic Development, referred to as the Inter-Agency Leadership Team.

- **High Road Training Partnerships (HRTPs).** The budget approves the Governor's budget proposal and May Revision proposal to provide \$100 million one-time General Fund for HRTPs. The budget also approves the May Revision proposal to provide \$10 million in Workforce Innovation Opportunity Act funds for HRTPs, and \$10 million to support High Road Construction Careers.
- **COVID-19 Direct Response Expenditures.** The budget includes a total of approximately \$1.9 billion General Fund for COVID-19-related response expenditures in 2021-22. Of the total amount, approximately \$1.7 billion General Fund is allocated to nine different departments for direct response activities. The remaining funding is available for unanticipated response activities that can include increasing hospital and medical surge capacity, contact tracing, or other emergency operation costs.

**Subcommittee No. 1 – Education**

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

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

<p>0509 California Infrastructure &amp; Economic Development Bank</p> <p>0540 Secretary for Natural Resources</p> <p>0555 Secretary for Environmental Protection</p> <p>0650 Office of Planning and Research</p> <p>0690 Office of Emergency Services</p> <p>3100 California African American Museum</p> <p>3100 Museum and Exposition Park</p> <p>3125 California Tahoe Conservancy</p> <p>3340 California Conservation Corps</p> <p>3355 Office of Energy Infrastructure Safety</p> <p>3360 California Energy Commission</p> <p>3480 Department of Conservation</p> <p>3540 Department of Forestry and Fire Protection</p> <p>3560 State Lands Commission</p> <p>3600 Department of Fish and Wildlife</p> <p>3640 Wildlife Conservation Board</p> <p>3720 California Coastal Commission</p> <p>3760 State Coastal Conservancy</p> <p>3780 Native American Heritage Commission</p> <p>3790 Department of Parks and Recreation</p> <p>3810 Santa Monica Mountains Conservancy</p> <p>3820 San Francisco Bay Conservation and Development Commission</p>	<p>3825 San Gabriel and Lower Los Angeles River and Mountains Conservancy</p> <p>3830 San Joaquin River Conservancy</p> <p>3835 Baldwin Hills Conservancy</p> <p>3840 Delta Protection Commission</p> <p>3845 San Diego River Conservancy</p> <p>3855 Sierra Nevada Conservancy</p> <p>3860 Department of Water Resources</p> <p>3900 Air Resources Board</p> <p>3930 Department of Pesticide Regulation</p> <p>3940 State Water Resources Control Board</p> <p>3960 Department of Toxic Substances Control</p> <p>3970 Department of Resources Recycling and Recovery</p> <p>3980 Office of Environmental Health Hazard Assessment</p> <p>4700 Department of Community Services and Development</p> <p>6440 University of California</p> <p>8570 Department of Food and Agriculture</p> <p>8660 California Public Utilities Commission</p> <p>8660 CPUC Public Advocate’s Office</p>	<p>Ca</p>
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**Subcommittee No. 3 – Health and Human Services**

0977	California Health Facilities Financing Authority	4265	Department of Public Health
4100	State Council on Developmental Disabilities	4440	Department of State Hospital
4120	Emergency Medical Services Authority	4300	Department of Developmental Services
4140	Office of Statewide Health Planning and Development	4560	Mental Health Services Oversight and Accountability Commission
4150	Department of Managed Health Care	4700	Department of Community Services and Development
4170	California Department of Aging	4800	California Health Benefit Exchange
4180	Commission on Aging	5160	Department of Rehabilitation
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	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	1703	California Privacy Protection Agency
0515	Business, Consumer Services, and Housing Agency	1750	Horse Racing Board
0650	Governor’s Office of Planning and Research	2100	Department of Alcoholic Beverage Control
0690	California Governor’s Office of Emergency Services	2320	Department of Real Estate
0750	Office of the Lieutenant Governor	2240	Department of Housing and Community Development
0840	State Controller	7502	Department of Technology
0845	Department of Insurance	7600	Department of Tax and Fee Administration
0855	California Gambling Control Commission	7730	Franchise Tax Board
0890	Secretary of State	7760	Department of General Services
0911	Redistricting Commission	7870	Victim Compensation Board
0950	State Treasurer’s Office	8260	California Arts Council
0968	California Tax Credit Allocation Committee	8620	Fair Political Practices Commission
1111	Department of Consumer Affairs – Boards and Bureaus	8860	Department of Finance
1115	Department of Cannabis Control	8885	Commission on State Mandates
		8940	Military Department
		8955	Department of Veterans Affairs
		9210	Local Government Financing

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

0250	Judicial Branch	2670	Board of Pilot Commissioners
0280	Commission on Judicial Performance	2720	California Highway Patrol
0521	California State Transportation Agency	2740	Department of Motor Vehicles
0552	Office of Inspector General	5225	Department of Corrections & Rehabilitation
0690	Office of Emergency Services	5227	Board of State and Community Corrections
0820	Department of Justice	8120	Commission on Peace Officer Standards and Training
2600	California Transportation Commission	8830	California Law Revision Commission
2660	California Department of Transportation		
2665	California High Speed Rail Authority		

SUBCOMMITTEE 1  
ON  
EDUCATION

Senate Committee on Budget and Fiscal Review

*Members*

John Laird, Chair  
Dave Min  
Rosilicie Ochoa Bogh

*Consultants*

Anita Lee  
Elisa Wynne

# SUBCOMMITTEE NO. 1

## EDUCATION

### **Pre-K-12**

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## K-12 EDUCATION

**6360**

**6361 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 2020-21 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:

<b>Budget Year</b>	<b>Proposition 98 Minimum Guarantee</b>	<b>Change from 2020-21 Budget Act (June 2021)</b>	<b>Applicable Proposition 98 Test<sup>1</sup></b>	<b>K-12 Overall Per Pupil Expenditures</b>
2019-20	\$79.3 billion	\$1.6 billion increase	Test 1	\$11,887
2020-21	\$93.4 billion	\$22.5 billion increase	Test 1	\$13,781
2021-22	\$93.7 billion	\$396 million increase over 2020-21 revised.	Test 1	\$13,992

The 2021-22 estimate of average daily attendance (ADA) was 5,754,927 reflecting an estimated ADA decline from 2020-21 of 2.0 percent, continuing a trend of ADA decline.

<sup>1</sup> In general, Test 1 is calculated based on a specified percent of General Fund revenues (currently around 38.01 percent). 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.

<b>Proposition 98 Funding by Segment</b>			
(Dollars in Millions)			
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>K-12 Education*</b>			
<b>General Fund</b>	\$48,419	\$58,500	\$56,694
<b>Local property tax revenue</b>	\$21,620	\$22,418	\$23,829
<b>K-12 subtotal</b>	\$70,039	\$80,918	\$80,523
<b>California Community Colleges*</b>			
<b>General Fund</b>	\$6,064	\$7,296	\$7,063
<b>Local property tax revenue</b>	\$3,226	\$3,327	\$3,535
<b>CCC subtotal</b>	\$9,290	\$10,622	\$10,598
<b>Proposition 98 Reserve Deposit</b>		\$1,889	\$2,617
<b>Total Proposition 98</b>	\$79,329	\$93,430	\$93,739
<b>General Fund</b>	\$54,483	\$67,685	\$66,374
<b>Local property tax revenue</b>	\$24,846	\$25,745	\$27,365
*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 at the time, with the required deposits the balance of the account as of the 2021-22 budget act is \$4.6 billion.

### **CONTINUED PANDEMIC RESPONSE:**

Since the Budget Act of 2021, the Administration and the Governor continued to monitor the needs of the state's K-12 education system as the COVID-19 pandemic continued. In 2021, several early action packages were adopted to respond to K-12 education needs, including preschool, as follows:

#### **K-12 Early Budget Package April 2021:**

- Established requirements for public and private schools to report cases of COVID-19, to the local health officer and required that a local educational agency (LEA) with two or more outbreaks of COVID-19 shall be subject to a safety review by the State Department of Public Health. Required all schools to notify the State Department of Public Health of information relating to in-person instruction and activities twice per month. Required all LEAs, who are offering, or were planning to offer, in-person instruction to post a completed COVID-19 school safety plan on its internet website home page.

- Appropriated a total of \$6.6 billion in one-time Proposition 98 General Fund for In-Person Instruction and Expanded Learning Opportunities Grants.
- Of the total, \$2 billion in In-Person Instruction Grants were provided to LEAs, with the exception of non-classroom based charter schools, proportionate to each LEA's share of the Local Control Funding Formula allocation, conditional on offering in-person instruction, commencing on or before April 1, 2021, to students as specified under the state's county tier system, with those with lower risk of COVID-19 spread providing services to larger populations of students. In addition, LEAs operating in-person were required to provide for specific testing regimes, in accordance with public health guidelines for their county's COVID-19 risk tier.
  - Funds from this grant were available for all LEAs, however an LEA that opens for in-person instruction after April 1, but on or before May 15, 2021, was subject to a reduction in grant funding equal to one percent per instructional day consistent with the LEA's adopted school calendar. LEAs that did not open for in-person instruction on or before May 15, 2021 forfeits their entire share of the \$2 billion grant funding. As a condition of funding, LEAs were required to offer continuous in-person instruction through the end of the 2020-21 school year, unless closed by local or state health officer.
  - Funds received under this section may be used for any purpose consistent with providing in-person instruction, including but not limited to COVID-19 testing, cleaning, personal protective equipment, facility needs, staffing costs, and social and mental health supports provided in conjunction with in-person instruction.
- Of the total, \$4.6 billion in Expanded Learning Opportunities Grants was provided to LEAs proportionate to each LEA's share of the Local Control Funding Formula allocation. These funds are for LEAs to provide supplemental instruction and support to students. Specified allowable uses include extended instructional learning time, accelerated learning strategies, summer school, tutoring or one-on-one support, professional development, and social-emotional wellbeing supports, among others.
- \$25 million one-time General Fund was provided for the State Department of Public Health's Safe Schools for All Team to coordinate technical assistance, community engagement, transparency, and safety enforcement, available for expenditure until June 30, 2023.
- \$5 million one-time Proposition 98 General Fund was provided for the California Collaborative of Educational Excellence for the purpose of providing support to LEAs in maximizing positive pupil outcomes and effectively using funds provided under the Expanded Learning Opportunities Grant, available for expenditure until June 30, 2023.
- Finally, in order to increase the access of educators to the COVID-19 vaccines, the Government Operations Agency was required to prioritize COVID-19 vaccinations for all persons in Tier 1B of vaccination allocation guidelines equally statewide and to prioritize a set number of appointments for COVID-19 vaccinations for education sector staff under Tier 1B, and that of

the first doses available to the state, 10 percent shall be offered to childcare and K-12 education sector staff.

Preschool Early Action Package, April 2021:

- **California State Preschool Program.** Included an increase of \$5.3 million (\$3.4 million in Proposition 98 General Fund and \$1.9 million in non-Proposition 98 General Fund) to extend family fee waivers for the California State Preschool Program through June 30, 2021.

## **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 \$124.3 billion in 2021-22, \$135.6 billion in 2020-21, and \$101 billion in 2019-20.

**K-12 Major Expenditures and Policy Changes.** The following significant investments in K-12 education were adopted in the 2021-22 budget:

- **Local Control Funding Formula (LCFF).** The budget provides a total of approximately \$66.7 billion for the LCFF. This funding amount essentially provides a cost-of-living adjustment (COLA) of \$3.2 billion (5.07 percent) for school districts, charter schools, and county offices of education (COEs), known as Local Educational Agencies (LEAs), in 2021-22.

The budget increases the value of the concentration grant add-on adjustment as part of the Local Control Funding Formula calculation from fifty percent to sixty-five percent of the base grant. Local educational agencies generate a concentration grant add-on for each low-income, foster youth, or English learner student, that is in excess of fifty-five percent of the total enrollment of the local educational agency, and specifies that this increased funding be used to increase school site staffing, including custodial staff.

While the ADA hold harmless policy enacted in 2020-21 to hold ADA constant at the 2019-20 level, was not extended for the 2021-22 fiscal year, school districts are still receiving protection from ADA declines. Under current law, school districts are funded at the greater of the current or prior year ADA levels for their LCFF allocations. In the 2021-22 year, the prior year essentially reflects 2019-20 ADA, providing a hold harmless for this school year as well.

- **Deferrals.** The 2020-21 budget included approximately \$11 billion in K-12 education deferrals of payment from one year to the next. Due to increased revenues, the 2021-22 budget includes the pay-off in 2021-22 of the total amount (\$11 billion) of Proposition 98 payment deferrals enacted during the 2020-21 Budget Act.
- **Elimination of the Proposition 98 Multi-Year Obligation.** The budget eliminates the multi-year payment obligation adopted in the 2020-21 budget designed to supplement funding provided by Proposition 98. This obligation designated 1.5 percent of General Fund Revenues per year to K-14 education beginning in 2021-22 to provide \$12.4 billion over a multi-year period and to rebench

the Test 1 percentage of the Proposition 98 Guarantee going forward. With the General Fund revenues estimated in the proposed budget, the recovery of the Proposition 98 Guarantee from reductions related to COVID-19 is achieved under the preexisting Guarantee calculations.

- **COLA.** The budget provides an increase of approximately \$225 million (in Proposition 98 and non-Proposition 98 General Fund) to provide a cost of living adjustment (COLA) of 4.05 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.** The budget provides \$3 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.
- **Expanded Learning Opportunities Program.** The budget establishes the Expanded Learning Opportunities Program to provide students access to after school and intersessional expanded learning opportunities. Classroom-based local educational agencies will be allocated funds based on their enrollment of unduplicated pupils (low-income, foster youth, and English learners) in grades TK through sixth grade. For the 2021-22 fiscal year, local educational agencies with unduplicated enrollment at 80 percent or more of total enrollment receive a higher rate. The budget provides \$754 million in one-time Proposition 98 funding and, combined with funds allocated in the budget act, a total of \$1.75 billion is provided for this program in the 2021-22 fiscal year. Subject to future appropriations, the program is intended to grow to provide funding of \$2,500 per unduplicated pupil, and reach a total scale of \$5 billion in annual funding. In the 2021-22 school year, local educational agencies must offer specified expanded learning to all pupils in grades TK through sixth on school days and for at least 30 non-school days during intersessional periods, and provide these services to at least fifty percent of unduplicated enrollment in the specified grade span. Commencing in the 2022-23 fiscal year, local educational agencies must provide services to any pupil within the grade spans whose parent or guardian requests it. Additional trailer bill legislation specified that funds provided to local educational agencies for the Expanded Learning Opportunities Program in the 2021-22 fiscal year must be used to develop an expanded learning opportunity program or provide services in accordance with program requirements, and may also be used in the 2022-23 fiscal year.
- **Funding Changes.** The budget replaces \$2 billion in one-time Proposition 98 General Fund provided for school re-opening in the early action package with federal Elementary and Secondary School Emergency Relief funds. The split of funds between federal and General Fund was further updated in trailer bill clean-up legislation.
- **Universal Transitional Kindergarten.** The budget expands the Transitional Kindergarten Program beginning 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 1<sup>st</sup> 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 specifies that age eligibility for a transitional kindergarten program does not impact family eligibility for other child care and preschool programs, and authorizes California State Preschool Programs to offer wraparound childcare services for eligible transitional kindergarten and kindergarten programs.

- **California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program.** The budget provides \$490 million in one-time General Fund for the California Preschool, Transitional Kindergarten 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.
- **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. Of the total, \$200 million is provide to local educational agencies 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 for costs including but not limited to planning, hiring and recruitment, staff training and professional development, classroom materials, and supplies. The remaining \$100 million is provided for competitive grants to local educational agencies to increase the number of highly-qualified teachers and administrators available to serve California state preschool programs and transitional kindergarten pupils, including for related professional development. Language was further amended to specify base grant amounts for local educational agencies based on the size of their kindergarten enrollment.
- **Career Technical Education Incentive Grant Program.** The budget increases ongoing Proposition 98 funding for the Career Technical Education Incentive Grant program by \$150 million, for a total of \$300 million ongoing and makes a variety of changes to the grant program, eligibility, and related reporting requirements.
- **School Nutrition and Universal School Meals.** The budget provides \$54 million Proposition 98 General Fund for the Child Nutrition Program to provide the state reimbursement rate for universal breakfast and lunch in the 2021-22 budget year. The budget also requires local educational agencies to provide two school meals free of charge for grades Transitional Kindergarten through grade twelve during each school day, regardless of a student's eligibility for federally funded free or reduced-price meals, commencing with the 2022-23 school year. The budget provides for the state reimbursement of school meals up to the combined free breakfast and lunch reimbursement rate amounts not covered by federal meal reimbursements for schools participating in the federally funded school meals programs.
- **Independent Study Program.** Distance learning, as defined for the 2020-21 school year, is not extended for the 2021-22 school year. Instead, the Independent Study program is amended to allow for students to opt out of in-person instruction and to allow for the tracking of ADA and provision of high-quality instruction to students. The requirements for Independent Study programs were amended as follows:

- Allows independent study for pupils whose parent or guardian determines that in-person instruction would put the pupil's health at risk.
- For the 2021-22 school year, requires school districts and county offices of education to offer independent study, either through a contract with a county office of education or by entering into an inter-district transfer agreement with another school district. School districts and county offices of education may seek a waiver under specified hardship circumstances.
- Requires a local educational agency to adopt and implement policies to: 1) Require a level of satisfactory educational progress that would allow a student to remain in an independent study program, including pupil achievement and engagement, completion of assignments, learning required concepts, progressing toward completion of the course of study or specific course; 2) provide content aligned to grade level standards and equivalent to in-person instruction, including access to courses for graduation and meeting college going requirements, teacher qualifications, and ratios; 3) procedures for tiered re-engagement for students who are not generating attendance for three or more school days, or 60 percent, of instructional days in a school week, or are violating the independent study agreement; 4) a plan for specified synchronous instruction requirements by grade level, and 5) a plan to transition pupils when families wish to return to in-person instruction.
- Makes a variety of other changes related to communication with students and families, the requirements of written independent study agreements, resources that need to be provided to students, documentation required by local educational agencies, and updated requirements for background checks for staff and contractors.
- Amends the requirements related to school closures for unanticipated events or natural disasters by requiring a plan for independent study.
- Makes similar changes to the course-based independent study program.
- Specifies that local educational agencies may receive apportionment for students participating in independent study because of COVID-19-related quarantine, beginning on the first day of quarantine.
- Specifies that a classroom-based charter school providing independent study to students who are unable to attend classes in person because of COVID-19-related quarantine is not required to count these students as non-classroom based charter school average daily attendance and is not required to file for a funding determination.
- Clarifies that a local educational agency may obtain signed independent study master agreements up to 30 days after a student begins an independent study program.
- Clarifies that synchronous instruction under independent study may be provided by the teacher of record or the certificated teacher of the local education agency providing instruction for course-based independent study.

## 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):
  - Provides \$1.5 billion in one-time Proposition 98 General Fund for the Educator Effectiveness Block Grant available over five years to provide LEAs with flexible resources to expedite professional development for teachers, administrators, and other in-person staff. The focus areas include those immediately relevant given COVID-19, distance learning, student and staff stress and anxiety, and social equity issues, as well as ethnic studies standards-aligned instruction, accelerated learning, inclusive practices, dual language acquisition, positive school climate, re-engaging students, restorative practices, and implicit bias training.
  - Provides \$350 million in one-time Proposition 98 funds, available over five years, for the Teacher Residency Grant Program to support existing and create new teacher residency programs that recruit and support the preparation of teachers in designated shortage fields, including special education, bilingual education, science, computer science, technology, engineering, mathematics, transitional kindergarten, or kindergarten, and others, and to support efforts to recruit and retain a diverse teacher workforce.
  - Provides \$250 million in one-time Proposition 98 funds, available over five years, for the National Board for Professional Teaching Standards Certification Incentive Program. Of the total, \$225 million is available to award grants to school districts for the purpose of providing awards to teachers who are employed by school districts or charter schools, are assigned to teach in California public schools, and have attained or will attain certification from the National Board for Professional Teaching Standards. The remaining \$25 million shall be used to cover National Board for Professional Teaching Standards certification fees for first-time candidates.
  - Provides \$37.7 million in one-time Proposition 98 funds, available over three years, for the Early Math Initiative at the Fresno County Office of Education.
  - Provides \$15 million in one-time Proposition 98 funds, available over a three year period, for the California Collaborative for Educational Excellence to contract with a county office of education to identify and curate a repository of high-quality open educational resources for use by local educational agencies as part of the statewide system of support.
  - Provide \$10 million in one-time Proposition 98 funds, available over a five year period, to generate and disseminate professional learning opportunities for educators across the state in the areas of evidence-based literacy, intensive literacy interventions, and support of pupils' executive functioning skills. Grants would be provided to one or more local educational agencies with expertise in developing and providing professional learning to educators in public schools serving kindergarten and grades 1 to 12, inclusive, to strengthen



reading instruction for all pupils and in a manner that aligns with the statewide system of support.

- Provides \$50 million in one-time Proposition 98 funds for allocation to local educational agencies on a per pupil basis, to be used to support the creation or expansion of ethnic studies course offerings, allocated contingent upon the enactment of AB 101 in the 2021-22 Regular Session.
- Provides \$5 million in one-time Proposition 98 funds, to contract out with a county office of education, to provide professional development and resources to support local educational agencies offering new and expanded ethnic studies courses.
- **Special Education.** The budget makes significant investments in Special Education programs:
  - Increases the base rate per unit of average daily attendance for each Special Education Local Plan Area (SELPA) to \$715 and applies a cost of living adjustment to SELPAs with rates above the statewide base rate.
  - Provides \$260 million in ongoing Proposition 98 General Fund for the Special Education Early Intervention Preschool Grant for specified services for 0-5 year olds.
  - Provides \$100 million in one-time Proposition 98 funds to Special Education Local Plan Areas for the purpose of supporting member local educational agencies in conducting dispute prevention and voluntary alternative dispute resolution activities to prevent and resolve special education disputes resulting from school disruptions stemming from the COVID-19 pandemic. Funds will be allocated on a per pupil basis based on pupils with exceptional needs, ages three through 22, inclusive.
  - Provides \$450 million in one-time Proposition 98 funds to Special Education Local Plan Areas for purposes of providing learning recovery support to pupils, associated with impacts to learning due to school disruptions stemming from the COVID-19 pandemic. Funds will be allocated on a per pupil basis, based on pupils with exceptional needs, ages three through 22, inclusive.
  - Provides \$10 million in federal funds on one-time basis to provide technical assistance and support to local educational agencies in developing and administering comprehensive Individualized Education Programs, and to develop tools and resources to assess and address learning and service needs for students with disabilities stemming from the COVID-19 pandemic. Makes a variety of other investments in state level activities for special education, including Family Empowerment Centers.
  - Specifies that ongoing appropriation of funds for Special Education programs, in the 2022-23 fiscal year is contingent upon notice from Director of Finance to the Joint Legislative Budget Committee that trailer bill legislation for the Budget Act of 2022 makes statutory changes designed to improve the academic outcomes of individuals with exceptional needs, that may include changes to special education funding formulas, expansions of early intervention and inclusive practices, and other changes as a result of ongoing studies.

- Updates the Out of Home Care formula and provides funding for out of home placements based on one rate for foster youth (\$1,509) and a different rate for Short-Term Residential Therapeutic Programs (\$14,603) and applies a cost of living adjustment in future years.
- Specifies that funding provided to school districts for the Special Education Early Intervention Preschool Grant is provided proportional to the total number of pupils with exceptional needs in 1<sup>st</sup> grade residing within the school district. Specifies that funds, appropriated in the Budget Act, shall supplement existing special education resources, and shall be used to provide services and supports in inclusive settings for infants, toddlers, and preschool pupils from birth to five years of age.
- Expands Family Empowerment Centers on Disability to regions in the state that do not currently have a family empowerment center. The Superintendent of Public Instruction shall award grants for this purpose by March 1, 2022.
- Makes a variety of other changes to the Family Empowerment Centers on Disability Grant program, including establishing minimum grants, specifying services provided by the centers, and establishing a data collection process for the centers.
- Provides \$15 million in one-time Proposition 98 funds for allocation to the Riverside County Office of Education and the El Dorado County Office of Education for support of the Supporting Inclusive Practices project, for purposes of increasing opportunities for pupils with disabilities to meaningfully participate in the least restrictive environment, as appropriate, and improving local educational agencies' outcomes on federal and state performance indicators. Funds are available for encumbrance until June 30, 2026.
- **California State Preschool Program.** The following changes were made to the California State Preschool Program, many of these changes are made in conjunction with changes made in the child care programs under the Department of Social Services:
  - **Cost of Living Increase.** Provides a statutory cost-of-living adjustment (COLA) of 4.05 percent for the Standard Reimbursement Rate reflecting the lost 2020-21 Budget Act COLA and a 2021-22 Budget Act COLA, beginning July 1, 2021. Appropriates \$12.4 million in Proposition 98 General Fund and an additional \$11.4 million in General Fund for the California State Preschool Program for the COLA.
  - **Preschool Reimbursement Rates.** Beginning January 1, 2022, the budget increases rates, to the 75th percentile of their county 2018 Regional Market Rate or the new Standard Reimbursement Rate as of December 31, 2021, whichever is highest (through a combination of Proposition 98 funds, federal funds and General fund). This policy is consistent with the Child Care Providers United - California bargaining contract agreed to on June 25, 2021.
  - **Preschool Slots.** Provides \$130 million in ongoing Proposition 98 General Fund for increasing slots for local educational agency-based state preschool programs.

- **Family Fees.** Provides an increase of \$11.6 million (\$5.4 million Proposition 98 General Fund and \$6.2 million General Fund) to waive family fees for the state preschool program through the 2021-22 fiscal year.
- **Rate Reform Workgroup.** Establishes a Rate Reform workgroup, to be convened by the Department of Social Services, with diverse stakeholder representation, for recommendations on rate methodology and existing program standards, including licensing standards, quality and environmental standards, and workforce competencies. The workgroup's recommendations are due to the Legislature and Administration no later than August 15, 2022, and should inform the Joint Labor Management Committee recommendations on a single reimbursement rate system across early care and education programs.
- **Provider Stipends.** California State Preschool Program providers will share in the distribution of an additional \$188 million in one-time funding (of this, \$57.7 million is Proposition 98 General Fund, \$36.8 million is non-Proposition 98 General Fund and the remainder is federal funds). Supplemental payments will be made to providers, who prior to January 1, 2022, received the Standard Reimbursement Rate and are not covered by additional supplemental payments for these purposes included under the Child Care Providers United – California agreement of June 25, 2021. These funds will be allocated between January 1, 2022 and December 31, 2023.
- **Direct Deposit.** Provides \$6 million in one-time General Fund for the Department of Education to contract for the implementation of direct deposit for payments to state preschool providers over a two-year period.
- **Age Eligibility.** Changes the definitions of child age eligibility for a “four year old” to maintain child care and preschool program eligibility for Transitional Kindergarten-eligible children.
- **A-G Completion Improvement Grant Program.** The budget provides \$547.5 million in one-time Proposition 98 funds for the A-G Completion Improvement Grant Program for the purpose of providing additional supports to local educational agencies to help increase the number of California high school pupils, particularly unduplicated pupils, who graduate from high school with A-G eligibility. Of the total, \$400 million grants for activities that directly support pupil access to, and successful completion of, the A-G course requirements. The remaining \$147.5 million is to allow pupils who failed an A-G approved course in the spring semester of 2020 or the 2020–21 school year to retake those A-G courses or for other credit recovery.
- **School Facilities.** The budget provides \$250 million in one-time General Fund to the State Allocation Board for deposit into the 2016 State School Facilities Fund for TK-12 state school new construction and modernization projects.

- **School Meals Infrastructure.** The budget provides \$150 million in one-time Proposition 98 funds for local educational agencies, related to provision of school meals. Of the total, \$120 million shall be available for kitchen infrastructure upgrades to increase pupil access to, or improve the quality of, fresh and nutritious school meals. The remaining \$30 million is available for food staff training.
- **J-13A Emergency Apportionments.** The budget makes the following changes to the J-13a process for claiming apportionment for schools and charter schools that are unable to operate schools for the full school year due to an emergency:
  - Clarifies that local educational agencies must have a plan to offer instructional services to students within ten days, but may provide for short term independent study for 15 schooldays pursuant to independent study requirements. If applicable, a local educational agency must provide the state or local public health or public safety order that required school closure to the Superintendent of Public Instruction.
  - Specifies that a local educational agency may not receive apportionment for material decreases in attendance or closures related to COVID-19, except due to COVID-19 related staffing shortages if the local educational agency offers independent study to students and the following conditions are established:
    - The local educational agency is unable to provide in-person instruction due to staffing shortages (certificated or classified) related to COVID-19.
    - The local educational agency has exhausted all options for obtaining staff coverage and has consulted with their county office of education and the Superintendent in determining that staffing needs cannot be met through any option.
- **CTE Funding.** The budget provides \$86.4 million in one-time Proposition 98 funds for apportionment to career technical education regional occupational centers or programs operated by a joint powers authority in the 2021-22 fiscal year, for uses related to providing in-person instruction.
- **County Office of Education Funding.** The budget provides \$80 million in one-time Proposition 98 funds to the county offices of education for allocation on per average daily attendance for students in county community schools and juvenile court schools for costs related to in-person instruction.
- **Classified School Employee Summer Assistance Program.** The budget provides \$60 million in one-time Proposition 98 funds, available over a three year period, for the Classified School Employee Summer Assistance Program. The budget specifies that for the Classified School Employee Summer Assistance Program, funds appropriated for purposes of the program in any year may be used to provide \$1 of state matching funds for every \$1 dollar withheld from participating classified employee monthly paychecks.

- **Multi-tiered Systems of Support.** The budget provides \$50 million in one-time Proposition 98 funds to the Orange County Department of Education for the Multi-tiered Systems of Support. Of the total, \$30 million is for grants to local educational agencies for the purpose of funding school-wide and districtwide implementation of services or practices aligned to the Multi-Tiered Systems of Support framework. The remaining \$20 million shall be used to fund a local educational agency, a local educational agency in partnership with an institution of higher education or nonprofit educational service provider, or a consortia, to partner with the Orange County Department of Education and the Butte County Office of Education to expand the state's capacity to support local educational agencies' implementation of social-emotional learning, trauma screening, trauma-informed practices, and culturally relevant, affirming, and sustaining practices.
- **Accelerated Learning.** The budget provides \$50 million in one-time Proposition 98 funds for the California Collaborative for Educational Excellence to contract with a county office of education to establish a statewide professional development infrastructure to expand the use of evidence-based accelerated learning strategies.
- **Foster Youth Services.** The budget provides \$30 million in one-time Proposition 98 funds, available over a two year period, to provide direct services to foster youth students. Of the total, at least \$5 million shall be used to provide direct services to improve postsecondary education enrollment and outcomes for foster youth.
- **Children's Mental Health Support.** The budget provides \$25 million in one-time Proposition 98 funds, for the Kern County Office of Education to contract with the Child Mind Institute for purposes of developing mental health and wellness instructional resources and trainings for caregivers, educators, and youth to address impacts of the COVID-19 pandemic on children's mental health and to promote mental wellness within families and school communities.
- **Afterschool Programs.** The budget provides \$215 million in federal America Rescue Plan Act funds for after school programs to increase daily rates for the After School Education and Safety Program to \$10.18 in the 2021-22 and 2022-23 fiscal years. The budget provides \$86.4 million in federal funds to increase daily rates to \$10.18 for the 21<sup>st</sup> Century Community Learning Center grant program that provide after school care.
- **State Special Schools.** The budget provides an additional \$39 million in one-time General Fund for deferred maintenance and capital outlay projects at the State Special Schools.
- **California Interscholastic Federation.** The budget provides \$10.5 million in one-time Proposition 98 funds for the California Interscholastic Federation for expenses related to the COVID-19 pandemic.
- **Dual Language Immersion Grant Program.** The budget provides \$10 million in one-time Proposition 98 funding for the Dual Language Immersion Grant Program. The State Department of Education shall award a minimum of 25 one-time grants to local educational

agencies or consortia over a period of three fiscal years to expand existing and establish new dual language immersion programs.

- **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.
- **Environment Education Curriculum Resources.** The budget provides \$6 million in one-time Proposition 98 funds for the San Mateo County Office of Education to contract for the creation of free and open education resources that are K–12 standards-based curriculum units on climate change and environmental justice and the integration of environmental principles and concepts developed pursuant to Section 71301 of the Public Resources Code.
- **School Climate Surveys.** The budget provides \$6 million in one-time General Fund, available over three years, to contract for training for local educational agencies on interpreting data from their local school climate survey tool, and for the development of an optional trauma-informed practice module to provide local educational agencies with data to assess the impact the COVID-19 pandemic and other community trauma has had on pupils as part of a school climate survey. The budget provides \$150,000 one-time Proposition 98 funds, to identify and evaluate the feasibility of standardizing items for local educational agencies for use as part of a school climate survey to strengthen data collected for the California School Dashboard.
- **Special Olympics.** The budget provides \$6 million in one-time General Fund, available over three years, for the Special Olympics of Northern and Southern California.
- **Broadband Infrastructure Grant Program.** The budget provides \$5.2 million in one-time Proposition 98 funds, available over a three-year period, for the Broadband Infrastructure Grant Program for identified broadband connectivity solutions.
- **Office of School-Based Health Programs.** The budget establishes the Office of School-Based Health Programs at the Department of Education. The responsibilities of the office shall include collaborating with the State Department of Health Care Offices, and assisting local educational agencies with information on Medi-Cal billing and administrative claiming process, and providing technical assistance for local educational agencies on health-related programs and services. One of the positions in the office is required to be a school nurse consultant.
- **School Health Demonstration Project.** The budget provides \$5 million in one-time Proposition 98 funds for the School Health Demonstration Project. The School Health Demonstration Project, housed in the Office of School-Based Health Programs, is a pilot project to provide local educational agencies with intensive technical assistance and support to participate in billing and claiming in the Med-Cal program. The Department of Education shall

select three technical assistance teams to provide assistance to up to 25 local educational agencies for a two-year period.

- **Exploratorium Funding.** The budget provides \$3.5 million in one-time Proposition 98 funds to San Francisco Unified School District for the Exploratorium in the City and County of San Francisco for purposes of supporting professional development and leadership training for education professionals, expanding access to quality science, technology, engineering, and mathematics learning opportunities, and supporting statewide implementation of the Next Generation Science Standards.
- **Standardized Account Code Structure System.** The budget provides \$3.1 million in one-time Proposition 98 funds and commencing with the 2022-23 fiscal year, provides \$3.9 million in ongoing Proposition 98 funds for Kern County Office of Education for the Standardized Account Code Structure system replacement project.
- **LGBTQ+ Pupil Support.** The budget provides \$2.4 million in one-time Proposition 98 funds for the creation of an online training on school site and community resources focused on strategies to support LGBTQ+ pupils.
- **Genocide and Holocaust Education Resources.** The budget provides \$2 million in one-time Proposition 98 funds, available over a three-year period, to the Marin County Office of Education to contract with nonprofit organizations with subject matter expertise in genocide and Holocaust education to develop resources and provide related professional development.
- **Social-Emotional Learning Grants.** The budget provides \$2 million in one-time General Fund for grants to community-based organizations supporting local educational agencies with the implementation of high quality integrated academic, behavioral, and social-emotional learning practices.
- **Model Curricula.** The budget provides \$1.2 million in one-time Proposition 98 funds, contingent upon the passage of legislation during the 2021-22 legislative session, for the model curricula development process for Native American studies, the Vietnamese American refugee experience, the Cambodian genocide, and Hmong history and cultural studies. Further trailer bill legislation required that the California Department of Education enter into contracts with county offices of education or a consortium of county offices for the development of each of the following:
  - A model curriculum related to the Vietnamese American refugee experience by September 1, 2024.
  - A model curriculum related to the Cambodian Genocide by September 1, 2024.
  - A model curriculum related to Hmong history and cultural studies by September 1, 2024.
  - A model curriculum related to Native American studies by September 1, 2025.

- **Model Curricula Support.** The budget appropriates \$1.031 million to the Superintendent of Public Instruction. Of this, \$750,000 is for the development of a digital platform by the California History Social Science Project to host model curricula, and \$281,000 is to contract with a non-governmental organization to convene a Statewide Model Curriculum Coordinating Council.
- **Accountability-Related Assessment.** The budget provides \$400,000 in one-time General Fund for an independent evaluation of technical assistance provided to local educational agencies identified for such assistance and other parts of the accountability systems and California School Dashboard. The report shall be completed on or before October 1, 2022.
- **Student Assessments.** The budget allows local educational agencies to administer standards-aligned assessments in place of the California Assessment of Student Performance and Progress summative assessments, and receive an apportionment at the rate approved by the State Board of Education. Makes a variety of other technical amendments to assessments.
- **California School Dashboard.** The budget amends the requirements for publishing the 2021 California School Dashboard and identifying local educational agencies for technical assistance in response to the COVID-19 pandemic, including: (1) eliminating the requirement to publish the 2021 California School Dashboard; (2) requiring the Department to publish all valid and reliable data that would have been included in the 2021 Dashboard on Dataquest or through some other internet website; (3) eliminating the requirement to identify local educational agencies for technical assistance in 2021-22, (4) clarifying that all local educational agencies identified for technical assistance in the 2019 School Dashboard shall retain the identification until the release of the 2022 Dashboard; and, (5) clarifying which data years will be used to identify local educational agencies for technical assistance in accordance with Education Code section 52072 in December 2022-December 2024.
- **State Seal of Biliteracy.** The budget provides flexibility for the Superintendent to grant the State Seal of Biliteracy to students who are on track to graduate in the 2021-22 school year and are unable to take the required assessments in the 2020-21 school year due to the COVID-19 pandemic.
- **Differentiated Assistance.** The budget requires differentiated assistance to focus on critical inputs for local educational agencies identified for differentiated assistance for the 2021-22 school year, plus any additional local educational agencies that seek support.
- **Instructional Status Survey.** The budget directs the California Collaborative for Educational Excellence to collect data required in the biweekly instructional status survey to provide transparency around local educational agencies academic and student support offerings, student engagement and actions related to health and safety. The budget provides \$1.5 million in Proposition 98 carryover funding for workload for the California Collaborative for Educational Excellence related to the biweekly instructional surveys.



- **Non-Classroom Based Charter School Moratorium.** The budget extends the moratorium on the establishment of new non-classroom based charter schools from January 1, 2022 to January 1, 2025.
- **Digital Reporting.** The budget allows for a lead state agency that administers state bond proceeds to meet the annual reporting process requirements using a digital method of providing information.
- **Mandates Block Grant.** The budget adds a mandated requirement to provide feminine hygiene products in schools to the school mandates block grant.
- **Appropriations Limit.** The budget requires a local school district, community college district, or county superintendent of schools to increase its appropriations limit in an amount equal to its proceeds of taxes when those taxes exceed the limit, and in the 2021-22 fiscal year and later, to reduce the appropriations limit when it exceeds the proceeds of taxes and specifies related reporting and notification timelines.
- **Local Control and Accountability Plan.** The budget makes additional changes related to the Local Control Accountability Plan as follows:
  - Includes language to make technical amendments to clarify the requirements for the annual update to the LCAPs, in line with the provisions of Chapter 24, Statutes of 2020 (SB 98). Also includes language to make technical amendments to clarify the deadline for the learning continuity and attendance plans for local educational agencies impacted by natural disasters and the requirements of the budget overview for parents.
  - Specifies that the State Board of Education shall adopt a one-time supplemental template to the annual update of the 2021-22 Local Control and Accountability Plan. The supplemental plan will provide additional information and accountability on the use of funds provided in the Budget Act of 2021 and additional federal stimulus funds provided to school districts.
  - Adds additional oversight by county offices of education on actions that satisfy the Minimum Proportionality Percentage (MPP) for Local Control and Accountability Plans that propose to expend less on actions to increase or improve services than their Local Control Funding Formula (LCFF) apportionment attributable to supplemental and concentration funds, and require a specific justification of how services are improved, and that dollars associated with unimplemented actions that are counted toward meeting the MPP be used for actions that meet the needs of unduplicated students in future years.
- **Williams Settlement Requirements.** The budget specifies that for the 2021-22 school year, unannounced visits of local education agencies required to assess facilities by the county superintendent of schools may only be conducted in consultation with local health officials and in compliance with any orders or guidance issued by any local or state public health official and the requirement may be waived if the visits are unable to be conducted for health and safety reasons.

- **Property Taxes.** The budget allows for the backfill of property tax revenues with General Fund for the Special Education program, related to changes in revenues due to the dissolution of redevelopment agencies.
- **AB 1200 Process.** The budget makes technical clarifying changes to the AB 1200 process by which county office of education budgets are certified and overseen by the Superintendent of Public Instruction.
- **Natural Disaster Funding.** The budget adjusts funding calculations for Pioneer Union School District and Paradise Unified School District to provide funding relief related to natural disasters.
- **Closed Charter Schools.** The budget allows the Superintendent of Public Instruction to reduce funding apportioned for charter schools that close during the 2020-21 school year if the school operated for 175 days or less.
- **Audit Extension.** The budget provides a one-time extension to the audit deadlines for local educational agencies' annual audit reports to be filed, as well as the deadline for the governing body review of the annual audit in 2021-22. Further trailer bill legislation included charter school financial reports in the extension.
- **Charter School Renewal.** The budget extends the terms of all existing charter schools by two years, except for charter schools renewed or first approved in the 2020-21 school year. Charter school renewal is based on two years of Dashboard data, however, due to the ongoing pandemic and distance learning, sufficient assessment data is not available.
- **School District Lapsation.** The budget provides for additional control over the school district lapsation process 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.
- **Charter School ADA.** The budget suspends the calculation of allocating charter school average daily attendance (ADA) to a sponsoring school district in the 2021-22 fiscal year, to conform to other ADA changes made during the pandemic.
- **After School Education and Safety Program.** The budget clarifies requirements for the After School Education and Safety program to specify that low-income students receive priority for services, in addition to pupils in foster care or experiencing homelessness.
- **Audit Penalties.** The budget aligns distance learning attendance and record-keeping penalties by revising the calculation of penalties associated with distance learning attendance to reflect penalties only for the specific number of days out of compliance with requirements.
- **Waiver Authority.** The budget grants the State Board of Education waiver authority on Distance Learning instructional day penalties if LEAs provide the instructional days in out-years to supplement statutorily required instructional days.

- **Early Education Statewide Data System.** The budget specifies that funds available in the Budget Act of 2020 for a statewide data system for early education will include a unique child identifier across all state funded childcare and development programs and extends the encumbrance date through June 30, 2023.
- **Adults in Correctional Facilities.** The budget reduces the appropriation for the Adults in Correctional Facilities to align funding with the program expenditures.
- **School Facilities Program Repayments.** The budget changes the maximum repayment period for funds owed by districts to the School Facilities Program from five years to 20 years, aligning with the repayment period for repaying emergency apportionments. In addition, this language updates the requirements to repayment of funds not expended in accordance with the terms of the School Facilities Program to include funds from the 2006 and 2016 State School Facilities Funds.
- **Proposition 98 Split.** The budget extends the suspension of the Proposition 98 statutory split for K-12 education and community colleges for the 2021-22 fiscal year.
- **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.
- **Department of Education State Operations.** The budget provides an increase of approximately \$33 million in General Fund and \$32.4 million in federal funds for workload increases and increased state level activities for the Department of Education. This includes funding for 83 positions related to the shift of child care programs from the Department of Education to the Department of Social Services.

## 6362 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:

- The budget provides \$125 million in one-time Proposition 98 funds, available over five years, to the CTC for the California Classified School Employee Teacher Credentialing Program, to assist classified employees in attaining teaching credentials, and expands program eligibility to expanded learning and early childhood education program staff.
- The budget provides \$15 million in one-time Proposition 98 funds, available over a five year period, to the CTC for the Computer Science Supplementary Authorization Incentive Grant Program, to provide one-time grants to local educational agencies to support the preparation of

credentialed teachers to earn a supplementary authorization in computer science and provide instruction in computer science coursework in settings authorized by the underlying credential.

- The budget provides \$1.7 million in one-time Proposition 98 funds to the CTC to be transferred to the Tulare County Office of Education to continue to administer the California Center on Teaching Careers.
- The budget amends the demonstrations of competence for teacher basic skills and subject matter knowledge. Specifically, language expands the list of allowable exemptions from the basic skills proficiency test to include applicants that earn at least a “B” grade in qualifying coursework to demonstrate subject matter proficiency or are designated proficient by a credential program, would specify that the minimum requirements for a preliminary single or multiple subject teaching credential include verification of subject matter competence, through specified means, and provides alternative assessment authority to the CTC.
- The budget allows the CTC to convene a group of stakeholders to assess how current transitional kindergarten credentialing requirements are being implemented and align with the recently released Master Plan for Early Learning and Care.
- The budget allows the CTC to collect voluntary demographic data and self-identification data from applicants for teacher preparation programs.
- The budget clarifies that the CTC may issue single subject teaching credentials for mathematics with a specified concentration.
- The budget extends the amount of time a substitute teacher can provide instruction in a class from 30 days to 60 days.

### **K-12 Education Budget Trailer Bills**

1. *Early Care and Education – Assembly Bill 82 (Committee on Budget), Chapter 6, Statutes of 2021.*
2. *K-12 Education Finance – Assembly Bill 86 (Committee on Budget), Chapter 10, Statutes of 2021*
3. *K-12 Education Finance – Assembly Bill 130 (Committee on Budget), Chapter 44, Statutes of 2021*
4. *Early Care and Education – Assembly Bill 131 (Committee on Budget), Chapter 116, Statutes of 2021*
5. *K-12 Education Finance – Assembly Bill 167 (Committee on Budget), Chapter 252, Statutes of 2021*
6. *Early Care and Education – Senate Bill 168 (Committee on Budget and Fiscal Review), Chapter 261, Statutes of 2021*

# HIGHER EDUCATION

## 6120 CALIFORNIA STATE LIBRARY

- **Zip Books.** The budget approves the Governor's Budget proposal for \$1 million ongoing General Fund for the Zip Books project, which provides for easily accessible online purchasing and convenient shipping of library books to ensure timely and cost-effective access to information in California's hard-to-reach and underserved communities.
- **Lunch at the Library.** The budget approves the Governor's Budget proposal of \$800,000 ongoing General Fund to support the Lunch at the Library program.
- **Bookmobiles.** The budget approves the Governor's Budget proposal of \$3 million one-time General Fund to support grants to local library jurisdictions to acquire bookmobiles and vans and to support programs intended to improve library access and program delivery.
- **Early Learning and After School Programs.** The budget approves the Governor's Budget proposal of \$5 million one-time General Fund to provide grants for early learning and after school programs to library jurisdictions.
- **Corporation for Education Network Initiatives in California (CENIIC).** The budget approves the Governor's Budget proposal of \$500,000 ongoing and \$300,000 one-time General Fund to support increased costs for library broadband services as part of the CENIC network. The budget also approves the May Revision proposal to provide \$300,000 to support CENIC circuit deployment fees to local libraries.
- **Library Infrastructure Grant Program.** The budget modifies the May Revision proposal to provide \$439 million one-time General Fund for grants for local library infrastructure improvements, broadband and technology upgrades and purchasing of devices. The budget specifies that no grant amount shall exceed \$10 million, and the State Library shall prioritize life-safety and other critical maintenance and infrastructure projects. The budget specifies that the State Library shall require a local match; however, the match may be reduced if library jurisdiction can demonstrate financial need. The budget requires the State Library to submit a report on the grant recipients, information about the grant and status reports on the project starting in April 1, 2022. These funds will be available for encumbrance until June 30, 2024.
- **Civil Liberties Education Grant Program.** The budget approves the May Revision proposal to provide \$5 million one-time to support the Civil Liberties Education Grant Program. This grant program supports the creation and dissemination of educational and public awareness resources concerning the history and the lessons of civil rights violations or civil liberties injustices carried out against communities or populations. These funds will be available for encumbrance or expenditure until June 30, 2024.

- **Broadband Connectivity Initiative.** The budget approves the May Revision proposal to provide \$6 million one-time General Fund to support the Broadband Connectivity initiative for public libraries. This initiative supports library grants to leverage federal funds to connect rural and under-sourced public libraries, tribal libraries and cultural centers, and to upgrade local library equipment to support high-speed connectivity. The budget requires the State Library to submit a report to the Department of Finance and the Legislature by April 1, 2022. The report shall list the grant recipients, the grant amount each recipient received, any local matches provided by each recipient, and a description of each funded project.
- **Library Broadband.** The budget approves the May Revision proposal to provide \$35 million one-time to support local projects to expand broadband access and upgrade equipment to access high-speed connectivity in isolated and under-served communities through a collaborative partnership of local and regional libraries, local education agencies, and telehealth providers on projects eligible to leverage funding available through the Federal Universal Service Program for Schools and Libraries. The projects funding through the proposed program would also be eligible to leverage funding available through the Federal Universal Service Program for Schools and Libraries (“E-Rate”). These funds are available for encumbrance or expenditure until June 30, 2025. The California State Library shall submit a report to the Department of Finance and the Legislature by April 1 of each year through 2025. The report submitted by April 1, 2022, shall list the grant recipients, the state grant amount each recipient received, any local matches provided by each recipient, the amount of additional federal funding that was leveraged, and a description of each funded project.
- **Library English as a Second Language Programs.** The budget approves the May Revision proposal to provide \$15 million one-time General Fund to expand access and support to the English as a Second Language Learners program available through local libraries.
- **Online Tutoring.** The budget approves the May Revision proposal to provide \$6.4 million to support a two-year pilot project for a real-time, online tutoring service program that would be accessible by elementary and secondary school pupils through local libraries, irrespective of whether the pupil accesses the assistance on-site at the local library or through a personal device. These funds are available for encumbrance or expenditure until June 30, 2023
- **Library Resources for Visually Impaired Californians.** The budget approves the May Revision proposal to provide \$1,641,000 one-time and two positions and \$220,000 ongoing to support a pilot project to implement new assistive technologies and to expand access to those resources to visually-impaired Californians. The California State Library is encouraged to collaborate with the Braille Institute of America in Los Angeles to implement this pilot project.
- **Disaster Preparedness.** The budget modifies the May Revision proposal and provides \$2.4 million to support the development of disaster preparedness plans to protect at-risk art, and historically and culturally significant collections that are publicly and privately held by underserved and underrepresented communities. These funds will be available for encumbrance or expenditure until June 30, 2025.

- **California Homeless Youth Project.** The budget approves the May Revision proposal to provide \$130,000 and one position to support the State Library workload associated with the California Homeless Youth Project.
- **K-12 Resources.** The budget approves the May Revision proposal to provide \$241,000 and two positions to support expanded access to online educational database resources for Science, Technology, Engineering, Arts, and Mathematics (STEAM) available to K-12 students and education professionals.
- **Electronic Data.** The budget approves the May Revision proposal to provide \$345,000 and three positions to curate, preserve, and archive increasing amounts of electronic data being generated by state agencies and other relevant entities; and to coordinate and support information services and automated processes to facilitate convenient and efficient access to this information by policymakers, researchers, and the public.
- **State Government Oral History Program.** The budget approves the May Revision proposal to shift the State Government Oral History Program from the State Library to the Secretary of State, which oversees the California State Archives.
- **California Humanities.** The budget provides \$2 million one-time General Fund for California Humanities.
- **Career Online High School.** The budget provides \$3 million one-time for Career Online High School.
- **University of California, Berkeley Institute of Governmental Studies.** The budget provides \$2.1 million in 2021-22, of which \$0.46 million is ongoing to digitize documents and records, complete an inventory, catalog materials, and expand metadata capacity for the UC Berkeley's Institute of Governmental Studies Library.
- **State Grants Portal.** The budget provides \$314,000 ongoing and \$500,000 one-time to improve and maintain the State Library State Grants Portal. AB 132 requires state agencies to provide the State Library post award data for grants by July 1, 2022. The bill also specifies that the data include various information including the number of grants awarded and information about the award recipient and geographic location served.
- **Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ) Achieves.** The budget provides \$750,000 one-time General Fund to support LGBTQ historical archives.
- **California Library Services Act.** The budget restores \$1.8 million ongoing General Fund to the California Library Services Act, which was reduced in the 2020 Budget Act.
- **Ethnic Media Outreach.** The budget provides \$10 million one-time General Fund to support the Outreach Grants to Ethnic Media Program.

- **California Center for Civic Participation.** The budget provides \$200,000 one-time General Fund to support the California Center for Civic Participation. The State Library shall work in consultation with the State Department of Social Services to allocate these funds.
- **Federal Institute of Museum and Library Services.** Appropriates \$10.5 million from the federal American Rescue Plan Act of 2021 for the Institute of Museum and Library Services program.
- **Various Local Programs and Projects.** The budget provides funding to support various local projects and programs:
  - \$26.5 million one-time General Fund to support the San Francisco Chinatown Media and Arts Collaborative.
  - \$9 million to the City of Los Angeles for the creation of the TUMO Center with the University of Southern California Institute of Armenian Studies, and \$1 million for the USC Institute of Armenian Studies.
  - \$6 million one-time General Fund to support the Inland Congregations United for Change Parent and Youth Civic Engagement. The State Library shall work in consultation with the State Department of Social Services to allocate these funds.
  - \$4 million for the Pasadena Central Library seismic retrofit.
  - \$2.7 million for City of Fullerton Hunt Library restoration.
  - \$2.4 million one-time for the Logan Heights Library facilities restoration.
  - \$2 million to the City of Daly City for capital improvements to the Serramonte Library and Bayshore community center and library.
  - \$1.8 million to the City of Sacramento for the Sacramento Fairytale Town for expansion.
  - \$1 million one-time General Fund to support the Jewish Family and Children’s Services Holocaust Center. The State Library shall work in consultation with the State Department of Social Services to allocate these funds.
  - \$1 million for County of Imperial public library resources.
  - \$1 million for the City of Larkspur, Larkspur Library.
  - \$1 million for the City of San Rafael, San Rafael Library.
  - \$1 million for the County of Sonoma for Roseland Library
  - \$500,000 one-time General Fund to support the San Francisco Richmond Community Youth Center.
  - \$500,000 for the City of Azusa library outdoor classroom and learning center.



- \$250,000 for Altadena Library District infrastructure improvements.
- \$300,000 to the City of San Diego for the Oak Park Library, for completion and design of the Oak Park Library Branch.
- **Early Action Revision to the 2020 Budget Act.** The budget included early action revisions to the 2020 Budget Act to provide \$800,000 for the Lunch at the Library Program.

#### 6440 UNIVERSITY OF CALIFORNIA (UC)

- **Base Increase.** The budget restores the \$302.4 million ongoing General Fund cut made to the UC in the 2020-21 Budget Act. In addition, the budget provides an increase of \$173.2 million ongoing General Fund for a five percent base increase. The budget rejects the Governor's Budget proposal to tie increased funding to the requirements that UC increase online course offerings and provide an equity gap report.
- **Resident Undergraduate Enrollment.** The budget specifies that it is the intent of the Legislature to provide resources in 2022-23 to support enrollment of 6,230 new resident undergraduates starting in the 2022-23 year, compared to the 2020-21 academic year. The agreement notes \$67.8 million ongoing General Fund will be available in 2022-23 to support 6,230 new California students.
- **UC Nonresident Enrollment.** The budget and AB 132 create a nonresident reduction plan at UC Berkeley, UCLA and UC San Diego. AB 132 specifies that it is the intent of the Legislature that UC limit the share of nonresident students at every campus to no more than 18 percent of the campus undergraduate enrollment. The bill specifies that it is the intent of the Legislature to provide appropriations to UC to gradually make progress towards achieving this policy at UC Berkeley, UCLA, and UCSD. The budget agreement notes that the state will provide \$31 million ongoing General Fund in 2022-23, \$61 million ongoing General Fund in 2023-24, and \$92 million in 2024-25 to reduce nonresident enrollment to 18 percent of the undergraduate student body, replacing about 900 nonresident students with California students annually.
- **UC Office of the President (UCOP) and UCPath.** The budget approves the Spring Finance letter, and reflects an early action agreement, that provides an increase of \$27.3 million General Fund for UCOP and \$6.6 million for UCPath to restore funding that was cut in the 2020-21 Budget Act. The budget also approves the May Revision proposal to move the UCOP budget line item, which includes UCOP and UCPath, into the main campus budget item. The budget requires UC to annually report to the Legislature and the Department of Finance on UCPath funding and staffing starting on November 1, 2021, campus assessment fees, and UCOP actual and planned budget expenditures starting on September 30, 2022. The budget agreement notes that this action will be for one year, and will be reviewed prior to the enactment of 2022 Budget Act.

- **Animal Shelter Assistance Act.** The budget approves the May Revision proposal to provide \$45 million one-time General Fund to support the UC Davis animal shelter program. AB 132 establishes the Animal Shelter Assistance Act to provide competitive grants for outreach, regional conferences and resources on best practices for improving animal health and care in animal shelters, and in person assessments and training for local animal control agencies or shelters, societies for prevention of cruelty to animals, and humane societies. The bill requires UC to report by March 31, 2023 and March 31, 2026 on the use of funds, activities supported, list of grantees and analysis of the programs impact.
- **Student Academic Preparation and Educational Partnerships (SAPEP) Program.** The budget provides \$22.5 million one-time to support the SAPEP program.
- **Mental Health Services.** The budget modifies the Governor’s Budget proposal to provide \$15 million ongoing General Fund to support student mental health services and student technology needs, to only support student mental health services.
- **Deferred Maintenance and Energy Efficiency Projects.** The budget provides \$325 million General Fund to address UC deferred maintenance and energy efficiency projects.
- **UC Program in Medical Education (PRIME).** The budget approves the Governor’s Budget proposal to increase funding for the UC PRIME program by \$12.9 million ongoing General Fund. The budget requires UC to establish a new UC PRIME focused on Native American communities, and other programs that are focused on state priorities. UC is encouraged to use these funds to support programs that serve underrepresented areas in the state. The budget also requires UC to report by March 1, 2022 and annually thereafter until March 1, 2027, to the Legislature and the Department of Finance on how this funding was used and the outcomes it achieved.
- **California Veterinary Emergency Team Program.** The budget provides \$3 million ongoing General Fund to the UC Davis School of Veterinary Medicine to develop the California Veterinary Emergency Team to assist in the support and training of government agencies, nongovernmental organizations and individuals to assist in the evacuation and care of household and domestic animals and livestock in emergencies statewide. AB 132 establishes the program, and specifies the program shall also conduct or support research on best practices for evaluation and care of animals in disasters.
- **Immigrant Legal Services.** The budget provides \$1.8 million ongoing to provide legal services to undocumented and immigrant students, faculty and staff at the UC.
- **Summer Financial Aid.** AB 132 approves the May Revision proposal to eliminate the sunset date on summer financial aid.
- **Learning Management System.** The budget modifies the Governor’s Budget proposal to provide \$1 million ongoing General Fund to align campus learning management systems with CSU and community colleges. Instead the budget bill language provides \$1 million to adopt a common intersegmental learning management system for online courses. The budget authorizes the segments to enter into an agreement for this purpose.

- **California Institutes for Science and Innovation.** The budget approves the Governor’s Budget proposal to provide \$20 million one-time General Fund to support student stipends at the California Institutes for Science and Innovation. This funding is to support stipends over a five year period to better enable student workers to connect with industry employers, and for research teams to form industry partnerships to better align educational programs with workforce needs.
- **Emergency Financial Aid.** The budget approves the Governor’s Budget proposal to provide \$15 million one-time General Fund to support emergency financial aid for students. The budget approves the May Revision proposal to align emergency student financial aid eligibility criteria for funding available to UC students with criteria established by AB 85 (Committee on Budget), Chapter 4, Statutes of 2021 for similar funding available to California Community College students.
- **UC Subject Matter Projects.** The budget approves the Governor’s Budget proposal to provide \$7 million one-time General Fund to the UC Subject Matter Projects. The budget specifies that \$5 million shall be used to create professional development to mitigate student learning loss in core subject matter content areas, and \$2 million is to be available to support teacher training and resources on ethnic studies content.
- **Professional Development.** Modifies the Governor’s Budget proposal to provide \$5 million one-time General Fund to support culturally competent faculty professional development, to also include language allowing funding also to be used to support equal employment opportunity practices.
- **Dual Admission Pathways.** AB 132 modifies the Governor’s Budget proposal to create a new Dual Admissions transfer program. The trailer bill specifies that the program will be available from 2023-24 through the 2025-26 academic year. The dual admissions agreement guarantees that a student will: (1) be admitted to the campus of their choice if the student completes an associates degree or an established course of study for transfer within two academic years at a CCC, and (2) have access to library, counseling and other services from the UC campus nearest to their primary residence. The bill requires UC to report by April 1, 2026 on the program, including college participants, description of services and information on program applicants and student outcomes.
- **Statewide Redistricting Database Program.** The budget provides \$534,000 one-time General Fund to the Statewide Redistricting Database program.
- **UC Institutional Aid.** AB 132 extends by two years, until June 30, 2023, the ability for UC to provide scholarships from non-state funds to students.
- **Reappropriation of Funds.** The budget approves updates and reappropriations proposed in the May Revision for the Breast Cancer Research Fund and the Cigarette and Tobacco Products Surtax Fund.

- **Firearm Violence Research Center.** The budget approves the Governor’s Budget proposal to provide \$1 million ongoing General Fund to support the UC Firearm Violence Research Center. The budget specifies that UC Davis shall not assess administrative costs or charges against these funds.
- **Graduate Medical Education Adjustment.** The budget approves the May Revision proposal to decrease the Graduate Medical Education grant program by \$1.6 million to maintain a total of \$40 million for the program based on the most recent Proposition 56 revenue estimates. The budget also gives the Department of Finance the ability to adjust this fund each year to ensure it provides \$40 million for this program.
- **UC Agriculture and Natural Resources (UCANR) Division.** The budget implements the early action agreement to provide UCANR \$9.2 million to restore funding that was cut in the 2020-21 Budget Act. The budget also provides \$32.1 million ongoing General Fund for UCANR Division, and maintains it as a separate budget line it.
- **UC Institute for Transportation Studies.** The budget provides \$10 million one-time to support the UC Institute for Transportation Studies to develop a three-year research and technical assistance program.
- **UC Hematologic Malignancies Consortium Pilot.** The budget provides \$4.5 million one-time for the UC Hematologic Malignancies Consortium pilot.
- **UC Berkeley Increases.** The budget provides the following increases for UC Berkeley:
  - \$1 million one-time for the UC Berkeley Alternative Meats Lab, as proposed in the May Revision.
  - \$1 million one-time General Fund to support the UC Berkeley Food Institute.
  - \$1.5 million one-time for the UC Berkeley Labor Center.
  - \$750,000 to the UC Berkeley - UC Nutrition Policy Institute Division of Agriculture and Natural Resources.
- **UC Davis Increases.** The budget provides the following increases for UC Davis:
  - Provides \$21 million one-time for UC Davis Center for Regenerative Cures.
  - Provides \$1 million ongoing to support the California Vectorborne Disease Surveillance Gateway.

- **University of California, Los Angeles (UCLA) Increases.** The budget provides the following increases for UCLA:
  - \$50 million one-time to UCLA to support the Charles Drew University of Medicine and Science for capital costs for facilities to support the medical education program.
  - \$15 million one-time General Fund to support for the University of California Los Angeles Labor Center facility, as proposed in the May Revision.
  - \$7 million to UCLA for the Climate Wildfire Institute.
  - \$5 million one-time for the UCLA Ralph J. Bunche Center.
  - \$5 million to UCLA Institute on Reproductive Health, Law, and Policy and UCLA School of Law.
  - \$3 million ongoing General Fund to support the UCLA Latino Policy and Politics Initiative.
  - \$250,000 to UCLA for the Division of Social Sciences Hollywood Advancement Project.
- **UC Merced Increases.** The budget provides the following increases to UC Merced:
  - \$7 million one-time to establish the UC Merced Public Policy Center.
  - \$3 million one-time General Fund to establish the UC Merced Center for the Future of Agriculture.
  - \$375,000 one-time for UC Merced Community and Labor Center.
- **UC Riverside Increases.** The budget provides the following increases for UC Riverside:
  - \$25 million to support UC Riverside School of Medicine for clinical facilities upgrades.
  - \$15 million one-time to UC Riverside for the Center for Environmental Research and Technology.
  - \$10 million one-time to UC Riverside to support scientific social survey of Asian American and Pacific Islanders (AAPI) being conducted by the AAPI Data project.
  - \$10 million one-time to UC Riverside School of Medicine (SOM) Initiate to secure an acute care teaching hospital in Riverside County through acquisition, lease, management or operating agreement to serve as an academic medical center for the purpose of training UCRSOM medical students, medical residents, and medical fellows.

- **University of California, San Diego (UCSD) Increases.** The budget provides the following increases for UCSD:
  - \$30 million one-time General Fund for UCSD Medical Center Hillcrest for capital planning and construction of the new facility.
  - \$35 million one-time to the UCSD Scripps Reserve Vessel.
  - \$17.9 million one-time for the UCSD Scripps Institution of Oceanography for the ALERT Wildfire Fire Camera Mapping System.
  - \$2.5 million one-time for Scripps Institution of Oceanography at UCSD to conduct a study on coastal cliff landslides and erosion.
- **UC San Francisco (UCSF) Increases.** The budget provides the following increases for UCSF:
  - \$10.2 million for the UCSF Dyslexia Center and adds \$5 million that will be used to expand pilot sites at local educational agencies to use dyslexia screening tools and assessments and research-based interventions to prevent reading failure, as proposed in the Governor’s May Revision.
  - \$3.5 million one-time General Fund to the Alba Lab at the Memory and Aging Center at UCSF. The budget provides \$3 million one-time General Fund to the UC/CSU California Collaborative on Neurodiversity and Learning at UCLA (and \$3.5 million to UC Hastings) to create the California Institute on Law, Neuroscience, and Education to promote a collaborative focus on neuroscience, law, education, and social justice to improve literacy outcomes in school settings for at-risk youth. AB 132 makes statutory changes to implement this program.
  - \$1.25 million one-time General Fund to support a health modeling consortium partnership between UCSF and the California Department of Public Health. These funds may be encumbered until June 30, 2023.
- **Early Action Revisions to the 2020 Budget Act.** The budget included early action revisions to the 2020 Budget Act for UC: \$650,000 one-time to increase student applications in the CalFresh program, and \$1.4 million one-time to the Asian American Studies Center at UCLA to support the Stop Asian American Pacific Islander Hate website.

## 6600 HASTINGS COLLEGE OF LAW

- **Base Increase.** The budget approves the Governor’s Budget proposal to support a \$2.1 million General Fund ongoing increase to Hastings’ budget. The Governor links the General Fund augmentation to an expectation that Hastings not increase tuition in the 2021-22 academic year.
- **Alternative Campus Public Safety.** The budget approves the May Revision proposal for \$3 million one-time General Fund to support an alternative campus public safety program. Funding shall be available for encumbrance or expenditure until June 30, 2024.

- **California Institute on Law, Neuroscience, and Education.** The budget provides \$3.5 million one-time General Fund to create the California Institute on Law, Neuroscience, and Education to promote a collaborative focus on neuroscience, law, education, and social justice to improve literacy outcomes in school settings for at-risk youth.
- **UC Hastings California Scholars Program.** The budget provides \$4.5 million one-time General Fund for the UC Hastings California Scholars Program.

## 6610 CALIFORNIA STATE UNIVERSITY (CSU)

- **Base Adjustment.** The budget provides an increase of \$299 million ongoing General Fund to backfill a reduction made in the 2020-21 Budget Act. Additionally, the budget approves the May Revision proposal to provide an increase \$185.9 million ongoing General Fund to reflect a five percent base increase. Rejects the Governor's Budget proposal to tie increased funding to the requirements that CSU increase online courses and provide an equity gap report.
- **Enrollment Growth.** The budget specifies legislative intent to provide ongoing resources in 2022-23 to enroll 9,434 new resident undergraduates in 2022-23. The budget agreement notes \$81 million ongoing General Fund for this purpose.
- **Student Basic Needs.** The budget approves the Governor's Budget proposal to provide \$15 million ongoing General Fund to support student basic needs.
- **Mental Health Services.** The budget modifies the Governor's Budget proposal to provide \$15 million ongoing General Fund to support student mental health services and student technology needs, to only support student mental health services.
- **Learning Management System.** The budget modifies the Governor's Budget proposal to provide \$2 million ongoing General Fund to align campus learning management systems with UC and community colleges. Instead, the budget includes budget bill language stating that UC may enter into discussions with CSU and community colleges to align campus learning management systems.
- **CSU Stanislaus Stockton Center Enrollment.** The budget approves the Governor's Budget proposal to provide \$1 million ongoing General Fund to support enrollment growth of 115 students at the CSU Stanislaus Stockton Center.
- **Deferred Maintenance and Energy Efficiency Projects.** The budget approves the Governor's proposal to provide \$325 million one-time General Fund to support CSU deferred maintenance and energy efficiency projects.
- **Emergency Financial Aid.** The budget approves the Governor's Budget proposal to provide \$30 million one-time General Fund to support emergency financial aid for students. The budget approves the May Revision proposal to align emergency student financial aid eligibility criteria for funding available to CSU students with criteria established by AB 85 (Committee on Budget),

Chapter 4, Statutes of 2021 for similar funding available to California Community College students.

- **Professional Development.** The budget modifies the Governor’s Budget proposal to provide \$10 million one-time General Fund to support faculty professional development, to include language allowing funding also to be used to support equal employment opportunity practices.
- **Computing Talent Initiative.** The budget approves the Governor’s Budget proposal to provide \$10 million one-time General Fund to support the Computing Talent Initiative at CSU Monterey Bay.
- **Summer Financial Aid.** AB 132 approves the May Revision proposal to eliminate the sunset date on summer financial aid.
- **Dual Admissions Pathway Program.** AB 132 modifies the Governor’s Budget proposal to create the Dual Admissions Pathway Program CSU for first-time freshman applicants starting in the 2023-24 through the 2025-26 academic year. The dual admissions agreement guarantees that a student will: (1) be admitted to the campus of their choice if the student completes and associates degree or an established course of study for transfer within two academic years at a CCC, and (2) have access to library, counseling and other services from the CSU campus nearest to their primary residence. AB 132 requires CSU to report by April 1, 2026 on the program, including college participants, description of services and information on program applicants and student outcomes.
- **CSU Salary Structure Study.** The budget provides \$2 million one-time General Fund to the CSU Chancellor’s Office, in consultation with the Department of Finance’s Office of State Audits and Evaluations, to support a study on CSU non-faculty salary structure, salary inversion and to provide any recommendations for alternative salary models. The CSU shall report to the Department of Finance and the Legislature by April 30, 2022 on the findings and recommendations.
- **CSU Northridge Center for Equity in Innovation and Technology.** The budget approves the May Revision proposal to provide \$25 million one-time General Fund to support the California State University Northridge Center for Equity in Innovation and Technology.
- **CSU Humboldt Transition to Polytechnic University.** The budget approves the May Revision proposal to provide \$433 million for capital projects, and \$25 million ongoing to support CSU Humboldt transition to a polytechnic university.
- **CENIC Costs.** The budget approves the Governor’s Budget proposal to support CENIC cost increases by \$246,000 ongoing General Fund.
- **CSU, Stanislaus Stockton Center.** The budget provides \$54 million one-time to fund the replacement of the Acacia building at CSU, Stanislaus Stockton Center.



- **Mervyn M. Dymally African America and Political and Economic Institute.** The budget provides \$1 million ongoing to support the Mervyn M. Dymally African America and Political and Economic Institute at CSU Dominguez Hills.
- **CSU Project Rebound.** The budget provides \$5 million one-time to support CSU Project Rebound Consortium over three years to support housing.
- **CSU, Dominguez Hills.** The budget provides \$60 million one-time General Fund to support CSU Dominguez Hills capital outlay and infrastructure improvements.
- **CSU Fullerton Adjustments.** The budget provides \$1 million one-time General Fund to the CSU Fullerton Arboretum. The budget also provides \$1 million for the CSU Fullerton for Titan Gateway Project Pedestrian Bridge.
- **San Francisco State University – Stop Asian Pacific Islander Hate.** The budget provides \$10 million one-time General Fund to San Francisco State University to support the Stop Asian Pacific Islander Hate coalition to conduct information gathering, data analysis, research and development of community resources and policy recommendations. This funding is available for encumbrance or expenditure until June 30, 2023.
- **California Council on Science and Technology.** The budget provides \$5 million for the California Council on Science and Technology.
- **CSU Bakersfield Nursing and Health Professions Programs.** The budget provides \$6 million for CSU Bakersfield’s nursing and health professional programs.
- **Humboldt State University Nursing Program.** The budget provides \$2.5 million one-time for the Humboldt State University nursing program.
- **CSU San Bernardino Physician Assistant Program.** The budget provides \$1.8 million for CSU San Bernardino to establish a Master’s of Science Physician Assistant program.
- **CSU Northridge Vida Mobile Clinic.** The budget provides \$60,000 to support the Vida Mobile Clinic.
- **CSU Early Start Program Report.** AB 132 repeals the requirement for the Legislative Analyst’s Office to submit a report on the CSU Early Start Program to the Legislature.
- **Early Action Revisions to the 2020 Budget Act.** The budget included early action revisions to the 2020 Budget Act for CSU: \$1 million one-time to the Center for Healthy Communities at Chico State, and \$1.3 million to support CSU campus efforts to increase student applications in the CalFresh program.

**6870 CALIFORNIA COMMUNITY COLLEGES (CCC)**

- **Apportionments.** The budget provides a 5.07 percent cost-of-living adjustment to apportionments, or \$371.2 million ongoing Proposition 98 General Fund. Additionally, AB 132 extends the hold harmless provision for the Student Centered Funding Formula by one year, from 2023-24 to 2024-25. The budget and AB 132 approve the Governor’s January budget and May Revision proposals to eliminate deferrals created in the 2020 Budget Act, totaling \$1.3 billion. The budget also approves the May Revision support for 0.5 percent enrollment growth. The budget rejects the Governor’s Budget proposal to tie increased COLA funding to the requirements that community colleges increase online courses and provide an equity gap report. The budget requires districts to report on the percentage of in-person instruction they are offering in Fall 2021, and their plans for increasing in-person instruction in Spring 2022.
- **Emergency Financial Aid.** The budget approves the Governor’s Budget proposal to provide \$250 million one-time Proposition 98 General Fund for emergency financial aid.
- **Student Basic Needs.** AB 132 approves the Governor’s Budget proposal to provide \$100 million one-time Proposition 98 General Fund to support student basic needs, including food insecurity and to assist homeless and housing-insecure students in securing stable housing. The bill also requires the Chancellor’s Office to report to the Legislature by January 1, 2025 on use of funds.
- **Student Mental Health Services.** The budget modifies the Governor’s Budget proposal to provide \$30 million ongoing Proposition 98 General Fund to support student mental health services and student technology needs, to only support student mental health services.
- **Professional Development.** AB 132 approves the Governor’s Budget proposal to provide \$20 million one-time Proposition 98 General Fund to support faculty professional development.
- **Technology Upgrades.** The budget approves the Governor’s Budget proposal to provide \$10.6 million ongoing Proposition 98 General Fund to systemwide technology projects, such as online tutoring and counseling and electronic transcripts.
- **Apprenticeship Programs.** The budget approves the Governor’s Budget proposal to add \$15 million ongoing Proposition 98 General Fund to the California Apprenticeship Initiative. The budget also approves the May Revision proposal to provide a 4.05% cost-of-living adjustment to the apprenticeship program. Lastly, the budget rejects the Governor’s Budget and May Revision proposals regarding work-based learning.
- **Zero-Textbook-Cost Degrees.** AB 132 provides \$115 million one-time Proposition 98 General Fund for zero-textbook-cost degrees. The bill amends the CCC zero-textbook-cost degrees program to also include open educational resources for courses, clarifies that zero-textbook-cost degrees may also include low-cost degrees if no-cost degrees are not available.
- **Dual Enrollment.** The budget rejects the May Revision proposals to provide additional funding to support dual enrollment. The budget approves the Governor’s Budget proposal to provide \$2.5 million one-time to support dual enrollment textbook costs.

- **Adult Education Programs.** The budget approves the Governor’s Budget proposal for \$1 million ongoing Proposition 98 General Fund to provide technical assistance to adult education regional consortia. The budget also provides a 4.05% cost of living adjustment for the adult education program. The budget also creates a new allocation schedule for the Department of Education and Chancellor’s Office to transfer adult education funds to local education agencies.
- **Ethnic Studies and Anti-Racism Initiatives.** The budget provides \$5.6 million one-time Proposition 98 General Fund to support AB 1460 (Weber), Chapter 32, Statutes of 2020, and to support anti-racism initiatives.
- **CENIC Costs.** The budget approves the Governor’s Budget proposal for \$8 million ongoing Proposition 98 General Fund to support increased CENIC broadband costs.
- **Various Student Support Categorical Programs.** The budget provides increases to the following categorical programs:
  - \$23.8 million ongoing Proposition 98 General Fund for the Student Equity and Achievement Program, as proposed in the May Revision.
  - \$20 million ongoing Proposition 98 General Fund for Extended Opportunity Programs and Services (EOPS).
  - \$8.2 million ongoing Proposition 98 General Fund for the Mathematics, Engineering, Science Achievement (MESA) Program.
  - \$7.3 million ongoing Proposition 98 General Fund for the Puente Project Program.
  - \$5.8 million ongoing Proposition 98 General Fund for dreamer resource liaison positions.
  - \$4.9 million ongoing Proposition 98 General Fund for the Umoja Program.
  - \$1.3 million ongoing Proposition 98 General Fund for the Historically Black Colleges and Universities Transfer Program.
  - \$17.6 million ongoing for a 4.05 percent COLA for the EOPS, campus childcare tax credit, CalWORKs, disabled student programs and services, child nutrition and mandates block grant categoricals.
- **Full-Time and Part-Time Faculty.** The budget provides \$100 million ongoing Proposition 98 General Fund to increase the hiring of full-time faculty. The budget and AB 132 provide \$10 million ongoing \$90 million one-time to support part-time faculty office hours.
- **English as a Second Language (ESL) Courses.** The budget rejects the May Revision proposal to provide \$50 million ongoing Proposition 98 for vocational courses for ESL students.

- **Common Course Numbering Workgroup.** The budget approves the May Revision proposal to provide \$10 million one-time General Fund to establish a workgroup that supports the development and implementation of a common course numbering system throughout the community college system, and if feasible, align the proposed common course numbering system with course numbering systems at the California State University and University of California.
- **CCC Basic Needs Center and Coordinators.** The budget provides \$30 million ongoing Proposition 98 General Fund to support basic needs centers at all community colleges. AB 132 requires each community college by July 1, 2022 to: (1) establish a position of the Basic Needs Coordinator to be the point of contact for students experiencing basic needs insecurity, and (2) establish a basic needs center to provide basic needs services and resources to students. Each basic needs center must provide information on how to enroll in CalFresh and other government benefit programs, are encouraged to coordinate with their financial aid department, and coordinate with local homeless response systems. The budget requires the Chancellor's Office to submit an annual report, starting on May 1, 2023, on information regarding use of funds provided in the budget act, description of services provided, demographic information on students served, and outcomes of these students, among others.
- **Competency-Based Education Pilot Program.** The budget approves the May Revision proposal to provide \$10 million one-time Proposition 98 General Fund to establish a workgroup for a competency-based education pilot program.
- **CCC Registry.** The budget approves the May Revision proposal to provide \$1 million one-time Proposition 98 General Fund to modernize the CCC Registry to better enable centralized recruitment and resources. The CCC Registry is an online database of job opportunities for the California Community Colleges.
- **Library Services.** The budget approves the May Revision proposal for \$4 million ongoing Proposition 98 General Fund to expand the implementation of the systemwide technology platform for library services.
- **CCC Deferred Maintenance.** AB 132 modifies the Governor's May Revision proposal and provides \$511 million proposition 98 General Fund to address deferred maintenance.
- **Guided Pathways Program.** AB 132 modifies the May Revision proposal to provide \$150 million one-time Proposition 98 General Fund to support Guided Pathways implementation by providing \$50 million one-time Proposition 98 General Fund. The bill requires colleges to submit a plan outlining plans to implement Guided Pathways programs and integrate student success programs. The bill also requires the Chancellor's Office to report on each college's progress towards implementing Guided Pathways activities and practices. The budget rejects the May Revision proposal to provide \$10 million one-time Proposition 98 General Fund to support Guided Pathways mapping through acquisition and implementation of software for community colleges.

- **COVID-19 Block Grant.** The budget rejects the May Revision proposal to create a \$50 million one-time Proposition 98 General Fund COVID-19 Block Grant.
- **Student Retention and Recruitment.** The budget approves the Governor’s Budget proposal to provide \$100 million one-time Proposition 98 General Fund to support student recruitment and retention strategies, including engaging former students who have withdrawn due to the pandemic, current community colleges who may be hesitant to enroll, and prospective students.
- **CCC Equal Employment Opportunity.** AB 132 approves the May Revision proposal to provide \$20 million one-time Proposition 98 General Fund to support equal employment opportunity practices.
- **Lesbian, Gay, Bisexual, Transgender, Queer and Plus (LGBTQ+) Student Support.** AB 132 provides \$10 million one-time Proposition 98 General Fund for LGBTQ+ student services, including student centers, LGBTQ+ learning communities, curriculum development, mental health services and other activities.
- **Rising Scholars Program.** The budget provides \$10 million ongoing Proposition 98 General Fund to create the Rising Scholars program to support justice-involved students.
- **High Road Training Partnerships.** AB 132 approves the May Revision proposal to provide \$20 million one-time Proposition 98 General Fund to support the participation of community colleges in High Road Training Partnerships and regional partnerships funded by the California Workforce Development Board.
- **Strong Workforce Program.** Increases support for the Strong Workforce program by \$42.4 million ongoing Proposition 98 General Fund. For the 2021-22 budget year only, a college may also use Strong Workforce Funds to expand and develop work-based learning models and programs, including in cloud computing and sectors impacted by the Los Angeles and Long Beach Ports goal for zero emissions.
- **CCC Federal Funds for Student Fees.** AB 132 authorizes community colleges to use federal emergency relief funds to waive student fees for students who have unpaid fees due to impacts of COVID-19.
- **CollegeBuys Program.** AB 132 extends the sunset date for the CollegeBuys program from July 1, 2022 to July 1, 2023. This program allows procurement of goods and services in bulk for community college system.
- **Nonresident Tuition.** The budget rejects proposed trailer bill language that would change practices with regard to establishing the tuition level for nonresident community college students.
- **CCC Pathways to Law School.** AB 132 includes \$5 million to establish the CCC Pathways to Law School Program. This program will to expand pathways to law school programs by supporting dual enrollment partnerships, partnerships with CSU and UC to expand or implement transfer pathways and student support services at the CCCs.

- **Various Community College Investments.** The budget makes various investments at local community colleges. The investments are as follows:
  - \$35.1 million to the San Diego College of Continuing Education to support the renovation and remodel of the historical theater and community room at the Educational Cultural Complex building.
  - \$6.6 million for Rio Hondo College to support the Water Reservoir Project, and \$400,000 for Rio Hondo College to support its situational simulation-training center.
  - \$6 million to Bakersfield College to expand and implement workforce-training programs.
  - \$4 million to San Bernardino Community College to support a partnership with KVCR TV.
  - \$3.5 million for MiraCosta College to support the Cooperative Education Reskilling and Training (CERT) Program.
  - \$3 million for construction costs for the Palo Verde College Child Development Center Relocation and Expansion Project.
  - \$3 million to InTech Center at Chaffey College to support and equip a welding training facility that will offer the Iron and Steel Workers certification.
  - \$2 million for Riverside Community College District to support the Military Articulation Platform.
  - \$1 million for allocation to Reedley College to support its aviation program.
  - \$1 million for Chaffey College to support the CORE Academy.
  - \$1 million to the San Jose-Evergreen Community College District to support planning and community engagement to explore ideas for development of vacant land owned by the district.
  - \$710,000 for College of the Siskiyous and Shasta College to support their nursing programs.
  - \$500,000 to College of the Redwoods to support its nursing program.
- **Facilities.** The budget approves all proposed Proposition 51 capital outlay projects and reappropriations in the Governor’s Budget, April Finance letter, and May Revision. This includes nine new projects and 31 continuing projects.

**New CCC Capital Outlay Projects (Dollars in Millions)**

College	Project	2021-22	
		Phases	State Cost
Anaheim Campus	Tower First Floor Life/Safety Renovation	P, W	0.72
Compton College	Visual and Performing Arts Replacement	P,W	0.79
Sierra College	Applied Technology Center Modernization	P,W	1.38
College of the Desert	Science Building Renovation	P,W	0.59
Norco College	Center for Human Performance and Kinesiology	P,W	2.7
Shasta College	Building 800 Renovation	P,W	0.48
Moorpark College	Administration Building Reconstruction	P,W	0.41
West Valley College	Theatre Renovation/Expansion	P,W	0.82
Los Angeles Mission College	Plant Facilities Warehouse and Shop Replacement	P	0.3

**Continuing CCC Capital Outlay Projects (Dollars in Millions)**

College	Project	2021-22	
		Phases	State Cost
Woodland College	Performing Arts Facility	C	16.47
Natomas Education Center	Natomas Center Phase 2 and 3	C	27.63
College of the Redwoods	Physical Education Replacement	C	63.84
Santa Monica College	Arts Complex Consolidation	C	9.82
American River College	Technical Building Modernization	C	28.65
Los Angeles City College	Theater Arts Replacement	C	14.13
Folsom Lake College	Instructional Buildings Phase 2.1	C	29.49
Santa Barbara City College	Physical Education Replacement	C	32.52
Cerritos College	Health Sciences Building #26 Renovation	C	11.51
Delano Center	LRC Multi-Purpose Building	C	14.41
Chino Campus	Instructional Building 1	C	11.76
Porterville College	Allied Health Building	C	9.74
Liberal Arts Campus	Music/Theatre Complex (Building G&H)	C	20.61
College of Alameda	Replacement of Buildings B and E (Auto and Diesel Technologies)	C	15.29
San Bernardino Valley College	Technical Building Replacement	C	31.42
Laney College	Modernize Theatre Building	C	7.29

Merritt College	Horticulture Building Replacement	C	9.03
Menifee Valley Center	Math and Science Building	C	25.46
Mt. San Jacinto College	Science and Technology	C	22.07
Barstow College	Hydronic Loop and Water Infrastructure	C	9.05
Yuba College	Fire Alarm System Upgrade	C	3.65
Compton College	Physical Education Complex Replacement	C	21.53
Pacific Coast College	Construction Trades II	C	14.79
Grossmont College	Liberal Arts/Business/Computer Science Information Systems	C	10.21
Riverside City College	Life Science/Physical Science Reconstruction	C	27.35
Antelope Valley College	Gymnasium Renovation	C	11.51
Crafton Hills College	Performing Arts Center Replacement	C	6.68
Napa Valley College	Modernize Industrial Technology Building 3100	C	2.76
Orange Coast College	Chemistry Building	C	18.79
Shasta College	Building 200 Modernization	C	14.21
Skyline College	Workforce and Economic Development Prosperity Center	C	23.03

- **Early Action Revisions to the 2020 Budget Act.** The budget included early action revisions to the 2020 Budget Act for CCC: \$100 million for emergency student financial aid, \$20 million for student retention and outreach, and \$3.1 million for community college districts to increase student applications in the CalFresh program.

## 6980 CALIFORNIA STUDENT AID COMMISSION (CSAC)

- **Cal Grant Expansion.** AB 132 establishes the California Community College Expanded Entitlement Awards, which eliminates the age and time out of high school Cal Grant eligibility requirements for CCC students. The bill specifies that CCC Expanded Entitlement Awards may retain their Cal Grant Award when they transfer to a UC or CSU. The budget provides \$152.8 million for this purpose.
- **Competitive Cal Grant.** The budget agreement rejects the Governor's proposal to provide \$35 million to increase the number of competitive Cal Grant awards by 9,000. AB 132 adjusts the authorized number of competitive Cal Grants to conform to the CCC Expanded Entitlement Award.
- **Students with Dependent Children.** AB 132 increases the statutory cap on the Cal Grant for Students with Dependents from \$125 million to \$250 million to maintain the maximum access award of \$6,000 for student parents.
- **Private Non-Profit Tuition Awards.** The budget provides \$5.4 million for a cost of living adjustment to the private non-profit tuition coverage award of \$9,084 to \$9,220. AB 132 and SB 169 make statutory changes necessary to implement this increase. AB 132 also delays by one-



year, from 2022-23 to 2023-24, the requirement for private non-profits associate degrees to meet certain associate degrees for transfer commitments.

- **Selective Service.** SB 169 removes the requirement for male students to register with the Selective Service in order to receive a Cal Grant Award. This change aligns with the federal Free Application for Federal Student Aid Simplification Act.
- **Middle Class Scholarship Program.** AB 132 specifies that starting with the 2022-23 academic year; an eligible student shall receive a Middle Class Scholarship (MCS) that helps cover the total cost of attendance at UC and CSU. The award amount for each student is the difference between the cost of attendance and other financial aid and family and student contributions. The bill adjusts the 2020-21 and 2021-22 appropriation for the program to \$117 million each based on projected caseload. Starting with the 2022-23, the annual appropriation for the program is determined by the Budget Act. The budget agreement notes that funding for MCS program will increase by \$542 million in 2022-23, bring total funding to \$659 million.

SB 169 requires UC and CSU to provide at least the same level of institutional financial aid for students as provided in 2021-22. The bill also requires UC and CSU to report on information regarding program participation, student loan amounts, and cost-of-attendance, among others, as specified. The bill also clarifies the award amount for students enrolled part-time.

- **Cal Grant Awards for Foster Youth.** The budget approves the Governor's Budget proposal to provide \$20 million ongoing General Fund to provide all foster youth in the Cal Grant program with a \$6,000 access award. AB 132 makes statutory changes necessary to implement the provisions of this program.
- **Golden State Teachers Grant Program.** The budget modifies the May Revision proposal to provide \$500 million one-time General Fund to support the Golden State teacher program. AB 132 makes technical changes to the Golden State Teacher Grant Program, which provides financial aid to teacher certification students. Extends expenditure date until 2024, allows eligibility for transitional kindergarten certificate students, and redefines priority schools to specify 55 percent or more of its pupils as unduplicated.
- **Free Application for Federal Student Aid (FAFSA) Requirement.** AB 132 modifies the Governor's trailer bill proposal and requires local education agencies, starting in the 2022-23 school year, to confirm that students complete and submit FAFSA and Dream Act applications. The bill also authorizes students or families to opt out of this requirement, and requires local education agencies to direct families to support and services to comply with this requirement. The bill specifies that information shared by parents and students be handled in compliance of federal and state privacy laws.
- **Golden State Education and Training Grant Program.** The budget modifies the May Revision proposal to provide \$1 billion one-time federal funds to create the Golden State Education and Training Grants program. Instead, the budget provides \$472.5 million federal funds and \$27.5 million one-time General Fund to support education grants for displaced workers wishing to attend UC or CSU. AB 132 makes statutory changes to implement the provisions of this program.

This program shall be administered by CSAC, and make grants of up to \$2,500 available for eligible workers displaced by COVID-19.

- **Learning Aligned Employment.** The budget modifies the May Revision proposal that proposed \$1 billion one-time General Fund to create the Learning-Aligned Employment program at UC. The budget provides \$200 million in 2021-22 and \$300 million in 2022-23 to support state-funded work-study programs at UC, CSU and CCC campuses to be administered by CSAC. Specifically, AB 132 specifies that the program is available for students from an underrepresented background who is enrolled at least part time, a resident student and maintains satisfactory academic progress, and demonstrate financial need. The learning aligned employment position is to be related to the student's area of study or career interest. Students must be placed with employers that are able to provide them with or connect them to full-time employment opportunities upon graduation.
- **Cal Grant A Restoration.** AB 132 approves the Governor's Budget proposal to restore Cal Grant A eligibility to students who changed living situations due to COVID-19. Specifically, for the 2020-21 and 2021-22 award year, a Cal Grant A recipient's eligibility who is impacted by a change of living arrangement due to the pandemic, and specifies that their eligibility would be based on their financial need would have been if they had remained on campus.
- **Grant Delivery System Modernization Project.** Approves the Governor's Budget proposal to provide \$1.78 million to support the maintenance and operations phase of the Grant Delivery System Modernization Project.
- **CSAC Foundation.** The budget rejects proposed trailer bill language that would authorize CSAC to receive bequests, donations and grants through an affiliated foundation.
- **Cal Grant Caseload.** The budget provides \$103 million one-time General Fund to support current year Cal Grant costs not identified in the May Revise. The budget also approves May Revision proposals to adjust various programs based on caseload.
- **College Access Tax Credit Fund.** AB 132 increases the 2020-21 appropriation for the College Access Tax Credit by \$760,000 to reflect updated fund estimates.
- **Cohort Default Rate.** SB 169 specifies that for the 2022-23 academic year, the California Student Aid Commission shall use the three-year cohort default rate certified in 2020 for an otherwise qualifying institution.

### Other Higher Education Actions

- **CalKIDS College Savings Program.** The budget modifies the May Revision proposal to support the CalKIDS college savings accounts and provides \$1.9 billion in 2021-22 (\$1.8 billion one-time federal American Rescue Plan Act of 2021 funds, \$91.7 million one-time General Fund, and \$16 million ongoing General Fund) and an additional \$170 million ongoing General Fund beginning in 2022-23. AB 132 and this funding will establish college savings accounts for all current low-income public school students in grades 1-12, as defined for purposes of the Local Control Funding Formula, with supplemental investments for foster youth and homeless students

enrolled in a public school, and for successive cohorts of these student populations as they enter first grade. The \$16 million ongoing General Fund supplements the \$25 million one-time General Fund provided to establish CalKIDS in the 2019 Budget Act, for purposes of establishing college savings accounts for all newborns.

- **Cradle to Career Data System.** The budget provides \$15 million ongoing General Fund and \$3.8 million Proposition 98 General Fund to support the Cradle to Career Data System. AB 132 establishes the Cradle to Career Data System to link data on student progress through education, workforce training, employment, health and social services. The bill specifies that the data system shall support user-facing tools and services to students, educators, parents, and advisers. Specifies that the data system shall be subject to the Project Approval Lifecycle at the Department of Technology, and shall comply with state and federal privacy laws. The bill establishes the Office of Cradle-to-Career Data within Government Operations Agency until July 1, 2026. The bill also establishes a governing board comprised of 21 members, including representatives from higher education, various state departments, eight members of the public appointed by the Governor and Legislature, and two representatives of the Legislature.
- **Higher Education Student Housing Grant Program, and Capacity Expansion Grant Program.** The budget rejects the May Revision proposal to provide the California School Finance Authority with \$4 billion one-time to support student housing projects. SB 169 creates two new programs to support affordable student housing at the UC, CSU and Community Colleges, and campus expansion projects at UC and CSU. Appropriates \$500 million one-time General Fund in 2021-22 for student housing projects, includes legislative intent to provide \$750 million in 2022-23 and \$750 million in 2023-24 for this purpose. This appropriation and proposed funding will be divided as follows: 50 percent to CCCs, 30 percent to CSUs, and 20 percent to UCs. Creates a process for campuses to propose housing projects by October 2021 for inclusion in the subsequent budget act. Creates the campus expansion program and includes legislative intent to provide funding for this program in the future.

### **Higher Education Budget Trailer Bills**

1. *Higher Education – Assembly Bill 132 (Committee on Budget), Chapter 144, Statutes of 2021*
2. *Higher Education Clean Up – Senate Bill 169 (Committee on Budget and Fiscal Review), Chapter 262, Statutes of 2021*

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*

James Hacker  
Joanne Roy

# SUBCOMMITTEE No. 2

## NATURAL RESOURCES, ENVIRONMENTAL PROTECTION and ENERGY

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# NATURAL RESOURCES

## WILDFIRE PREVENTION AND RESILIENCE PACKAGE

- 0540 California Natural Resources Agency (CNRA)
- 0509 California infrastructure & economic development bank (Ibank)
- 0650 Office of planning and research (OPR)
- 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 Wildfire (DFW)
- 3640 Wildlife Conservation Board (WCB)
- 3760 State Coastal Conservancy (SCC)
- 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
- 3900 Air Resources Board (ARB)
- 3940 State Water Resources Control Board (SWRCB)
- 6440 University of California

- **Wildfire Prevention and Resilience Package.** In April 2021, the Legislature passed and the Governor signed an early action package totaling \$536 million (\$411 General Fund; \$125 million Greenhouse Gas Reduction Fund (GGRF)) for a broad set of investments that support a statewide strategy on forest health and fire prevention. This funding was designed to start critical projects before the upcoming fire season and launch several new programs.

In September, an additional \$988 million was allocated for 2021-22 (\$758 million General Fund; \$230 million GGRF) for wildfire prevention and resilience projects and programs. This includes, but is not limited to, funding to create resilient wildlands, support wildfire fuel breaks, advance science-based management and streamlined permitting, and support community hardening.

In total, the amount of spending for each of the main categories are:

- \$825 million      Resilient Forests and Landscapes
- \$494 million      Wildfire Fuel Breaks
- \$47 million        Community Hardening
- \$82 million        Science-Based Management
- \$76 million        Economic Development of the Forest Sector

The table below details the Wildfire Prevention and Resilience Package:

**Wildfire Resilience Expenditure Plan**  
(Dollars in Millions)

Investment Category	Department	Program	Early Action 2020-21	2021-22	Total
Resilient Forests and Landscapes	CAL FIRE	Forest Health Program	\$155	\$160	\$315
		Forest Improvement Program for Small Landowners	\$10	\$40	\$50
		Forest Legacy & Demonstration Forests	\$8	\$19	\$27
		Urban Forestry	\$10	\$20	\$30
		Tribal Engagement	\$1	\$19	\$20
	State Parks, Fish & Wildlife	Stewardship of State-Owned Land	\$30	\$145	\$175
	Conservancies	Project Implementation in High-Risk Regions	\$69	\$139	\$208
Wildfire Fuel Breaks	CAL FIRE	CAL FIRE Unit Fire Prevention Projects	\$10	\$40	\$50
		Fire Prevention Grants	\$123	\$120	\$243
		Prescribed Fire & Hand Crews & Contract Counties	\$15	\$49	\$64
	California Conservation Corps	Fuel Reduction Crews & Residential Centers	\$0	\$27	\$27
	Department of Conservation	Regional Forest Capacity	\$50	\$60	\$110
Community Hardening	CalOES & CAL FIRE	Home Hardening	\$25	\$0	\$25
	CAL FIRE	Defensible Space Inspectors	\$2	\$13	\$15
	CAL FIRE & University of California	Land Use Planning & Public Education Outreach	\$0	\$7	\$7
Science-Based Management	CAL FIRE	California Vegetation Treatment Program	\$3	\$20	\$23
	Natural Resources Agency	LiDAR Remote Sensing	\$0	\$25	\$25
	CAL FIRE	Interagency Forest Data Hub	\$0	\$10	\$10
	CAL FIRE	Prescribed Fire Liability Pilot	\$0	\$20	\$20
	Air Resources Board and Water Board	Prescribed Fire Permitting	\$0	\$4	\$4
Economic Development of the Forest Sector	I Bank	Climate Catalyst Fund	\$16	\$33	\$49
	CAL FIRE	Workforce Training	\$6	\$18	\$24
	Office of Planning & Research	Market Development	\$3	\$0	\$3
<b>Total</b>			<b>\$536</b>	<b>\$988</b>	<b>\$1,524</b>

Source: Department of Finance

Among the many components, the Wildfire Package includes:

- **Forest Health Program.** This program provides grants to undertake projects to improve forest health, including forest fuels reduction, prescribed fire, pest management, reforestation, biomass utilization, and conservation easements.



- **Forest Improvement Program for Small Landowners.** This program is designed to assist small timberland owners — those with 20,000 to 50,000 acres — manage their lands for forest health and wildfire resilience.
- **Forest Legacy and Reforestation Nursery.** The Forest Legacy Program funds conservation grants and easements with private landowners to protect forest land from conversion to non-forest uses, as well as support management practices that promote forest health and wildfire resilience through the terms of easement agreements. The reforestation nursery provides seedlings of native tree species for re-planting post wildfires. This nursery assists small, non-industrial landowners recover their forests.
- **Urban Forestry Program.** This program provides grants to local governments and nonprofits for projects that include the planting of trees or other vegetation, improve long-term management of urban forests, or better utilize wood waste.
- **Tribal Engagement.** Within the Forest Health Program, CalFire will initiate an effort to provide resources for forest health projects on tribal lands.
- **Stewardship of State-Owned Lands.** Funding to DFW and Parks will fund wildfire reduction activities, such as thinning vegetation and implementing controlled burns; and help restore lands recently burned.
- **Sierra Nevada Conservancy.** Part of the funding to this conservancy will be for the Watershed Improvement Program, which funds large-scale projects to restore the health of the watersheds in the 25-million acre Sierra Nevada region. This program is intended to foster coordination across state, federal, and local governments, as well as other stakeholders within the region.
- **Fire Prevention Grant Program.** This program aims to reduce wildfire risk to homes and communities, as well as reduce carbon emissions from forest fires.
- **Regional Forest and Fire Capacity Program.** This program provides block grants to regional and statewide entities to engage with communities, develop project priority plans, prepare projects to be shovel-ready, and implement demonstration projects. These efforts are intended to support regional capacity to develop and implement projects that improve forest health and fire resilience.
- **Home Hardening.** Funding to CalFire and Cal OES for home hardening is meant to fund implementation of a wildfire mitigation assistance pilot program to increase the adoption of fire resistant retrofits that improve the survival of structures in wildfires through education and a grant program supporting retrofits for low-income homeowners in high-risk areas of the state.
- **Science-Based Management.** Science-based management focuses on ecological monitoring, research, and adaptive management. Some projects are implemented by CalFire while others are contracted with universities or other researchers.

- **Workforce Development.** CalFire reports that a small portion of its Forest Health Program currently coordinates with other state and private entities to support expansion of professional training programs and businesses related to the removal and reuse of woody biomass. Funding is provided to expand these efforts and create a new Wood Products and Bioenergy Program at CalFire.

**Budget Bill Language.** The Wildfire Package includes budget bill language, which does the following:

- **Wood Product Market Development Program (OPR).** For the \$3 million appropriated in early action (2020-21), requires the funding to be used for support or local assistance to (a) develop a framework for the state's wood utilization policies and priorities, (b) support new long-term wood feedstock pilot projects, (c) spur innovation in the wood sector, (d) partner with IBank to develop a focused market strategy, and (e) complete a statewide wood products workforce assessment.
- **Community-Wide Home Hardening Program (Cal OES).** In early action (2020-21), allocates \$21.9 million to Cal OES for the purposes of establishing a financial assistance program to help low-income and disadvantaged homeowners and implement structure hardening as part of a community-wide home hardening program or effort.
- **Public Safety Power Shutoffs (Cal OES).** Authorizes the Director of Cal OES to contract with an operational observer to monitor covered utilities' implementation of measures to mitigate the risk of wildfire ignitions from utility infrastructure and reduce the use, scope, and duration of public safety power shutoffs.
- **Fire Prevention Grants (CalFire).** Specifies that Fire Prevention Grant Program funding shall be available to benefit communities throughout the state regardless of vegetation type or types found within a project area. The budget requires funding to be awarded using criteria that maintains fire risk as the primary factor, and then prioritizes projects that protect a larger population base or number of structures relative to the size of the grant. The budget requires CalFire to conduct outreach to potential grant applicants in areas of the state that have historically had a low application or participation rate in this program. No later than February 1, 2022, the budget requires CalFire to report to the Legislature by county on the number and dollar amount of applications and grants awarded pursuant to the Fire Prevention Grants program.
- **Contract Counties (CalFire).** Allocates \$14.298 million General Fund one-time for contract counties to perform fuel reduction work due to the unusually significant wildfire risks that the state is experiencing.
- **Prescribed Fire Liability Pilot Program (CalFire).** Provides that \$20 million shall be used to establish a Prescribed Fire Liability Pilot Program, in consultation with the Department of Insurance and CNRA, that creates a prescribed fire claims fund to support coverage for losses from permitted prescribed fires by non-public entities, such as Native American tribes, private landowners, and nongovernmental entities. CalFire, in consultation with the Department of Insurance and CNRA, is required to propose to the Legislature statutory changes necessary to effectuate the establishment of this program by January 10, 2022.

- **San Francisco Bay Conservancy Program (SCC).** Allocates \$5 million to the San Francisco Bay Conservancy Program for local assistance.
- **Contracting Requirements (Various Agencies).** Exempts various implementing agencies from specified contracting requirements due to the urgency of wildfire prevention and resilience efforts.
- **Extension of Encumbrance and Liquidation Periods (Various Agencies).** For funding provided in early action (2020-21), extends the encumbrance or expenditure period for various items to June 30, 2022 and for liquidation until June 30, 2025. For funding provided in 2021-22, extends encumbrance, expenditure, and liquidation periods for various items.

**Trailer Bill Language.** The Wildfire Package includes trailer bill language that does the following:

- **Healthy Forest and Fire Protection Funding.** Continuously appropriates \$200 million GGRF annually until 2028-29 for healthy forest and fire prevention programs and projects that improve forest health and reduce emissions of greenhouse gases caused by uncontrolled wildfires and for completion for prescribed fires and other fuel reduction projects.
- **Wildfire Reporting.** Requires an agency, on or before April 1, 2022, and annually thereafter to report on all programs related to wildfires and forest resilience funded pursuant to the Budget Act of 2021 for purposes of informing the Legislature and the public on the agency's implementation of the funded programs.
- **Climate Catalyst Fund.** Allows IBank to provide financial assistance for projects related to wildfire prevention and resilience as well as agricultural improvements that reduce climate impacts.

## **WATER AND DROUGHT RESILIENCE PACKAGE**

0540 California Natural Resources Agency  
3480 Department of Conservation  
3600 Department of Fish and Wildlife  
3640 Wildlife Conservation Board  
3860 Department of Water Resources  
3940 State Water Resources Control Board (SWRCB)  
8570 Department of Food and Agriculture

**Water and Drought Resilience Package.** The budget includes \$5.2 billion (\$4.7 billion General Fund) over three years to support immediate drought response and long-term water resilience. This includes funding to support drought response: drinking water, wastewater, and water supply reliability; water recycling and groundwater clean-up; flood management; restoration of natural areas and ecosystems; Salton Sea; groundwater sustainability; water conveyance; and water and habitat improvement for

environmental flows. These investments provide immediate drought support and address long-term water resilience.

The amount of spending for each of the main categories are:

- \$ 3.309 billion Drinking Water, Water Supply and Reliability, Flood
- \$ 815 million Immediate Drought Relief
- \$ 1.033 billion Nature Based Solutions

The chart below provides more detail about the Water and Drought Resilience Package:

**Water Resilience Package**  
(Dollars in Millions)

Investment Category	Department	Program	2021-22	2022-23	2023-24	Total
Drinking Water, Water Supply and Reliability, Flood	State Water Resources Control Board	Drinking Water/Wastewater Infrastructure	\$1,300	\$0	\$0	\$1,300
		PFA Support	\$30	\$0	\$20	\$100
		Water Recycling/Groundwater Cleanup	\$200	\$100	\$100	\$400
		Sallon Sea	\$40	\$100	\$80	\$220
		SGMA Implementation	\$180	\$0	\$60	\$300
	Department of Water Resources	Water Conveyance	\$100	\$100	\$0	\$200
		Flood	\$313	\$237	\$88	\$638
		Watershed Climate Studies	\$25	\$0	\$0	\$25
		Aqueduct Solar Panel Pilot Study	\$20	\$0	\$0	\$20
	Department of Food and Agriculture	State Water Efficiency and Enhancement Program	\$50	\$50	\$0	\$100
	Natural Resources Agency	Clear Lake Rehabilitation	\$5.7	\$0.0	\$0.0	\$6
Immediate Drought Support	Various	Data, Research, and Communications	\$127	\$0	\$0	\$127
	Various	Drought Technical Assistance, Emergency Water Supplies, & Control Section	\$52	\$0	\$0	\$52
	Department of Conservation	Multi-benefit Land Repurposing	\$50	\$0	\$0	\$50
	Department of Water Resources	Small Water Suppliers Drought Relief & Urban Water Management Grants	\$500	\$0	\$0	\$500
	Various	Drought Permitting, Compliance, and Enforcement	\$36	\$3.5	\$3.5	\$43
	Department of Fish and Wildlife	Drought Fisheries and Wildlife Support	\$43	\$0	\$0	\$43
Nature Based Solutions	Natural Resources Agency	Water Resilience Projects	\$165	\$100	\$180	\$445
	Wildlife Conservation Board	Wildlife Corridors/Fish Passage	\$65	\$40	\$0	\$105
		Stream flow Enhancement Program	\$100	\$150	\$0	\$250
	State Water Resources Control Board	Border Rivers	\$20	\$0	\$0	\$20
	Various	Restoration of Natural Areas and Ecosystems	\$130.1	\$24.4	\$8.9	\$163
	Various	Urban Streams	\$30	\$20	\$0	\$50
<b>Total</b>			<b>\$3,582</b>	<b>\$1,035</b>	<b>\$541</b>	<b>\$5,157</b>

Source: Department of Finance

**Budget Bill Language.** Among the various components of the Water Resilience Package, the budget bill language does the following:

- **Proposition 68: Habitat Funding (CNRA).** For the appropriation of \$125 million Parks, Environment, and Water Bond Act of 2018 (Proposition 68) bond funds one-time to CNRA, provides that the funding is to be used for programs and projects that improve environmental conditions to

promote recovery of native fish species in the Sacramento-San Joaquin watershed, including habitat restoration projects, multi-benefit projects that promote native species improvements while increasing climate resiliency, and projects that enable water users to make additional flows available for environmental purposes. Use of these funds should occur expeditiously, without regard to the timing of State Water Resources Control Board efforts to update the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta-Estuary. No funds may be expended for existing obligations imposed on any party by law.

- **Multibenefit Land Repurposing Program (DOC).** Provides that the appropriation of \$50 million shall be available to DOC, in consultation with DWR, DFW, SWRCB, and the California Department of Food and Agriculture, to implement the Multibenefit Land Repurposing Program for groundwater sustainability projects that reduce groundwater use, repurpose irrigated agricultural land, and provide wildlife habitat. Projects may support implementation of the Sustainable Groundwater Management Act. Budget bill language specifies that this item applies to critically overdrafted groundwater basins or parts of those basins managed under an approved groundwater sustainability plan or alternate plan, or high and medium priority groundwater basins where a state of emergency drought declaration has been declared.
- **Stream Flow Enhancement Program (WCB).** Provides \$100 million for direct expenditures pursuant to the Wildlife Conservation Law of 1947 and for grants for projects to enhance instream flow for the purpose of protecting fish and wildlife. Eligible projects include acquisition of water or water rights from willing sellers, acquisition of land that includes water rights or contractual water rights to water, short- or long-term water transfers and leases, projects that provide water for fish and wildlife, or projects that improve aquatic or riparian habitat conditions.
- **Drought Funding (DWR).** Specifies that funding for Small Community Drought Relief (\$200 million), Urban Community Drought Relief (\$100 million), and Multibenefit Projects (\$200 million), is for projects or activities in all counties regardless of whether the county falls under an active state-proclaimed drought state of emergency.
- **Sustainable Groundwater Management Act (SGMA) Implementation (DWR).** Of the \$180 million for SGMA implementation, sets aside \$60 million for projects that benefit groundwater basins in the San Joaquin Valley, and for the following purposes: (a) geophysical investigations of groundwater basins to identify recharge potential; (b) early implementation of existing regional flood management plans that incorporate groundwater recharge; and (c) projects in the San Joaquin Valley that would complement efforts of a local groundwater sustainability plan, that provide for floodplain expansion to benefit groundwater recharge or habitat. Of the \$60 million, DWR is required to commit \$40 million to projects by September 15, 2022.
- **Urban Streams Restoration (DWR).** Provides \$10 million for urban streams restoration projects, including but not limited to, multibenefit erosion and flood control improvements that provide community access to clean water, daylighting streams, creation of shade corridors, and restoration of natural infrastructure pursuant to Section 7048 of the Water Code.
- **Systemwide Flood Risk Reduction Program (DWR).** Provides \$55 million for multi-benefit flood management projects, which may include land acquisitions and easements, that reduce risks to public safety and provide improvement to wildlife habitat. To the extent feasible, preference shall be given

to natural infrastructure projects and projects that improve climate climate resiliency.

- **Per- and Polyfluoroalkyl Substances (PFAS) (SWRCB).** Provides that \$30 million shall be available for technical and financial assistance to drinking water systems to address PFAS.
- **Border Rivers (SWRCB).** Provides \$20 million to address water quality problems arising in the rivers that come across the border from Mexico. The budget bill language specifies that funding may be expended for actions in Baja California Norte, provided the actions provide water quality benefits to the portions of the rivers in California.
- **Contract Exemptions.** Exempts implementing agencies from specified contract requirements due to the urgent need to address drought conditions.

**Trailer Bill Language.** The budget includes trailer bill language associated with the Water Resilience Package, which does the following:

- **Water Rights Reporting.** Establishes specific reporting requirements for extractions and diversion.
- **Drought Relief.** Authorizes specified state agencies to make grants and direct expenditures for the following:
  - Provide interim or immediate relief in response to conditions arising from a drought scenario to address immediate impacts on human health and safety and fish and wildlife resources.
  - Provide water to persons or communities that lose or are threatened with the loss or contamination of water supplies.
- **Drought Scenario.** Defines drought scenario as when:
  - The Governor has issued a proclamation of a state of emergency on drought conditions; or,
  - SWRCB determines, subject to specified requirements, that drought conditions necessitate urgent and immediate action to ensure availability of safe drinking water, to protect public health and safety, or to avoid serious and irreparable harm to fish or wildlife.

**CLIMATE RESILIENCE PACKAGE**

0540 California Natural Resources Agency (CNRA)  
0555 California Environmental Protection Agency (CALEPA)  
0650 Office of Planning and Research (OPR)  
0690 Office of Emergency Services (CAL OES)  
3340 California Conservation Corps  
3360 Energy Resources Conservation and Development Commission  
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)  
3900 Air Resources Board (ARB)  
3940 State Water Resources Control Board (CWRCB)  
6440 University of California  
ALL state CONSERVANCIES

**Climate Resilience Package.** The budget includes \$3.69 billion General Fund over three years to support investments that address the state’s multi-faceted climate risks. These funds will build community resilience and capacity where resources are most needed. Investments will support multi-benefit and nature-based solutions, which includes funding to support climate change impacts on fish and wildlife, habitat restoration, and activities that accelerate climate smart management of California’s natural and working lands. Funds are also included to address the impacts of extreme heat, build ocean and coastal resilience, and support California’s fifth climate assessment.

The amount of spending for each of main categories are:

- \$800 million      Extreme Heat
- \$1.371 billion    Multi-Benefit and Nature Based Solutions
- \$612 million      Building Ocean and Coastal Resilience
- \$819 million      Community Resilience
- \$87 million        Other

The chart below details allocations for the Climate Resilience Package.

**Climate Resilience Package**  
(Dollars in Millions)

Investment Category	Department	Program	2021-22	2022-23	2023-24	Total
Extreme Heat	California Natural Resources Agency	Urban Greening	\$50	\$100	\$100	\$250
	Department of Community Services and Development	Low Income Weatherization	\$0	\$25	\$25	\$50
	Strategic Growth Council	Community Resilience Centers/Extreme Heat and Community Resilience Program	\$0	\$50	\$150	\$200
	Various	Extreme Heat Set Aside	\$0	\$150	\$150	\$300
Multi-Benefit and Nature Based Solutions	Department of Fish and Wildlife	Climate Change Impacts on Wildlife	\$15	\$35	\$0	\$50
	Department of Water Resources	Habitat Restoration	\$0	\$125	\$75	\$200
	Wildlife Conservation Board	Protect Fish and Wildlife from Changing Conditions	\$31	\$222	\$100	\$353
	Various	Multi-Benefit and Nature Based Solutions Set Aside	\$0	\$593	\$175	\$768
Building Ocean and Coastal Resilience	Ocean Protection Council	Ocean Protection	\$0	\$50	\$50	\$100
	State Coastal Conservancy	Coastal Protection and Adaptation	\$0	\$350	\$150	\$500
	Department of Parks and Recreation	State Parks Sea Level Rise Adaptation Strategy	\$12	\$0	\$0	\$12
Community Resilience	Strategic Growth Council	Transformative Climate Communities	\$115	\$165	\$140	\$420
		Regional Climate Collaboratives	\$10	\$10	\$0	\$20
	Office of Planning and Research	Climate Adaptation & Resilience Planning Grants	\$10	\$10	\$5	\$25
		Vulnerable Communities Platform and CalAdapt Mapping	\$5	\$0	\$0	\$5
		Regional Climate Resilience	\$25	\$125	\$100	\$250
	Various	Conservancy Funding	\$60	\$0	\$0	\$60
	Cal Volunteers	California Climate Action Corps	\$5	\$5	\$5	\$14
California Environmental Protection Agency	Environmental Justice Initiative	\$10	\$10	\$5	\$25	
Other	Department of Conservation	Biomass to Hydrogen/Biofuels Pilot	\$0	\$50	\$0	\$50
	Various	Fifth Climate Assessment	\$22	\$0	\$0	\$22
	Air Resources Board	Fluorinated Gas Reduction Incentive Program	\$0	\$15	\$0	\$15
<b>Total</b>			<b>\$369</b>	<b>\$2,090</b>	<b>\$1,230</b>	<b>\$3,689</b>

Source: Department of Finance

**Budget Bill Language.** Among the various components of the Climate Resilience Package, the budget includes budget bill language that does the following:

- **Vulnerable Communities Platform & Cal-Adapt Mapping (OPR: State Planning and Development).** Provides up to \$5 million for support or local assistance and shall be used to implement the Vulnerable Communities Platform & Cal-Adapt mapping and extends the expenditure or encumbrance period to June 30, 2026.
- **Regional Climate Collaboratives Program (OPR: Strategic Growth Council (SGC)).** Makes available up to \$10 million for support or local assistance and shall be used for the regional climate collaborative program and extends the expenditure or encumbrance period to June 30, 2026, and for liquidation until June 30, 2028.



- **Transformative Climate Communities Program (OPR: SGC).** Makes available up to \$115 million in 2021-22 and extends the expenditure or encumbrance period until June 30, 2026, and liquidation until June 30, 2028.
- **California Climate Action Services Corps Program (OPR: SGC).** Appropriates \$4.683 million for support or local assistance and shall be used for the purpose of implementing the California Climate Action Service Corps program to create service opportunities to take on climate action such as urban greening, food waste recovery, and wildfire prevention.
- **Integrated Climate Adaptation and Resiliency Program (ICARP) (OPR: SGC).** Provides at least \$12.5 million to establish the ICARP Regional Planning Grant Program for grants to support regional climate adaptation planning and action plans that prioritize projects or actions that are necessary to respond to the the greatest climate risks facing the region, particularly in the most vulnerable communities. Plans shall, to the extent appropriate, use existing state, local, or regional planning documents, including, but not limited to, the Regional Forest and Fire Capacity Program plans, state conservancy climate plans, safety elements of general plans, sustainable communities strategies, long range transportation plans, regional housing needs assessments, and groundwater sustainability plans. OPR, through ICARP, shall develop guidelines on prioritized and required content of these plans. These plans are required to use natural infrastructure to respond to climate vulnerabilities where feasible.
- **Grant Program for Regional Projects Aligned with ICARP Priorities (OPR: State Planning and Policy Development).** Of the \$25 million appropriated to OPR for State Planning and Policy Development, requires the funding also be available to develop a grant program, to implement regional projects aligned with the priorities of the ICARP, that improve regional climate resilience and reduce risks from climate impacts, including wildfire, sea level rise, drought, flood, increasing temperatures, and extreme heat events. Grants may be issued both competitively and on a formula basis. Funds shall be available for local, regional, and tribal governments to implement climate resilience projects that reduce climate vulnerabilities and provide public benefits.
- **OPR Report.** On or before January 1, 2024, requires OPR to report to the Legislature on the specified types of projects funded to date and make recommendations to improve effectiveness of regional climate resiliency planning.
- **Urgent Degrading Water and Habitat Conditions (DFW).** Provides \$15 million for DFW projects to address urgent degrading water and habitat conditions due to climate change impacts. Eligible uses of these funds include purchasing water from willing sellers to benefit wildlife, protecting instream flows, building water conservation projects, implementing emergency restoration activities, and conservation strategies identified in the State Wildlife Action Plan with a priority on actions that protect the Species of Greatest Conservation Need identified in the Plan.
- **Fish and Wildlife Support (DFW).** Provides \$31 million for local assistance to protect fish and wildlife resources in response to changing climate conditions and the highly variable habitat needs of fish and wildlife, as well as for restoration and stewardship projects that restore or manage the land to improve resilience to climate impacts and natural disasters; and specifies eligible purposes.

**Trailer Bill Language.** The Climate Resilience Package includes trailer bill language, which does the following:

- **Multibenefit and Nature-Based Solutions.** Upon appropriation by the Legislature in the annual Budget Act, makes available \$593 million in 2022-23 and \$175 million in 2023-24 to the Natural Resources Agency and its departments, conservancies, and boards, to support programs and activities that advance multibenefit and nature-based solutions to protect, enhance, or restore natural or modified ecosystems. Specifies that no less than \$60 million annually shall be available in 2022-23 and 2023-24 to support state conservancies.
- **California Environmental Quality Act (CEQA) Biodiversity.** Until January 1, 2025, exempts from CEQA projects that conserve, restore, protect, or enhance, and assist in the recovery of California native fish and wildlife, habitat upon which they depend or that restore or provide habitat for California native fish and wildlife.
- **CEQA: Klamath River Dam Removal Projects.** Specifies that the environmental review set forth in the Final Environmental Impact Report for the Lower Klamath Project License Surrender, in combination with other environmental review documents related to removal of facilities on the Klamath River prepared and adopted by the Federal Energy Regulatory Commission, is conclusively presumed to satisfy the requirements of CEQA for any project for the removal of hydroelectric dams and associated facilities, along with associated restoration of formerly inundated lands, hatchery modifications, and implementation of mitigation measures in the Klamath River Basin.
- **Coastal Adaptation and Protection.** Upon appropriation by the Legislature in the annual Budget Act, makes available \$350 million in 2022-23 and \$150 million in 2023-24 to the State Conservancy for grants or expenditures for the protection and restoration of coastal and ocean resources from the impacts of sea level rise and other impacts of climate change. Funds will be made available for specified purposes, such as projects consistent with the San Francisco Bay Restoration Authority Act, projects for the purpose of the San Francisco Bay Conservancy Program, coastal resilience projects (e.g. coastal wetlands and watersheds, beaches, dunes, fisheries, and critical infrastructure), projects that remove outdated and obsolete dams and projects that upgrade associated downstream infrastructure to increase climate resilience, enhance natural habitat transport, or improve wildlife and fish passage.
- **Extreme Heat.** Upon appropriation by the Legislature in the annual Budget Act, makes available \$150 million annually in 2022-23 and 2023-24 to support programs and activities that mitigate extreme heat impacts.
- **Extreme Heat and Community Resilience Program.** Upon appropriation by the Legislature in the annual Budget Act, makes available \$25 million in 2022-23 and \$75 million in 2023-24 to the Office of Planning and Research (OPR), through the Integrated Climate Adaptation and Resiliency Program for the establishment of a grant program for projects to mitigate the impacts of extreme heat or the urban heat island effect.

- **Community Resilience Centers.** Upon appropriation by the Legislature in the annual Budget Act, makes available \$25 million in 2022-23 and \$75 million in 2023-24 to the Strategic Growth Council, in coordination with OPR, for the establishment of a community resiliency centers grant program.
- **Carbon-Negative Fuels Pilot Projects in Sierra Nevada Mountain Range.** Upon appropriation by the Legislature in the annual Budget Act, makes available \$50 million 2022-23 to DOC, in coordination with the Air Resources Board and the State Energy Resources Conservation and Development Commission, for pilot projects in the Sierra Nevadas to create carbon-negative fuels from materials resulting from forest vegetation management.

**0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)****3480 DEPARTMENT OF CONSERVATION (DOC)****3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (Cal Fire)****3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)****3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)**

- **New Natural Resources Building Rent Increase.** The budget appropriates a total of \$6.731 million General Fund one-time, and \$6.421 million General Fund ongoing to support increased rental costs at the Natural Resources Agency's new facility. This includes \$381,000 ongoing for CNRA, \$2.458 million ongoing for CalFire, \$2.344 million ongoing for DFW, \$1.238 million ongoing for Parks, and \$310,000 one-time for DOC.

**0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)**

- **New Resources Building Move and Demolition Costs.** The budget appropriates \$4.543 million General Fund one-time for the move to the new CNRA headquarter facility, which will house multiple agency departments. The funds would be used to secure services to perform tasks associated with completing required decommissioning and moving activities for office furniture/equipment and staff members. Total cost for the move activities and the physical decommission activities for office furniture/equipment related to the buildings being vacated and 4,100 staff members was done using cost factors provide to CNRA by DGS' moving consultant. Cost was calculated on  $\$1,108 \text{ per person} \times 4,100 = \$ 4.5428 \text{ million}$ .
- **Natural Resources Agency Bond and Technical Proposals.** The budget includes appropriations and reappropriations from various bonds, reversions, reversions with associated new appropriations, and other technical adjustments to continue implementation of existing authorized programs.
- **Youth Community Access Grant Program Positions.** The budget adds three new permanent positions to support the Youth Community Access grant program. Positions will be funded with existing funding authority.
- **Presidio Improvement Projects.** The budget appropriates \$27.5 million General Fund one-time for a grant to transform four acres at the heart of the Presidio of San Francisco from a parking lot into new parkland for families. Features will include interpretive works on the historic Buffalo Soldiers stables site, family and community group picnic sites, a family play meadow, and new paths and

bikeways connecting the east and west ends of Crissy Field. Additionally, the transformed space will provide benefits through redirection of storm water away from sewers, expanding coastal habitat for native plants and animals, and expanding access to the Presidio from Chinatown through extended bus transportation.

- **Museum Grant Program.** The budget appropriates \$50 million General Fund one-time for the Museum Grant Program at the California Cultural and Historical Endowment for capital projects or programs that support and enhance museum services and serve historically underserved communities.
- **Legislative Investments.** The budget appropriates General Fund for the following legislative priorities:
  - \$2 million ongoing to the Ocean Protection Council for the Marine Mammal Center to conduct rescue and research efforts.
  - \$2.5 million one-time for Holocaust Museum/Building Truth Campaign: Fund technology in the Museum’s Education Pavilion.
  - \$10 million one-time for Museum of Tolerance: One-time capital outlay to create a full exhibition on antisemitism.
  - \$3.1 million to the City of San Diego for the Southcrest green infrastructure projects, which will treat stormwater runoff entering Chollas Creek.
  - \$1 million to the Chinese Cultural Center of San Francisco for anti-Asian hate grants.
  - \$800,000 to the City of Downey for the Space Shuttle Inspiration restoration.
  - \$8 million to the City of Glendale for the creation of Rockhaven History Museum.
  - \$400,000 to the City of Pittsburg for the historic California Theater renovation.
  - \$1.1 million to the City of Pomona for Kids World Pomona.
  - \$6.04 million to the City of Santa Ana and Discovery Cube of Orange County for Santa Ana youth facilities.
  - \$2.6 million to the City of Los Angeles for Discovery Cube Los Angeles.
  - \$300,000 to the City of Bakersfield for Hope Village.
  - \$300,000 to the City of Los Angeles for the Little Tokyo Service Center, Terasaki Budokan.
  - \$352,000 to the City of Brea for the Boys and Girls Club Database.
  - \$500,000 to the City of Los Angeles for the Weingart East Los Angeles YMCA Community Development Center.
  - \$750,000 to the City of Lodi for Tony Zupo Field.
  - \$1 million to the City of Glendale for the Lark Musical Society Cultural Annex.
  - \$1 million to the City of Hayward for the South Hayward Youth Family Center Project.
  - \$1.5 million to the City of West Sacramento for community reinvestment.
  - \$2 million to the City of Los Angeles for the Chinese American Museum Unity Garden.
  - \$2 million to the City of Sacramento for Planting Justice.
  - \$2 million to the City of Millbrae for the Millbrae Recreation Center.
  - \$2.5 million to the City of Anaheim for the Family YMCA.
  - \$2.5 million to the City of Covina for the Covina Recreation Village.
  - \$2.5 million to the City of San Diego for the Billie Jean King Tennis Court renovation.
  - \$3 million to the County of Santa Barbara for the Foothills Forever Project.
  - \$3.7 million to the City of San Diego for the building renovations to the Casa del Prado.
  - \$4.2 million to the City of Whittier for the LGBTQ+ Regional Hub.

- \$5 million to the City and County of San Francisco for improvements to Peace Plaza at Buchanan Center Mall, Japantown.
- \$3 million to Sacramento Municipal Utility District Museum of Science and Curiosity for Public Health Program and Educational Exhibit.
- \$7 million to the City of Riverside for the preservation of the Harada House.
- \$13.5 million to the City of Sacramento for community reinvestment.
- \$14.9 million to the City of Los Angeles for restoration of the Breed Street Shul.
- \$1 million to the City of Sacramento for the Sacramento LGBT Community Center for capital improvements and costs.
- \$5 million to the Orange County Sustainability Decathlon.
- \$500,000 to the City of Los Angeles — Alliance for Community Empowerment for capital improvements.
- \$150,000 to Champions in Service.
- \$60,000 to Vida Mobile Clinic.
- \$100,000 to New Directions for Youth.
- \$10 million to the City of Oakland for the Oakland MACRO Project.
- \$300,000 to the City of San Diego for improvements to the Ed Brown Center.
- \$2.2 million to the City of Antioch for renovation of the Nick Rodriguez Community Center and Senior Center.
- \$3.5 million for the County of Los Angeles for the Chinatown Service Center.
- \$5 million for the RRYSE Youth Program Capital for the initial operation costs for new youth facility providing mental health, trauma mitigation, tutoring, and job placement services for low-income Richmond and Contra Costa youth.
- \$3 million for Culver City for New Earth Organization.
- \$2 million for the West Bay Filipino Multi-Service Center for building rehabilitation.
- \$1 million for the City of Sausalito for North Bay Children’s Center.
- \$1 million for the City of Rialto for International Healing Outdoor Facility at Rialto Unified School District.
- \$5 million for the City of Benicia for Kyle Hyland Foundation.
- \$5 million for Math Science Nucleus.
- \$1 million for the County of San Mateo for the Big Lift Early Learning Initiative.
- \$1.19 million to the Boys and Girls Club of the Los Angeles Harbor for restoration for the Cheryl Green Center.
- \$5 million to the City of Gonzalez for Teen Innovation Center.
- \$1 million to the City of Los Angeles Conga Kids.
- \$6.5 million to the City of Los Angeles for Destination Crenshaw.
- \$3 million to Sonoma County Transportation Authority for Highway 37 final design.
- \$150,000 to Stiles Hall for Experience Berkeley.
- \$1.5 million to the Natural Resources Agency for the Parks and Recreation Oceanography Program.
- \$987,000 to the California Cultural and Historical Endowment for replacement, repair, and improvements related to the Great Wall of Los Angeles Mural.
- \$8.1 million to the City of Salinas for the Hebron Heights Family Center Reconstruction Project.
- \$1 million to the City of Irvine for the Bommer Canyon fire prevention fuel modification and restoration.
- \$4 million to the City of Lawndale for a multi-use facility project.

- \$6 million to the City of Los Angeles for the Port of Los Angeles for the Alta Sea Center for Innovation.
- \$80,000 to the City of Chino Hills for weed abatement activities by the Tres Herman Conservation Authority to reduce the likelihood and severity of grass and rubbish fires.
- \$1.2 million to the City of San Diego for pedestrian, public space, and stormwater facility improvement to the Normal Street/Pride Plaza.
- \$100,000 to the La Verne San Dimas Educational Foundation for Wellness Center program support.
- \$100,000 to the Homenetmen Armenian General Athletic Union Western United States of America for programming.
- \$1.8 million to the Armenian American Museum and Cultural Center of California for capital design and construction.

### 3100 CALIFORNIA AFRICAN AMERICAN MUSEUM (CAAM)

- **Operations and Maintenance.** The budget appropriations \$168,000 General Fund ongoing to CAAM for operations and maintenance.

### 3100 EXPOSITION PARK

- **Amendment to Budget Bill Item 3100-001-0267, Support.** The budget amends Item 3100-001-0267 (Exposition Park Improvement Fund) by adding provisional language authorizing up to \$11.9 million General Fund transfer authority to the Exposition Park Improvement Fund to offset unanticipated revenue loss resulting from public health-related closures to the COVID-19 pandemic. Additionally, provisional language is added notwithstanding Provision 2 of Item 9850-011-0001, Budget Act of 2020, to allow \$2.5 million of the General Fund available for transfer to be used in repayment of a 2020-21 loan. The pandemic has resulted in significant losses for the Exposition Park Improvement Fund, which relies primarily on special event rentals and parking fees associated with currently prohibited public gatherings and museum visitation. Progressive extensions on public health restrictions have made it necessary to address this revenue shortfall beyond prior current year authorizations.
- **Deferred Maintenance.** The budget appropriates \$5 million General Fund one-time to fund deferred maintenance projects to address critical infrastructure deficiencies. Provisional language makes the funds available for encumbrance or expenditure until June 30, 2024.

### 3125 CALIFORNIA TAHOE CONSERVANCY

- **Conceptual Feasibility Planning.** The budget appropriates \$500,000 in Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) funds for conceptual and feasibility planning for future watershed improvements and forest health and fuels reduction capital outlay projects.

- **Minor Capital Outlay.** The budget appropriates \$850,000 (\$4,000 in Proposition 84 funds, \$450,000 in Habitat Conservation Fund, \$246,000 in California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40) bond funds, and \$150,000 in Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) bond funds 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 to meet Americans with Disability Act compliance.
- **Upper Truckee River Sunset Stables Reach 6 Restoration Project.** The budget adds Item 3125-301-0890 (Federal Trust Fund) be added in the amount of \$500,000 to fund a study on restoration and recreation opportunities, and to complete an environmental review for a section of the Upper Truckee River and adjacent floodplain. The study will provide strategies that reduce sediment and nutrient flow into Lake Tahoe, enhance aquatic and terrestrial habitat, protect biodiversity, sequester carbon, improve public access, and restore climate resilience in the Reach 6 area of the Upper Truckee River.
- **Van Sickle Barn Remediation.** The budget appropriates \$519,000 (\$350,000 Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Propositions 12) and \$169,000 Proposition 40 to fund lead remediation of the Van Sickle Bi-State Park's 1860's era barn. The project includes: removing existing exterior lead-containing paint, removing contaminated soil around the structure, removing and replacing wood infected with dry rot, and priming and retaining the bar.

### 3340 CALIFORNIA CONSERVATION CORPS (CCC)

- **Corpsmember Counseling; Case Management; and Transition to College, Career or Training.** The budget appropriates \$1.953 million (\$1.132 million General Fund and \$821,000 Collins-Dugan Reimbursement Account) to continue funding to make the Navigator Pilot program permanent by providing continued funding for 14 Associate Governmental Program Analyst positions and consultant costs. These resources are intended to strengthen the career pathways of Corpsmembers to college, career, or advanced training by providing case management services, mental health, and substance abuse counseling. CCC intends to utilize the counseling/wellness funding to continue existing resources/programs, which include consulting and counseling for each of the districts.
- **Watershed Stewards Program (WSP).** The budget includes a position authority for one Conservation Supervisor, two Conservation II, and one Management Services Technician ongoing for the CCC's Watershed Stewardship Program in partnership with AmeriCorps/CalVolunteers. Adding four permanent positions is intended to provide stability for a program that provides natural resource conservation experience to Corpsmembers and scientific data to local non-profits, local governments, and other entities. This item has a net zero fiscal impact. CCC intends to establish full oversight of the program staff as a commitment to continuing this program. This item is intended to increase staff retention and subsequently improve program delivery.

- **Los Padres Facility Maintenance Funding.** The budget appropriates \$1.435 million General Fund in 2021-22, \$136,000 in 2022-23, \$137,000 in 2023-24, and \$139,000 in 2024-25 and 2025-26 to address facility repairs and maintenance needs at the Los Padres facility, owned by the California Military Department.
- **One-Time Deferred Maintenance.** The budget appropriates \$1 million General Fund for deferred maintenance projects.

### 3340 CALIFORNIA CONSERVATION CORPS (CCC)

### 3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CalFire)

- **CalFire Emergency Response and Preparedness: CalFire/CCC Fire Crews.** The budget appropriates a total of \$143.266 million (\$137.335 million General Fund to CalFire, \$5.931 million General Fund to CCC, and an offsetting reduction of \$1.8 million Collins-Dugan Reimbursement Account to CCC) in 2021-22 and \$124.493 million General Fund ongoing (phased in over five years) and a total of 617 positions ongoing to add 30 additional hand crews to provide vegetation management, hazardous fuel reduction projects, and wildland fire suppression. The item includes 16 CalFire Fire Fighter crews, eight year-round CCC crews, and six seasonal CCC crews.

**CalFire Costs (\$137 million).** This item includes 591 ongoing positions to establish 16 seasonal fire fighter hand crews at seven of the closed conservation camps, as well as other support of the CCC crews and other ancillary costs.

- *Fire Fighter Hand Crews.* Each crew will be staffed with 13 Fire Fighter I's — the typical seasonal fire fighter classification — for nine months of the year. In order to provide 24-hour coverage, the department will hire a total of 640 fire fighters (equivalent to 480 positions on a year-round basis). The new crews will be phased in over two years.
- *Funding to Reactivate Camps.* Each conservation camp is proposed to be staffed with maintenance, cooking, and administrative support positions. In addition, this item includes \$21 million in one-time funds for facility repairs (including some funding for CCC facilities) and \$3.8 million on an ongoing basis for (1) the cost of leasing temporary facilities while repairs are being undertaken and (2) facility maintenance costs for after the camps have been reactivated.
- *Supervision of and Reimbursement for CCC Crews.* CalFire's budget includes funding for supervisory staff to oversee the expansion of corpsmember hand crews, as well as funding to reimburse CCC for its seasonal crews.
- *Other Ancillary Costs.* This item includes additional funding for vehicles and equipment.

**CCC Costs (\$6 million).** The budget adds a total of 26 positions and funding (\$8 million upon full implementation) to (1) convert six existing reimbursement crews — which can be used for a variety of projects not necessarily related to wildfires — to year-round hand crews, (2) add two new year-round hand crews, and (3) transition six existing reimbursement crews to seasonal hand crews. In total, the budget adds 14 CCC hand crews for fire response and mitigation. Each hand crew will be made up of 15 corpsmembers.



**3355 OFFICE OF ENERGY INFRASTRUCTURE SAFETY (OEIS)  
3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CalFire)**

- **OEIS Establishment and Transfer of Wildfire Safety Division and Dig Safe Board.** The budget appropriates \$7.433 million Public Utilities Commission Utilities Reimbursement Account (PUCURA) (\$13.015 million ongoing), \$352,000 Safe Energy Infrastructure and Excavation Fund (SEIEF) (\$348,000 ongoing), and 34 positions in 2021-22 and ongoing to establish the new Office within CNRA on July 1, 2021, as required by AB 111 (Committee on Budget), Chapter 81, Statutes of 2019.

The budget provides a net-zero transfer of \$10.568 million PUCURA (\$6.068 million in 2023-24 and ongoing) and 32 positions to transfer the Wildfire Safety Division from the California Public Utilities Commission on July 1, 2021 as required by AB 111.

The budget provides a net-zero transfer of \$2.148 million SEIEF (\$4.129 million ongoing) and 24 positions to transfer the California Underground Facilities Safe Excavation Board (Dig Safe Board) from CalFire on January 1, 2022, as required by SB 865 (Hill), Chapter 307, Statutes of 2020.

Trailer bill language expands the powers, duties, and responsibilities of OEIS and authorizes OEIS representatives to enter and inspect regulated entity property, records, and equipment and expands the OEIS enforcement authority. Trailer bill language provides that the decision of OEIS are subject to judicial review. Trailer bill language requires OEIS to provide for the confidentiality of records and the protection of proprietary information.

**3480 DEPARTMENT OF CONSERVATION (DOC)**

- **Continuation of Funding for Regulatory Field Inspection.** The budget increases the baseline funding by \$3.932 million Oil, Gas, and Geothermal Administrative Fund in order to sustain increased inspection and enforcement to protect public health and safety, assess and mitigate the risk of urban encroachment on oil and gas fields, and work with local agencies to assist with the protection of water resources. The purpose of the funding is to: (1) create a stronger field presence so regulators oversee all tests, well work, spills or surface expressions, and all other actions mandated to be witnessed in person; and, (2) regularly inspect all critical wells to help protect the health and safety of people and the environment.
- **Multi-Benefit 3D Geologic Framework Mapping.** The budget includes four positions and three-year limited-term funding of \$3 million (\$1 million per year) Strong-Motion Instrumentation and Seismic Hazards Mapping Fund for the purpose of developing Multi-Benefit three-dimensional (3D) geologic framework mapping. This technology is intended to improve the state's capabilities for future evaluation of carbon sequestration, sustainable groundwater management, seismic hazard mitigation, and mineral resource evaluations.

- **CalGEM Oversight.** The budget includes 26 positions and a baseline increase of \$4.826 million Oil, Gas, and Geothermal Administrative Fund (OGGAF), phased in over three years (12 positions and \$2.369 million in 2021-22, 22 positions and \$4.061 million in 2022-23, and 26 positions and \$4.826 million in 2023-24 and ongoing) to strengthen enforcement of existing laws and regulations, limit the state's liability, and improve public transparency.
- **Forest Management Task Force Coordinator.** The budget appropriates \$168,000 Environmental License Plate Fund (ELPF) and one position ongoing to support the Forest Management Task Force (FMTF). The position, a Senior Environmental Scientist Specialist, will be responsible for coordinating efforts between state, local, and federal partners and overseeing the development of regional frameworks that accelerate efforts to meet state forest and fire resilience goals. This position will be within the Regional Forest and Fire Capacity Program (RFFCP) at DOC for administrative efficiency and to leverage the role of the RFFCP to coordinate multiple scales of forest and fire resilience work at the regional level.

**3480 DEPARTMENT OF CONSERVATION (DOC)****3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CalFire)****3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)****3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)**

- **Telematics Implementation.** The budget appropriates \$2.614 million General Fund and \$1.032 million special funds in 2021-22, and \$1.988 million General Fund and \$630,000 special funds in 2022-23 and 2023-24, with four permanent positions for the installation and activation of telematics services in non-standard and state-owned mobile equipment assets, per State Administrative Manual (SAM) Section 4122 (Telematics). Limited-term funding is proposed to allow the departments to evaluate costs savings associated with implementation of telematics before providing permanent ongoing funding.

**Parks.** The budget provides a one-time increase of \$856,000 General Fund in 2021-22 and \$646,000 General Fund in 2022-23 and 2023-24 for hardware costs, annual service connection fees, and one permanent full-time position. The funding will provide installation of telematics on approximately 3,200 state-owned fleet assets greater than 11,000. The equipment is predominantly off-road, heavy-duty on-road, or specialized. Many of the department's vehicles greater than 11,000 Gross Vehicle Weight Rating (GVWR) and off-road equipment will require a one-time hardware cost for the telematics installation.

**DFW.** The budget provides \$448,000 General Fund and \$1.032 million from special funds in 2021-22, \$272,000 General Fund and \$630,000 in special funds in 2022-23 and 2023-24, and one permanent full-time position. The budget includes funding for one position and 1,600 devices and accessories for all on-road licensed vehicles, including 150 additional devices per year for future replacement and additional on-road vehicles. The budget includes funding for 1,600 Driver ID devices and accessories for all on-road licensed vehicles.

**CalFire.** The budget provides \$1.06 million General Fund in 2021-22, \$881,000 General Fund in 2022-23 and 2023-24, and one permanent full-time position. The budget provides one-time funding for ID fobs and readers, plus three years of funding for subscription costs, and one position and

associated costs (\$189,000 in 2021-22 and \$166,000 in 2022-23 and 2023-24). The budget will fund telematics for 3,016 vehicles in 2021-22.

**CCC.** The budget provides \$250,000 General Fund in 2021-22, 2022-23, and 2023-24, and one permanent full-time position. All requested positions are needed to develop, implement, and maintain the telematics program. The budget provides funding to cover unanticipated telematics monthly service fees for 574 fleet assets including 380 vehicles, 58 rugged units for off-road or high impact equipment, and 136 non-powered units requiring a solar installation unit. Annual costs also include funding for replacement, repair, and/or new installations, and one position to coordinate the telematics program within the department.

### **3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CalFire)**

- **One-Time Fire Protection Augmentation — July to December 2021.** The budget appropriates one-time funding of \$38.913 million General Fund in 2021-22 to augment its fire protection resources given trends associated with climate change and current drought conditions, increasing fire severity and size, declining inmate camp populations, and ongoing operational impacts from COVID-19.

***Military Crew Staffing (\$5.623 million).*** Through an agreement with the California Military Department (CMD), CalFire is currently staffing 10 fire crews to perform fire prevention and fuel reduction project work and fire response, referred to as Task Force Rattlesnake. The budget includes funding to support the staffing of three additional Task Force Rattlesnake crews for a total of 13 fire crews from July through December, with two new crews operating out of the Santa Clara Unit and one in the San Diego Unit. The budget includes contract services with CMD for their service members and operating expenses in three exclusive use crews. To support the additional crews, the budget includes four temporary Fire Captains (FC) and 12 Fire Fighter Is (FF). The budget includes \$4.048 million for Task Force Rattlesnake.

In addition, during periods of high fire activity when fire crew resources are drawn down, CalFire and CMD have an agreement allowing for the mobilization and deployment of CMD resources as Type II Hand Crews for response to incidents. These hand crews are commonly referred to as force packs. Force packs are mobilized for a 29-day period that includes activation, mobilization, training, deployment, and demobilization. The military service members provided by the CMD are supervised by a FC and supported by FFs that are trained to perform as the Military Crew Advisor chainsaw team or “sawyers” to support the force packs. The budget includes 24 FFs to serve as sawyers assigned to support force pack deployments. The request includes \$1.575 million for the FF sawyers.

***Additional Fire Crews (\$27.444 million).*** The April to June 2021 funding augmentation included additional CalFire and CCC Fire Crews, which were proposed to start on July 1, 2021, as part of the 2021-22 Governor’s Budget. This augmentation accelerated the hiring and training of 12 CalFire Fire Fighter crews and 12 CCC fire crews given trends associated with increasing fire severity and size as well as current drought conditions and weather patterns. In addition, the April to June 2021 augmentation included the staffing of eight additional CalFire Fire Fighter crews in order to address declining fire crew numbers statewide.

The budget includes funding to continue the staffing of the eight additional augmented CalFire Fire Fighter crews for the period of July through December 2021, and includes 24 FCs, 24 Fire Apparatus Engineers (FAEs) and 320 FFs to provide a minimum of 15 crew members for 24 hours, seven days a week. Each fire crew will have two company officers (FC and FAE) and 13 FFs to perform fire prevention and suppression work.

***Fire Protection Support (\$1.725 million).*** The budget provides an additional 27 Associate Governmental Program Analysts (AGPA) for a period of six months in each of the 21 units, two at region headquarters, and four at Sacramento headquarters. These requested AGPAs will assist with the personnel and finance transactions required to support the additional 408 employees and 11 additional fire crews operating out of temporary use facilities. In addition, they are intended to support the processing and payment of Assistance by Hire resources and California Fire Assistance Agreement invoices anticipated due to increased fire activity and large-scale fire incidents. Additional resources at CalFire's region offices is intended to help ensure there is staff to support the increased fire protection personnel at the regions and units, and to support the accounting workload.

***Fiscal Services Support. (\$2.121 million).*** The budget provides \$471,000 to fund seven Staff Services Analysts and two Staff Services Managers for a period of six months at Sacramento headquarters to manage the workload surge from incident related purchases and payments.

The budget appropriates \$1.5 million to continue contracted support for processing payments from incidents for local government, hired equipment, late payment penalty processing for thousands of claims that are separate from the original payment transaction, P-Card purchasing from fires, and P-Card support for units.

The budget includes \$100,000 for student assistants to help the Emergency Response Billing Unit with document collection, copying, and packaging of various support elements of fire recovery packages. Given the size of the 2020 fire activity, CalFire's backlog includes an unprecedented 20 Fire Management Assistance Grants or Federal Emergency Management Agency (FEMA) Declaration packages that must be completed within various deadlines for Cal OES and their forwarding onto the federal government.

***Vehicle Repair and Maintenance (\$2 million).*** The budget includes \$80,000 for 21 units, two region headquarters, mobile equipment headquarters, and training centers, for a total of \$2 million. CalFire performs its annual maintenance of engines, emergency crew transports, and dozers during the winter months, when use is at a minimum. The 2021 fire season is expected to have higher fire activity, and increased vehicle and equipment usage and travel is projected to be above normal, increasing maintenance and repair costs.

- **Fire Protection Enhancements: Direct Mission Support.** The budget includes permanently redirecting \$12.197 million General Fund in 2021-22 and \$12.069 million ongoing from the Emergency Fund to the base budget (a net-zero transfer), along with \$1.5 million General Fund one-time in 2021-22, 85 positions starting in 2021-22, and 87 positions in 2022-23 and ongoing. An additional \$1.5 million of ongoing lease savings will be redirected starting in 2022-23 to backfill the proposed one-time General Fund.

CalFire also proposes to permanently redirect \$2.1 million in telework savings starting in 2021- 22 to partially support an additional 23 positions in the Business Services Office (BSO) (Contracts), Departmental Accounting Office (DAO), Budget Office, Equal Employment Office (EEO), Office of Program Accountability, the Communications Office, Labor Relations Office (LRO), Information Technology Services (ITS), Research and Development (R&D), the Office of Legislation, Fire Protection, the Executive Office, and Occupational Health Program (OHP).

In 2021-22, CalFire is terminating leases for two buildings in the Sacramento Arden area, and is moving the staff into the new California Natural Resources Agency building. In 2021-22, \$1.5 million General Fund one-time will provide funding to help support 21 positions until leases in the Sacramento Arden area are terminated, and savings are redirected to provide the remaining funds needed to support a total of 23 positions on an ongoing basis starting in 2022-23.

- **One-Time Deferred Maintenance.** The budget appropriates \$50 million General Fund for deferred maintenance projects.
- **Fire Prevention: Wildfire Risk: Defensible Space: Ember-Resistant Zones (AB 3074).** The budget appropriates \$3.2 million General Fund one-time to educate the public, and for the Board of Forestry and Fire Protection to develop the necessary regulations on the provisions for a zero to five-foot ember-resistant zone set forth in AB 3074 (Friedman), Chapter 259, Statutes of 2020.
- **Pipeline Safety Division Staffing.** The budget appropriates \$1.687 million California Hazardous Liquid Pipeline Safety Fund, \$1.602 million Federal Trust Fund, and includes five permanent positions in 2021-22 and ongoing to research best available leak detection and automatic shutoff technologies for pipelines, review pipeline operators risk assessments, verify assessment of hazardous liquid pipelines near ecologically and environmentally sensitive areas of the coast, manage leak detection and automatic shutoff technologies, and perform field verification on equipment installed per operator's risk assessments as required by AB 864 (Williams), Chapter 592, Statutes of 2015.
- **Code Development and Analysis.** The budget includes one position and appropriates \$482,000 Building Standards Administration Special Revolving Fund for the Office of State Fire Marshal's (OSFM's) Code and Development and Analysis Division starting in 2021-22. This item is intended to allow for a thorough review of code changes, the timely adoption of current national standards, and the effects on existing code that will identify and then clarify any confusing, duplicative, or conflicting codes.
- **CalFire Aviation Program: Contracts Increases.** The budget appropriates \$9.733 million General Fund in 2021-22, \$8.006 million General Fund in 2022-23, and \$5.014 million General Fund in 2023-24 to support two optional years of aviation parts and logistics vendor contract increases as well as follow-on contract increases for CalFire's fixed-wing pilots and aviation fleet mechanics.
- **Exclusive Use Aircraft Budget Bill Language.** The budget adds budget bill language to Items 3540-001-0001 and 3540-006-0001 to waive specified state contracting requirements to enable CalFire to contract for Exclusive Use aircraft quickly, up to certain thresholds, to address emergency fire conditions and support fire suppression operations.

- **Wildland Firefighting Research Grant.** The budget appropriates \$5 million General Fund one-time in 2021-22 to provide a pass-through grant to California State University, San Marcos to study enhanced firefighting equipment and strategies to protect firefighters from the conditions present during wildfires in the wildland-urban interface.
- **Various Capital Outlay Projects.** The budget includes funding for various capital outlay projects, such as the following:
  - ***Shasta Trinity Headquarters/Northern Operations: Relocate Facility.*** \$360,000 General Fund for the preliminary plans phase of this project. This one-time funding is necessary to address scope and cost changes quantified to accommodate on-site staffing.
  - ***Howard Forest Helitack Base: Replace Facility.*** \$1.228 million for the preliminary plans phase of this project. The new helitack base is intended to enhance operational logistics and provide crew the ability to fly the new Blackhawk helicopter in response to emergencies and natural disasters, as well as initial and extended attack on fires.
  - ***Kneeland Helitack Base: Relocate Facility.*** \$1.228 million for the preliminary plans phase of this project. The new helitack base is intended to increase the sphere of influence to respond to incidents, especially with the new location having exceptional approach and departure paths, will reduce the impact of coastal fog on operations, and will have on-site water accessibility, which the current base lacks.
  - ***Lake/Napa Unit Auto Shop and Warehouse: Replace Facility.*** \$1.102 million for the working drawings phase of this project. The replacement and relocation of the Lake/Napa Unit Auto Shop and Warehouse serves five counties.
  - ***Riverside Unit Headquarters: Relocate Facility.*** \$3.66 million for the acquisition phase of this project. This facility will be a new unit headquarters and fire station and is meant to allow the department to construct a modern facility that meets current and anticipated mission.
- **Defensible Space Inspections (AB 38).** The budget appropriates \$8.3 million General Fund in 2021-22 and \$6.1 million General Fund in 2022-23 ongoing, and includes 26 positions ongoing to address increased workload driven by statutory requirements related to defensible space inspections and a regional capacity review set forth in AB 38 (Wood), Chapter 391, Statutes of 2019.

### 3560 STATE LANDS COMMISSION (SLC)

- **Tidelands and Submerged lands: City of Long Beach: Oil Revenue.** The budget includes trailer bill language that provides that the state consents to the application of specified ordinances to the state's share of oil revenue within the Long Beach tidelands for taxes on such production levied and in effect as of October 1, 2021. Trailer bill language prohibits the state's share of oil revenue within the Long Beach tidelands from being subject to specified municipal charges not already levied on or before October 1, 2021, that has the effect of reducing the state's share of oil revenue, net profits, or remaining oil revenue received into the General Fund, without express statutory authorization for that tax, fee, or assessment.

- **Economic Support for Ports.** The budget appropriates \$250 million in one-time federal Coronavirus State Fiscal Recovery Fund to allocate to California ports that provide a vital role in the state's economy. This funding is intended to address some of the revenue impacts suffered by ports as a result of the COVID-19 pandemic, especially as a result of the loss of tourism. This funding was originally proposed for the Governor's Office of Business and Economic Development; however, this funding will be allocated by SLC, which frequently works with the ports.
- **Bolsa Chica Lowlands Restoration Project.** The budget appropriates \$2 million ELPF one-time to fund 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. Without continued funding, SLC will be unable to perform required management activities, leading to a seasonal accumulation of sand at the mouth of the ocean inlet and forcing its closure. Closure of the inlet would have catastrophic impacts to the wetland habitat, its endangered species, and other valuable public resources, resulting in a significant net loss to the state's coastal wetlands and endangering the \$157 million investment. Closure may also cause flooding in the adjacent neighborhood and a pre-existing on-site oil operation, a significant liability to the state.
- **South Ellwood Project — Platform Holly Plug and Abandonment.** The budget appropriates \$49.9 million one-time General Fund in 2021-22 and repurposes \$2.5 million one-time General Fund provided in the 2020 Budget Act for fiscal year 2021-22, to complete Phase 1 of the South Ellwood Project. This item includes \$2.5 million one-time General Fund in 2022-23 to initiate the Environmental Impact Report (EIR) and feasibility study for Platform Holly originally scheduled and funded for 2021-22. In addition, this item appropriates \$500,000 for existing, and extensive, in-house engineering and technical resources required to manage the Commission's participation in the Project.

### 3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)

- **Biodiversity Enhancements/Strategic One-Time Investments, Wildlife Restoration and Public Recreation for Underserved Communities.** The budget includes the following:
  - \$41.75 million General Fund one-time to make progress toward safeguarding California's biodiversity, increasing access opportunities on state lands, and finding long-term solutions to restore our natural ecosystems. These strategic investments are supported by information from its service-based budget review and will allow DFW to modernize infrastructure, fleet operations, and support systems to build climate resiliency within state-owned lands.
  - \$3.34 million Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12) bond funds one-time to restore and enhance wildlife habitat and provide visitor amenities on selected state lands to enhance biodiversity conservation and provide equitable access for diverse communities.

- **Cutting Green Tape Initiative.** The budget makes permanent 18 positions and \$3.8 million General Fund, received as one-time in 2020-21, for continued support of the Cutting the Green Tape Initiative. Permanent funding into the Cutting the Green Tape Initiative will expand these efforts across a broader scale in the state, resulting in tangible outcomes that improve the pace at which permits and grants are executed for restoration. These resources are intended to support restoration reform through advanced collaboration with our stakeholders, streamlining the grant making process, providing early project consultation, conducting permitting workshops, and incorporating the use of programmatic permitting options. The item includes budget bill language requiring DFW to report annually for the next five years on the outcomes of this initiative, including: (1) quantifying impacts on timelines for processing permits; (2) numbers of permits granted; (3) specific strategies implemented; (4) lessons learned; and (5) counties and watersheds on which DFW has focused these efforts.
- **Protecting California’s Endangered Species.** The budget includes \$53.7 million (\$48.7 million General Fund one-time and \$5 million ELPF one-time) over five years to address protection of endangered species within the state and make measurable progress on conservation of these species.
- **Wolf Conflict Compensation Pilot Program.** The budget appropriates \$3 million to be used for the wolf conflict compensation pilot program and authorizes DFW to develop a grant process to allocate funds to pay for the deterrence of wolf presence near livestock, the impacts of wolf presence on livestock, and for verified loss of livestock for participating ranchers.
- **Expedited Permitting for Energy Projects.** The budget appropriates \$18.8 million General Fund one-time as part of the Energy Package to expedite renewable energy permitting and to aid in interagency offshore wind environmental analyses to support the increase in renewable projects throughout the state, while continuing to protect the state’s diverse species.
- **Drift Gill Net (DGN) Transition Program (SB 1017).** The budget appropriates \$1.3 million in one-time funding in 2021-22 from the General Fund to cover payments to voluntary participants to complete the DGN Transition Program pursuant to SB 1017 (Allen), Chapter 884, Statutes of 2018.
- **Ocean Resources Enhancement and Hatchery Program Support.** The budget appropriates \$135,000 in 2021-22, and \$124,000 in 2022-23 and ongoing from the Federal Trust Fund to implement AB 1949 (Boerner Horvath), Chapter 345, Statutes of 2020. AB 1949 makes a number of revisions to the Ocean Resources Enhancement and Hatchery Program, such as revising and clarifying the membership of the Ocean Resources Advisory Panel, their roles and responsibilities. The budget provides funds to develop and facilitate an independent scientific committee and the associated administrative, contracting, and reporting duties.
- **State-Owned Program Income Revenue and Expenditures.** The budget includes an adjustment to move revenue and expenditures from the Wildlife Restoration Fund to a Fish and Game Preservation Fund dedicated account, resulting in a net authority increase in the amount of \$114,000. This adjustment supports the department’s compliance with the Code of Federal Regulations for revenue earned on federally funded, state-owned lands. The budget includes trailer bill language to authorize the shift of funds to the Fish and Game Preservation Fund.



- **Reimbursement and Federal Trust Fund Authority Increase.** The budget amends Item 3600-001-0200 (Fish and Game Preservation Fund) by increasing reimbursements by \$8.9 million and Item 3600-001-0890 (Federal Trust Fund) be increased by \$2.5 million to provide adequate authority for DFW to receive and expend reimbursement and federal grant funds necessary to DFW's operation. Specifically, this will enable the department to accept federal grants from the US Fish and Wildlife Service and other federal partners, and reimbursement from various state and private entities for the purpose of species and ecosystem conservation programs.
- **Dedicated Fish and Game Preservation Fund Realignment.** The budget increases Item 3600-001-0200 (Fish and Game Preservation Fund) by \$3.858 million ongoing and 19 positions to align program expenditures with the associated revenues of four dedicated accounts within the Fish and Game Preservation Fund. These resources will help DFW maintain structural balance and support increased workload.
- **Nutria Eradication Program Staffing.** The budget amends Item 3600-001-0200 (Fish and Game Preservation Fund) by adding 17 permanent positions to replace the temporary positions used to support the Nutria Eradication and Control Program field operations.
- **Deferred Maintenance.** The budget appropriates \$15 million General Fund one-time to address its backlog of deferred maintenance projects on state-owned lands and facilities.
- **Oil Spill Prevention and Administration Fund.** The budget includes trailer bill language requiring the Oil Spill Prevention and Administration Fee to be increased on October 1, 2021, from \$0.065 to \$0.085 per barrel of crude oil or petroleum products. Commencing January 2, 2022, this bill imposes the fee on renewable fuel, as specified. Trailer bill language requires the fee to be annually increased or decreased by a certain inflation measurement.
- **Proposition 99 Technical Adjustments.** The budget increases Item 3600-001-0235 by \$824,000 Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Proposition 99) to reflect a technical baseline budget adjustment associated with additional tobacco tax revenue associated with Revenue and Tax Code Section 30124(b)(5), which specifies that five percent of Cigarette and Tobacco Products Surtax Fund revenue shall be deposited into the Public Resources Account for programs that protect, restore, enhance, or maintain fish, waterfowl, and wildlife habitat, and enhance state and local parks and recreational resources.
- **Wildlife Habitat Restoration and Public Recreation for Underserved Communities.** The budget appropriates \$3.34 million Proposition 12 one-time to restore and enhance wildlife habitat and provide visitor amenities on selected state lands to enhance biodiversity conservation and provide equitable access of diverse communities.
- **29 New Positions at DFW for Cannabis-Related Purposes.** Provides personnel year authority to DFW for 29 positions to help address issues related to cannabis, such as water theft and contamination of rivers and streams due to illegal grows.

### 3640 WILDLIFE CONSERVATION BOARD

- \$1 million General Fund one-time to appraise West Coyote Hills property in North Orange County and specifies that the appraisal shall be completed within one year of the appropriation.

### 3720 CALIFORNIA COASTAL COMMISSION

- **Essential Accounting, Business Services, and Operational Resources.** The budget appropriates \$1.067 million Coastal Act Services Fund (CASF) annually for three years. This includes an extension of \$787,000 for previously authorized funding to support operational costs and continuation of a previously approved position, and \$280,000 for two new positions that will address expanding workload in the Accounting Unit and the Fiscal & Business Services Unit. The 2017 budget included two-year limited term resources for operational costs and two personnel for workload functions. The funding was limited-term due to uncertainty within the CASF fund condition at that time. The 2019 Budget Act extended these resources another two years, expiring at the end of the 2020-21 fiscal year.
- **Sea Level Rise.** The budget appropriates \$31 million one-time for: (a) operations (\$1 million) and (b) sea level rise local assistance grants (\$30 million); and extends the encumbrance and liquidation period to June 30, 2026.
- **Cap-and-Trade Expenditure Plan: State Operations for Coastal Resilience.** The budget appropriates \$750,000 Greenhouse Gas Reduction Fund one-time for state operations for coastal resilience. This shifts \$750,000 one-time, which was included in the 2020-21 early action package in the Governor's budget for this program to 2021-22.
- **Interagency Offshore Wind Environmental Analysis.** The budget appropriates \$6.5 million for interagency offshore wind environmental analyses with the Ocean Protection Council, Department of Fish and Wildlife, and Coastal Commission.

### 3760 STATE COASTAL CONSERVANCY (SCC)

- **State Coastal Conservancy: Officer or Employer: Financially Interested Contracts.** Provides that an officer or employee of SCC is not deemed to be financially interested in a contract executed in their official capacity when specified conditions are met, including that the contract involves a grant of funds approved by the San Francisco Bay Restoration Authority to SCC.
- **Appropriation from the Violation Remediation Account.** The budget appropriates one-time \$1.5 Violation Remediation Account, a subaccount of the State Conservancy Fund, to fund coastal resource enhancements and public access projects statewide. Funds will be used for local assistance and capital outlay. The budget extends the encumbrance period to June 30, 2024, and for expenditure through June 30, 2026.

- **Increase to Local Assistance Blanket Federal Trust Fund Authority.** The budget includes a \$2 million increase ongoing to the blanket Federal Trust Fund authority, increasing from \$8 million to \$10 million. The increase is needed in order to accommodate the federal grants that SCC will be receiving over the next several years.
- **Garripata State Park.** The budget appropriates \$1 million for a coastal trail system in the Garripata State Park in Monterey County.

**3760 STATE COASTAL CONSERVANCY (SCC)****3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)****3720 CALIFORNIA COASTAL COMMISSION**

**Outdoor Access for All Initiative.** Through the California Outdoors for All Initiative, the budget promotes and expands equitable safe and reliable outdoor access to parks, wildlands, public lands, coasts, and other natural, historic, and cultural resources, provide for recreation opportunities, help the state become more climate resilient and support the commitment to conserve 30 percent of our lands and coastal waters by 2030.

- **Outdoor Education.** The budget appropriates \$43.1 million (\$40 million General Fund one-time and \$3.1 million ELPF) for outdoor environmental education and access programs through the Outdoor Equity Grants program to enable underserved and at-risk populations to participate in outdoor environmental education experiences at state parks.
- **Statewide Park Development and Community Revitalization Program.** The budget appropriates \$180 million General Fund one-time to invest in establishing and revitalizing community open spaces. These grants fund new parks, the beautification of existing parks, and recreation opportunities in underserved communities. \$25 million of the funds available have been set aside for the India Basin project in San Francisco.
- **Explore the Coast Grant Program.** The budget appropriates \$14 million General Fund one-time to the Coastal Conservancy to expand coastal access programming statewide.
- **Whale Tail Program.** The budget appropriates \$10 million General Fund one-time to the Coastal Commission, which provides grants to connect the public with the California coast and its watersheds through outdoor experiences, education, and stewardship.
- **Innovative Pilot Programs.** The budget appropriates \$9.1 million General Fund one-time to launch a state parks pilot to expand parks pass distribution, especially for youth in disadvantaged communities. The pilot would include a “California State Parks Adventure” program for fourth graders and new statewide partnerships with the California State Library and California Department of Social Services.

Trailer bill language requires Parks, until July 1, 2024, to waive the \$5 fee to obtain the “Golden Bear Pass,” which is a discount program available to persons, who meet specified criteria. Also, on and before September 1, 2021, trailer bill language authorizes Parks to establish a “California State

Park Adventure Pass” to be available, upon application to the department, to any child in the 4<sup>th</sup> grade, or 4<sup>th</sup> grade equivalent, who is a California resident. On and after September 1, 2021, the trailer bill language waives the day use entrance fee to an eligible unit of the state park system for any child who holds such a pass. The trailer bill language repeals the “California State Park Adventure Pass” program on July 1, 2024.

### **3780 NATIVE AMERICAN HERITAGE COMMISSION**

- **Truth and Healing Council.** The budget appropriates a total of \$465,000 ELPF to provide additional resources to support the commission’s Truth and Healing Council, as follow: \$350,000 ELPF annually, from 2021-22 through 2024-25 to support the ongoing work of the Truth and Healing Council, pursuant to Executive Order N-15-19.
- **Governor’s Tribal Advisor.** The budget appropriates \$115,000 ELPF ongoing to support the Governor’s Tribal Advisor position separate from the Commission’s Executive Secretary position.

### **3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)**

- **Deferred Maintenance.** The budget appropriates \$185 million General Fund one-time to support critical, deferred maintenance projects throughout the state park system.
- **Fiscal Stability for Boating Programs.** The budget reduces Harbors and Watercraft Revolving Fund (HWRF) expenditures (\$20 million) and provides temporary General Fund (\$10 million). The Legislature rejected the Governor’s proposed trailer bill language to increase vessel fees. In lieu of the Governor’s proposed increased fee, the budget appropriates an additional \$9.3 million General Fund annually from 2021-22 to 2024-25 to support HWRF. The Legislature rejected the Governor’s proposal to suspend the Beach Sand Replenishment Program. The budget adopts budget bill language to require Parks, in consultation with stakeholders and relevant fiscal and policy committees of the Legislature, to develop a proposal that includes a combination of fee increases, expenditure reductions, and other actions designed to keep the fund in structural balance on an ongoing basis. The budget bill language requires Parks to present the proposal to the Legislature for consideration no later than January 10, 2023.
- **Off-Highway Motor Vehicle Recreation Commission.** The budget includes trailer bill language that, among other things, requires a nominee to the commission have expertise or represent one of a list of specified interests.
- **Community Engagement/Relevancy and History Program.** The budget appropriates \$585,000 ongoing from the State Parks and Recreation Fund and includes four positions beginning in 2021-22 to institutionalize the Community Outreach Program and California Relevancy and History Interpretation Program. The four positions are intended to maintain existing program efforts and work to expand the projects across the state park system.
- **Fire Prevention: Wildfire Risk: Defensible Space: Ember-Resistant Zones (AB 3074).** The budget includes \$2 million General Fund ongoing, seven positions, and seven vehicles to comply

with the requirements of AB 3074 (Friedman), Chapter 259, Statutes of 2020. The funding and positions will be used to implement the new boundary fuel modification and defensible space requirements in the 1.6 million acre state park system. In addition, the budget provides \$1 million for park specific implementation projects, which is the first phase of an effort to right-size a broader fire resilience effort for Parks and its 1,800-plus structures.

- **Local Assistance: Off-Highway Vehicle (OHV) Trust Fund.** The budget appropriates \$29 million OHV Trust Fund one-time for local assistance grants. The OHV local assistance program supports the planning, acquisition, development, maintenance, administration, operation, enforcement, restoration, and conservation of trails, trailheads, areas and other facilities associated with the use of off-highway motor vehicles and programs involving off-highway motor vehicle safety or education.
- **Native American Cultural Preservation (AB 275).** The budget appropriates \$770,000 General Fund ongoing and includes five positions to comply with the requirements of AB 275 (Ramos), Chapter 167, Statutes of 2020. AB 275 requires Parks to submit inventory of Native American human remains or cultural artifacts in their possession to the California Native American Heritage Commission. The five positions will provide tribal consultation, identification of artifacts, research, identification and maintenance of confidential geographical locations for reinterment of items within the state park system.
- **Statewide: State Park System Acquisition Program.** The budget appropriates \$6.3 million General Fund and includes \$6.3 million in reimbursement authority for opportunity and inholding land acquisitions throughout the state. This new project will provide funds for State Parks and the Department of General Services to conduct property evaluations and complete due diligence prior to Parks requesting acquisition approval. These funds will also be used to acquire approved real property in-holdings, parcels adjacent to or near an existing unit in the State Park System, or parcels available through tax default. This item is intended to enable Parks to rapidly acquire high-priority parcels throughout the state and eliminate potential and existing management problems, and leverage matching federal funds.
- **Wildfire Restoration.** The budget appropriates \$217 million (\$113.5 million General Fund, \$103.5 million Reimbursements) for fire restoration projects in the 115,000 acres burned across 23 state park units by multiple fires in the unprecedented 2020 wildfire season. This item includes \$10 million one-time General Fund and \$23.4 million one-time reimbursements from Federal Emergency Management Agency funds for the continuation for Woolsey Fire restoration projects to destroy facilities and trails.
- **Law Enforcement Records Management System License Renewal.** The budget increases Item 3790-001-0392 (State Parks and Recreation Fund) by \$1.423 million and adds two positions to provide for support, maintenance, and annual renewal of the department's Record Management System (RMS) license. Parks requires an RMS to be in compliance with the National Incident-Based Reporting System/California Incident-Based Reporting System.
- **Urban Areas Adjacent to Rivers and Waterways.** The budget appropriates \$154.2 million General Fund one-time and includes budget bill language specifying the funds be used for state operations, capital outlay, property acquisition, or local assistance, with a priority for under-resourced, underserved, or park-poor urban communities to expand the presence and activity of Parks facilities

and partnerships, including partnerships with local agencies and nonprofit organizations, in urban areas with a connection to the rivers, waterways, and water systems. Budget bill language requires Parks to use the services of the California Conservation Corps or a local conservation corps certified by the California Conservation Corps whenever feasible for its work in this program.

- **Carnegie State Vehicular Recreation Area: Alameda-Tesla Expansion Area.** The budget includes trailer bill language that requires Parks to determine the best use of land known as “Alameda-Tesla Expansion Area,” which is currently part of the Carnegie State Vehicular Recreation Area, and prohibits this land from being designated as a state vehicular recreation area. Trailer bill language provides \$30.8 million General Fund to the Off-Highway Vehicle Trust Fund to be used for the acquisition and development of properties to expand off-highway vehicle recreation.
- **Oceano Dunes State Vehicular Recreation Area: Le Sage Bridge Replacement.** The budget increases Item 3790-301-0263 (OHV Trust Fund) by \$47,000 for the working drawings phase of the Oceano Dunes State Vehicle Recreation Area: Le Sage Bridge Replacement project. This supplemental appropriation is necessary to address natural resources permitting activities, increased engineering costs, and the need for expanded geographical information system support and data management.
- **Fort Ord Dunes State Park: New Campground.** The budget increases Item 3790-301-0263 (OHV Trust Fund) by \$7.016 million for the construction phase of the Fort Ord Dunes State Park: New Campground project. This supplemental appropriation is necessary to address higher than anticipated construction bids. As such, the department has applied for a total of \$7.016 million in federal grant funds.
- **El Capitan State Beach: Entrance Improvements.** The budget amends Item 3790-301-0392 (OHV Trust Fund) by increasing reimbursements by \$2.556 million and Item 3790-301-6051 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84)) by adding \$1.298 million to the amount for the construction phase of the El Capitan State Beach: Entrance Improvements project. The budget also amends Item 3790-495 by reverting \$2.648 million from existing spending authority from Schedule 2 of Item 3790-301-6051 (Proposition 84), Budget Act of 2019. This continuing project is intended to reduce conflicts between pedestrians, bicyclists, and vehicles, improve the entrance road to accommodate larger recreational vehicles, replace the entrance kiosk, and improve circulation at the park entrance.
- **Old Sacramento State Historic Park: Boiler Shop Renovation.** The budget increases Item 3790-301-6051 (Proposition 84) by \$16.96 million and Item 3790-301-6088 by \$5.626 million for the construction phase of the Old Sacramento State Historic Park: Boiler Shop Renovation project. This is a continuing project. The budget adds provisional language to Item 3790-301-6088 (Proposition 68) to conform to this action.
- **Picacho State Regional Area: Park Power System Upgrade.** The budget increases Item 3790-301-6088 (Proposition 68) by \$387,000 and amends Provision 1 for the preliminary plans phase of the Picacho State Regional Area: Park Power System Upgrade project. 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. Currently all electrical power in the park comes from two diesel-powered generators. However, given

the age of the generators, location in a harsh desert environment, and the power needs of the park, the current system is insufficient.

- **California Indian Heritage Center Funding Transfer.** The budget appropriates \$95.3 million General Fund to be redeposited into the Natural Resources and Parks Preservation Fund for working drawings (\$4.7 million) and construction (\$90.6 million) phases of the California Indian Heritage Center (CIHC) project in Yolo County. The project may include up to approximately 120,000 square feet of indoor program space, outdoor public spaces, interpretive and educational trails, demonstration areas, and other appurtenant facilities.
- **City of La Puente.** The budget appropriates \$6 million to the City of La Puente for an urban forest park within the city limits.
- **Sacramento Railyards Rehabilitation.** The budget appropriates \$30 million General Fund one-time to fund rehabilitation activities at the Sacramento Railyards in the City of Sacramento.
- **Candlestick Point State Recreation Area.** The budget appropriates \$2.7 million one-time Proposition 68 bond funds to provide for the design of the initial core improvements to further public access and recreation enhancements at Candlestick Point State Recreation Area.
- **Public Safety Dispatch Radio Console Replacement.** The budget appropriates \$1.6 million General Fund in 2021-22 for the replacement of 29 dispatch consoles used in the department's two communication centers. The radio console systems are a critical and indispensable link between the department's field personnel, dispatchers, allied agencies, and the public.
- **South Yuba River State Park: Historic Covered Bridge.** The budget appropriates \$2 million for construction from available Proposition 84 bond funds to restore and rehabilitate the world's longest single span historic covered bridge located at South Yuba River State Park.
- **Various Capital Outlay Projects.** The budget appropriates funding for various capital outlay projects.
- **Various Capital Outlay Reappropriations.** The budget includes various items to be reappropriated for projects consistent with updated project completion timelines.
- **Various Capital Outlay Reversions.** The budget includes the reversion of existing capital outlay appropriations for completed projects and/or phases of projects.
- **Various State Operations Reappropriations.** The budget amends Item 3790-490 to include several additional reappropriations related to state operations. In addition, the budget includes provisional language in Items 3790-492 to extend the liquidation for one appropriation. Lastly, the budget adds Item 3790-493 to reappropriate several legislative investments in local projects.
- **Proposition 99 Technical Adjustments.** The budget increases Item 3790-001-0235 by \$1.757 million to reflect a technical baseline budget adjustment for additional tobacco tax revenue.

- **Non Bond Technicals.** The budget includes reappropriations and other technical adjustments from various funds to continue implementation of existing authorized programs.
- **Local Park Projects: Extensions of Liquidation.** The budget includes extensions of liquidation of state funding for various local park projects.

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

- **Continuation of Enforcement Support Staffing.** The budget appropriates \$511,000 General Fund for three years to fund the SF BCDC enforcement program and rejects trailer bill language to allow enforcement activities as an eligible use of the Bay Fill Cleanup and Abatement Fund.

### **3830 SAN JOAQUIN CONSERVANCY**

- **Operations and Maintenance.** The budget appropriates \$15 million one-time for purposes including operations and maintenance of conservancy lands and expenditures. The budget includes provisional language to extend the encumbrance and liquidation period to June 30, 2026.

### **3835 BALDWIN HILLS CONSERVANCY**

- **Baldwin Hills Conservancy Technical Proposal: Reappropriation of 2018 Proposition 1 Local Assistance.** The budget includes a technical adjustment to reappropriate Proposition 1 Local Assistance as published in the 2018 Budget Act to continue implementation of existing authorized programs.

### **3840 DELTA PROTECTION COMMISSION**

- **Contracted Fiscal Services Support.** The budget appropriates \$131,000 ELPF one-time to support the transition of accounting, budget, human resources, and procurement services to be provided by the Department of General Services' Contracted Fiscal Services Division.

### **3845 SAN DIEGO RIVER CONSERVANCY**

- **Department of General Services Human Resources Services.** The budget appropriates \$11,000 ELPF for Department of General Services' contracted human resources services. The department provides budgeting, accounting, and human resource services for the conservancy.
- **One-Time Appropriation of Reverted Funding.** The budget appropriates \$40,000 ELPF in order to fulfill existing grant agreements. The conservancy received two multi-year grants, one from SCC in June 2018 and the second from SWRCB in January 2018. These grants were reimbursable agreements, whereby the conservancy provided funding under its own grants to non-profit agencies



for project implementation and retained 10 percent withholding from each invoice. The withheld amounts must be paid upon closure of the completed project. However, the accumulated withholding was deposited in the fund but the appropriation authority has since reverted. The new appropriation will fulfill the conservancy's obligations under existing grant agreements.

- **Native American Tribal Conservation Corps Pilot Program.** The budget appropriates \$1 million General Fund one-time for the Native American Tribal Conservation Corps pilot program.

### 3860 DEPARTMENT OF WATER RESOURCES (DWR)

- **One-Time Deferred Maintenance.** The budget appropriates \$162 million American Rescue Plan Act funding and \$75 million General Fund for deferred maintenance.
- **Climate Vulnerability and Adaptation Strategy for a San Joaquin Basin Watershed.** The budget appropriates \$4.19 million one-time (\$2.1 million from Proposition 68 and \$2.09 million ELPF) to conduct an assessment to prepare for climate vulnerability in the San Joaquin Basin. This proposal has three components: (1) working with local partners on a flood-focused climate vulnerability and adaptation strategy for a San Joaquin Basin watershed; (2) supporting Regional Flood Management Planning groups to identify multi-sector, multi-benefit projects; and (3) evaluate lower San Joaquin River flood risks. Work will be performed by five existing positions and consultants.
- **Delta Emergency Preparedness Response and Recovery Program.** The budget appropriates \$9.5 million (\$6.5 million for 2021-22, \$1.5 million for 2022-23, and \$1.5 million for 2023-24) in Proposition 1 funding to continue the work of the Delta Grants & Flood Emergency Preparedness, Response, & Recovery Program. This funding will support local assistance grants and two existing positions to improve regional self-reliance by enhancing existing flood emergency preparedness, response, and recovery capabilities of local agencies within the Delta. The funding will also support existing staffing to manage projects and perform maintenance on State Delta Emergency Facilities that increase the state's capability to efficiently store, manage, and quickly deploy its material inventories when necessary to support flood emergency response in the region.
- **Delta Levees System Integrity Program Support.** The budget appropriates \$89.2 million in Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) (\$12.86 million for state operations and \$76.34 million for local assistance) and \$13.092 million Proposition 68 for local assistance to continue the Delta Levees System Integrity Program, which protects the public and water supply for 27 million people while enhancing Delta habitat. This funding will support activities including state operations and local assistance grants for levee maintenance, repairs, improvement, habitat mitigation, and enhancement projects in the Sacramento-San Joaquin Delta.
- **Floodplain Management, Protection and Risk Awareness Program.** The budget appropriates \$28.5 million one-time Proposition 68 (\$3.1 million for state operations and \$25.4 million for local assistance) to support the planning and implementation of integrated watershed based collaborative flood risk management activities through the Floodplain Management, Protection and Risk Awareness Program.

- **Groundwater Recharge Technical Assistance.** The budget appropriates \$2 million Proposition 68 (\$650,000 annually for two year, and \$700,000 in 2023-24) for state operations to work with local agencies to holistically plan and assess water availability, conveyance infrastructure, on-farm recharge sites, opportunities for adjusting upstream reservoir operations based on weather forecasts, requirements for environmental river flows, among many other factors.
- **Proposition 50 Delta Water Quality and Fish Facilities.** The budget appropriates \$2 million Proposition 50 (\$650,000 annually for two year, and \$700,000 in 2023-24) for state operations to work with local agencies to holistically plan and assess water availability, conveyance infrastructure, on-farm recharge sites, opportunities for adjusting upstream reservoir operations based on weather forecasts, requirements for environmental river flows, among many other factors. Funding will be used for:
  - Improvements to the quality of municipal water supply sources for the City of Stockton.
  - Improvements to Delta water quality, including but not limited to projects that address conditions contributing to harmful algal blooms, low dissolved oxygen, mercury contamination from upstream mines, and invasive aquatic species.
  - Enhanced ecological conditions for threatened and endangered fish species, including but not limited to projects that reduce entrainment associated with unscreened agricultural diversions in the Cache Slough region.
- **River Restoration Activities to Protect California’s Species and Ecosystems.** The budget appropriates \$17.85 million in Reimbursement Authority (\$6.6 million in 2021-22, \$4.75 million in 2022-23, \$5.9 million in 2023-24 and \$300,000 in 2024-25 and 2025-26) and \$22.6 million in Federal Fund Authority (\$7.9 million in 2021-22, \$8.7 million in 2022-23, \$3 million in 2023-24, \$2 million in 2024-25 and \$1 million in 2025-26) to support state operations within its Integrated Water Management programs. This item is intended to allow DWR to receive and use funding from the Federal Government to continue work on the Riverine Stewardship Program and the San Joaquin River Restoration Program in order to protect, restore, and enhance the natural environment.
- **Security and Emergency Management Program.** The budget includes two full-time positions for the Security and Emergency Management Program to support DWR’s emergency management program and improve emergency preparedness through the development and implementation of a department-wide emergency training and exercise program. These two positions will be funded by the State Water Project (SWP), redirecting existing budgetary resources to establish two dedicated emergency training positions: one Emergency Management Coordinator/Instructor I and one Emergency Management Coordinator/Instructor II. The costs associated with annual contractor support for emergency training and exercises, and other resources will be redirected to support a dedicated training and exercise program that results in a zero net increase in costs.
- **SWP: Aging Infrastructure.** The budget provides authority for 150 permanent full-time positions funded by the SWP to be phased in over four years as follows: 67 positions in 2021-22; 35 positions in 2022-23; 32 positions in 2023-24; and 16 positions in 2024-25. The positions will provide DWR with the resources and means to:

- Increase maintenance, refurbishment, repair, and replacement of aging infrastructure.
- Continue to develop and implement DWR's Asset Management Program.
- Perform studies, expand existing maintenance and facility inspections, execute preventative design and construction efforts, develop new or update existing guidelines and standards, adopt new technologies and system enhancements.
- Continue to address the adverse effects of subsidence along the SWP by implementing design, environmental permitting, and construction activities that will optimize resiliency and improve operational flexibility of the SWP as well as support safe and reliable delivery of water.
- Implement new Dam Safety Emergency Action Planning, emergency preparedness, and physical security enhancements.
- **SWP Facilities Fish and Wildlife Enhancement and Recreation — Perris Dam Remediation Plan.** The budget appropriates \$4.4 million Proposition 84 to support 7.2 existing positions and fund development, rehabilitation, acquisition and restoration related to providing public access to recreation and fish and wildlife enhancement (RFWE) resources at Perris Dam, an SWP facility. The total project cost is \$252.4 million of which the RFWE component is 32.2 percent or \$81.27 million. This program will also be supported by approximately \$22.9 million in SWP funds in 2021-22.
- **Urban Flood Risk Reduction: State Cost Share for Emergency Supplemental Funding.** The budget appropriates \$67 million General Fund in 2021-22, \$113.8 million in 2022-23, \$17.2 million in 2023-24, and \$26.9 million in 2024-25 to support the state cost-share requirement of the American River Commons Features 2016 project, a critical flood risk reduction project that is being implemented by the United States Army Corps of Engineers (USACE). This item will support project payments to USACE, real estate acquisitions, utility relocations, and contract work needed to meet responsibilities as outlined in the Project Partnership Agreement with USACE, as well as funding for three existing positions to address resource needs for large flood projects.
- **Sustainable Groundwater Management Program.** The budget appropriates \$60 million Coronavirus Fiscal Recovery Fund to continue implementation of the Sustainable Groundwater Management Program. Specifically, the funding is for grants to support local planning and implementation of Groundwater Sustainability Plans across critically over-drafted basins.
- **San Joaquin River Restoration Program.** The budget amends Item 3860-301-6083 (Proposition 1) by increasing the item by \$6.5 million to support implementation of a fish passage project for the San Joaquin River Restoration Program. There is an associated reversion to support this appropriation for the CNRA.
- **Systemwide Flood Risk Reduction Program.** The budget increases Item 3860-301-6088 (Proposition 68) by \$4 million to support the Tisdale Weir Rehabilitation and Fish Passage project within the Systemwide Flood Risk Reduction Program. There is an associated reversion to this appropriation for CNRA.

- **Systemwide Flood Risk Reduction: Yolo Bypass.** The budget appropriates \$7.6 million towards the preliminary plan phase of the ongoing, Yolo Bypass Phase I implementation program, Little Egbert Tract project. The Little Egbert Tract project needs to make significant progress in the near future to meet mitigation needs and to be able to efficiently implement the project. The Little Egbert Tract project is consistent with the intent of Proposition 68 bonds and Proposition 1 bonds to fund multi-benefit projects that achieve public safety improvements and measurable fish and wildlife improvements and has received funding in prior fiscal years.

The budget appropriates \$1 million one-time Proposition 1 to support existing staff and contract work needed for the lower Yolo bypass project. Work will include levee setbacks, creation or enhancement of floodplains and bypasses, land acquisition and levee improvements and repairs.

- **CalConserve Water Use Efficiency Revolving Loan Program.** The budget includes trailer bill language to transfer \$3 million Proposition 1 one-time for the purpose of providing loans for water conservation and water use efficiency projects and programs to achieve urban water use targets.
- **Various Reappropriations.** The budget includes technical changes to various projects that cannot be completed by June 30, 2021.

#### Supplemental Reporting Language (SRL)

- **Forestry Management Training Center.** Includes SRL as follows: “The Legislative Analyst’s Office shall consult with CalFire and other appropriate stakeholders, including the California Conservation Corps, to develop options for the Legislature to consider for creating a forestry management training center in Northern California. It is the intent of the Legislature to consider approving the center during the budget process for the 2022-23 state budget.”

#### Natural Resources Budget Bill and Trailer Bills

1. *Budget Act of 2020 – Senate Bill 85 (Committee on Budget and Fiscal Review), Chapter 14, Statutes of 2021*
2. *Budget Act of 2021 – Assembly Bill 128 (Ting), Chapter 21, Statutes of 2021*
3. *Budget Act of 2021 – Senate Bill 129 (Skinner), Chapter 69, Statutes of 2021*
4. *Public Resources – Assembly Bill 148 (Committee on Budget), Chapter 115, Statutes of 2021*
5. *Budget Act of 2021 – Senate Bill 170 (Skinner), Chapter 240, Statutes of 2021*
6. *Public Resources – Senate Bill 155 (Committee on Budget and Fiscal Review), Chapter 258, Statutes of 2021*

## ENVIRONMENTAL PROTECTION

### 0555 SECRETARY FOR ENVIRONMENTAL PROTECTION (CalEPA)

### 0690 GOVERNOR'S OFFICE OF EMERGENCY SERVICES (Cal OES)

- **Realignment of the Unified Hazardous Waste and Hazardous Materials Regulatory Management Program (Unified Program).** The budget realigns staff resources, funding and authorities within the state's Unified Program beginning in 2021-22. Specifically, the budget includes realigning the Hazardous Materials Business Plan Program, the Local Emergency Response Plan Coordination Program, and the California Accidental Release Prevention Program components. This item includes a net-zero shift of \$843,000 Unified Program Account and four positions from Cal OES to CalEPA.

The budget includes trailer bill language to effectuate the realignment, which includes requiring the State Fire Marshall to seek the advice of the Secretary for Environmental Protection, rather than the Office of Emergency Services (Cal OES), in establishing minimum requirements for the storage, handling, and use of hazardous materials. The trailer bill revises and recasts the Unified Program provisions to transfer certain responsibilities from Cal OES to CalEPA. The trailer bill transfers state administration of the federal accidental release prevention program from Cal OES to CalEPA.

### 0555 SECRETARY FOR ENVIRONMENTAL PROTECTION (CalEPA)

- **California Green Business Program.** The budget appropriates \$5 million General Fund one-time for the California Green Business Program. The program supports local government programs that certify small- and medium-sized green businesses that exceed environmental mandates addressing greenhouse gas emissions, water conservation, pollution prevention, and waste reduction
- **Environmental Justice (EJ) Small Grant Program.** The Governor's budget proposed \$1.5 million Toxic Substances Control Account ongoing to support the EJ Small Grant Program, but was rejected and instead the budget appropriates \$25 million General Fund over three years as part of the Climate Resilience Package (as shown in the Natural Resources section of the Final Action Report).
- **CalEPA Bond and Technical Adjustments.** The budget includes various appropriations, reappropriations, and reversions; technical adjustments; and baseline adjustments to continue implementation of previously approved programs.

### 3900 AIR RESOURCES BOARD (ARB)

- **Bolstering Heavy-Duty Mobile Source Testing and Enforcement.** The budget includes \$2.9 million Air Pollution Control Fund (APCF) and 14 positions in 2021-22, \$7.3 million APCF and 28 positions in 2022-23, and \$9.9 million APCF and 33 positions in 2023-24 for its heavy-duty mobile source testing program. These resources will be used to address non-compliance with state and federal emissions standards which may increase enforcement actions resulting from cases of non-compliance. The Certification and Compliance Fund will fully fund the proposal on an ongoing basis beginning in 2024-25.

- **Implementation and Enforcement of New Control Measure for Ocean-Going Vessels at Berth.** The budget appropriates \$962,000 APCF and adds five permanent positions phased in over four years (\$201,000 and one position in 2021-22, \$583,000 and three positions in 2022-23, \$774,000 and four positions in 2023-24, and \$962,000 and five positions in 2024-25 and ongoing) to implement the requirements of the At-Berth Regulation. This new regulation builds upon the At-Berth Regulation adopted in 2007 and is designed to further reduce pollution from ocean-going vessels while docked at California’s busiest ports.
- **Implementation of the Advanced Clean Trucks Regulation.** The budget includes two permanent positions and \$386,000 APCF in 2021-22 and \$384,000 ongoing to implement the newly adopted Advanced Clean Trucks Regulation. The Advanced Clean Trucks Regulation aims to accelerate adoption of medium- and heavy-duty zero-emission vehicles as part of the state’s strategy to reduce emissions from the transportation sector.
- **Continuing Resources to Support Implementation of the Community Air Protection Program (AB 617).** The budget appropriates \$4.165 million APCF ongoing to support 22 existing permanent positions that were approved in the Budget Act of 2017-18 to meet the statutory requirements of AB 617 (C. Garcia), Chapter 136, Statutes of 2017. The positions were supported by temporary funding that was set to expire on June 30, 2021.
- **Extension of Liquidation for AB 617 Community Air Grants.** The budget amends Item 3900-493 to extend the liquidation period of Item 3900-101-3228 (Greenhouse Gas Reduction Fund [GGRF]), Budget Act of 2017 and Item 3900-101-3228 (GGRF), Budget Act of 2018 until June 30, 2023. This funding provides technical assistance grants to community-based organizations to support community participation in the program established pursuant to AB 617 (C. Garcia), Chapter 136, Statutes of 2017.
- **Reappropriations.** The budget reappropriates unencumbered balances on specific items for specified purposes with funding available for encumbrance or expenditure until June 30, 2022.

### 3930 DEPARTMENT OF PESTICIDE REGULATION (DPR)

- **California Pesticide Electronic Submission Tracking (CalPEST) Project.** The budget appropriates \$5 million DPR Fund in 2021-22 to support the vendor procurement and initial analysis, design, and development of the California Pesticide Electronic Submission Tracking (CalPEST) project. CalPEST is a fully integrated information and document management system designed to improve the current pesticide product registration process for pesticide product and device companies. DPR estimates the CalPEST project will cost \$22.706 million. DPR is seeking funding for 2021-22 to do only the following activities:
  - Procure a new System Integrator Vendor
  - Begin the design, development, and release of the Minimum Viable Product
  - Procure a dedicated Project Manager
  - Procure new Independent Verification and Validation services
  - Use limited-term help to assist the state project team

This item is intended to allow DPR to contract for the development of the CalPEST project, which will allow for online electronic submission, payment tracking, review, and approval of registration applications, supporting documentation, and renewal of currently registered pesticide products.

- **Chlorpyrifos Quarterly Reports (SB 86).** The budget appropriates \$339,000 DPR Fund in 2021-22 and 2022-23 to produce required reports regarding granular chlorpyrifos use, monitoring and exposure, as required by SB 86 (Durazo), Chapter 299, Statutes of 2020. Contract funds will be used to identify and analyze potential reasons for any increase or decrease in the use of granular chlorpyrifos in a given quarter, as compared to the same quarter of the previous year. DPR will evaluate ongoing resources needs of SB 86 during this two-year time period.
- **Pesticide Notification Network.** The budget appropriates \$10 million General Fund in 2021-22 for planning and initial development costs for a statewide Pesticide Notification Network. These resources are intended to provide funding for procuring the vendors to assist DPR in Stages 2 - 4 of the Project Approval Lifecycle (PAL), Department of Technology oversight, a System Integration vendor, and resources for temporary help. The purpose of this request is to protect the health of pesticide-impacted communities and provide equitable access to important information about pesticide use.

Developing and subsequently implementing a community Pesticide Notification Network statewide is meant to do the following:

- Enhance public transparency of and provide consistent and equitable access to information regarding local restricted material pesticide applications;
- Result in improved public health outcomes in pesticide-impacted communities; and,
- Assist County Agricultural Commissioners and DPR in enforcement of pesticide use regulations. A statewide system for notification will allow for consistency across counties, allowing growers, farmworkers, and community residents to use a single system to submit and track applications.

The development of the system through a public process is meant to provide an opportunity for all stakeholders to provide input into its design. In addition, the state's funding of the development of a statewide system is intended to minimize the impact on local resources.

### **3930 DEPARTMENT OF PESTICIDE REGULATION (DPR)**

### **8570 CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)**

- **Transition to Safer, Sustainable Pest Management.** The Governor proposed \$16.75 million (\$8.25 million General Fund and \$8.5 million DPR Fund) and 44 positions in 2021-22 for DPR, and \$11.75 million General Fund in 2021-22 for CDFA as part of a comprehensive proposal to support the state's transition to safer, sustainable pest management. Additionally, DPR proposed to replace the current flat-fee mill assessment on pesticide sales with a risk-based tiered mil assessment, where higher toxicity pesticides are assessed a higher fee.

As part of the Sustainable Agriculture Package, the budget includes funding to support the proposal for the state to transition to safer, sustainable pest management, but does not include the change in fee structure.

### **3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)**

- **Water Arrearages.** The budget adds Item 3940-062-8506 in the amount of \$15 million Coronavirus Fiscal Recovery Fund one-time, and Item 3940-162-8506 in the amount of \$985 million Coronavirus Fiscal Recovery Fund with specified provisional language to authorize SWRCB to provide this funding via grants or direct payments to community water systems to offset COVID-19 Pandemic associated with water enterprise customer arrearages or other COVID-19 Pandemic related revenue losses and to aid in the continued provision of water service to customers of these systems.

The budget includes trailer bill language to establish the California Water and Wastewater Arrearage Payment Program in SWRCB and includes the following:

- Requires SWRCB to survey community water systems to determine statewide arrearages and water enterprise revenue shortfalls.
  - Requires SWRCB to adopt a resolution establishing guidelines for application requirements and reimbursement amounts for those arrearages and shortfalls.
  - Requires SWRCB to establish a similar program for funding wastewater treatment provider arrearages and shortfalls if there are sufficient funds appropriated for purposes of the program.
  - Requires a community water system to provide customers with arrearages accrued during the COVID-19 pandemic bill relief period a notice that they may enter into a payment plan, as specified.
  - Prohibits all community water systems from discontinuing water service due to nonpayment before December 31, 2021.
  - Requires SWRCB to coordinate with the Department of Community Services and Development in allocating program funding to certain community water systems.
  - Sunsets these provisions on July 1, 2025.
- **Safe and Affordable Drinking Water Eligibility.** Expands the list of eligible funding recipients to include technical assistance providers, as defined, and provides that a privately owned public utility may serve as a technical assistance provider.
  - **Amador County Local Primacy Revocation.** The budget appropriates \$206,000 Safe Drinking Water Account ongoing and one position to carry out public small water system regulatory program for Amador County. The County's Primacy Delegation has been terminated per request of the County and oversight of the delegated public water systems is now with SWRCB.



- **Computer-Based Operator Certification Testing.** The budget appropriates \$850,000 Drinking Water Operator Certification Fund and \$150,000 Wastewater Operator Certification Fund ongoing to administer computer-based testing. This will expand the availability and frequency of testing throughout California and help drinking water and wastewater facilities continue to comply with state and federal safe drinking water and clean water regulatory requirements.
- **Industrial Stormwater Discharge Compliance.** The budget appropriates \$951,000 Waste Discharge Permit Fund ongoing and provides six permanent positions to assist in permit enrollment and assist regional boards in responding to requests from industrial facility owners.
- **Site Cleanup Program Investigation and Cleanup.** The budget appropriates \$4.282 million in reimbursement authority and includes 21 permanent positions to oversee cleanup of contaminants including Per- and Polyfluoroalkyl Substances (PFAS) source investigation orders sent by SWRCB and the Regional Water Quality Control Boards (RWQCBs) to airports, chrome plating facilities, bulk fuel terminals and refineries.
- **Federally Designated National Pollutant Discharge Elimination System (NPDES) — Commercial Industrial and Institutional Stormwater Permitting Program.** The budget increases Item 3940-001-0193 (Waste Discharge Permit Fund) by \$606,000 and three positions ongoing to implement a new US Environmental Protection Agency residual designation authority to regulate stormwater from currently unregulated commercial, industrial, and institutional facilities. The additional resources will allow SWRCB to develop and implement an NPDES General permit at the Los Angeles RWQCB.
- **Augmentation to Underground Storage Tank (UST) Cleanup Fund, Site Cleanup Subaccount and School District Account.** The budget increases Item 3940-001-0439 (UST Cleanup Fund) by \$200.728 million and five positions, increases Item 3940-001-3264 (Site Cleanup Subaccount) by \$804,000 and four positions, adds Item 3940-101-3134 (School District Account, UST Cleanup Fund) in the amount of \$2 million, and increases Item 3940-101-3264 (Site Cleanup Subaccount) by \$16.717 million to expand and accelerate reimbursement of correction action costs in the UST Cleanup Program. The fund and associated accounts are available to assist UST owners and operators with costs to clean up contaminated soil and groundwater caused by leaking petroleum USTs. To accelerate activity in this program, SWRCB is activating the remaining 800 claims from the Priority List and will require an increase in budgetary authority to accommodate the increased need associated with these claims. The additional resources will allow SWRCB to reimburse corrective action costs for eligible claimants and result in accelerated reimbursements for claimants.
- **Groundwater Sustainability Plan Review.** The budget appropriates \$1.962 million General Fund with an extended encumbrance period through June 30, 2024, to support three existing positions that will provide detailed reviews of Groundwater Sustainability Agencies' sustainability plans in preparation for possible state intervention under the Sustainable Groundwater Management Act. In reviewing plans, SWRCB will specifically focus on aspects that are within SWRCB's core mission and area of specialized expertise, including potential impacts to drinking water systems, groundwater quality, interconnected surface water, and water rights.

- **Technical Adjustments: Reappropriation.** The budget includes various reappropriations extending the encumbrance period to June 30, 2022, and the liquidation period to June 30, 2025.
- **Proposition 99 Technical Adjustments.** The budget increases Item 3940-001-0235 by \$165,000 to reflect a technical baseline budget adjustment associated with additional tobacco tax revenue pursuant to Public Resources Account. Revenue and Tax Code Section 30124(b)(5) specifies that five percent of Cigarette and Tobacco Surtax Fund revenue shall be deposited into the Public Resources Account for programs that protect, restore, enhance or maintain fish, waterfowl, and wildlife habitat, and enhance state and local parks and recreational resources.

### 3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)

- **DTSC Governance and Reform.** The budget does the following:
  - Appropriates \$3 million one-time General Fund and adds 15 positions to establish the Board of Environmental Safety (BES) and Ombudsperson Office within DTSC.
  - Appropriates \$22.5 million one-time General Fund backfill for the Hazardous Waste Control Account (HWCA).
  - Appropriates \$13 million one-time General Fund backfill for the Toxic Substances Control Account (TSCA).
  - Appropriates \$500 million General Fund one-time to investigate and clean up brownfields across the state, with a special focus on remediation sites to develop new housing.

The budget includes trailer bill language to establish the Board of Environmental Safety (Board) within DTSC, restructures and increases charges that support the Hazardous Waste Management Account (HWCA), restructures and increases the tax that supports the Toxic Substances Control Account (TSCA), and provides funding to support brownfield cleanups and investigations across the state and Exide residential cleanup. More specifically, the trailer bill does the following:

- Establishes a five-member Board within DTSC, composed of a full-time chairperson and four part-time paid members. Provides three members of the Board are appointed by the Governor with Senate confirmation and two members appointed by the Legislature, as specified.
- Specifies the Board's responsibilities, including:
  - Annually aligning charges for HWCA and TSCA based on legislative changes to appropriation levels;
  - Hearing and deciding appeals of hazardous waste facility permit decisions made by DTSC;
  - Providing opportunities for public hearings on DTSC's permit and remediation decisions;

- Reviewing and approving the Director's annual priorities and adopting performance metrics;
- Developing long-term goals for DTSC's programs;
- Conducting an analysis of DTSC's fee structure; and,
- Conducting an analysis of DTSC's programs and their relationship with related programs in other agencies and, to the extent necessary, develop recommendations to improve coordination between programs and reduce or eliminate duplication/overlap.
- Authorizes the Board to form advisory subcommittees to work on topics within the board's jurisdiction, including, but not limited to environmental justice and fee structure and make recommendations to the full board for consideration and action.
- Requires the Director of DTSC to appear before the Board as requested and requires the Board to prepare an annual performance review of DTSC and the Director.
- Requires the Director of DTSC and the Board chair to annually appear before the appropriate policy committees in the Assembly and Senate to provide an update on the department's performance and progress in implementing reform measures.
- Establishes an Office of the Ombudsperson within the Board to receive complaints and suggestions from the public and regulated community, make recommendations to the Board, and provide assistance to the public when appropriate.
- Makes a number of programmatic reforms, including:
  - Updating a state hazardous waste management plan (Plan) by March 1, 2025 and every three-years thereafter. Specifies the Plan include: waste reduction goals and reduce the risk of exposure to communities threatened by releases of hazardous waste; updates to DTSC's Pollution Prevention Program; and recommendations regarding the criteria used to identify wastes as hazardous waste in the state.
  - Strengthening financial assurances requirements for entities who handle hazardous waste. Requires DTSC to review cost estimates and mechanisms every five years; specifies hazardous waste facilities establish and maintain financial assurance for corrective action; and restricts DTSC from requiring financial assurance for corrective action that the State Water Board is overseeing.
  - Establishing accountability requirements for DTSC's permit renewals, including accelerating time lines for the department to complete hazardous waste facility permit renewals. Requires DTSC to post estimated decision dates and milestones, establishes deadlines for DTSC to make permit decisions, and establishes accountability if DTSC misses permit deadlines.

- Makes four significant changes to the existing HWCA fee structure:
  - Replaces the existing generator, disposal, Environmental Protection Agency identification verification, and manifest user fees with a new generation and handling fee. The new generation and handling fee would be based on a price-per-ton model—instead of the current tiered model—and set at \$49.25 per ton (currently between \$10 and \$100 per ton).
  - Increases the existing facility fees. Sets the base rate at \$94,910 (currently \$35,943), a rate that reflects DTSC’s level of service expected in FY 2022/23 and begins to establish a prudent reserve.
  - Eliminates various exemptions for which entities are subject to paying the charges, including exemptions for entities that handle used oil.
  - Revises the timing of payments to coincide with the fiscal year in which the Legislature appropriates the department’s funding (rather than by calendar year, which is how current payments are structured).
- Makes two significant changes to the environmental fee to take effect in 2022 and revises the timing of payments to coincide with the fiscal year in which the Legislature appropriates the department’s funding:
  - Exempts businesses with fewer than 100 employees from paying the tax (extending the existing exemption to businesses with 50 to 99 employees).
  - Increases tax rates for businesses with more than 500 employees.
  - The 2022-23 rates will be as follows:

<b>Business Size</b>	<b>Current Rate</b>	<b>2022-23 Rate</b>
Businesses with 50 – 74 Employees	<b>\$362</b>	<b>\$0</b>
Businesses with 75 – 99 Employees	<b>\$636</b>	<b>\$0</b>
Businesses with 100 – 249 Employees	<b>\$1,261</b>	<b>\$1,261</b>
Businesses with 250 – 499 Employees	<b>\$2,706</b>	<b>\$2,706</b>
Businesses with 500 – 999 Employees	<b>\$5,054</b>	<b>\$16,000</b>
Businesses with 1,000 or more Employees	<b>\$17,144</b>	<b>\$54,100</b>

- Appropriates \$500 million one-time General Fund, over three years, to address brownfields (i.e., properties underutilized due to the presence of a hazardous substance, pollutant, or contaminant), to be allocated in the following ways:
  - **Investigations and Brownfield Cleanups.** DTSC will use these funds to investigate and clean up various projects where no financially viable responsible party can be found.

- **Brownfield Grant Program.** Establishes a new competitive grant program to provide funding to local governments, tribes, nonprofit organizations, and private entities primarily to investigate and clean up brownfield sites.
- **Workforce Development.** Establishes a new workforce development program. The funding will go to various organizations (such as technical schools and community-based organizations) to train individuals to perform environmental remediation work, such as site sampling technicians.
- **Impacted Community Grant Program.** Establishes a new program to provide grants to communities impacted by contaminated sites to provide technical assistance. Grant funds can be used to pay for independent confirmation sampling and independent technical experts.
- **Environmental Justice Council.** Authorizes funds to be used to assist in the development of a forum that represents communities across the state impacted by DTSC's programs, to provide environmental justice advice, consultation, and recommendations to the Director of DTSC and the Board.
- Appropriates \$322.4 million General Fund, over three years, as a loan for DTSC for activities, including job training activities, related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the former Exide Technologies facility in the City of Vernon. Requires funds recovered from potentially responsible parties for the former Exide Technologies facility to be used to repay those loans and would authorize forgiveness of the remaining loan balance under certain circumstances.
- Makes conforming changes throughout Health and Safety Code and Revenue and Taxation Code.
- **Exide: Cost Recovery and Residential Cleanup.** The budget includes the following for Exide Technologies Facility-related activities:
  - For outside bankruptcy counsel to support Exide cost recovery efforts:
    - Six positions.
    - \$16.5 million in 2021-22 (\$14 million General Fund and \$2.5 million Lead-Acid Battery Cleanup Fund (LABCF)).
    - \$2.5 million LABCF in 2022-23 and annually thereafter.
  - For cleaning 3,200 properties identified within the 1.7 miles of the former Exide Technologies facility:
    - \$31.4 million General Fund loan from TSCA. (\$23.9 million will be used to fund contracts and \$7.5 million will be used for support costs to complete cleanup activities at residences, schools, parks, daycare centers, and childcare facilities near the former Exide facility).

- **Exide: Additional Residential Cleanup Funding.** The budget provides a loan of \$291 million General Fund to TSCA (\$100 million in 2021-22, \$100 million in 2022-23, and \$91 million in 2023-24) to clean up additional residential properties surrounding the former Exide facility in Vernon, California with a representative lead concentration above 200 parts per million.
- **Exide: Ongoing Closure and Environmental Actions at the Vernon Facility.** The budget appropriates \$132.2 million General Fund one-time as a loan to TSCA to complete closure activities and to conduct additional needed environmental cleanup at the former Exide Technologies, Inc. facility in Vernon, California. Of the total amount appropriated, \$109.8 million will be dedicated to facility closure and corrective action; the remaining \$22.2 million will be transferred to the Site Operation and Maintenance Account for long-term monitoring and operations and maintenance costs. These funds are intended to allow DTSC to start addressing the known immediate onsite threats to public health and environment and to provide the resources for necessary safeguards to protect people from being exposed to the known contamination and from the potential spread of this contamination.
- **BKK Facility: Coordinated Third-Party Enforcement.** The budget appropriates \$282,000 TSCA annually for two years to implement a Third-Party Enforcement Initiative in coordination with the BKK Working Group, a group of approximately 50 cooperating potentially responsible parties. The Third-Party Enforcement Initiative will conduct cost recovery against approximately 12,000 third-party arrangers who sent hazardous substances to the BKK Class I Hazardous Waste Landfill (Site) with the objective of recovering past and future response costs incurred by DTSC and the BKK Working Group at the Site.
- **BKK Facility: Third-Party Enforcement Initiative Shift.** The budget provides a technical shift by increasing Item 3960-001-0001 by \$434,000 and two positions ongoing and decreasing Item 3960-002-0001 by the same dollar amount and positions to correct a technical error.
- **Cost Recovery Management System Information Technology (CRMS IT) Project.** The budget appropriates \$2.1 million in 2021-22, \$1.6 million in 2022-23, and \$750,000 annually thereafter, split between HWCA, TSCA, and LABCF to continue and complete the remaining project phases of the CRMS IT platform upgrade project. Upgrading the CRMS IT platform provides the system and tools necessary to hold polluters accountable for the costs of remediating their contamination.
- **National Priorities List and State Orphan Sites.** The budget transfers \$19.55 million from TSCA to the Site Remediation Account to fund the state's National Priorities List obligations and state orphan sites with Priorities 1A, 1B, and 2.
- **Argonaut Mine Dam Project Phase II Stormwater Upgrade Construction Supplemental Funding.** The budget appropriates \$1.4 million Coronavirus Fiscal Recovery Fund of 2021 one-time to supplement the \$2.1 million General Fund approved in the 2020 Budget Act for Phase II of the Eastwood Multiple Arch Dam stormwater upgrade construction project at the Argonaut Mine in Jackson, California.

- **Department of Justice (DOJ) Increased Legal Fees.** The budget includes an augmentation of \$977,000 in 2021-22 and ongoing, split between HWCA, TSCA, and LABCF to cover increased DOJ hourly rates for client agencies, which went into effect September 1, 2019.

DTSC intends to use the additional funding to work closely with the DOJ to do the following:

- Carry out its statutory and regulatory mandate to implement the state's hazardous waste management requirements;
  - To aggressively, efficiently and effectively pursue those who violate the state law, its implementing regulations, and hazardous waste facility permit conditions that govern hazardous waste management activities, and those who violate administrative orders that govern hazardous substance investigation and cleanup activities; and,
  - Enforce investigation and cleanup obligations of responsible parties at contaminated properties by taking prompt action to recover costs DTSC incurs so that polluters, not the people of California, pay for environmental cleanups.
- **Implementation of the Violations Scoring Procedure Regulations.** The budget includes 11 permanent positions and \$3.5 million HWCA in 2021-22, \$3.1 million HWCA in 2022-23, and \$2.6 million HWCA annually thereafter to implement the Violation Scoring Procedures (VSP) regulations adopted pursuant to SB 673 (Lara), Chapter 611, Statutes of 2015. This item includes \$1.3 million in 2021-22, \$900,000 in 2022-23, and \$400,000 annually thereafter to fund Attorney General costs for litigating VSP scores and permit action decisions made by DTSC. DTSC has already begun experiencing legal actions related to its VSP scores and anticipates additional legal actions as scores have the potential to impact permitting decisions. This item includes ongoing funding for 11 positions to support the ongoing VSP workload. These positions are intended to allow for permit evaluations to consider facility compliance and compliance history, mitigate potential violation impacts, provide additional support to complete the calculation of the VSP scores, evaluate compliance histories, review, and make decisions on disputes to the VSP scoring and tier assignments, and defend DTSC in administrative and civil legal challenges.
  - **Information Technology Security Unit.** The budget includes four permanent positions and \$1.3 million (General Fund, HWCA, Unified Program Account, TSCA, State Certified Unified Program Agency Account, and LABCF) in 2021-22 and 2022-23, and \$880,000 annually thereafter to provide additional resources for cybersecurity. This item is intended to allow for the continuous identification and mitigation of emerging and evolving cybersecurity threats.
  - **Resource Conservation and Recovery Act (RCRA) Authorization.** The budget provides 17 permanent positions that will be phased-in over two years: 10 permanent positions and \$1.2 million HWCA in 2021-22 (Phase I), and seven permanent positions and \$2.5 million in 2022-23 (Phase II) and ongoing to establish the RCRA Grant Unit to address a RCRA authorization backlog and ensure continued program equivalency.

State authorization is a federal rulemaking process where the US Environmental Protection Agency (US EPA) delegates the primary responsibility of implementing the RCRA hazardous waste program to individual states on behalf of US EPA. Authorized states receive federal grant money annually to

assist with the costs and workload of implementing the federal program. Obtaining and maintaining authorization provides a single set of hazardous waste standards for the regulated community, thus reducing ambiguity in hazardous waste standards set by both California and US EPA. Due to California's significant backlog of authorizations indicating substantial deficiency in program equivalency, US EPA Region IX set an expectation for California to become authorized for at least 10 core federal rules by September 2022. This item is intended to enhance DTSC's capacity to meet US EPA's expectation to reduce this backlog and provide resources for DTSC to develop a comprehensive RCRA oversight program to eliminate the backlog. In addition, the funding is to:

- Develop and execute a plan to address the RCRA Authorization backlog of 37 federal rules.
  - Provide dedicated staff to track and analyze federal rules as they are under development.
  - Conduct internal and external outreach to stakeholders on new requirements in California.
  - Protect public health and the environment through protective regulatory standards.
- **Base Funding to Maintain Operations.** The budget increases Item 3960-012-001 by \$6.5 million General Fund one-time and decreases Item 3960-014-001 by \$1.5 million one-time to adjust General Fund backfill for HWCA and TSCA to accommodate for May Revision proposals.

### 3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE)

- **Circular Economy Package.** The budget includes \$205 million in 2021-22, which is part of a two-year, total package of \$270 million (\$130 million General Fund) to support a circular economy that recognizes waste as a resource, with the purpose of shifting the state's focus to a more resilient and renewable economy. These funds will support implementation of goals to reduce short-lived climate pollutants, including advancing organic waste infrastructure, edible food recovery, and composting opportunities; and support other non-organic recycling opportunities. The figure below details the total allocations in the Circular Economy Package:

**Circular Economy Package**  
(Dollars in Millions)

Investment Category	Department	Program	2021-22	2022-23	Total
Organic Waste Infrastructure and Implementation	Cal Recycle	Edible Food Recovery	\$3	\$2	\$5
		Composting Opportunities	\$5	\$0	\$5
		Organic Infrastructure Grants	\$90	\$15	\$105
		Co-Digestion Capacity	\$10	\$10	\$20
		\$B 1383 Local Jurisdiction Implementation Grants	\$60	\$0	\$60
Non-Organic Waste	Cal Recycle	Recycling Feasibility Grants	\$2	\$13	\$15
		Recycling Market Development Zone Loan Program	\$25	\$25	\$50
		Quality Incentive Payments for PET Thermoform-Free Beverage Container Loads	\$10	\$0	\$10
		<b>Total</b>	<b>\$205</b>	<b>\$65</b>	<b>\$270</b>



The two main categories of this package are: (1) organic waste; and (2) non-organic waste. Organic waste investments for 2021-22 total \$168 million. Investments to address non-organic waste issues total \$37 million for 2021-22. All funding for this package is through CalRecycle. Among the various components, the package includes:

- **Recycling Market Development Zone (RMDZ) Program.** Trailer bill language authorizes CalRecycle to expend moneys in the Recycling Market Development Revolving Loan Subaccount in the Integrated Waste Management Account within areas outside of RMDZs where making the loan will benefit jurisdiction or assist a local jurisdiction, as specified.
- **CalRecycle Greenhouse Gas Revolving Loan Program: Grant Program.** Trailer bill language, upon appropriation by the Legislature in the annual Budget Act, requires CalRecycle to administer the grant program to provide financial assistance to promote in-state development of infrastructure food waste prevention, or other projects to reduce organic waste or process organic and other recyclable materials into new, value-added products.
- **Bottle Bill: Small Grocers.** The budget includes trailer bill language that exempts, until January 1, 2023, dealers (e.g. small grocery stores), which have gross annual sales of less than \$1.5 million and are less than 5,000 square feet, from requirements to either take back empty beverage containers for redemption or pay \$100 per day to CalRecycle if the dealer is within an unserved convenience zone.
- **Bottle Bill: Extend and Expand Beverage Container Recycling Pilot Program.** The budget appropriates \$10 million Beverage Container Recycling Fund (BCRF) to provide grants for the Beverage Container Recycling Pilot Project Program. The budget includes trailer bill language to extend the sunset date for the recycling pilot program from January 1, 2023 to January 1, 2027. This trailer bill language also increases the number of pilot projects from five to ten and the maximum number of operating years from three to five.
- **Bottle Bill: Beverage Container Recycling Pilot Project Staffing Extension.** The budget appropriates \$129,000 in fiscal year 2021-22, \$250,000 in 2022-23, \$378,000 from 2023-24 through 2025-26, and \$312,000 in 2026-27 from BCRF to extend the temporary staffing resources needed to administer, implement, maintain, and provide fiduciary oversight with the expansion of the Beverage Container Recycling Pilot Project Program.
- **Reduce Frequency of Jurisdiction Inspection Requirement.** The budget includes trailer bill language to authorize, instead of require, CalRecycle to visit each jurisdiction once each year, but would require the department to do so no less than once every four years to monitor the jurisdiction's implementation and maintenance of its waste diversion programs.
- **Plastic Beverage Container Minimum Content Standard Implementation.** The budget includes one position and appropriates \$129,000 BCRF in 2021-22, an additional five positions and \$805,000 BCRF in 2023-24, and an additional three positions and \$1.2 million BCRF in 2024-25 and ongoing, for a contracted biennial study. The funds will be used to implement AB 793 (Ting), Chapter 115, Statutes of 2020, which requires beverage manufacturers to include a minimum amount of postconsumer recycled plastic in all plastic beverage containers subject to the California Refund Value (CRV).

- **Organic Waste Reduction Implementation.** The budget includes five permanent, full-time positions and \$782,000 Cost of Implementation Account (COIA) in 2021-22, an additional four permanent, full-time positions and \$1.388 million COIA in 2022-23, and \$1.38 million COIA ongoing. This proposal also includes redirecting 38 positions from the Local Assistance and Market Development Branch to Waste Permitting, Compliance and Mitigation Division. The redirected and newly requested positions will focus on compliance and enforcement oversight to implement the regulations adopted by SB 1383 (Lara), Chapter 395, Statutes of 2016.
- **Reappropriation and Additional Funding for Bonzi Sanitary Landfill Closure.** The budget increases Item 3970-001-0387 (Integrated Waste Management Account, Integrated Waste Management Fund) by \$2.636 million and reduces Item 3970-012-0387 by \$2.636 million to provide additional funding for the closure of the Bonzi Sanitary Landfill and offset the increased expenditure by reducing the transfer amount from the Integrated Waste Management Account, Integrated Waste Management Fund to the Solid Waste Disposal Site Cleanup Trust Fund. The budget also adds Item 3970-492 to reappropriate up to \$4.2 million in Item 3970-001-0387 (Integrated Waste Management Account), Budget Act of 21017, and extend the liquidation period to June 30, 2025.
- **Emergency Debris Removal Office Additional Staffing.** The budget appropriates \$891,000 General Fund and six permanent, full-time positions in fiscal year 2021-22 and \$880,000 General Fund ongoing to manage the workload for debris removal operations. The additional positions will manage contracts, hold contractors responsible, fully reconcile funds, and coordinate federal reimbursements.
- **Regulations Development Unit.** The budget includes five permanent, full-time positions and \$767,000 in fiscal year 2021-22 and \$757,000 ongoing from various special funds (California Used Oil Recycling Fund, BCRF, California Tire Recycling Management Fund, Integrated Waste Management Account, Electric Waste Recovery and Recycling Account) to establish a Regulations Development Unit to provide support, coordination, and expertise in regulations development.
- **San Diego Field Office Location.** The budget provides one-time authority of \$255,000 BCRF to relocate its regional office, housed in the San Diego State Office Building, as it is being disposed of in accordance with AB 1164 (Gloria), Chapter 822, Statutes of 2019, related to the disposal of surplus state real property. This item also provides ongoing increased expenditure authority of \$53,000 in fiscal year 2022-23, \$60,000 in 2023-24, \$67,000 in 2024-25, and \$74,000 in 2025-26 from BCRF to pay for the increased lease costs.
- **Food Service Packaging Exemption.** The budget includes trailer bill language to exclude from the definition of “food service packaging” products defined as drugs, devices, or medical food pursuant to federal law, as provided. The trailer bill also excludes from the definition, products used at specified facilities, including, but not limited to, health care facilities, residential care facilities, and community care facilities, as defined, that are intended to assist the facility’s residents or other individuals receiving care at the facility or to otherwise protect the facility’s residents’ or other individuals’ health or safety, if the facility determines that the products, or their functional equivalents, are not on the list developed by CalRecycle.

**3980 OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT (OEHHA)**

- **Pipeline Biogas Analysis.** The budget appropriates \$920,000 General Fund one-time to OEHHA to provide analysis and recommend pipeline biogas standards to protect public health. This funding is for an initial study and chemical analyses and one staff toxicologist.

**3900 ARB****3940 SWRCB****3970 CALRECYCLE****3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION****8570 DEPARTMENT OF FOOD AND AGRICULTURE****4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT**

- **Greenhouse Gas Reduction Fund (GGRF): Cap-and-Trade Discretionary Spending Plan.** The GGRF Discretionary Spending Plan for 2021-22 appropriates \$1.534 billion for various purposes, including the following:

**Cap and Trade Expenditure Plan**

(Dollars in Millions)

Investment Category	Department	Program	2021-22
Equity Programs	Air Resources Board	AB 617 - Community Air Protection	\$260
		AB 617 - Local Air District Implementation	\$50
		AB 617 - Technical Assistance to Community Groups	\$10
	Community Services and Development	Low-Income Weatherization Program	\$15
	Water Board	Safe and Affordable Drinking Water (\$130 million total)	\$44
Low Carbon Transportation & ZEV Strategy	Air Resources Board	Clean Trucks, Buses, & Off-Road Freight Equipment	\$315
		Agricultural Diesel Engine Replacement and Upgrades	\$170
		Clean Vehicle Rebate Program	\$100
		Clean Cars 4 All & Transportation Equity Projects	\$150
Natural and Working Lands	CAL FIRE	Healthy & Resilient Forests (SB 901)	\$230
	Department of Food and Agriculture	Healthy Soils	\$25
Other	Cal Recycle	Waste Diversion/Recycling Infrastructure	\$130
	Air Resources Board	Woodstove Replacement	\$5
		Small Off Road Engines	\$30
<b>Total</b>			<b>\$1,534</b>

Source: Department of Finance

The Cap-and-Trade Discretionary allocations primarily support investments related to The Zero Emission Vehicles, AB 617 implementation, wildfire and forest resilience, sustainable agriculture, and SB 1383 organic waste infrastructure investments. The discretionary plan reflects approximately \$180 million of additional funding associated with higher than projected revenue from the August 2021 auction.

- **Greenhouse Gas Reduction Fund (GGRF): Healthy Forest and Fire Prevention.** The budget includes trailer bill language to continuously appropriate \$200 million GGRF annually until 2028-29 for healthy forest and fire prevention programs and projects that improve forest health and reduce emissions of greenhouse gases caused by uncontrolled wildfires and for completion of prescribed fires and other fuel reduction projects.

### Supplemental Reporting Language

- **Preliminary Greenhouse Gas (GHG) Emissions Estimates.** For three years, beginning in 2022, on or before April 1 of each year, the Air Resources Board (ARB) shall post publicly on its website and report to the relevant policy and fiscal committees of the Legislature, a preliminary estimate of the prior year greenhouse gas (GHG) emissions based on currently available data and an update to any prior estimate previously provided for any calendar year that is not included in the most recent GHG emissions inventory report required pursuant to Health and Safety Code Section 39607.4.

The estimate shall include estimates for GHG emissions from transportation, electric power, industrial, commercial and residential, agriculture, and high global warming potential, and recycling and solid waste sectors. In preparing the annual estimate, the ARB may rely on data sources including, but not limited to:

- State vehicle fuels tax receipts.
- California Independent System Operator GHG monthly emissions estimates.
- Data reported under the Mandatory Reporting Regulation.
- Industrial economic activity data.
- Previously issued ARB GHG emissions inventory reports.
- Other available and economic and emissions data that has been independently developed, researched, and verified.

To the extent feasible, the data and methods for developing a preliminary estimate of prior year greenhouse gas emissions shall be transparent and publicly accessible.

**Environmental protection budget bill and trailer bills**

1. *Budget Act of 2020 – Senate Bill 85 (Committee on Budget and Fiscal Review), Chapter 14, Statutes of 2021*
2. *Budget Act of 2021 – Assembly Bill 128 (Ting), Chapter 21, Statutes of 2021*
3. *Budget Act of 2021 – Senate Bill 129 (Skinner), Chapter 69, Statutes of 2021*
4. *Budget Act of 2021 – Senate Bill 170 (Skinner), Chapter 240, Statutes of 2021*
5. *Public Resources – Assembly Bill 148 (Committee on Budget), Chapter 115, Statutes of 2021*
6. *Public Resources – Senate Bill 155 (Committee on Budget and Fiscal Review), Chapter 258, Statutes of 2021*
7. *Hazardous Waste – Senate Bill 158 (Committee on Budget and Fiscal Review), Chapter 73, Statutes of 2021*

# FOOD AND AGRICULTURE

## 3900 AIR RESOURCES BOARD (ARB)

## 8570 DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

- **Sustainable Agriculture Package.** The final budget agreement includes the Sustainable Agriculture Package totaling \$1.1 billion, \$683 million of which is appropriated in 2021-22 as shown in the chart below:

**Sustainable Agriculture**  
(Dollars in Millions)

Investment Category	Program	2021-22	2022-23	Total
Healthy, Resilient, and Equitable Food Systems	California Farm to School Incubator Grant Program	\$30	\$30	\$60
	Farm to Community Food Hubs Program	\$15	\$0	\$15
	California Nutrition Incentive Program	\$10	\$10	\$20
	Healthy Refrigeration Grant Program	\$10	\$10	\$20
	Senior Farmers Market Nutrition Program	\$0.5	\$0.0	\$0.5
	Urban Agriculture Program	\$12	\$0	\$12
Climate Smart Agriculture for Sustainability and Resiliency	Agricultural Diesel Engine Replacement and Upgrades	\$213	\$150	\$363
	Healthy Soils	\$75	\$85	\$160
	Sustainable California Grown Cannabis Pilot Program	\$9	\$0	\$9
	Livestock Methane Reduction	\$32	\$48	\$80
	Pollinator Habitat Program	\$15	\$15	\$30
	Technical Assistance and Conservation Management Plans	\$17	\$22	\$39
	Transition to Safer, Sustainable Pest Management	\$9.8	\$0	\$10
	Incentives for Alternatives to Agricultural Burning in the San Joaquin Valley	\$180	\$0	\$180
	Research in GHG Reduction	\$5	\$5	\$10
	Invasive Species Council	\$5	\$5	\$10
Climate Catalyst Fund	\$0	\$25	\$25	
Economic Recovery & High-Road Job Growth	Technical Assistance Program for Underserved Farmers	\$5.4	\$5	\$10
	Impact Assessment and Alignment of Regulatory Reporting Requirements for Agriculture	\$4	\$2	\$6
	Fresno-Merced Future of Food Innovation Initiative	\$30	\$0	\$30
	New and Beginning Farmer Training and Farm Manager Apprenticeships Program	\$5	\$5	\$10
	Canine Blood Bank	\$1	\$0	\$1
<b>Total</b>		<b>\$683</b>	<b>\$417</b>	<b>\$1,100</b>

Source: Department of Finance

Of the 2021-22 appropriation, \$247 million was allocated in SB 129 and the remainder was allocated in SB 170. In total, these investments support three primary categories of funding: (1) healthy, resilient and equitable food systems; (2) climate smart agriculture for sustainability and resiliency; and, (3) economic recovery and high-road job growth.

Among the various items in the Sustainable Agriculture Package, the budget includes:

- **Agricultural Burning.** Trailer bill language authorizing the Air Resources Board to administer a program to support incentives for alternatives to agricultural burning in the San Joaquin Valley and exempts the adoption or use of funding criteria or other guidelines related to the granting of moneys under this program from the Administrative Procedure Act.
- **Climate Catalyst Fund.** Trailer bill language regarding the Climate Catalyst Fund that allows the Infrastructure and Economic Development Bank (also known as IBank) to provide financial assistance for projects related to agricultural improvements that reduce climate impacts (as well as wildfire prevention and resilience).
- **Healthy Refrigeration Grant Program.** Trailer bill language to expand the definition of “qualified entity” to include a tribal organization, as specified, and revises the requirements of a grant recipient under the program.
- **Sustainable California Cannabis Pilot Program.** One-time funding of \$9 million General Fund in 2021-22 to develop and implement the Sustainable California Grown Cannabis Pilot Program and includes budget bill language providing an encumbrance period of three years.
- **Livestock Methane Reduction.** Budget bill language prioritizing grants for Alternative Manure Management Program (AMMP) projects.
- **Research in Greenhouse Gas (GHG) Emission Reduction.** Budget bill language specifying that research grants are for the purpose of measuring and verifying emissions reductions associated with livestock methane reduction projects. Research shall include an assessment of the cost-effectiveness of various livestock methane reduction strategies on a per ton basis, including a comparison of projects under the AAMP and dairy digester program, as well as alternative methane reduction strategies such as dietary modification, and research on manure-based product development. To the extent feasible, research shall include measurement of emissions of GHGs and criteria pollutants before and after livestock methane reduction projects are implemented.

## 8570 DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

- **Blythe Border Protection Station Relocation.** The budget appropriates \$3.981 million General Fund for an augmentation to the acquisition phase (\$1.869 million) and funding for the preliminary plans phase (\$2.112 million) of the Blythe Border Protection Station Relocation project located in Riverside County. Total estimated project costs are \$63.595 million.

- **California Farm to School Incubator Program.** The budget appropriates \$10 million General Fund in 2021-22 for the Office of Farm to Fork's (F2F's) California Farm to School Incubator Grant Program for grants to schools to establish programs that coordinate local and California grown food procurement and utilization in school meals. The funding is also intended to support food and agriculture education in classrooms and cafeterias through experiential learning opportunities in school gardens, on farms, and other culinary and agricultural pathways. The proposal includes budget bill language to make this funding available for encumbrance or expenditure for two years.
- **Extension of Encumbrance and Liquidation Deadlines for the Office of Environmental Farming and Innovation.** The budget extends the expenditure, encumbrance, and liquidation deadlines for several Climate Smart Agriculture programs and Pesticide Economic Analysis and Research Grant Program within CDFA's Office of Environmental Farming and Innovation. The extension of the liquidation deadlines is meant to address the economic impacts of COVID-19 that have affected grant awardees' ability to purchase the required supplies and implement the incentivized management practices on farms and ranches in a timely manner, as well as scientific oversight that was delayed as a result of the pandemic.
- **Needles Border Protection Station Relocation.** The budget appropriates \$10.371 million General Fund one-time for the acquisition and preliminary plans phases of the Needles Border Protection Station Relocation project located in San Bernardino County. The station currently has inadequate capacity to meet increased traffic flows. Total estimated project costs are \$74.299 million.
- **Pet Lover's Specialized License Plate Grant Program (SB 673).** The budget appropriates \$650,000 Specialized License Plate Fund annually beginning in 2021-22 through 2023-24 to continue the Pet Lovers Specialized License Plate Program, which provides grants to qualifying spay and neuter facilities for low-cost or no-cost animal sterilization services. Of the amount requested, \$162,000 will fund the administrative costs of the program and \$488,000 will provide an estimated 14 grants to qualifying spay and neuter facilities. Included in the administrative costs for the program is \$55,000 annually for participation in the Department of Motor Vehicles' (DMV) License Plate Insert program to increase participation and revenues in the Pet Lovers Specialized License Plate Program. Participation in this program will allow the Pet Lover's license plate to be included in the DMV insert residents receive with their California driver license renewal notice.
- **Produce Safety Program Continuation Funding.** The budget appropriates \$8.665 million in Federal Funds authority in 2021-22 and \$8.428 million in Federal Funds authority in 2022-23 and \$7.922 million in 2023-24 and ongoing, as well as 24 new positions to support the mission critical enhancement of the Produce Safety Program.

The requested authority and positions are intended to allow CDFA to develop a more robust inspection program for the enforcement of the Food Safety Modernization Act, Public Safety Rule in California; develop an integrated, relational farm inventory database; and to further CDFA's



efforts to reduce food-borne illness and support a safe food supply in accordance with CDFA's Strategic Plan.

- **Turlock North Valley Animal Health Laboratory Replacement.** The budget appropriates \$88.565 million Public Buildings Construction Fund for the design-build phase of the Turlock North Valley Animal Health Laboratory Replacement project to build a new full-service California Animal Health and Food Safety Laboratory System (CAHFS) laboratory in the northern San Joaquin Valley to replace the existing obsolete CAHFS Turlock laboratory. Total estimated project costs are \$95.407 million. The facility will include mammalian and avian necropsy/pathology, bacteriology, histology, immunology, molecular biology, biotechnology, food safety, and serology testing services. The laboratory will include necropsy facilities, laboratory space, laboratory support services, administrative offices, and common areas. The design-build phase is scheduled to begin in July 2021 and is expected to be completed in June 2024.
- **Fairgrounds Operational Support and Deferred Maintenance.** The budget appropriates \$60 million General Fund one-time in 2021-22 to provide fairground operational support and address fair deferred maintenance needs. Of this amount, \$50 million is for operational support of the entire network of California fairs and an assessment of fairgrounds located on state-owned land to determine their potential for alternate use/development. CDFA intends to use up to \$3 million to conduct a specialized facility assessment of fairgrounds located on state-owned land to help State Affiliated Fairs determine their potential for alternate uses and/or development. The \$50 million in operational support was created based on projected needs for a 12-month period. This item includes \$10 million to address deferred maintenance needs with a priority on fairgrounds that are used to support emergency operations.
- **Impact Assessment and Alignment of Regulatory Reporting Requirements for Agriculture.** The budget appropriates a total of \$6 million General Fund one-time for regulatory alignment and efficiencies, including:
  - \$4 million General Fund, in collaboration with the California Environmental Protection Agency (CalEPA), to conduct a comprehensive evaluation of cross-cutting regulatory activities across state agencies that enforce potentially redundant compliance requirements for the agricultural community. The evaluation is intended to be a catalyst for exploring regulatory efficiencies and process improvements to align CDFA and CalEPA regulatory compliance, substantially reduce paperwork required for the farmers and ranchers, while maintaining environmental and public health protections.
  - \$2 million General Fund to conduct an assessment of the scope, feasibility, and level of effort required to create and implement a single licensing and payment portal to eliminate potentially repetitive data input and streamline interactions between agricultural businesses and CDFA.
- **State Water Efficiency and Enhancement Program (SWEEP).** The budget appropriates \$40 million General Fund in 2021-22 to award, administer, and monitor SWEEP grants with a focus on depleted groundwater basins. Of this amount, up to five percent will be available for technical assistance as required by AB 2377 (Irwin), Chapter 868, Statutes of 2018. This technical

assistance will be prioritized for socially disadvantaged farmers and ranchers, and to farms that are less than 500 acres. This item includes budget bill language to make the funding available for encumbrance or expenditure for two years.

- **Technical Assistance Program for Underserved Farmers.** The budget includes \$3.35 million General Fund in 2020-21 and \$3.35 million in 2021-22 with a two-year encumbrance period to fund a technical assistance and micro-grant program for small, mid-sized, and underserved farmers in California.

The technical assistance program includes funding for a temporary Small Farm Specialist within CDFA and a contract with University of California Agriculture and Natural Resources (UC ANR) to provide direct assistance to small, mid-sized, and socially disadvantaged and underserved farmers in seven regions around the state. The program is intended to assist farmers with business planning, navigating regulatory compliance, and accessing state and federal funds to aid economic recovery. The grant program will be administered by CDFA and consist of grants for non-profit organizations to provide application technical assistance to small, mid-sized, and socially disadvantaged farmers and ranchers. This will include a micro-grant program to assist small, mid-sized, and underserved farmers in accessing state and federal funding resources, including matching and leveraging state and federal funds, such as the state small business economic recovery grant funds and USDA microloan programs.

- **Agricultural and Rural Economic Advisor.** The budget appropriates \$199,000 General Fund and adds one permanent position ongoing to support the activities necessary to develop and implement strategies for improving California's rural, agriculturally based economies.
- **Bee Safe Program.** The budget appropriates one-time funding of \$2.126 million General Fund in 2021-22 to continue operating a statewide Bee Safe Program to promote and protect a safe, healthy food supply through the protection of bees.
- **Fairground and Community Resilience Centers.** The budget appropriates \$150 million General Fund for Fairground and Community Resilience and Evacuation Centers to advance local communities resilience in the face of natural disasters by upgrading fairgrounds and local facilities to serve as important emergency response and evacuation centers, and to provide long-term local community resilience needs. Of the \$150 million, the budget allocates \$10 million to Cal Expo.
- **May Revision Infrastructure Package — One-Time Deferred Maintenance.** The budget appropriates \$2 million General Fund in 2021-22 to provide maintenance support for critical infrastructure projects. CDFA will utilize approximately \$1 million of this funding for crucial repairs at its Hawaii Fruit Fly Rearing Facility. The remainder will be used to address other critical projects that are necessary for the safety and functionality of various CDFA facilities.
- **Technical Adjustment.** The budget amends Item 8570-490 to reflect a technical adjustment to consolidate reappropriations proposed in the Governor's Budget.

- **Climate Smart Agriculture Account.** The budget includes trailer bill language to establish the Climate Smart Agriculture Account in the Department of Food and Agriculture Fund, which will be a deposit for moneys received from federal, state, industry, philanthropic, and private sources. The proposal makes funding out of this account continuously appropriated to CDFA. The trailer bill language provides that in any fiscal year in which funds are received into or expended from this account, no later than December 31 following the close of the fiscal year, CDFA shall submit to the Legislature an overview of the account's income and expenditures.
- **Insect DNA Barcode Library.** The budget appropriates \$11.5 million General Fund one-time for the purpose of creating a DNA barcode reference library for California insects. This project will barcode and preserve existing specimens; secure new specimens from priority locations such as the Central Valley; expand opportunity via professional and informal training; and deliver data to accomplish Executive Order N-82-20.

### Supplemental Reporting Language

**California Farm to School Incubator Grant Program.** No later than January, 1, 2024, the California Department of Food and Agriculture shall submit to the Joint Legislative Budget Committee (JLBC) a report on key programmatic outcomes achieved by the Farm to School Program. At minimum this report shall include the following for each type of activity funded—such as procurement of foods and educational opportunities—from the Farm to School Program: (1) the total number of grants and amount of funding awarded; (2) the number of schools and students served; (3) the number of schools and students served by applicable community need metrics (such as free/reduced meal rates); (4) the geographic distribution of awarded grants; and (5) an assessment, to the extent feasible, on the degree to which the funded activities resulted in improved outcomes, such as increased awareness and consumption of healthier food options and improved academic outcomes.

**Healthy Stores Refrigeration Grant Program.** No later than January, 1, 2024, the California Department of Food and Agriculture shall submit to the Joint Legislative Budget Committee (JLBC) a report on key programmatic outcomes achieved by the Healthy Stores Refrigeration Grant Program. At minimum this report shall include: (1) the number of grants and amount of funding awarded by type of entity receiving funds (such as corner stores and food banks), (2) the number of grants and amount of funding awarded to low-access areas (as defined in Section 49015 of the Food and Agricultural Code), (3) the geographic distribution of awarded grants, and (4) an assessment of the impact of the program on grant recipients' success at stocking and selling California-grown fresh produce and minimally processed foods within targeted communities.

**Urban Agriculture Grant Program.** No later than January, 1, 2024, the California Department of Food and Agriculture shall submit to the Joint Legislative Budget Committee (JLBC) a report on key programmatic outcomes achieved by the Urban Agriculture Grant Program. At minimum this report shall include: (1) the number of grants and amount of funding awarded by type of entity receiving funds, (2) the number of grants and amount of funding awarded by activity (such as infrastructure procurement and technical assistance), (3) the number of grants and amount of funding awarded in low-access areas (as defined in Section 49015 of the Food and Agricultural

Code), (4) the geographic distribution of awarded grants, and (5) an assessment of the effectiveness of the program on increased access to healthier food options within targeted communities.

**Food and Agriculture Budget Bill and Trailer Bill**

1. *Budget Act of 2020 – Senate Bill 85 (Committee on Budget and Fiscal Review), Chapter 14, Statutes of 2021*
2. *Budget Act of 2021 – Assembly Bill 128 (Ting), Chapter 21, Statutes of 2021*
3. *Budget Act of 2021 – Senate Bill 129 (Skinner), Chapter 69, Statutes of 2021*
4. *Budget Act of 2021 – Senate Bill 170 (Skinner), Chapter 240, Statutes of 2021*
5. *Public Resources – Assembly Bill 148 (Committee on Budget), Chapter 115, Statutes of 2021*
6. *Public Resources – Senate Bill 155 (Committee on Budget and Fiscal Review), Chapter 258, Statutes of 2021*

# ENERGY AND UTILITIES

## CROSS-CUTTING ISSUES

- **Zero Emission Vehicle Package.** The budget includes \$2.7 billion for a variety of programs related to zero emission vehicles. This is intended to be the first year of a three-year, \$3.9 billion investment. Total investments include:
  - \$500 million for the Clean Trucks, Buses, and Off-Road Equipment program at the California Air Resources Board, which funds heavy-duty and off-road vehicles and equipment, such as heavy-duty trucks and cargo-handling equipment at ports. This includes at least \$25 million for the Clean Off-Road Equipment program. The budget includes language prohibiting the use of these funds to displace workers. This funding is intend to be spent over multiple years.
  - \$150 million in 2021-22, and a total of \$400 million over three years, for the Clean Cars 4 All program, which provides financial assistance for purchases of used zero and near-zero emission vehicles.
  - \$525 million for the Clean Vehicle Rebate Project, which provides financial assistance for purchases of new light-duty zero-emission vehicles. This includes \$10 million in rebates for e-bike purchases. This is intended to provide multiple years of funding for the CVRP.
  - \$475 million in 2021-22, and a three-year total of \$1.275 billion, for targeted investments in zero-emission drayage trucks, transit buses, and school buses and related infrastructure. This includes \$65 million in 2021-22 for a pilot project for expanded use of zero-emission drayage trucks at California ports.
  - \$500 million for investments in zero-emission vehicle charging and fueling infrastructure.
  - \$125 million in 2021-22 and \$125 million in 2022-23 for grants to companies involved in the ZEV manufacturing supply chain.
  - \$407 million, from a variety of funding sources, for additional investments in zero-emission transit equipment and infrastructure. This funding will be allocated through the existing Transit and Intercity Rail Capital Program.
  - \$50 million for near-zero truck replacement, to provide financial incentives to replace aging medium and heavy-duty trucks with new near-zero emission trucks.

**Zero-Emission Vehicle Investment Package (dollars in millions)**

<b>ZEV Investment</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Total</b>
Clean Trucks, Buses, and Offroad Equipment	\$ 500.00	\$ -	\$ -	<b>\$ 500.0</b>
Clean Cars 4 All	\$ 150.00	\$ 125.0	\$ 125.0	<b>\$ 400.0</b>
CVRP	\$ 525.0	\$ -	\$ -	<b>\$ 525.0</b>
Drayage Trucks	\$ 160.0	\$ 160.0	\$ 150.0	<b>\$ 470.0</b>
Drayage Pilot Projects	\$ 65.0	\$ -	\$ -	<b>\$ 65.0</b>
Transit Buses	\$ 100.0	\$ 100.0	\$ 90.0	<b>\$ 290.0</b>
School Buses	\$ 150.0	\$ 150.0	\$ 150.0	<b>\$ 450.0</b>
ZEV Infrastructure	\$ 500.0	\$ -	\$ -	<b>\$ 500.0</b>
ZEV Manufacturing Grants	\$ 125.00	\$ 125.0	\$ -	<b>\$ 250.0</b>
ZEV Transit Funding	\$ 407.00	\$ -	\$ -	<b>\$ 407.0</b>
Near Zero Truck replacement	\$ 50.00	\$ -	\$ -	<b>\$ 50.0</b>
<b>TOTAL</b>	<b>\$ 2,732.00</b>	<b>\$ 660.0</b>	<b>\$ 515.0</b>	<b>\$ 3,907.0</b>

- **Clean Energy Investments.** The budget includes investments across several departments for clean energy and emergency preparedness. These include:
  - Implementation of SB 100 (De Leon), Chapter 312, Statutes of 2018.
    - \$13.8 million at California Public Utilities Commission (CPUC) for SB 100 interagency planning.
    - \$1.9 million at CPUC for additional management and support in the CPUC's Energy Division.
    - \$4.2 million at the California Energy Commission (CEC) for SB 100 interagency planning.
    - \$2.0 million at the CEC for local government planning grants.
    - \$15.3 million at California Department of Fish and Wildlife (CDFW) for terrestrial renewable energy permitting costs.

- Interagency approach to offshore wind:
  - \$6.5 million, split between the Ocean Protection Council, Coastal Commission, and CDFW, for an interagency environmental analysis for offshore wind projects.
  - \$2.2 million at CEC for community outreach and technical analysis related to specific offshore wind projects.
  - \$11 million at CEC to support offshore wind investments in Humboldt County.
- Emergency planning and preparedness:
  - \$1.5 million at CEC for energy emergency planning.
  - \$10 million at the CPUC for Flex-Alerts.
  - \$8.7 million at California Office of Emergency Services (CalOES) for an operational observer contract to ensure large utilities are acting responsibly.
- **Additional Clean Energy Investments.** The June budget included \$735 million in a variety of investments in clean energy, energy storage, and industrial decarbonization. Final action on these proposals was deferred to 2022-23, and the \$735 million was reverted to the General Fund.
- **Broadband Funding.** The budget provides \$6 billion over three years in federal and General Fund resources for several broadband investments. These include:
  - \$3.25 billion for construction of a statewide “middle mile” network to facilitate affordable broadband connections.
  - \$2 billion to support construction and connection of “last mile” infrastructure to connect individual households to affordable broadband.
  - \$750 million to create a statewide “loan loss reserve” to provide financial support for local governments to issue bonds for the development and deployment of municipal broadband networks.

The 2021-22 funding totals include:

- \$3.25 billion at the California Department of Technology (CDT) for middle mile infrastructure.
- \$1.05 billion at the CPUC for last mile infrastructure.
- \$50 million at the CPUC for the loan-loss reserve.

### 3360 CALIFORNIA ENERGY COMMISSION (CEC)

The budget provides the CEC with \$1.99 billion for 674.3 positions, including \$1.3 billion from the General Fund. This includes:

- **SB 110.** The budget includes \$750,000 annually for five temporary positions from the Alternative and Renewable Fuel and Vehicle Technology Fund (ARFVTF) to continue school bus replacement activities under the Clean Energy Job Creation Program, created by SB 110 (Committee on Budget and Fiscal Review), Chapter 55, Statutes of 2017.
- **AB 841 Implementation.** The budget includes the following resources at CEC for the implementation of AB 841 (Ting), Chapter 372, Statutes of 2020.
  - School Energy Efficiency Stimulus Program: authority for 23.0 permanent positions and \$200,000 in annual technical support funding for a total request of \$3.65 million from the School Energy Efficiency Program Fund (Fund 8129).
  - Electric Vehicle Charging Infrastructure: authority for 0.6 permanent position and \$90,000 annually from the Alternative and Renewable Fuel and Vehicle Technology Fund (Fund 3117).
- **AB 841 Contract Authority.** The budget includes \$250,000 per year in 2021-22, 2022-23 and 2023-24, for a total request of \$750,000 in contract authority from the School Energy Efficiency Program Fund (Fund 8129) to implement the School Energy Efficiency Stimulus Program created by AB 841 (Ting), Chapter 372, Statutes of 2020.
- **BUILD Program.** The budget includes \$75 million for all-electric home rebates for market-rate housing through the BUILD program.
- **Local Solar Permitting.** The budget includes \$20 million to help local governments adopt electronic and automated permitting systems for residential solar installation.
- **Solar Restitution Fund.** The budget includes \$5 million at the California State Contractors Licensing Board for restitution to victims of fraud by solar installers.
- **City of Chula Vista.** The budget includes \$3,500,000 to the City of Chula Vista for the Civic Center Solar Project.

### 8660 CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

The 2020-21 budget provides \$2.83 billion for the CPUC from a variety of special funds. This includes funding for:

- **Accounts Receivable Unit.** The budget includes \$314,000 from various special funds for one new full-time permanent position, in addition to position authority and funding for one existing



full-time blanket staff and conversion of one temporary staff to permanent to address Department of Finance Office of State Audits and Evaluations (OSAE) audit findings and implement corrective actions to strengthen the performance of the CPUC Accounts Receivable Unit (AR Unit).

- **Program Claims Management System.** The budget includes \$1,628,000 for fiscal year 2021-22 for project funding and \$290,000 for 2022-23 and onwards for ongoing maintenance and support from the Public Purpose Program (PPP) funds to restart the Program Claims Management System (PCMS) project which has been on hold since June 2017. The PCMS project will provide a fully integrated standard, enterprise-wide technology platform to automate electronic intake, routing, tracking, disposition, and status checks of documents and allow for the electronic submission of financial payments by regulated entities that participate in the PPPs.
- **AB 841 Implementation.** The budget includes \$338,000 for fiscal year 2021-22 and \$336,000 for 2022-23 and ongoing from the Public Utilities Commission Utilities Reimbursement Account for two permanent positions to implement the mandates of AB 841 (Ting), Chapter 372, Statutes of 2020, which require the CPUC to create a new ratepayer-funded tariff to deploy electric distribution infrastructure needed to support electric vehicle (EV) charging, and a new program to upgrade air conditioning, ventilation, and plumbing equipment at existing public schools.
- **Utility Bankruptcy.** The budget includes a reappropriation of \$7.5 million from the Public Utilities Commission Utilities Reimbursement Account (Fund 0462) for an active legal services contract for advice and representation on corporate and utility restructuring, finance, securitization, and bankruptcy matters. This is the remaining balance of an initial \$28 million appropriation from fiscal year 2019-20 for a legal services contract related to utility bankruptcy and bond securitization matters.
- **SB 209 Implementation.** The budget includes \$191,000 Public Utilities Commission Utilities Reimbursement Account for one permanent position to implement the requirements of SB 209 (Dodd), Chapter 405, Statutes of 2019, which requires the CPUC to play a role in the state Wildfire Forecast and Threat Intelligence Integration Center.
- **Wildfire Safety Division.** The budget provides for the transfer of 32 positions and \$10.6 million in 2021-22 and 2022-23, decreasing to \$6.1 million 2023-24 and ongoing, from the CPUC to the Office of Electrical Infrastructure Safety within the California Natural Resources Agency, as required in AB 111 (Committee on Budget), Chapter 81, Statutes of 2019.

**8660 CPUC PUBLIC ADVOCATE'S OFFICE (PAO)**

The 2020-21 budget provides \$51 million for the PAO.

**Energy Budget Trailer Bills**

1. *Public Resources – Senate Bill 155 (Committee on Budget and Fiscal Review), Chapter 258, Statutes of 2021*
2. *Public Resources – Assembly Bill 148 (Committee on Budget), Chapter 115, Statutes of 2021*
3. *Broadband – Senate Bill 156 (Committee on Budget and Fiscal Review), Chapter 112, Statutes of 2021*
4. *State Government – Assembly Bill 137 (Committee on Budget), Chapter 77, Statutes of 2021*

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  
Renita Polk

# SUBCOMMITTEE No. 3

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# HEALTH

## 0000 MULTIPLE DEPARTMENTS

- **Children and Youth Behavioral Health Initiative.** The budget includes expenditure authority of \$1.4 billion (\$1 billion General Fund, \$100 million Coronavirus Fiscal Recovery Fund or CFRF, \$222 million federal funds, and \$105 million Mental Health Services Fund) in 2021-22, \$1.3 billion (\$769.2 million General Fund, \$429 million CFRF, and \$124 million federal funds) in 2022-23, \$275.2 million (\$175.2 million General Fund and \$100 million federal funds) in 2023-24, \$262.1 million (\$156.1 million General Fund and \$106 million federal funds) in 2024-25, and \$227.1 million (\$121.1 million General Fund and \$106 million federal funds) in 2025-26, to support the Children and Youth Behavioral Health Initiative and other interventions to support behavioral health services for students. The total investment over five years is \$3.5 billion and includes the following components:
  - *Mental Health Student Services Act Augmentation.* \$205 million (\$100 million CFRF and \$105 million Mental Health Services Fund) in 2021-22 for the Mental Health Services Oversight and Accountability Commission (MHSOAC) to support grants to school and county mental health partnerships that support the mental health and emotional needs of children and youth as they return to schools and everyday life.
  - *School-Linked Behavioral Health Partnerships.* \$100 million CFRF in 2021-22 and \$450 million in 2022-23 for the Department of Health Care Services (DHCS) to support school-linked behavioral health partnerships. Of the two year funding, \$400 million would support county behavioral health department partnerships with schools and \$150 million would support behavioral health services in higher education.
  - *Medi-Cal Managed Care Plan Student Behavioral Health Incentives.* \$400 million (\$200 million General Fund and \$200 million federal funds) for DHCS to support incentives for Medi-Cal managed care plans to provide mild-to-moderate behavioral health services to students in partnership with schools and county behavioral health departments.
  - *Evidence-Based Behavioral Health Programs.* \$429 million CFRF in 2022-23 for DHCS to develop and expand evidence-based behavioral health programs addressing early psychosis, disproportionately impacted communities and communities of color, youth drop-in wellness centers, intensive outpatient programs for youth, and prevention and early intervention services for youth. DHCS will coordinate with MHSOAC to implement these programs and allocate 10 percent of the funding for administration by the commission.
  - *Behavioral Health Workforce Development.* \$600 million General Fund in 2021-22, \$125 million General Fund in 2022-23, and \$75 million General Fund in 2023-24 for the Office of Statewide Health Planning and Development (OSHPD) to support programs to improve the capacity of the behavioral health workforce, including behavioral health counselors and coaches, substance use disorder counselors, psychiatric nurse practitioners, community health workers, psychosocial rehabilitation specialists, peer support specialists, and social workers.

- *Dyadic Services Benefit in Medi-Cal.* \$200 million (\$100 million General Fund and \$100 million federal funds) annually beginning in 2022-23 for DHCS to add dyadic services as a Medi-Cal benefit.
- *Public Education and Change Campaign.* \$5 million General Fund in 2021-22, \$50 million General Fund in 2022-23, \$40 million General Fund in 2024-25, and \$5 million General Fund in 2025-26 for the Department of Public Health (DPH) to conduct a comprehensive and linguistically proficient public education and change campaign to raise behavioral health literacy to normalize and support the prevention and early intervention of mental health and substance use challenges.
- *ACEs and Toxic Stress Awareness Campaign.* \$25.1 million General Fund in 2021-22 and \$100,000 General Fund in 2022-23 through 2025-26 for the Office of the Surgeon General (OSG) to conduct a public education campaign to raise awareness about prevention, signs, and self-care strategies for adverse childhood experiences (ACEs) and toxic stress.
- *Coordination, Subject Matter Expertise, and Evaluation.* \$10 million General Fund in 2021-22, \$20 million General Fund in 2022-23, \$10 million General Fund in 2024-25, and \$10 million General Fund in 2025-26 for the California Health and Human Services Agency (CHHSA) for coordination, subject matter expertise, and evaluation of the initiative.
- *Continuation of CalHOPE.* \$45 million General Fund in 2021-22 for DHCS to continue CalHOPE, a crisis counseling program that includes a media campaign, web-based resources and services, a 24-hour warm line, and student support for social and emotional learning.
- *Planning for Behavioral Health Services and Supports Platform.* \$10 million General Fund in 2021-22 for DHCS to support initial planning for implementation of a behavioral health services and supports platform to expand CalHOPE.
- *State Operations and Administration.* \$44 million (\$22 million General Fund and \$22 million federal funds) in 2021-22, \$48 million (\$24 million General Fund and \$24 million federal funds) in 2022-23, \$12 million (\$6 million General Fund and \$6 million federal funds) in 2024-25, and \$12 million (\$6 million General Fund and \$6 million federal funds) in 2025-26, for DHCS to support state operations and administration of the various components of the initiative.

The Legislature also approved trailer bill language to implement the components of the initiative, including requiring DHCS to develop and maintain a school-linked statewide fee schedule for outpatient mental health or substance use disorder treatment provided to a student 25 years of age or younger at a school site. A health care service plan, including a Medi-Cal managed care plan, or an insurer will, commencing January 1, 2024, be required to reimburse school-based services provided to one of its members according to the fee schedule, regardless of whether the provider is within the plan's or insurer's contracted provider network.

- **Home- and Community-Based Services Expansion.** The budget includes Control Section authority of approximately \$3 billion of funding made available for home- and community-based services (HCBS) by the federal American Rescue Plan Act through 2023-24. \$1.5 billion of this funding supports the cost of new HCBS proposals included in the budget. The remaining \$1.5

billion will support the cost of new HCBS augmentations identified by the Administration. The Legislature also approved trailer bill language authorizing implementation of the expenditure plan to enhance, expand, or strengthen HCBS pursuant to the requirements of the American Rescue Plan Act.

- **Electronic Visit Verification Phase II.** The budget includes expenditure authority of \$24.1 million (\$5.8 million General Fund and \$18.3 million federal funds) in 2021-22 for CHHSA to continue implementation of Phase II of the Electronic Visit Verification solution for personal care services and home health care services, as required by federal law. The funding provided to CHHSA is split between DHCS and the Department of Developmental Services (DDS). DHCS will support the project with \$12.6 million (\$1.8 million General Fund and \$10.8 million federal funds), while DDS will support the project with \$11.4 million (\$3.9 million General Fund and \$7.5 million federal funds). The Legislature approved trailer bill language to implement the system.
- **Equity Dashboard.** The budget includes three positions and General Fund expenditure authority of \$3.2 million in 2021-22 and \$1.1 million annually thereafter for CHHSA; and five positions and expenditure authority of \$967,000 (\$484,000 General Fund and \$483,000 federal funds) in 2021-22 and \$922,000 (\$461,000 General Fund and \$461,000 federal funds) annually thereafter for DHCS, to develop and release an equity dashboard to better understand disparities among programs and services in health and human services departments and entities. The dashboard will be part of CHHSA's Open Data Portal and will identify data gaps by race, ethnicity, sexual orientation, and gender identity.

### 0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY (CHHSA)

- **Center for Data Insights and Innovation.** The budget includes four positions and expenditure authority from the Data Insights and Innovation Fund of \$443,000 annually, and the Legislature approved trailer bill language, to establish the Center for Data Insights and Innovation, which will consolidate several CHHSA offices to improve the transparency, efficiency, availability, and utilization of data, while also managing the data's integrity, quality, and strategic use to promote person-centered, data-driven decision making and integrated care and services.
- **Office of Youth and Community Restoration.** The budget includes 33 positions and General Fund expenditure authority of \$27.6 million in 2021-22 and \$7 million annually thereafter for the new Office of Youth and Community Restoration (OYCR) to support the continuum of youth justice in the state to improve youth outcomes, reduce and eliminate racial disparities, and enhance public safety. Of the amount provided in 2021-22, \$20 million will be available to provide technical assistance, disseminate best practices and issue grants to counties and probation departments for the purpose of transforming the juvenile justice system and improve outcomes for justice involved youth.
- **Health Information Data Exchange Framework.** The budget includes General Fund expenditure authority of \$2.5 million in 2021-22, and the Legislature approved trailer bill language to establish a California Health and Human Services Data Exchange Framework to include a single data sharing agreement and common set of policies and procedures to govern the exchange of health information among health care entities and state departments and agencies.

- **Workforce Equity Training.** The budget includes General Fund expenditure authority of \$2.5 million in 2021-22 and 2022-23 to expand training opportunities in health and human services departments and other entities to identify and eliminate barriers to an inclusive, just and sustainable society. Staff will receive racial equity training to ensure state programs and services are respectful and mindful of the communities being served.
- **Language Access Resources.** The budget includes General Fund expenditure authority of \$307,000 in 2021-22 and 2022-23 to develop and implement an agency-wide language access policy and protocol framework that considers legal compliance; operational aspects of translation and interpretation; bilingual staff testing, classification, and related human resources requirements; and engagement with community stakeholders and partners.
- **Language Access Services.** The budget includes General Fund expenditure authority of \$20 million, available until June 30, 2024, for activities to improve and deliver language access services in health and human services program. Prior to expenditure of these funds, CHHSA will be required to complete a language access framework and a report to the Legislature detailing the framework components and how these additional resources will be utilized in health and human services departments to support language access planning and implementation.
- **Post-COVID-19 Equity Analysis.** The budget includes one position and General Fund expenditure authority of \$1.7 million in 2021-22 and \$154,000 annually thereafter to conduct a retrospective analysis of the intersection of the COVID-19 pandemic and health disparities and inequities.
- **California Affordable Drug Manufacturing Act Implementation.** The budget includes one position and General Fund expenditure authority of \$2.2 million in 2021-22, and \$184,000 annually thereafter to allow CHHSA to conduct research and analysis to support implementation of SB 852 (Pan), Chapter 207, Statutes of 2020, which requires partnerships or contracts resulting in the production or distribution of affordable generic prescription drugs.
- **Child Welfare Services – California Automated Response and Engagement System.** The budget includes expenditure authority from the California Health and Human Services Automation Fund of \$64.8 million to support implementation of the Child Welfare Services - California Automated Response and Engagement System.
- **Healthy California for All Commission Reappropriation.** The budget reappropriates General Fund authority of \$2.5 million approved in the 2019 Budget Act to continue until June 30, 2022, support for the Healthy California for All Commission. The Commission is tasked with analyzing California’s existing health care delivery system and designing options for a unified health care financing system, including but not limited to a single payer system.
- **Relocation to the Clifford L. Allenby Building – Phase 3.** The budget includes General Fund expenditure authority of \$744,000 annually to support increased rental costs for CHHSA at the new Clifford L. Allenby Building.



**0977 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA)**

- **Public Hospital Cash Flow Loans.** The budget includes General Fund expenditure authority of \$40 million for the California Health Facilities Financing Authority (CHFFA) to provide cash flow loans to non-designated public hospitals, due to the financial impacts of the COVID-19 public health emergency.
- **Community Services Infrastructure Grant Program Reappropriation.** The budget reappropriates General Fund expenditure authority of \$67 million, originally authorized by the 2017 Budget Act, for CHFFA to continue support for the Community Services Infrastructure Grant Program, which creates and expands community alternatives to incarceration in the form of mental health treatment, substance use disorder treatment, and trauma-centered services.

**4120 EMERGENCY MEDICAL SERVICES AUTHORITY (EMSA)**

- **COVID-19 Statewide Response Expenditures.** The budget includes General Fund expenditure authority of \$17 million in 2021-22 for the Emergency Medical Services Authority (EMSA) to continue its support for medical staffing, ambulance transportation services, and related support costs.
- **California Physician Orders for Life Sustaining Treatment (POLST) eRegistry Act.** The budget includes General Fund expenditure authority of \$10 million in 2021-22 and \$750,000 annually thereafter, and the Legislature approved trailer bill language, the California POLST eRegistry Act, for EMSA to implement a statewide electronic registry system to collect information about Physician Orders for Life Sustaining Treatment (POLST) received from health care providers.
- **Human Resources Workload Support.** The budget includes five positions and General Fund expenditure authority of \$851,000 annually thereafter to support the Human Resources Unit to address workload associated with routine and emergency response personnel functions.
- **Increased Emergency Preparedness and Response Capability.** The budget includes 14 positions and General Fund expenditure authority of \$8.5 million for EMSA to maintain and store critical equipment and medical supplies acquired during the pandemic, and provide resources for the Operations Center, for exercises, and for training.
- **Office of Legislative, Regulatory, and External Affairs, and Legal Unit.** The budget includes two positions and General Fund expenditure authority of \$286,000 annually for EMSA to address increased workload within its Office of Legislative, Regulatory, and External Affairs, and its Legal Unit.
- **Medical Surge Staffing Program.** The budget includes six positions and General Fund expenditure authority of \$1.4 million annually for EMSA to support recruitment, on-boarding, and program management of the California Health Corps Program, California Medical Assistance Teams Program, and the Disaster Healthcare Volunteers/Medical Reserve Corps Program.

- **Regional Disaster Medical Health Response.** The budget includes General Fund expenditure authority of \$365,000 annually for EMSA to improve regional disaster medical and health mitigation, preparedness, response, and recovery by funding three additional local Regional Disaster Medical Health Specialists (RDMHS) in three California Office of Emergency Services (CalOES) Mutual Aid Regions.
- **Statewide Emergency Medical Services Data Solution.** The budget includes two positions and General Fund expenditure authority of \$10 million in 2021-22 to support planning and readiness activities to establish a statewide emergency services data infrastructure that strengthens real-time information sharing and data analytics for state and local governments, emergency medical services providers, and health care providers.
- **Community Paramedicine or Triage to Alternative Destination Act of 2020 (AB 1544).** The budget includes two positions and General Fund expenditure authority of \$768,000 in 2021-22 and three positions and General Fund expenditure authority of \$789,000 in 2022-23 and 2023-24, for EMSA to implement community paramedicine projects for local emergency medical services agencies, pursuant to the requirements of AB 1544 (Gipson), Chapter 138, Statutes of 2020.

#### **4140 OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT (OSHPD)**

- **Office of Statewide Health Planning and Development Recast and Modernization.** The budget includes nine positions and expenditure authority of \$6.3 million (\$574,000 General Fund, \$2.7 million federal funds, and \$3 million special funds), and the Legislature approved trailer bill language, to rename and recast OSHPD into the Department of Health Care Access and Information (HCAI), including the following components:
  - Amends Statutory References – Renames the Office of Statewide Health Planning and Development to the Department of Health Care Access and Information, and amends references to the “office” to the “department.”
  - Licensing Board Demographic and Other Data Collection – Amends the Business and Professions Code to require healing arts licensing boards to collect or request certain demographic and other data from its licensees for future health workforce planning.
  - Access to Vital Records – Allows the new department to request access to certain vital records from the Department of Public Health for the purpose of public reporting and research on health care quality and outcomes.
  - Transition Health Care Workforce Clearinghouse to California Health Workforce Research and Data Center – Transitions the Health Care Workforce Clearinghouse, which collects, analyzes, and publishes information on educational and employment trends for healthcare occupations in the state, into the California Health Workforce Research and Data Center. The Data Center will be the recipient of the demographic and other data collected by healing arts licensing boards and, in addition to continuing the analysis and reporting previously conducted by the clearinghouse, will also report on the outcomes and effectiveness of health care workforce programs.

- Transition California Healthcare Workforce Policy Commission to California Health Workforce Education and Training Council – Transitions the California Health Care Workforce Policy Commission and the Health Professions Education Foundation (HPEF) programs into the California Health Workforce Education and Training Council. The council will consist of 17 members, with six appointed by the Governor, three each by the Assembly and Senate, and representatives of DHCS, HCAI, the University of California, the California State University system, and the California Community College system. The council will provide guidance on statewide education and health workforce training needs and advise on increasing the supply and diversity of physician and non-physician providers, as well as the placement of providers in medically underserved areas. The council will support the programs currently covered by the commission, such as the Song-Brown Program, as well as those currently covered by HPEF.
- Expansion of Coronary Artery Bypass Graft Outcomes Reporting – Expands reporting of outcomes data for coronary artery bypass graft (CABG) surgeries to include new and emerging cardiac procedures, such as transcatheter aortic valve replacement.
- Office of Rural Health – Transitions from DHCS the California State Office of Rural Health, which links rural communities with state and federal resources and collaborates with statewide rural health associations and other public and private agencies to promote rural health services.
- J-1 Visa Waiver Program – Transitions from DHCS the J-1 Visa Waiver Program, which provides recommendations to the United State Department of State regarding which visa applications should be granted for primary care physicians, with priority to those who will work in federally designated underserved areas.
- **Office of Health Care Affordability.** The budget includes General Fund expenditure authority of \$30 million in 2021-22 to support initial implementation activities for the Office of Health Care Affordability, which would increase health care price and quality transparency, develop strategies and cost targets for different sectors of the health care industry, impose financial consequences for entities that fail to meet these targets, and promote health care workforce stability and training needs. The full implementation of statutory authority for the Office is pending legislative approval of trailer bill language in a future legislative session.
- **Reimbursements for HealthCare Payments Data Program.** The budget includes reimbursement authority of \$5 million to allow OSHPD to use federal funds to support implementation of the Health Care Payments Data Program through the end of the California Department of Technology’s Project Approval Lifecycle process.
- **Song-Brown Health Care Workforce Program Augmentation.** The budget includes General Fund expenditure authority of \$50 million in 2021-22 for OSHPD to provide additional awards to support and sustain new primary care residency programs through the Song-Brown Health Care Workforce Training Program.
- **Nursing Pre-Licensure Programs.** The budget includes General Fund expenditure authority of \$10 million in 2021-22 to support Board of Registered Nursing-approved pre-licensure programs, with priority to public programs.

- **California Medicine Scholars Program.** The budget includes General Fund expenditure authority of \$10.5 million in 2021-22 to support the California Medicine Scholars Program, a pilot project that will enable a statewide pathway to medicine to prepare California community college students for careers as primary care physicians in underserved communities.
- **Certified Nursing Assistant Workforce Programs.** The budget includes General Fund expenditure authority of \$45.5 million in 2021-22 to support certified nursing assistant training programs. Of this funding, \$38.5 million is available to support establishment of new training programs or expansion of existing programs at nursing facilities or other state-approved training programs, and \$5 million is available to support the Health Career Pathway program for certified nurse assistant training programs in up to six counties.
- **Alzheimer’s Workforce Programs.** The budget includes General Fund expenditure authority of \$8 million in 2021-22 for OSHPD to support Alzheimer’s and geriatric care providers through its existing health care workforce development programs.
- **Health Professions Career Opportunity Program.** The budget includes General Fund expenditure authority of \$16 million in 2021-22, and the Legislature approved trailer bill language, for OSHPD to support the Health Professions Career Opportunity Program to implement programs at colleges and universities for pipeline programs and post-baccalaureate opportunities for students from underrepresented regions and backgrounds to pursue health careers.
- **Administrative Support Services.** The budget includes a net-zero adjustment of expenditure authority between four special funds for the Office of Statewide Health Planning and Development (OSHPD) to better support administrative services related to accounting and human resources. Expenditure authority in three funds will increase as follows: \$6,000 for the Hospital Building Fund, \$31,000 for the California Health Data and Planning Fund, and \$4,000 for the Mental Health Services Fund. These increases will be offset by a reduction in expenditure authority of \$41,000 in the Health Facility Construction Loan Insurance Fund.
- **Unanticipated SB 17 Attorney Fees.** The budget includes expenditure authority from the California Health Data and Planning Fund of \$357,000 in 2020-21, \$457,000 in 2021-22, and \$567,000 in 2022-23, as well as provisional budget bill language, for OSHPD to support attorney fees from the Office of the Attorney General for legal services associated with challenges to California’s drug price transparency law, SB 17 (Hernandez), Chapter 603, Statutes of 2017.
- **Medical Assistant Workforce Development Program – Inland Empire.** The budget includes General Fund expenditure authority of \$103,000 to support a Medical Assistant Workforce Development Program at the Community Health Association Inland Southern Region in the County of San Bernardino, which will advance the knowledge base of medical assistants within Inland Empire communities to prepare them for certification and placement within the local healthcare workforce.

#### 4150 DEPARTMENT OF MANAGED HEALTH CARE (DMHC)

- **Annual Health Care Service Plan Health Equity and Quality Reviews.** The budget includes two positions and expenditure authority from the Managed Care Fund of \$952,000 in 2021-22, \$351,000 in 2022-23, 13 additional positions and \$3.6 million in 2023-24, 4.5 additional positions and \$4.4 million in 2024-25 and 2025-26, five additional positions and \$6.3 million in 2026-27, and \$5.4 million annually thereafter for the Department of Managed Health Care (DMHC) to establish and enforce health equity and quality standards for all DMHC licensed full-service and behavioral health plans. The Legislature also approved trailer bill language to implement and enforce these new standards. (*See related item “Annual Health Care Service Plan Health Equity and Quality Reviews” under the Department of Health Care Services.*)
- **Health Coverage – Mental Health or Substance Use Disorders (SB 855).** The budget includes five positions expenditure authority from the Managed Care Fund of \$1.5 million in 2021-22, and 5.5 positions and \$1.3 million annually thereafter for DMHC to enforce mental health and substance use disorder treatment coverage mandates on health plans pursuant to SB 855 (Wiener), Chapter 151, Statutes of 2020.
- **Risk-Based or Global Risk Provider Arrangement Pilots (AB 1124).** The budget includes expenditure authority from the Managed Care Fund of \$413,000 in 2021-22, \$401,000 in 2022-23 through 2024-25, \$322,000 in 2025-26, and \$342,000 in 2026-27 for DMHC to create two pilot programs to permit a qualifying voluntary employees’ beneficiary association (VEBA) or trust fund to enter into capitation payment agreements with qualified providers while being exempt from licensure under the Knox-Keene Health Care Service Plan Act of 1975 for no more than four years, pursuant to AB 1124 (Maienschein), Chapter 266, Statutes of 2020.

#### 4260 DEPARTMENT OF HEALTH CARE SERVICES (DHCS)

- **Medi-Cal Local Assistance Funding.** The budget includes \$115.6 billion (\$21.5 billion General Fund, \$79 billion federal funds, and \$15.1 billion special funds and reimbursements) in 2020-21 and \$123.7 billion (\$28 billion General Fund, \$83.3 billion federal funds, and \$12.4 billion special funds and reimbursements) in 2021-22 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:** \$110.5 billion (\$20.8 billion General Fund, \$74.7 billion federal funds, and \$15.1 billion special funds and reimbursements) in 2020-21 and \$118.1 billion (\$26.9 billion General Fund, \$78.8 billion federal funds, and \$12.4 billion special funds and reimbursements) in 2021-22 for the provision of health care benefits to Medi-Cal beneficiaries.
  - **County Administration and Eligibility:** \$4.7 billion (\$584.9 million General Fund, \$4.1 billion federal funds, and \$22.8 million special funds and reimbursements) in 2020-21 and \$5.1 billion (\$890 million General Fund, \$4.2 billion federal funds, and \$18.2 million special funds and reimbursements) in 2021-22 for eligibility determinations and other administrative activities performed by counties.

- Fiscal Intermediary: \$374.5 million (\$118.3 million General Fund and \$256.2 million federal funds) in 2020-21 and \$426.7 million (\$152.6 million General Fund and \$274 million federal funds) in 2021-22 for claims processing and related activities performed by the Medi-Cal fiscal intermediary.
- **Family Health Programs Local Assistance Funding.** The budget includes \$312.7 million (\$161.4 million General Fund, \$46.2 million federal funds, and \$105.2 million special funds and reimbursements) in 2020-21 and \$266.4 million (\$216.8 million General Fund, \$5.1 million federal funds, and \$44.7 million special funds and reimbursements) in 2021-22 for state-only health care programs, as follows:
  - California Children’s Services (CCS) Program: \$142.5 million (\$95.5 million General Fund, \$41 million federal funds and \$6 million reimbursements) in 2020-21 and \$84.4 million (\$80.4 million General Fund and \$4 million reimbursements) in 2021-22. Counties will contribute an additional \$78.5 million in 2020-21 and \$84.4 million in 2021-22 for state-only services in the CCS Program.
  - Genetically Handicapped Persons Program: \$132.9 million (\$56.2 million General Fund and \$76.7 million special funds and reimbursements) in 2020-21 and \$137.6 million (\$119.6 million General Fund and \$18 million special funds and reimbursements) in 2021-22.
  - Every Woman Counts Program: \$37.4 million (\$9.7 million General Fund, \$5.1 million federal funds, \$22.5 million special funds) in 2020-21 and \$44.4 million (\$16.8 million General Fund, \$5.1 million federal funds and \$22.5 million special funds) in 2021-22.
- **Novel Coronavirus (COVID-19) Medi-Cal Estimate Impacts.** The budget includes net expenditure authority of \$5.8 billion (a reduction of \$1.7 billion General Fund, an increase of \$7.8 billion federal funds, a reduction of \$461.2 million special funds, and an increase of \$80.4 million county funds) in 2020-21 and \$12.1 billion (an increase of \$855.8 million General Fund, an increase of \$11.7 billion federal funds, a reduction of \$455.2 million special funds, and an increase of \$42.3 million county funds) in 2021-22 to reflect several impacts on the Medi-Cal program related to the COVID-19 pandemic, including the following components:
  - *COVID-19 Caseload Impact.* The budget assumes Medi-Cal caseload will increase by nearly 2.6 million individuals for 2020-21 and 2.3 million for 2021-22 due to suspension of Medi-Cal disenrollment pursuant to the federal Families First Coronavirus Response Act (FFCRA). These caseload changes result in an increase of expenditure authority of \$4.2 billion (\$1.1 billion General Fund and \$3.1 billion federal funds) in 2020-21 and \$9.4 billion (\$2.5 billion General Fund and \$6.9 billion federal funds) in 2021-22.
  - *COVID-19 Behavioral Health.* The budget includes increased expenditure authority of \$216 million (\$7 million General Fund, \$128.6 million federal funds, and \$80.4 million county funds) in 2020-21 and \$115.9 million (\$4.1 million General Fund, \$69.6 million federal funds, and \$42.3 million county funds) in 2021-22 to support increased interim reimbursement rates for county behavioral health programs due to impacts of the COVID-19 pandemic.

- *COVID-19 Fee-for-Service Reimbursement Rates.* The budget includes increased expenditure authority of \$452.9 million (\$226.5 million General Fund and \$226.5 million federal funds) in 2020-21 and \$193.5 million (\$96.7 million General Fund and \$96.7 million federal funds) in 2021-22 to support increased fee-for-service reimbursement rates for clinical laboratories and long-term care facilities related to the COVID-19 pandemic.
- *COVID-19 Reduced Base Recoveries.* The budget includes increased expenditure authority of \$157.9 million (\$66.5 million General Fund and \$91.4 million federal funds) in 2020-21 and \$35.2 million (\$14.8 million General Fund and \$20.4 million federal funds) in 2021-22 due to reduced estate, personal injury, and Medi-Cal provider recoveries related to the economic impacts of the COVID-19 pandemic.
- *COVID-19 Eligibility.* The budget includes increased expenditure authority of \$60 million (\$42 million General Fund and \$17.9 million federal funds) in 2020-21 and \$35.2 million (\$24.5 million General Fund and \$10.7 million federal funds) in 2021-22 for changes in program eligibility related to the COVID-19 pandemic, including testing and treatment services to various populations and changes in hospital presumptive eligibility.
- *COVID-19 Sick Leave Benefits.* The budget includes increased expenditure authority of \$26.6 million (\$101,000 General Fund and \$26.5 million federal funds) in 2020-21 and \$8.3 million (\$51,000 General Fund and \$8.3 million federal funds) in 2021-22 to support the cost of providing emergency paid sick leave for Waiver Personal Care Services (WPCS) and In-Home Supportive Services (IHSS) providers impacted by the COVID-19 pandemic.
- *COVID-19 Increased Federal Match.* The budget includes increased expenditure authority of \$1.3 billion (a reduction of \$2.6 billion General Fund, an increase of \$4.4 billion federal funds, and a reduction of \$461.2 million special funds) in 2020-21 and \$822.6 million (a reduction of \$2.3 billion General Fund, an increase of \$3.6 billion federal funds, and a reduction of \$455.2 million special funds) in 2021-22 due to the availability of increased federal medical assistance percentage (FMAP) from January 2020 through December 2021, pursuant to the federal Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- *COVID-19 Utilization Changes.* The budget includes decreased expenditure authority of \$979.8 million (\$559.9 million General Fund and \$419.9 million federal funds) in 2020-21 and \$99.3 million (\$51.3 million General Fund and \$48 million federal funds) in 2021-22 due to reductions in fee-for-service utilization for medical and dental services due to the COVID-19 pandemic.
- *COVID-19 Vaccine Administration.* The budget includes increased expenditure authority of \$104.1 million (\$21.8 million General Fund and \$82.3 million federal funds) in 2020-21 and \$730.4 million (\$12.4 million General Fund and \$718.1 million federal funds) in 2021-22 to support reimbursement of providers for administering the COVID-19 vaccine to Medi-Cal beneficiaries.

- *COVID-19 Fee-for-Service Durable Medical Equipment Respiratory Rates.* The budget includes increased expenditure authority of \$233,000 (\$109,000 General Fund and \$124,000 federal funds) in 2020-21 and \$6.3 million (\$2.9 million General Fund and \$3.4 million federal funds) in 2021-22 for increased reimbursement rates for durable medical equipment (DME) oxygen and respiratory equipment during the COVID-19 pandemic.
- *COVID-19 Testing in Schools.* The budget includes increased expenditure authority of \$209.6 million (\$84.5 million General Fund and \$125.2 million federal funds) in 2020-21 and \$575.5 million (\$238.5 million General Fund and \$337 million federal funds) in 2021-22 for providing clinical laboratory COVID-19 testing services in schools as a fee-for-service benefit.
- *Designated Public Hospitals Direct Grant.* The budget includes increased General Fund expenditure authority of \$300 million in 2021-22 to support direct grants to designated public hospitals to offset impacts from the COVID-19 pandemic.
- *Continuous Children's Health Insurance Program Coverage.* The budget includes increased General Fund expenditure authority of \$16 million and decreased federal fund authority of \$16 million in 2021-22 to support the impact of continuous coverage for individuals enrolled in the state's Children's Health Insurance Program during the COVID-19 pandemic.
- **California Advancing and Innovating in Medi-Cal (CalAIM).** The budget includes 69 positions and expenditure authority of \$1.6 billion (\$675.7 million General Fund and \$954.7 million federal funds) to support implementation of the California Advancing and Innovating in Medi-Cal (CalAIM) Initiative, including the following components:
  - *Enhanced Care Management.* The budget includes expenditure authority of \$187.5 million (\$93.8 million General Fund and \$93.8 million federal funds) to support the new enhanced care management benefit in Medi-Cal managed care plans, beginning January 1, 2022.
  - *In-Lieu-Of Services.* The budget includes expenditure authority of \$47.9 million (\$24 million General Fund and \$24 million federal funds) to support in-lieu-of services benefits adopted by Medi-Cal managed care plans, beginning January 1, 2022.
  - *Managed Care Plan Incentives.* The budget includes expenditure authority of \$300 million (\$150 million General Fund and \$150 million federal funds) to support incentives for managed care plans to invest in voluntary in-lieu-of services programs and partner with community-based organizations and providers, including but not limited to community clinics, public hospital systems, and county behavioral health systems.
  - *Transition of Populations.* The budget includes expenditure authority of \$401.6 million (\$174.8 million General Fund and \$226.8 million federal funds) to support transitions of populations between the fee-for-service and managed care delivery systems, as part of the standardization of mandatory fee-for-service and managed care populations.



- *Enhanced Dental Services Payments.* The budget includes expenditure authority of \$116.2 million (\$57 million General Fund and \$59.2 million federal funds) for enhanced reimbursements for dental services previously included in the Dental Transformation Initiative component of Medi-Cal 2020, California’s federal 1115 Medicaid Waiver. The components of these enhanced payments are as follows:
  - Preventive Services - \$59.5 million (\$29.8 million General Fund and \$29.8 million federal funds) to support performance payments for each preventive oral care service billed by a service office location.
  - Caries Risk Assessment - \$12.1 million (\$5 million General Fund and \$7.1 million federal funds) to support supplemental payments for caries risk assessments for Medi-Cal children and adults.
  - Silver Diamine Fluoride - \$1.1 million (\$511,000 General Fund and \$560,000 federal funds) to support coverage of silver diamine fluoride for children ages zero to six years and adults living in a skilled nursing facility/intermediate care facility or persons with certain underlying conditions.
  - Continuity of Care - \$43.5 million (\$21.8 million General Fund and \$21.8 million federal funds) to support performance payments when a service office location bills a recall exam for the same beneficiary for at least two consecutive years on an annual basis.
- *Organ Transplant Coverage.* The budget includes expenditure authority of \$4.7 million (\$1.4 million General Fund and \$3.3 million federal funds) to support the costs of carving in organ transplant benefits from the fee-for-service into the managed care delivery system.
- *Multipurpose Senior Services Program Carve-Out.* The budget includes expenditure authority of \$1.6 million (\$800,000 General Fund and \$800,000 federal funds) to support the costs of carving the multipurpose senior services program (MSSP) out of managed care.
- *Medi-Cal Providing Access and Transforming Health (PATH).* The budget includes expenditure authority of \$200 million (\$100 million General Fund and \$100 million federal funds) to support the Medi-Cal Providing Access and Transforming Health (PATH) program, which will build capacity for effective pre-release care and coordination with justice agencies for justice-involved populations pre-release. These funds will be used to ensure jails and prisons are ready for mandatory Medi-Cal application, behavioral health warm-handoff, 30-day pre-release services and the re-entry enhanced care management benefit by January 2023.
- *Behavioral Health Quality Improvement Program – State Operations.* The budget includes expenditure authority of \$940,000 (\$470,000 General Fund and \$470,000 federal funds) for DHCS to assist county behavioral health programs to prepare for opportunities and program requirements through the CalAIM initiative.

- *Behavioral Health Quality Improvement Program – Local Assistance.* The budget includes General Fund expenditure authority of \$21.8 million to support county behavioral health programs make technical and other improvements to facilitate future behavioral health integration and payment reform efforts.
- *Population Health Management Service.* The budget includes expenditure authority of \$315 million (\$31.5 million General Fund and \$283.5 million federal funds) to administer a Population Health Management service, to utilize administrative and clinical data and information for DHCS, managed care plans, counties, providers, beneficiaries, and other partners to use in support of the delivery of care for Medi-Cal beneficiaries. Of this amount, \$15 million (\$1.5 million General Fund and \$13.5 million federal funds) is available for administration of the service.
- *Medically Tailored Meal Pilot Extension.* The budget includes General Fund expenditure authority of \$9.3 million to support expansion of the medically tailored meal pilot to additional covered conditions and additional counties.
- *CalAIM State Operations.* The budget includes 69 positions and expenditure authority of \$23.9 million (\$11 million General Fund and \$12.8 million federal funds) to support state operations costs of implementing the CalAIM initiative.

The Legislature also approved trailer bill language to implement the CalAIM initiative, including the following components:

- Establishes the California Advancing and Innovating Medi-Cal (CalAIM) Act to require DHCS to seek federal approval for, and implement federal waivers for the CalAIM initiative, including:
  - Continuation of the Medi-Cal managed care program
  - Continuation of the Global Payment Program
  - Continuation of the Medi-Cal Specialty Mental Health Services (SMHS) Program
  - Continuation of the Drug Medi-Cal Organized Delivery System (DMC-ODS)
  - Changes to behavioral health medical necessity, payment reform, and administrative simplification
  - Implementing the Providing Access and Transforming Health (PATH) program
  - Implementing targeted pre-release Medi-Cal benefits for qualified inmates
  - Establishing the State Plan Dental Improvement Program as a successor program to the Dental Transformation Initiative
  - Implementing enhanced county oversight and monitoring
- Authorizes DHCS to standardize populations required to enroll in Medi-Cal managed care plans and fee-for-service.
- Authorizes DHCS to require Medi-Cal managed care plans and plan subcontractors to be accredited by the National Committee for Quality Accreditation (NCQA). Also prohibits

DHCS from using accreditation to certify or deem plans in compliance with existing state and federal requirements.

- Requires DHCS to implement a population health management (PHM) program for Medi-Cal managed care plans, which would require plans to develop and maintain a PHM program which includes a model of care and plan of action designed to address member health needs at all points along the continuum of care.
- Requires DHCS to implement an enhanced care management (ECM) benefit designed to address the clinical and nonclinical needs on a whole-person-care basis for certain target populations of Medi-Cal beneficiaries enrolled in Medi-Cal managed care plans.
- Authorizes Medi-Cal managed care plans to cover certain new services or provide certain existing services in alternative settings, in lieu of Medi-Cal benefits covered in California's Medicaid State Plan. Authorized in lieu of services (ILOS) include, but need not be limited to, the following:
  - Housing transition navigation services
  - Housing deposits
  - Housing tenancy and sustaining services
  - Short-term post-hospitalization housing
  - Recuperative care, or medical respite
  - Respite
  - Day habilitation programs
  - Nursing facility transition or diversion to assisted living facilities, such as residential care facilities for the elderly or adult residential facilities
  - Nursing facility transition to a home
  - Personal care and homemaker services
  - Environmental accessibility adaptations, or home modifications
  - Medically supportive food and nutrition services, including medically tailored meals
  - Sobering centers
  - Asthma remediation
- Requires DHCS to make incentive payments available to Medi-Cal managed care plans for implementation of components of CalAIM, including ECM and ILOS.
- Sunsets the Health Homes Program on January 1, 2022, or when DHCS receives federal approval to implement the ECM benefit.
- Authorizes DHCS to establish regional capitation rates for contracted Medi-Cal managed care plans, after certain reporting and other requirements are met.
- Implements various provisions to improve payments to hospitals that treat Medi-Cal beneficiaries, including the Quality Incentive Payments (QIP) program, the Global Payment Program, and existing certified public expenditure programs.

- Requires DHCS to standardize applicable covered Medi-Cal benefits provided by Medi-Cal managed care plans on a statewide basis and across all plan models.
- Prohibits DHCS from transferring specialty mental health services from Kaiser to Solano and Sacramento counties until specified requirements have been met.
- Requires DHCS to include the following benefits and services in the Medi-Cal managed care delivery system:
  - Institutional long-term care services, effective January 1, 2023
  - Specified donor and recipient organ transplant surgeries, effective January 1, 2022
  - Community-Based Adult Services
- Requires DHCS to continue to provide for the delivery of the Multipurpose Senior Services Program (MSSP) as a fee-for-service benefit.
- Requires DHCS to sunset and transition the Coordinated Care Initiative (CCI) as follows:
  - Sunsets the CCI demonstration project on December 31, 2022.
  - Authorizes Medi-Cal managed care plans in the seven CCI counties to transition beneficiaries from Medicare Advantage plans into a Dual Eligible Special Needs Plan (D-SNP).
  - Lifts enrollment caps on Fully-Integrated D-SNPs in Los Angeles, Riverside, and San Bernardino counties.
- Authorizes DHCS to require Medi-Cal managed care plans to operate a D-SNP in CCI counties by January 1, 2023, and in non-CCI counties by January 1, 2026.
- Expands availability for the Medically Tailored Meals Pilot program to include additional counties, as well as additional diagnoses.
- **Housing Support Services Provider Network Adequacy Reporting.** The Legislature approved trailer bill language to require DHCS to report to the Legislature by January 1, 2024, the results of an independent analysis to determine whether provider networks are adequate to obtain federal approval for a housing support services benefit in the Medi-Cal program.
- **Behavioral Health Continuum Infrastructure Program.** The budget includes expenditure authority of \$755.7 million (\$445.7 million General Fund and \$310 million Coronavirus Fiscal Recovery Fund or CFRF) in 2021-22, \$1.4 billion (\$1.2 billion General Fund and \$220 million CFRF) in 2022-23 and \$2.1 billion General Fund in 2023-24 for competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. Of this amount, \$150 million is available to support mobile crisis infrastructure. The Legislature approved trailer bill language to implement the grant program.

- **Eliminate Assets Test in Medi-Cal.** The budget includes expenditure authority of \$394 million (\$197 million General Fund and \$197 million federal funds) annually beginning in 2022-23, and the Legislature approved trailer bill language, to increase the Medi-Cal asset limit to \$130,000 for an individual (plus \$65,000 for each additional household member) no sooner than July 1, 2022, and to fully eliminate the asset limit no sooner than January 1, 2024.
- **Full-Scope Medi-Cal Coverage Age 50 and Older Regardless of Immigration Status.** The budget includes expenditure authority of \$67.3 million (\$48 million General Fund and \$19.3 million federal funds) in 2021-22 and \$1.5 billion (\$1.3 billion General Fund and \$200 million federal funds) when fully implemented, and the Legislature approved trailer bill language, to expand full-scope Medi-Cal coverage for income-eligible adults age 50 years of age and older regardless of immigration status, beginning May 1, 2022.
- **Postpartum Extension of Medi-Cal Eligibility for 12 Months.** The budget includes expenditure authority of \$90.5 million (\$45.3 million General Fund and \$45.3 million federal funds) in 2021-22 growing to approximately \$400 million (\$200 million General Fund and \$200 million federal funds), and the Legislature approved trailer bill language, to implement an extension of Medi-Cal eligibility for postpartum individuals from 60 days to 12 months, beginning April 1, 2022. This extension is eligible for federal match for five years pursuant to the federal American Rescue Plan Act of 2021.
- **Elimination of Program Suspensions.** The Legislature approved budget bill language and trailer bill language to repeal program and benefit suspensions first adopted in the 2019 Budget Act, including supplemental payments for Medi-Cal providers supported by Proposition 56 tobacco tax revenue, certain optional Medi-Cal benefits, provisional post-partum extension of Medi-Cal eligibility, and screening, brief intervention, and referral to treatment (SBIRT) for opioids and other drugs.
- **Annual Health Care Service Plan Health Equity and Quality Reviews.** The budget includes two positions and expenditure authority of \$296,000 (\$148,000 General Fund and \$148,000 federal funds) in 2021-22 and \$278,000 (\$139,000 General Fund and \$139,000 federal funds) annually thereafter for DHCS to coordinate with DMHC on the establishment and enforcement of health equity and quality standards and to perform related data analysis, particularly for County Organized Health Systems and other Medi-Cal managed care plans. The Legislature also approved trailer bill language to implement and enforce these new standards. (*See related item “Annual Health Care Service Plan Health Equity and Quality Reviews” under the Department of Managed Health Care*).
- **AB 1705 Ground Emergency Medical Transportation (GEMT) Public Provider Intergovernmental Transfer (IGT) Program.** The budget includes five positions and expenditure authority of \$715,000 (\$358,000 federal funds and \$357,000 reimbursements) in 2021-22 and \$670,000 (\$335,000 federal funds and \$335,000 reimbursements) annually thereafter to implement a new Ground Emergency Medical Transportation (GEMT) public provider intergovernmental transfer (IGT) program, pursuant to AB 1705 (Bonta), Chapter 544, Statutes of 2019.

- **Alameda Wellness Respite Center.** The budget includes expenditure authority of \$15 million in 2021-22 to support the Alameda Wellness Campus to provide an integrated model of care that includes permanent supportive housing, medical respite, primary and behavioral health care, end-of-life care, and intensive homeless prevention and housing placement services for homeless seniors.
- **Behavioral Health Plan 274 Expansion Project.** The budget includes expenditure authority of \$1.1 million (\$108,000 General Fund and \$972,000 federal funds) in 2021-22 and 2022-23 to support contract costs for technical assistance to counties during the expansion of standardized format, content, and data transmission of health provider directories for county behavioral health programs.
- **California Community Transitions (SB 214).** The budget includes General Fund expenditure authority of \$432,000 in 2021-22 and \$405,000 in 2022-23 and 2023-24 for DHCS to implement and operate a temporary, state-funded California Community Transitions (CCT) program, pursuant to the requirements of SB 214 (Dodd), Chapter 300, Statutes of 2020.
- **Caregiver Resource Centers.** The budget includes General Fund expenditure authority of \$10 million annually beginning in 2022-23 to support Caregiver Resource Centers, which provide support for unpaid family caregivers.
- **Clinical Laboratory Reimbursement.** The budget includes expenditure authority of \$32 million (\$25 million General Fund and \$7 million federal funds) annually, and the Legislature approved trailer bill language, to forgive certain retroactive recoupments and delay implementation of certain rate adjustments for clinical laboratory or other laboratory services in Medi-Cal.
- **Community Health Workers Benefit.** The budget includes expenditure authority of \$16.3 million (\$6.2 million General Fund and \$10.2 million federal funds) to support reimbursement for community health workers to provide clinically appropriate Medi-Cal covered benefits and services in both the fee-for-service and managed care delivery systems.
- **Complex Rehabilitation Technology Reimbursement.** The budget includes expenditure authority of \$4 million (\$2 million General Fund and \$2 million federal funds) annually to support costs of eliminating the ten percent reduction of provider reimbursements for complex rehabilitation technology originally implemented by AB 97 (Committee on Budget), Chapter 3, Statutes of 2011. The Legislature also approved trailer bill language implementing the changes in reimbursement.
- **Continuation of Dental Managed Care in Sacramento and Los Angeles Counties.** The budget includes expenditure authority of \$20 million (\$8 million General Fund and \$11.9 million federal funds) in 2021-22 to continue operation of dental managed care plans for Medi-Cal beneficiaries in Sacramento and Los Angeles counties. The Legislature approved trailer bill language to continue dental managed care contracts in those two counties until December 31, 2022.

- **Continuous Glucose Monitoring Benefit.** The budget includes expenditure authority of \$4.9 million (\$1.3 million General Fund and \$3.6 million federal funds) in 2021-22 and \$5.6 million (\$1.5 million General Fund and \$4.1 million federal funds) annually thereafter for adding coverage of continuous glucose monitoring systems as a benefit for Medi-Cal beneficiaries with Type 1 diabetes.
- **Coordination of Benefits and Post-Payment Recovery.** The Legislature approved trailer bill language to clarify requirements for third-party commercial health insurance carriers to share data with the department for post-payment recovery and coordination of benefits.
- **Limited-Term Positions – Extension or Conversion to Permanent.** The budget includes expenditure authority of \$8.7 million (\$3.1 million General Fund and \$5.6 million federal funds) in 2021-22, \$1.5 million (\$222,000 General Fund and \$1.3 million federal funds) in 2022-23, \$1.3 million (\$132,000 General Fund and \$1.1 million federal funds) in 2023-24 and 2024-25, and General Fund expenditure authority of \$132,000 in 2025-26 to extend previously approved limited-term resources equivalent to 38 positions for continued workload in various programs.

The budget also includes 62.5 positions and expenditure authority of \$9.5 million (\$3.2 million General Fund, \$5.6 million federal funds, and \$676,000 Hospital Quality Assurance Fund) annually to address ongoing workload in various programs by converting limited-term positions to permanent.

- **Doula Benefit.** The budget includes expenditure authority of \$403,000 (\$152,000 General Fund and \$251,000 federal funds) in 2021-22 to support implementation of doula services as a covered benefit in the Medi-Cal program, beginning January 1, 2022. DHCS estimates total annual costs of \$4.4 million for the benefit when fully implemented.
- **Drug Rebate Fund Reserve.** The budget includes General Fund expenditure authority of \$222 million in 2020-21 for deposit in the Medi-Cal Drug Rebate Fund as a reserve to reduce volatility in the amount of General Fund transfers due to Medi-Cal prescription drug rebate collections.
- **Federal Grant Authority.** The budget includes federal fund expenditure authority of \$8.5 million to allow DHCS to implement the following federal grant awards from the Substance Abuse and Mental Health Services Administration (SAMHSA):
  - *Wildfire and Pandemic Behavioral Health Impacts.* The budget includes federal fund expenditure authority of \$1.6 million for DHCS to support behavioral health services for individuals impacted by the state's wildfires and the COVID-19 pandemic, pursuant to a federal SAMHSA grant.
  - *COVID-19 Testing and Other Activities.* The budget includes federal fund expenditure authority of \$6.9 million to support testing and other COVID-19 response activities for substance use disorder services providers and organizations, pursuant to a federal SAMHSA grant.

- **Field Testing of Translated Medi-Cal Materials.** The budget includes expenditure authority of \$2 million (\$1 million General Fund and \$1 million federal funds) to support field testing of translated Medi-Cal materials to ensure they are understood by the intended audience.
- **Free Clinics Augmentation.** The budget includes General Fund expenditure authority of \$2 million annually to support free and charitable clinics that are 501(c)(3) tax-exempt organizations, or operate as a program component or affiliate of a 501(c)(3) organization and do not qualify as Medi-Cal providers.
- **Interoperability Federal Final Rule Compliance.** The budget includes expenditure authority of \$2.9 million (\$713,000 General Fund and \$2.1 million federal funds) in 2021-22 and \$737,000 (\$184,000 General Fund and \$533,000 federal funds) annually thereafter to support compliance with federal interoperability and patient health information access rules.
- **Kedren Community and Acute Psychiatric Hospital.** The budget includes General Fund expenditure authority of \$30 million in 2021-22 to support the Kedren Community and Acute Psychiatric Hospital in Los Angeles.
- **Local Educational Agencies Medi-Cal Billing Option Program Expansion.** The budget includes eight positions and expenditure authority of \$2.2 million (\$1.1 million General Fund and \$1.1 million federal funds) in 2021-22 and 2022-23, and \$1.2 million (\$583,000 General Fund and \$583,000 federal funds) annually thereafter to support expansion and improvement of the delivery of school-based health care, including contract resources to help implement expansion of the Local Educational Agencies Billing Option Program (LEA BOP).
- **Long-Term Care Discharge Penalties.** The Legislature approved trailer bill language to impose penalties on long-term care facilities for noncompliance with a hearing decision issued by DHCS that orders readmission of a resident after a finding the facility improperly transferred, discharged, or failed to readmit a resident.
- **Managed Care Plan Statewide Procurement.** The budget includes 11 positions and expenditure authority of \$2.7 million (\$1.3 million General Fund and \$1.3 million federal funds) in 2021-22, \$2.5 million (\$1.3 million General Fund and \$1.3 million federal funds) in 2022-23 through 2024-25, and \$1.6 million (\$777,000 General Fund and \$777,000 federal funds) annually thereafter to support the statewide Medi-Cal managed care program re-procurement effort.
- **Martin Luther King Jr. Hospital Improvement.** The budget includes General Fund expenditure authority of \$10 million to support the Martin Luther King Jr. Hospital in Los Angeles.
- **Medi-Cal Enterprise System Modernization.** The budget includes expenditure authority of \$22.3 million (\$2.2 million General Fund and \$20.1 million federal funds) in 2021-22 and \$1.3 million (\$128,000 General Fund and \$1.1 million federal funds) in 2022-23 to continue support of information technology modernization efforts for systems that support the Medi-Cal program.
- **Medi-Cal Program Integrity Data Analytics.** The budget includes expenditure authority of \$6.9 million (\$1.1 million General Fund and \$5.8 million federal funds) to extend contract funding for the Medi-Cal Program Integrity Data Analytics service.



- **Medication Therapy Management Program.** The budget includes expenditure authority of \$12.6 million (\$4.4 million General Fund and \$8.2 million federal funds), and the Legislature approved trailer bill language, to provide medication management payments to Medi-Cal enrolled pharmacies that provide specialized services to high-risk and medically complex populations.
- **Medi-Medi Seniors Medi-Cal Navigators.** The budget includes General Fund expenditure authority of \$12 million in 2021-22 and 2022-23 to support navigators for dually-eligible senior Medi-Cal beneficiaries to provide support and guidance when transitioning from Medi-Cal to Medicare.
- **Mental Health Services Act Flexibilities.** The Legislature approved trailer bill language to extend county flexibility for expenditures of Mental Health Services Act funding for behavioral health services by one year, until July 1, 2022. These flexibilities were originally authorized until July 1, 2021, pursuant to AB 81 (Committee on Budget), Chapter 13, Statutes of 2020.
- **Mental Health Services Assisted Outpatient Treatment (AB 1976).** The budget includes General Fund expenditure authority of \$288,000 in 2021-22 and \$270,000 in 2022-23 and 2023-24 for DHCS to implement and report on Assisted Outpatient Treatment (AOT) programs, pursuant to AB 1976 (Eggman), Chapter 140, Statutes of 2020.
- **Office of Medicare Innovation and Integration.** The budget includes four positions and expenditure authority of \$602,000 (\$452,000 General Fund and \$150,000 federal funds) in 2021-22 and \$566,000 (\$425,000 General Fund and \$141,000 federal funds) annually thereafter, and the Legislature approved trailer bill language, to establish a new Office of Medicare Innovation and Integration, which will provide focused leadership and expertise to lead innovative models for Medicare beneficiaries in California, including Medicare-only and individuals dually eligible for Medicare and Medi-Cal.
- **Provider Application and Validation for Enrollment (PAVE).** The budget includes expenditure authority of \$7.2 million (\$1.8 million General Fund and \$5.4 million federal funds) in 2021-22 to support enhancements to the Provider Application and Validation for Enrollment (PAVE) system.
- **Short-Term Residential Therapeutic Programs Funding.** The budget includes General Fund expenditure authority of \$7.5 million in 2021-22 to support short-term residential therapeutic programs (STRTPs) with more than 16 beds that are ineligible for federal funding due to the federal exclusion on funding for Institutes for Mental Disease (IMDs).
- **Telehealth Flexibilities.** The budget includes expenditure authority of \$56.3 million (\$20.2 million General Fund and \$36.2 million federal funds) in 2021-22, and the Legislature approved trailer bill language, to extend for one year reimbursement of telephone and audio-only services in Medi-Cal at parity with the same services provided in-person, implemented during the COVID-19 pandemic. Of this amount, \$2 million (\$1 million General Fund and \$1 million federal funds) will support a consulting contract to convene an advisory group of stakeholders to provide recommendations to the department for establishing and adopting billing and utilization management protocols for telehealth modalities to increase access and equity and reduce disparities in the Medi-Cal program.

- **Remote Patient Monitoring.** The budget includes expenditure authority of \$100.2 million (\$35 million General Fund and \$65.2 million federal funds) in 2021-22 and \$106.4 million (\$37.2 million General Fund and \$69.2 million federal funds) annually thereafter to support remote patient monitoring, which allows providers to use data from remote physiological monitoring devices to manage a patient under specific treatment plans, including vital signs, weight, blood pressure, and heart rate.
- **Restoration of Over-the-Counter Adult Acetaminophen and Cough and Cold Products.** The budget includes savings of \$6.1 million (\$2.2 million General Fund and \$3.8 million federal funds) in 2020-21 and annually thereafter from the reinstatement of over-the-counter adult acetaminophen and cough and cold products as Medi-Cal covered benefits. These benefits were reinstated during the COVID-19 pandemic and the Legislature approved trailer bill language to reinstate these benefits permanently. These benefit expansions result in savings because these products are less costly than prescription opioids, non-steroidal anti-inflammatory analgesics, and stronger prescription strength cough treatments.
- **San Mateo Dental Integration Pilot Program.** The budget includes expenditure authority of \$697,000 (\$281,000 General Fund and \$416,000 federal funds) annually to implement a dental integration pilot program in San Mateo County.
- **Substance Use Disorder Recovery Residences (SB 406).** The budget includes four positions and General Fund expenditure authority of \$594,000 in 2021-22 and \$558,000 annually thereafter for DHCS to investigate and take enforcement action against substance use disorder recovery residences providing unallowable, unlicensed health care services, pursuant to SB 406 (Pan), Chapter 302, Statutes of 2020.
- **Unfreeze Free-Standing Pediatric Subacute Facility Rates.** The budget includes expenditure authority of \$5.2 million (\$2.3 million General Fund and \$2.9 million federal funds) in 2021-22 and \$5.7 million (\$2.5 million General Fund and \$3.1 million federal funds) annually thereafter, and the Legislature approved trailer bill language, to unfreeze reimbursement rates for free-standing pediatric subacute facilities that had been frozen at 2008-09 levels since 2009.
- **Unfreeze Rates for Intermediate Care Facilities – Developmental Disabilities.** The budget includes expenditure authority of \$40.2 million (\$19.3 million General Fund and \$21 million federal funds) in 2021-22 and \$21 million (\$9.6 million General Fund and \$11.4 million federal funds) annually thereafter, and the Legislature approved trailer bill language, to unfreeze reimbursement rates for intermediate care facilities – developmental disabilities (ICF-DDs) that had been frozen at 2008-09 levels since 2009.
- **Vision to Learn Reimbursement.** The Legislature approved trailer bill language to allow DHCS to offer reimbursement for certain mobile optometric providers.
- **Whole Genome Sequencing Benefit.** The budget includes expenditure authority of \$6 million (\$3 million General Fund and \$3 million federal funds), and the Legislature approved trailer bill language, to add whole genome sequencing as a Medi-Cal benefit for infants one year of age or younger receiving inpatient hospital services in an intensive care unit.

- **Time and Distance Standards Sunset Extension.** The Legislature approved trailer bill language to extend for one year, until January 1, 2023, requirements for a Medi-Cal managed care plan to maintain a network of providers that complies with specified time and distance standards to ensure access to necessary medical care for beneficiaries.
- **Be Well Orange County Campus.** The budget includes General Fund expenditure authority of \$5 million to support capital construction costs of the Be Well OC Campus in Irvine.
- **Family Health and Wellness Site – The Children’s Clinic.** The budget includes General Fund expenditure authority of \$1 million to support capital construction costs for The Children’s Clinic to build a Family Health and Wellness site in Cambodia Town in Long Beach.
- **North Coast Healthcare System Crisis Residential Care Center.** The budget includes General Fund expenditure authority of \$2 million for North Coast Healthcare System in Humboldt County to support construction and implementation of a 10-bed Crisis Residential Care center to improve the lack of mental health care in the North Coast region.
- **Camarillo Health Care District COVID-19 Impacts.** The budget includes General Fund expenditure authority of \$330,000 for the Camarillo Health Care District to offset revenue losses and other impacts of the COVID-19 pandemic.
- **Las Palmas Wellness Center – National City.** The budget includes General Fund expenditure authority of \$2 million to support the Las Palmas Wellness Center in the city of National City.

#### 4265 DEPARTMENT OF PUBLIC HEALTH (DPH)

- **Public Health Infrastructure and Health Equity Investments.** The budget includes General Fund expenditure authority of at least \$300 million annually beginning in 2022-23 to support local health jurisdictions, community-based organizations addressing health equity and racial justice, as well as other public health interventions and support.
- **Pandemic Response Review.** The budget includes General Fund expenditure authority of \$3 million in 2021-22 to conduct a review of essential public health infrastructure needs.
- **City Health Jurisdiction Funding.** The Legislature approved budget bill language to ensure state and federal public health investments are provided directly to all 61 local health jurisdictions, including the three city health departments in Pasadena, Long Beach, and Berkeley.
- **COVID-19 Direct Response Expenditures.** The budget includes General Fund expenditure authority of \$1.1 billion in 2021-22 for DPH to support response activities to the COVID-19 pandemic, including the following components:
  - *Valencia Laboratory.* The budget includes General Fund expenditure authority of \$440.8 million to support testing efforts at the Valencia Laboratory. Beginning operation in October 2020, the Valencia Laboratory has expanded the state’s COVID-19 testing capacity by 150,000 tests per day and reduced testing turnaround time.

- *Logistics Health, Inc. (OptumServe)*. The budget includes General Fund expenditure authority of \$107.8 million in 2021-22 to support a new specimen collection contract with OptumServe.
- *Vaccine Distribution and Administration*. The budget includes General Fund expenditure authority of \$295.2 million to support vaccine distribution and administration efforts.
- *Hospital and Medical Surge and Other State Response Costs*. The budget includes General Fund expenditure authority of \$66.1 million for costs related to hospital and medical surge, contact tracing and tracking, and procurement.
- **COVID-19 Pandemic Response External Challenges**. The budget includes General Fund expenditure authority of \$6 million in 2021-22 to address external challenges related to the COVID-19 pandemic response.
- **COVID-19 Workplace Outbreak Reporting (AB 685)**. The budget includes three positions and General Fund expenditure authority of \$677,000 annually to create a new program to manage COVID-19 workplace outbreak reporting, pursuant to AB 685 (Reyes), Chapter 84, Statutes of 2020.
- **Federal Grant Authority**. The budget includes expenditure authority of \$1.4 billion (\$19.3 million federal funds and \$1.4 billion reimbursements from federal funds) for DPH to accept the following federal grant funding awards:
  - *Epidemiology and Laboratory Capacity – Enhancing Detection Expansion*. \$503.9 million reimbursements to support expanded testing, contact tracing, surveillance, containment, and prevention of COVID-19.
  - *Epidemiology and Laboratory Capacity – Re-Opening Schools*. \$882.8 million reimbursements to support school-based COVID-19 screening testing for teachers, staff, and students to assist schools in reopening safely for in-person instruction.
  - *Health Disparities Grant*. \$19.3 million federal funds to support strategies to improve COVID-19 response activities in populations that are high-risk and underserved.
- **AIDS Drug Assistance Program (ADAP)**. The budget includes \$455.5 million (\$346.3 million ADAP Rebate Fund and \$109.1 million federal funds) in 2020-21 and \$489.5 million (\$384.2 million ADAP Rebate Fund and \$105.4 million federal funds) in 2021-22 for expenditures in the 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.
- **Expansion of Pre-Exposure Prophylaxis Assistance Program**. The Legislature approved trailer bill language to allow individuals to be eligible for the Pre-Exposure Prophylaxis Assistance Program if medications have been prescribed, dispensed, or otherwise furnished.

- **Adjustment to Support Infectious Disease Modeling.** The budget includes General Fund expenditure authority of \$450,000 in 2021-22, available for encumbrance or expenditure until June 30, 2023, to support infectious disease modeling activities to inform public health emergency decision-making.
- **End the Epidemics Funding.** The budget includes General Fund expenditure authority of \$13 million annually, and the Legislature approved trailer bill language, to support programs to end the epidemics of HIV/AIDS, hepatitis C, and sexually transmitted diseases.
- **Rescind Rh Disease Reporting Requirement.** The Legislature approved trailer bill language to rescind the requirement for health care providers to report diagnoses of rhesus (Rh) isoimmunization hemolytic disease in newborns to DPH.
- **Genetic Disease Screening Program (GDSP).** The budget includes expenditure authority from the Genetic Disease Testing Fund of \$140.5 million (\$32.8 million state operations and \$107.6 million local assistance) in 2020-21, and \$145.7 million (\$33.3 million state operations and \$112.3 million local assistance) in 2021-22 to fund the Genetic Disease Screening Program, which screens newborns and pregnant women for genetic and congenital disorders.
- **Improving the California Perinatal Screening Program.** The budget includes three positions and expenditure authority from the Genetic Disease Testing Fund of \$4.3 million in 2021-22 and \$20.6 million annually thereafter to meet current standards of care and improve the screening process for the California Prenatal Screening Program.
- **California Reducing Disparities Project.** The budget includes General Fund expenditure authority of \$63.1 million in 2021-22 to support Phase II of the California Reducing Disparities Project.
- **Transgender Wellness and Equity Fund.** The budget includes General Fund expenditure authority of \$13 million to support the Transgender Wellness and Equity Fund, for distribution by the Office of Health Equity to support programs focused on coordinating trans-inclusive health care for individuals who identify as transgender, gender nonconforming, or intersex.
- **Lesbian, Bisexual, Transgender, and Queer Women’s Health Equity Initiative Flexibility.** The Legislature approved trailer bill language to exempt from the Public Contract Code the Lesbian, Bisexual, Transgender, and Queer (LBTQ) Women’s Health Equity Initiative, to allow smaller community-based organizations to successfully compete for grants and contracts.
- **All Children Thrive Program Augmentation.** The budget includes General Fund expenditure authority of \$25 million in 2021-22 to support All Children Thrive, a statewide initiative that supports efforts to mitigate the disparate effects of adverse childhood experiences (ACEs) on California children.
- **Establishing the Office of Suicide Prevention (AB 2112).** The budget includes eight positions and General Fund expenditure authority of \$2.8 million annually, and the Legislature approved trailer bill language, to establish an Office of Suicide Prevention at DPH to address suicide prevention among children and youth.

- **Office of Oral Health General Fund Backfill.** The budget includes General Fund expenditure authority of \$4.6 million in 2021-22, growing annually, and the Legislature approved trailer bill language, to backfill lost Proposition 56 tobacco tax revenue to support an annual \$30 million allocation to the Office of Oral Health.
- **Sickle Cell Disease Foundation.** The budget includes General Fund expenditure authority of \$1.5 million in 2021-22 for additional support for community-based organizations that assist with sickle cell adults, mental or behavioral health, and increased real time data for Medi-Cal managed care plan partners.
- **Amyotrophic Lateral Sclerosis (ALS) Wraparound Services Augmentation.** The budget includes General Fund expenditure authority of \$15 million in 2021-22 to continue to support the wraparound model of care for individuals diagnosed with amyotrophic lateral sclerosis (ALS) and their caregivers.
- **Support for Alzheimer’s Disease Awareness, Research, and Training.** The budget includes General Fund expenditure authority of \$24.5 million in 2021-22 to support an equitable and coordinated approach to Alzheimer’s disease and related dementias, including research grants, a public awareness campaign, caregiver training and certification, community challenge grants, and statewide standards for dementia care.
- **California Neurological Disease Registry.** The budget includes ten positions and General Fund expenditure authority of \$8.4 million in 2021-22, and the Legislature approved trailer bill language, to extend and expand the California Parkinson’s Disease Registry to cover additional neurological diseases.
- **Biomonitoring Program Augmentation.** The budget includes nine positions and General Fund expenditure authority of \$2 million annually to support the Biomonitoring Program at the Department of Public Health (DPH) to continue studying the burden of chemical exposures on the bodies of California residents.
- **Cosmetic Fragrance and Flavor Ingredient Right to Know Act of 2020 Implementation (SB 312).** The budget includes General Fund expenditure authority of \$26,000 in 2021-22 and \$52,000 annually thereafter to support costs associated with changes, maintenance, and operation of an existing database needed to accommodate the requirements of SB 312 (Leyva), Chapter 315, Statutes of 2020.
- **Center for Health Care Quality Program Estimate.** The budget includes expenditure authority for the Center for Health Care Quality of \$341.9 million (\$4.3 million General Fund, \$100.4 million federal funds, and \$240.2 million special funds and reimbursements) in 2020-21 and \$394 million (\$4.3 million General Fund, \$104 million federal funds, and \$285.7 million special funds and reimbursements) in 2021-22.

- **Health Care and Essential Workers – Personal Protective Equipment (SB 275).** The budget includes one position and expenditure authority from the Licensing and Certification Program Fund of \$164,000 annually to establish regulations for a personal protective equipment (PPE) stockpile by health care employers, pursuant to SB 275 (Pan), Chapter 301, Statutes of 2020.
- **Medical Breach Enforcement Section Expansion.** The budget includes 17 positions and expenditure authority from the Licensing and Certification Program Fund of \$2.6 million annually for DPH to expand the Medical Breach Enforcement section, which investigates complaints and administers penalties against individuals and health care providers for breaches of medical privacy.
- **Skilled Nursing Facility Staffing Requirements Compliance (AB 81).** The budget includes six positions and expenditure authority from the Licensing and Certification Program Fund of \$939,000 annually for DPH to enforce skilled nursing facility compliance with staffing requirements, impose penalties, and manage disputes and appeals, pursuant to AB 81 (Committee on Budget), Chapter 13, Statutes of 2020.
- **Timely Investigation of Caregivers.** The budget includes seven positions and expenditure authority from the Licensing and Certification Program Fund of \$1 million annually for DPH to improve the timeliness of investigations of complaints against caregivers.
- **Women, Infants, and Children (WIC) Program.** The budget includes expenditure authority of \$1.1 billion (\$944.9 million federal funds and \$203.9 million WIC manufacturer rebate funds) in 2020-21 and \$1.3 billion (\$1.1 billion federal funds and \$189.9 million WIC manufacturer rebate funds) in 2021-22 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 \$5 million in 2021-22 to support an early childhood literacy program for participants in the Women, Infants, and Children (WIC) program.
- **WIC Local Agency Flexibility.** The Legislature approved trailer bill language to provide funding flexibility to local agencies participating in the WIC program to avoid the forfeiture of federal funding.
- **San Francisco Drug Sobering Center.** The budget includes General Fund expenditure authority of \$4.2 million to establish a dedicated Drug Sobering Center in the City and County of San Francisco to address the unique needs of individuals using drugs and with targeted engagement to promote substance use services and supports.
- **Northeast Valley Health.** The budget includes General Fund expenditure authority to support Northeast Valley Health.
- **Mental Health Multi-Tiered System of Support – San Bernardino Unified School District.** The budget includes General Fund expenditure authority of \$335,000 to support the San Bernardino Unified School District Mental Health Multi-Tiered System of Support.

**4440 DEPARTMENT OF STATE HOSPITALS (DSH)**

- **Incompetent to Stand Trial Workgroup and Other Solutions.** The budget includes 22 positions and General Fund expenditure authority of \$267.1 million in 2021-22, and the Legislature approved trailer bill language, to address the backlog of individuals determined incompetent to stand trial (IST) on felony charges awaiting placement in a state hospital, including the following components:
  - *IST Solutions Workgroup.* The Legislature approved trailer bill language to require DSH to convene an IST Solutions Workgroup to identify short-term, medium-term, and long-term solutions for alternatives to placement of defendants determined to be IST in a state hospital. The workgroup will submit a report to CHHSA and the Department of Finance on short-term solutions by November 30, 2021, and medium- and long-term solutions by April 1, 2022.
  - *Discontinuation of Lanterman-Petris-Short (LPS) Act Admissions Under Certain Conditions.* The Legislature approved trailer bill language to authorize the Secretary of Health and Human Services to discontinue admissions of patients civilly committed under the Lanterman-Petris-Short (LPS) Act to a state hospital and make other changes to reduce the existing LPS population if the Secretary determines that either: the IST Solutions Workgroup recommendations cannot be completed due to reasons outside of the control of CHHSA or DSH; or the recommendations are not able to be implemented in a timely manner and IST patient referrals exceed DSH capacity, there continues to be an IST waitlist, and IST patients are unable to receive timely access to competency restoration services.
  - *Increase Subacute Bed Capacity.* The budget includes 22 positions and General Fund expenditure authority of \$267.1 million, and the Legislature approved trailer bill language, to authorize DSH to contract for subacute bed capacity to address the increasing number of IST patient referrals to state hospitals.
- **Incompetent to Stand Trial (IST) Diversion Program Expansion.** The budget includes three positions and General Fund expenditure authority of \$47.6 million in 2021-22 and \$1.2 million in 2022-23 for DSH to expand its community-based diversion program for individuals with potential to be determined incompetent to stand trial on felony charges. The Legislature also approved trailer bill language to authorize expansion of the program and remove local matching fund requirements.
- **Felony Mental Health Diversion Program Reappropriation.** The budget reappropriates General Fund expenditure authority of \$6.6 million originally authorized in the 2018 Budget Act to continue to provide funding to counties for felony mental health diversion programs for individuals determined to be incompetent to stand trial (IST).
- **Community-Based Restoration Program Expansion.** The budget includes 4.5 positions and General Fund expenditure authority of \$4.9 million in 2020-21, \$32.8 million in 2021-22, and \$59.8 million annually thereafter to expand the Los Angeles Community-Based Restoration Program in both Los Angeles and in other counties.



- **COVID-19 Direct Response Expenditures.** The budget includes General Fund expenditure authority of \$69.2 million in 2021-22 to support increased costs for personnel services, operating expenses and equipment, and testing related to the COVID-19 pandemic, including the following components:
  - *Personnel Services: Regular.* \$19 million
  - *Personnel Services: Overtime.* \$11.6 million
  - *Operating Expenses and Equipment: Commodity Purchase.* \$13.9 million
  - *Operating Expenses and Equipment: Service Contracts.* \$8.1 million
  - *Operating Expenses and Equipment: Other Operating Costs.* \$2.3 million
  - *Testing: Employees.* \$10.8 million
  - *Testing: Patients.* \$3.6 million
- **COVID-19 Workers Compensation Claims (SB 1159).** The budget includes seven positions and General Fund expenditure authority of \$16.5 million in 2021-22, \$14.4 million in 2022-23, \$14.7 million in 2023-24, and \$16 million in 2024-25 to support processing and payment of workers' compensation claims related to the COVID-19 pandemic, pursuant to SB 1159 (Hill), Chapter 85, Statutes of 2020.
- **Increased Court Appearances and Public Records Act Requests.** The budget includes 5.5 positions and General Fund expenditure authority of \$777,000 annually for DSH to address an increase in workload for attorneys that are required to appear for court hearings, and for responding to Public Records Act requests.
- **Increased Investigation Workload.** The budget includes General Fund expenditure authority of \$337,000 in 2021-22 and \$266,000 annually thereafter for DSH to reclassify 20 Hospital Police Officer positions to Investigators to better align these positions with current investigative workload.
- **Medical and Pharmaceutical Billing System.** The budget includes one position and General Fund expenditure authority of \$794,000 in 2021-22 and \$774,000 in 2022-23 through 2024-25 for DSH to enhance system functionality for its Cost Recovery System to capture, bill, and recover eligible patient costs of care reimbursements.
- **Non-Restorable Incompetent to Stand Trial Patients.** The Legislature approved trailer bill language to require individuals deemed incompetent to stand trial on felony charges that are determined to be not restorable to mental competency be returned to county custody within ten days and remain in the county. The trailer bill language also authorizes DSH to charge a county a daily bed rate for patients that remain in a state hospital beyond ten days.
- **Patient Education.** The budget includes three positions and General Fund expenditure authority of \$352,000 annually for DSH to expand patient education services at Coalinga State Hospital to align with those offered at other state hospitals.

- **Protected Health Information Permanent Implementation.** The budget includes eight positions and General Fund expenditure authority of \$986,000 in 2021-22 and 2022-23 for DSH to continue processing of invoices and payments from external medical providers containing protected health information and consolidating financial operations into a single budget unit.
- **Reevaluation Services for Felony Incompetent to Stand Trial Patients.** The budget includes 15.5 positions and General Fund expenditure authority of \$12.7 million in 2021-22, \$11 million in 2022-23, and \$9.2 million annually thereafter, and the Legislature approved trailer bill language, for DSH to partner with county jails to reevaluate individuals deemed incompetent to stand trial on felony charges and pending placement to a DSH treatment program for 60 days or more.
- **Relocation to the Clifford L. Allenby Building – Phase 3.** The budget includes two positions and General Fund expenditure authority of \$3.3 million in 2021-22 to support costs of relocating DSH to the Clifford L. Allenby Building.
- **Skilled Nursing Facility Infection Preventionists (AB 2644).** The budget includes two positions and General Fund expenditure authority of \$350,000 annually to support infection preventionists at skilled nursing facilities operated at Metropolitan and Napa State Hospitals, pursuant to AB 2644 (Wood), Chapter 287, Statutes of 2020.
- **Statewide Integrated Health Care Provider Network.** The budget includes six positions and General Fund expenditure authority of \$6.3 million in 2021-22 and \$1.5 million in 2022-23 and 2023-24 for DSH to contract for a Statewide Integrated Health Care Provider Network, including prior authorization and third party administration services to support continuity of care and provide stable and timely access to specialty, quality medical services for patients.
- **Statewide Ligature Risk Special Repair Funding Expenditure Authority.** The Legislature approved budget bill language to extend the encumbrance and expenditure authority for ligature risk special repair funding authorized in the 2020 Budget Act.
- **Conditional Release Program (CONREP) – Mobile Forensic Assertive Community Treatment Team.** The budget includes two positions and General Fund expenditure authority of \$9.7 million in 2021-22 and \$14.3 million annually thereafter for DSH to implement a mobile treatment team for CONREP services based on the forensic assertive community treatment (FACT) model of care.
- **Prohibition on Patient and Family Billing.** The Legislature approved trailer bill language to prohibit DSH from recovering charges for care at a state hospital from relatives of a patient.
- **One-Time Deferred Maintenance Allocation.** The budget includes General Fund expenditure authority of \$100 million in 2021-22, available for encumbrance or expenditure until June 30, 2024, to address critical deferred maintenance, special repairs and replacements, and regulatory compliance projects at the five state hospitals.

- **Capital Outlay – Statewide: Enhanced Treatment Units.** The budget includes General Fund expenditure authority of \$3.8 million in 2021-22 to support increased construction costs for Enhanced Treatment Units at Atascadero and Patton State Hospitals.
- **Capital Outlay – Metropolitan: Consolidation of Police Operations.** The budget includes expenditure authority from the Public Buildings Construction Fund of \$22 million in 2021-22 to support the construction phase of the consolidation of police operations at Metropolitan State Hospital.
- **Capital Outlay – Atascadero: Potable Water Booster Pump System Reappropriation.** The budget reappropriates General Fund authority of \$229,000, previously approved in the 2020 Budget Act, for the working drawings phase of the potable water booster pump system project at Atascadero State Hospital.
- **Capital Outlay – Coalinga: Hydronic Loop Replacement.** The budget includes General Fund expenditure authority of \$27.5 million in 2021-22 to support the revised costs of the construction phase of a hydronic loop replacement system at Coalinga State Hospital.
- **Program Update: Admission, Evaluation, and Stabilization (AES) Center.** The budget includes General Fund savings of \$2.2 million in 2020-21 due to pandemic related delays in activation of additional beds at the Kern Admission, Evaluation, and Stabilization (AES) Center.
- **Program Update: Conditional Release Program (CONREP) – Continuum of Care: Step-Down Transitional Program.** The budget includes 0.3 position and General Fund savings of \$9.3 million in 2020-21 and 0.5 position and General Fund expenditure authority of \$4.6 million annually thereafter for the establishment of step-down programs for patients ready for the CONREP program in 18-24 months.
- **Caseload Update: CONREP Non-Sexually Violent Predator (Non-SVP) Program.** The budget includes General Fund expenditure authority of \$1.2 million in 2021-21 and annually thereafter to support its contracted caseload of 810 clients.
- **Caseload Update: CONREP Sexually Violent Predator Program.** The budget includes General Fund expenditure authority of \$1.9 million in 2021-22 and annually thereafter to support an increase in expected caseload for the CONREP Sexually Violent Predator Program.
- **Program Update: Enhanced Treatment Program (ETP) Staffing.** The budget includes a reduction of 53.1 positions and General Fund savings of \$8.4 million in 2020-21 and a reduction of 19.8 positions and General Fund savings of \$1.4 million in 2021-22 due to delayed activation of Enhanced Treatment Program (ETP) units at Atascadero and Patton State Hospitals. ETP units accept patients who are at the highest risk of violence and cannot be safely treated in a standard treatment environment.
- **Program Update: Jail-Based Competency Treatment (JBCT) Program - Existing.** The budget includes General Fund savings of \$960,000 in 2020-21 and seven positions and General Fund expenditure authority of \$6.6 million in 2021-22 and \$8.7 million annually thereafter to support existing jail-based competency treatment (JBCT) programs, which contract with county jail

facilities to provide restoration competency services for IST patients with lower acuity and that are likely to be quickly restored to competency.

- **Program Update: JBCT Program Expansion.** The budget includes General Fund expenditure authority of \$785,000 in 2020-21, \$13.1 million in 2021-22, and \$13.8 million annually thereafter to support expansions of new JBCT programs in new counties.
- **Program Update: Lanterman-Petris-Short (LPS) Population and Personal Services Adjustment.** The budget includes additional reimbursement expenditure authority from counties of \$8.1 million in 2021-22 to reflect increased referrals of involuntary civil commitments under the Lanterman-Petris-Short Act.
- **Program Update: Metropolitan State Hospital: Increased Secure Bed Capacity Adjustment.** The budget includes a reduction of 120.6 positions and General Fund savings of \$18.6 million in 2020-21 and a reduction of 1.2 positions and General Fund expenditure authority of \$17,000 in 2021-22, related to delays in the activation of secure bed capacity at Metropolitan State Hospital due to construction and fire marshal delays, as well as the COVID-19 pandemic.
- **Program Update: Mission-Based Review – Court Evaluations and Reports.** The budget includes a reduction of 13.7 positions and General Fund savings of \$3 million in 2020-21, and General Fund expenditure authority of \$222,000 in 2021-22 and annually thereafter due to delays in recruiting and hiring for court evaluation and legal staff approved in the 2019 Budget Act.
- **Program Update: Mission-Based Review – Direct Care Nursing.** The budget includes a reduction of 39.1 positions and General Fund savings of \$4.4 million in 2020-21 and General Fund expenditure authority of \$434,000 annually thereafter to reflect a revised implementation timeline for direct care nursing staff due to the COVID-19 pandemic.
- **Program Update: Mission-Based Review – Protective Services.** The budget includes 47.8 positions and General Fund expenditure authority of \$6.5 million in 2021-22, \$11.4 million in 2022-23, and \$10.4 million annually thereafter to support hospital police officers that provide protective services in state hospitals.
- **Program Update: Mission-Based Review – Treatment Team.** The budget includes a reduction of 13.4 positions and General Fund savings of \$4.4 million in 2020-21 and an increase of 54.3 positions and General Fund expenditure authority of \$22.8 million in 2021-22 and \$28 million annually thereafter to support its Clinical Operations Advisory Council (COAC).
- **Program Update: Mission-Based Review – Workforce Development.** The budget includes a reduction of 1.2 positions and General Fund savings of \$628,000 in 2020-21 and General Fund savings of \$40,000 annually thereafter to reflect implementation delays for workforce development programs for psychiatry residents, nursing staff, and psychiatric technicians.
- **Program Update: Sex Offender Commitment Program and Offender with a Mental Health Disorder (SOCP/OMD) Pre-Commitment Program.** The budget includes General Fund savings of \$520,000 in 2020-21 in the Sex Offender Commitment Program and Offender with a Mental

Health Disorder (SOCP/OMD) Pre-Commitment Program due to shifts in workload resulting in reduction of the use of contracted staff.

- **Program Update: Telepsychiatry Resources.** The budget includes a reduction of 11.2 positions and General Fund savings of \$1.5 million in 2020-21 due to delays in filling positions authorized to support telepsychiatry services for patients.
- **Program Update: Vocational Services and Patient Minimum Wage Caseload.** The budget includes General Fund savings of \$725,000 in 2020-21 due to lower than expected referrals to the Vocational Rehabilitation Program, a therapeutic program to provide a range of vocational skills and therapeutic interventions for patients.

#### **4560 MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION (MHSOAC)**

- **Mental Health Student Services Act Augmentation.** The budget includes expenditure authority of \$205 million (\$100 million CFRF and \$105 million Mental Health Services Fund) in 2021-22, and the Legislature approved trailer bill language, for the Mental Health Services Oversight and Accountability Commission (MHSOAC) to support grants to school and county mental health partnerships that support the mental health and emotional needs of children and youth as they return to schools and everyday life. (*See related item, “Children and Youth Behavioral Health Initiative” under Various Departments*).
- **Peer Social Media Network.** The budget includes expenditure authority from the Mental Health Services Fund of \$5 million in 2021-22 for MHSOAC to establish an advisory group, including representatives of youth and other specified populations, to develop a social media program to support youth experiencing ethnic-based bullying.
- **Extension of Liquidation Period for Innovation Planning and Triage Personnel Grants.** The Legislature approved budget bill language to extend the liquidation period for two previously approved augmentations of expenditure authority, including:
  - *County Mental Health Innovation Planning.* The Legislature approved budget bill language to extend the period to liquidate \$400,000 from the Mental Health Services Fund, previously authorized in the 2018 and 2019 Budget Acts, that supports contract costs for technical assistance to counties to develop plans for expenditures of Proposition 63 funding allocated for innovative programs.
  - *Triage Personnel Grant Program.* The Legislature approved budget bill language to extend the period to liquidate \$5.9 million from the Mental Health Services Fund, previously authorized in the 2018 Budget Act, to support the Triage Personnel Grant Program, which provides competitive grants to counties to support crisis services for individuals with mental health needs.

## 4800 CALIFORNIA HEALTH BENEFIT EXCHANGE

- **Covered California Health Benefit Exchange.** The budget includes \$428.9 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.
- **Health Care Affordability Reserve Fund and Cost-Sharing Reduction Subsidies Report.** The Legislature approved trailer bill language to establish the Health Care Affordability Reserve Fund, transfers \$333.4 million from the General Fund to the newly created fund to support health care affordability programs operated by the Covered California health benefits exchange, and requires Covered California to, by January 1, 2022, report on options for providing cost-sharing reduction subsidies for low- and middle-income Californians.
- **One Dollar Premium Subsidy Program.** The budget includes General Fund expenditure authority of \$20 million annually, and the Legislature approved trailer bill language, for Covered California to subsidize the one dollar per month premium required for the cost of providing abortion services, for which federal funding is prohibited.
- **Hospital Discharge Data Sharing.** The Legislature approved trailer bill language to require OSHPD to provide hospital discharge data to Covered California to improve the accuracy of annual premium rate setting.
- **Extension of Emergency Rulemaking Authority.** The Legislature approved trailer bill language to extend emergency rulemaking authority for Covered California until January 1, 2025.

### Health Budget Trailer Bills and Budget Bills

1. *Health Omnibus – Assembly Bill 133 (Committee on Budget), Chapter 143, Statutes of 2021*
2. *Mental Health Services Act – Assembly Bill 134 (Committee on Budget), Chapter 75, Statutes of 2021*
3. *Health Trailer Bill – Senate Bill 171 (Committee on Budget and Fiscal Review), Chapter 263, Statutes of 2021*
4. *Budget Bill– Assembly Bill 128 (Committee on Budget), Chapter 21, Statutes of 2021*
5. *Budget Bill– Senate Bill 129 (Skinner), Chapter 69, Statutes of 2021*
6. *Budget Bill– Senate Bill 170 (Skinner), Chapter 240, Statutes of 2021*

# HUMAN SERVICES

## 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 was approved as budgeted and includes \$13.3 million (\$7.9 million federal funds and \$5.4 million reimbursements). The budget did not include any new funding, other than workload adjustments, for the SCDD compared to the previous fiscal year.

## 4170 CALIFORNIA DEPARTMENT OF AGING (CDA)

The budget includes \$487.9 million (\$292.7 million General Fund) for CDA, including:

- **Older Adult Recovery and Resiliency Initiative.** The budget includes \$106 million General Fund, available over three years, to strengthen older adults' recovery and resilience from isolation and health impacts caused by the COVID-19 pandemic. This investment will increase service levels of existing programs based on local needs including Senior Nutrition programs, Senior Legal Aid, Home Modifications and Fall Prevention programs, the Behavioral Health Line, Senior Digital Connections, Family Caregiver Support, Senior Employment Opportunities, Elder Abuse Prevention, and Aging and Disability Resource Connections.
- **CalFresh Expansion Outreach.** The budget includes \$2 million (\$1.1 million General Fund) ongoing for two positions to continue outreach efforts to older adults about the expansion of the CalFresh program to Supplemental Security Income/ State Supplementary Payment (SSI/SSP) recipients. Of the total funding, \$1.7 million will be available to local Area Agencies on Aging (AAAs) for local assistance.
- **Master Plan for Aging Implementation.** The budget includes \$3.3 million General Fund ongoing for 20 positions and resources to provide policy and project management and information technology leadership necessary to implement the Master Plan for Aging.
- **Long-Term Care Patient Representative Program.** The budget includes \$2.5 million General Fund in 2021-22 and \$4 million General Fund ongoing for six positions and resources to provide public patient representatives to nursing facility residents who cannot make their own health care decisions and who do not have a family member or friend who can act as a patient representative. The budget also includes trailer bill language establishing the Office of the Long-Term Care Patient Representative within the department.
- **Area Agencies on Aging (AAAs).** The budget includes \$3.3 million General Fund ongoing for baseline funding increases for AAAs.

- **Senior Nutrition Programs.** The budget includes \$14.3 million General Fund in 2021-22 and \$35 million General Fund ongoing for additional funding for increased meals and \$40 million General Fund, one-time, in 2021-22 for capacity building and infrastructure needs for these programs. Budget bill language is also included to enact this change.
- **Elimination of Funding Suspensions.** The budget includes \$13.8 million General Fund in 2022-23 and \$5 million General Fund ongoing to eliminate funding suspensions for Aging and Disability Resource Connections and Senior Nutrition programs. The budget also includes trailer bill language repealing these suspensions.
- **Aging and Disability Resource Centers (ADRCs).** The budget includes an additional \$2 million General Fund ongoing for state operations resources to support and expand ADRCs for a statewide “No Wrong Door” system. Note that this funding is in addition to funding provided upon the elimination of funding suspensions for ADRCs, mentioned above.
- **Multipurpose Senior Services Program (MSSP).** The budget includes \$6.3 million General Fund in 2021-22 and \$11.7 million General Fund ongoing to make the temporary MSSP Rate Increase permanent and to increase MSSP slots by 2,497.
- **Health Insurance Counseling and Advocacy Program (HICAP) Modernization.** The budget includes \$2 million in both 2021-22 and 2022-23 from the HICAP Special Fund to support two limited-term positions to begin the modernization of the HICAP program.
- **Community-Based Adult Services (CBAS).** The budget includes \$1.9 million (\$800,000 General Fund) in 2021-22 and \$2.4 million (\$1 million General Fund) ongoing for ten positions to address certification and recertification backlog and increase capacity for growth in the number of CBAS providers.
- **Technology Access.** The budget includes \$50 million General Fund one-time for the Technology Access for Older Adults and Adults with Disabilities pilot program. The program will provide grants to counties to assist older adults and adults with disabilities in accessing technology.

#### 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 was approved as budgeted and includes \$628,000 (\$52,000 General Fund). The budget did not include any new funding, other than workload adjustments, for the Commission compared to the previous fiscal year.



#### 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 \$313,000 (\$308,000 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 \$10.9 billion (\$6.8 billion General Fund) to support the department and its activities, including:

- **Service Provider Rate Reform.** The budget includes \$146 million (\$89.9 million General Fund) in 2021-22, growing to \$2.1 billion (\$1.2 billion General Fund) ongoing in 2025-26, for a five-year phase-in of rate reform to achieve the rates in the 2019 DDS Rate Study. The budget begins to phase in rate reform on April 1, 2022. Annual funding includes resources for the development and implementation of a quality incentive payment program focused on improving consumer outcomes and service quality. The department must implement a quality incentive program to improve consumer outcomes, service provider performance, and the quality of services, with input from stakeholders, within the 2022-23 fiscal year. The language requires the department to implement rate models for providers consisting of a base rate (90 percent of the rate model proposed in a 2019 rate study) and a quality incentive payment (up to 10 percent of the rate model proposed in a 2019 rate study) by July 1, 2025. Quality payments would be paid to providers that meet certain quality measures and benchmarks. Finally, the language requires the department to provide an update to the Legislature on or before March 1, 2022, regarding progress toward implementing rate reform and creating an enhanced person-centered, outcomes-based system.
- **Elimination of Funding Suspensions.** The budget includes \$527.6 million (\$309.6 million General Fund) ongoing to eliminate the suspension of supplemental provider rate increases and repeal the Uniform Holiday Schedule. The budget also includes trailer bill language to enact these changes.
- **COVID-19 Response.** The budget includes \$15 million General Fund to develop surge sites to serve consumers diagnosed with, exposed to, or at high risk of COVID-19. This level of funding will support an average of 20 beds at the Fairview Developmental Center and 10 beds at the Porterville Developmental Center through December 31, 2021.
- **Regional Center Performance Improvement Indicators and Benchmarks.** The budget includes \$5.6 million (\$4 million General Fund) in 2021-22 for one-time planning resources to create an outcome-focused regional center operations funding program. The budget also includes trailer bill language that requires the department, no later than September 1, 2021, to convene a workgroup to make recommendations for the development of standard performance improvement indicators and benchmarks. The budget also requires the department to provide a status update to the Legislature by January 1, 2022, and again at the time of the Governor's May Revision.

- **Enhanced Service Coordinator Ratios.** The budget includes \$61 million General Fund to reduce caseload ratios at all 21 regional centers. The budget also includes trailer bill language to enact this change. Additionally, the budget includes \$12.8 million (\$10 million General Fund) ongoing to establish an enhanced caseload ratio (1:40) to improve service delivery to consumers in underserved communities.
- **Direct Service Professional Workforce Training and Development.** The budget includes \$4.3 million (\$2.9 million General Fund) in 2021-22 to establish a training and certification program for direct service professionals tied to wage differentials. Beginning in 2023-24, ongoing costs increase to \$75 million (\$51 million General Fund). The differentials aim to stabilize service access and professionalize and diversify the workforce. The budget also includes trailer bill language to enact this change.
- **Bilingual Staff Wage Differentials.** The budget includes \$3.6 million (\$2.2 million General Fund) in 2021-22 to create a wage differential for bilingual service provider staff. Beginning in 2023-24, ongoing costs increase to \$10.8 million (\$6.5 million General Fund). The budget also includes trailer bill language to enact this change and requires the department to submit a report to the Legislature detailing its plan to implement the wage differentials.
- **Implicit Bias Training.** The budget includes \$7 million (\$5.6 million General Fund) ongoing for implicit bias training for all regional center staff as well as contractors involved with intake, assessment, and eligibility determinations. The budget also includes trailer bill language to enact this change.
- **Restoration of Social Recreation and Camp Services.** The budget includes \$29.4 million (\$19 million General Fund) in 2021-22 to restore access to regional center services including camping services, social recreation activities, educational services, and nonmedical therapies. Beginning in 2023-24, ongoing costs increase to \$57 million (\$36.8 million General Fund). The budget also includes trailer bill language to enact these changes.
- **Self-Determination Program.** The budget includes \$11.6 million (\$7.8 million General Fund) to improve consumer onboarding into the Self-Determination Program. This funding will support participant choice specialists, intensive transition support services, regional center training, and the establishment of the Office of the Self-Determination Program Ombudsperson. Beginning in 2024-25, ongoing costs decrease to \$4.4 million (\$3.2 million General Fund). The budget also includes trailer bill language requiring that the program be available to all eligible Regional Center consumers as of July 1, 2021, and specifies the duties of the Ombudsperson. The trailer bill language also requires the department to prioritize the use of funds to increase services access and equity and to reduce disparities.
- **Language Access and Cultural Competency.** The budget includes \$16.7 million (\$10 million General Fund) ongoing for improved language access and cultural competency orientations and translations for regional center consumers and their families. The budget also includes trailer bill language to enact this change.
- **Assistance with Health and Safety Waivers.** The budget includes \$5 million (\$3 million General Fund) ongoing for regional centers to assist consumers with identifying and applying for health and safety waivers.

- **Emergency Preparedness Resources.** The budget includes \$4.3 million one-time General Fund to provide resources to update emergency preparedness materials and to distribute batteries, generators, and emergency go-bags to consumers living independently. Funding will also support regional center emergency preparedness training and community outreach.
- **Lanterman Act Provisional Eligibility.** The budget includes \$23.8 million General Fund ongoing to provide children ages three and four with provisional Lanterman Act service eligibility. The budget also includes trailer bill language to enact this change.
- **Early Start Outreach to Tribal Communities.** The budget includes \$500,000 ongoing General Fund to conduct outreach to tribal communities to improve awareness of early intervention programs, including Early Start.
- **Systemic, Therapeutic, Assessment, Resources, and Treatment (START) Teams.** The budget includes \$12.1 million (\$8 million General Fund) in 2021-22, increasing to \$17.5 million (\$11 million General Fund) ongoing in 2022-23, for START teams. The teams provide crisis prevention and response services to individuals with intellectual and/or developmental disabilities.
- **Disability Employment Grants.** The budget includes \$14.7 million (\$10 million General Fund) for two limited-term positions and one-time grants to increase competitive integrated employment opportunities for individuals with intellectual and/or developmental disabilities. The budget also includes trailer bill language allowing for this grant program and requiring the department to consult with specified stakeholders during program development.
- **Outcomes and Quality Improvement Pilot.** The budget includes \$12.5 million (\$10 million General Fund) one-time for the department to contract out for the development and implementation of a pilot project focused on metrics and data collection methods to evaluate service outcomes for consumers.
- **Supports for Deaf Consumers.** The budget includes \$2.6 million (\$1.8 million General Fund) ongoing for 22 positions and resources to build departmental and regional center expertise on the expansion of service resources for individuals who are deaf and have intellectual and/or developmental disabilities.
- **Remote Meetings and Services.** The budget includes trailer bill language that allows, until June 30, 2022, infant and toddler individualized family service plan meetings and individual program plan meetings to be held by remote communication at the request of a parent or legal guardian, or the consumer.
- **Regional Center Service Coordinators.** The budget includes trailer bill language that requires regional centers to report the number of new service coordinator positions created, along with other specified information, to the department following the appropriation of funds for that purpose.
- **Group Homes for Children with Special Health Care Needs (GHCSHN).** The budget includes trailer bill language that establishes and defines GHCSHNs as homes that provide 24-hour health

care and intensive support services in home-like settings and serve up to five children, as well as other provisions relating to these homes.

- **Paid Internship Program and Competitive Integrated Employment Program.** The budget includes trailer bill language that modifies the paid internship program by replacing the \$10,400 earnings cap with a cap of 1,040 hours per year. The language also doubles the incentive payments to service providers for placing an individual into competitive integrated employment if the individual maintains employment for specified milestones, effective July 1, 2021, until June 30, 2025.
- **Community Navigator Program.** The budget includes trailer bill language that requires the department to establish a community navigator program through family resource centers and to consult stakeholders, by August 31, 2021. The language also requires family resource centers that may receive funding through this program to report to the department and that those reports be posted to the department's website.
- **Forensic Diversion.** The budget includes \$2.3 million (\$853,000 General Fund) for three positions and resources to support and implement a recently expanded forensic diversion approach for individuals with intellectual and developmental disabilities.
- **Out-of-State Extensions for Adult Consumers.** The budget includes trailer bill language that, until December 31, 2021, allows the Director of the department to approve extensions for adult consumers who are receiving out-of-state services as of July 1, 2021.
- **Quarterly Updates to Legislative Staff.** The budget includes trailer bill language updating the list of topics that the department is required to provide information on during quarterly updates to legislative staff to include:
  - The status of the development of GHCSHNs.
  - The status of the implementation of provisional eligibility for three and four-year-olds.
  - Written updates regarding efforts to reduce reliance on the Canyon Springs Community Facility for admissions due to an acute crisis.
  - The status of the development of a training curriculum for direct service professionals.
  - The most recent data regarding average per capita purchase of service expenditures by ethnicity and other factors to aid in the illustration of progress toward the closure of racial, ethnic, and other disparities.
- **Deferred Maintenance and Fire Sprinkler System Updates.** The budget includes \$5 million General Fund to complete deferred maintenance projects at Porterville Developmental Center and Fairview Developmental Center. The budget also includes \$4.1 million General Fund to install automatic fire sprinkler systems in residences in the secure treatment area at Porterville Developmental Center.

## 4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT (CSD)

The budget includes \$1.6 billion (\$25 million General Fund; \$609.2 million federal funds; \$1 billion Coronavirus Fiscal Recovery Fund) for CSD. The department's budget includes the following:

- **California Arrearage Payment Program.** The budget includes \$1 billion from the Coronavirus Fiscal Recovery Fund to prevent energy utility disconnections for consumers experiencing financial hardship due to the economic impacts of the COVID-19 pandemic by providing financial assistance to customer accounts in arrears.
- **California Community Services Block Grant Program.** The budget includes trailer bill language that revises the definition of “eligible beneficiaries” for purpose of the program, to include all individuals living in households with incomes not to exceed the income eligibility level as a percentage of the poverty line.
- **Low-Income Household Water Assistance Program.** The budget includes trailer bill language allowing the department to expend federal funding allocated for this program. The language also authorizes the department to develop and implement a state plan, requirements, guidelines, and subgrantee contract provisions for the program.
- **Low-Income Home Energy Assistance Program.** The budget includes trailer bill language that exempts the department from specified state requirements and prescribed funding amounts that otherwise would apply to the Low-Income Home Energy Assistance Program for purposes of using supplemental funding provided to the state by the federal American Rescue Plan Act of 2021.
- **Farmworker Housing Low-Income Weatherization.** The budget includes \$25 million General Fund for the Farmworker Housing Low-Income Weatherization Program.
- **Climate Resilience Package.** The budget includes \$15 million General Fund one-time for multi-family households in the Low-Income Weatherization Program as part of the Climate Resilience Package. For more information, see the Resources section of this report.

## 5160 DEPARTMENT OF REHABILITATION (DOR)

The budget includes \$501.4 million (\$86.8 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:

- **Employment Grants.** The budget includes \$20 million (\$10 million General Fund), to be spent over three years, for two limited-term positions and resources to increase competitive integrated employment opportunities for individuals with disabilities. The budget also includes trailer bill language allowing for this grant program and requiring the department to consult with specified stakeholders during program development.

- **Deaf and Disabled Telecommunications Program.** The budget extends reimbursement authority for \$2.3 million to continue implementation of the Deaf and Disabled Telecommunications Program, until June 30, 2022.

## 5175 DEPARTMENT OF CHILD SUPPORT SERVICES

The budget includes \$1.1 billion (\$343.6 million General Fund) for child support services to establish parentage and collect child support. Specifically, the department's budget includes the following:

- **Local Child Support Agency Funding.** The budget includes \$56.1 million (\$19.1 million General Fund) ongoing to support Local Child Support Agency staffing and services.
- **Child Support Collectability Study.** The budget includes \$375,000 (\$127,500 General Fund) for the department to conduct a study into the collectability of child support arrears.
- **Local Child Support Courts and Child Support Funding.** The budget includes \$23.8 million (\$8.1 million General Fund) ongoing to support the Child Support Commissioner and Family Law Facilitator program. This funding would also be used for program staffing and information technology needs.
- **Uncollectible Child Support Debt.** The budget includes trailer bill language that would, as of January 1, 2023, cease enforcement of child support arrearages owed to the state that have been determined to be uncollectible by the state or local child support agency. Enforcement would only cease provided that no reduction in aid or payment to a custodial parent would result.
- **Child Support Distribution Hierarchy.** The budget includes trailer bill language to maintain a COVID-19 emergency executive order prioritizing the distribution of tax refund intercepts to current child support and family-owed arrears, instead of prioritizing government recoupment.

## 5180 DEPARTMENT OF SOCIAL SERVICES (DSS)

Overall, the budget approves \$44 billion (\$20.5 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:

- **Family Reunification Assistance Payments.** The budget includes \$8.8 million General Fund ongoing for counties to continue providing CalWORKs services for up to 180 days when a child has been removed from the home and is receiving out-of-home care. The budget also includes trailer bill language to enact this change.
- **Maximum Aid Payment (MAP) Increase.** The budget includes \$141.9 million for the 2021-22 fiscal year to reflect a 5.3 percent increase to CalWORKs MAP levels, beginning October 1, 2021.

These increased grant costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccounts of the Local Revenue Fund.

- **Federal Pandemic Emergency Assistance Fund.** The budget includes \$204 million federal Pandemic Emergency Assistance Fund/TANF to provide one-time cash payments to CalWORKs families. The budget also includes trailer bill language that requires the department to submit a written report to the Legislature relating to the payments by November 1, 2021.
- **CalWORKs Overpayments.** The budget includes two changes to CalWORKs overpayment collections. First, beginning April 2020 through the end of the pandemic or June 30, 2022, whichever is sooner, counties are authorized to consider all non-fraudulent overpayments as administrative errors. This will reduce required collections from inadvertent household errors from ten percent to five percent of a family's aid payments. Second, the CalWORKs Overpayment collection timeframe will be reduced from five years to two years. The budget includes trailer bill language to enact these changes.
- **Home Visiting Program.** The budget includes \$69.1 million General Fund in 2022-23 to support the CalWORKs Home Visiting program.
- **CalWORKs Single Allocation.** The budget includes \$1.7 billion General Fund/TANF block grant funds for the CalWORKs Single Allocation in 2021-22. This includes a \$68.3 million increase for Eligibility Administration funding and a separate allocation of \$362.4 million for Stage One Childcare.
- **Applicant Earned Income Disregard.** The budget includes \$1 million General Fund/TANF in 2021-22 and \$94.8 million General Fund/TANF in 2022-23, to reach 75 percent of alignment in income standards for applicants and recipients. The budget includes trailer bill language enacting this change, increasing the amount of earned income that is disregarded for applicants from \$90 to \$450. The language also states the Legislature's intent to eventually reach alignment between applicants and recipients.
- **Increased Aid to Pregnant CalWORKs Recipients.** The budget includes \$10 million General Fund in 2021-22 and \$17 million General Fund ongoing to increase the supplemental aid payment made to pregnant CalWORKs recipients from \$47 a month to \$100 a month. The budget also includes trailer bill language to enact this change and specifies that this change will become operative when the department certifies that the California Statewide Automated Welfare System can perform the necessary automation.
- **Intensive Case Management.** The budget includes \$37.5 million General Fund in 2021-22 and \$75 million General Fund in 2022-23 to incrementally increase the number of hours for intensive case management. The budget also includes trailer bill language stating the Legislature's intent to increase to ten hours, beginning July 1, 2024, contingent on the 2023 Budget Act.
- **Statewide Promotional Campaign.** The budget includes \$2 million General Fund one-time for a statewide campaign to increase awareness of the CalWORKs program.

- **Electronic Identity Verification.** The budget includes trailer bill language allowing a CalWORKs applicant or recipient to provide proof of identity via videoconferencing or any other electronic means that allows for a visual interaction between the applicant or recipient and county eligibility staff.
- **Addition of Former CalWORKs Recipients to Existing Assistance Unit.** The budget includes trailer bill language that automates a one-time process that allows former CalWORKs recipients excluded due to the formerly applicable 48-month time limit, but who have fewer than 60 countable months on aid in CalWORKs, to be added to an existing assistance unit if all information needed to complete an eligibility determination is in the case record and all other eligibility requirements have been met.
- **CalWORKs Outcomes and Accountability Review (Cal-OAR).** The budget includes trailer bill language requiring the department to convene and facilitate a Cal-OAR steering committee to make recommendations on how to implement Cal-OAR and CalWORKs 2.0 principles and practices statewide.
- **Trauma-Informed Training Effort.** The budget includes trailer bill language that requires the department to develop a statewide training that acknowledges and addresses the intentional shift to a trauma-informed, anti-racist, anti-stigma, and implicit bias-aware culture and climate in the CalWORKs program, geared towards positive outcomes for child and family health and well-being. The budget also includes \$3 million General Fund in 2021-22 and \$10 million General Fund in 2022-23 for racial/implicit bias training for county social services staff.
- **CalWORKs Indian Health Clinic Program.** The budget includes \$1.9 million General Fund ongoing to restore Indian Health Clinic funding to pre-2009 funding levels.

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

- **County Administration.** The budget includes \$8.8 million General Fund in 2021-22 and \$7 million General Fund ongoing for CalFresh county administration. The budget also includes trailer bill language requiring the department to work with counties to update the budgeting methodology for county administration costs, beginning in the 2022-23 fiscal year. The budget also includes \$8.2 million General Fund one-time to fund county administration for the CalFresh expansion to higher education students, due to federal changes.
- **CalFresh Simplified Paper Application.** The budget includes \$100,000 General Fund one-time to develop a CalFresh user-centered simplified paper application for older adults and people with disabilities. The budget also includes trailer bill language requiring the department to develop the application by July 1, 2023.
- **Telephone Interviews.** The budget includes trailer bill language giving individuals the option to complete an application or recertification interview and to provide the required client signature by telephone.



- **CalFresh Overissuance.** The budget includes trailer bill language that limits the period in which a county may establish a claim to recover an overissuance of CalFresh benefits due to inadvertent household error or administrative error to the 24 months before the discovery of the overissuance by the county.
- **CalFresh Operations Support.** The budget includes \$554,000 (\$332,000 General Fund) in 2021-22 and \$521,000 (\$313,000 General Fund) ongoing for three positions and additional resources to manage current CalFresh workload and increasing responsibilities, meet federal compliance, and maintain implementation of the CalFresh Confirm tool.
- **“Food for All” Initiative/California Food Assistance Program (CFAP) Expansion.** The budget includes \$5 million General Fund in 2021-22 to begin automation changes necessary to expand CFAP to individuals regardless of immigration status. The budget also includes trailer bill language stating the Legislature’s intent to begin a targeted, age-based implementation of the expansion of the CFAP regardless of immigration status upon completion of the needed automation changes funded in the Budget Act of 2021. The expansion would be subject to an appropriation in the Budget Act of 2023.
- **Restaurant Meals Program.** The budget includes trailer bill language that extends the deadline to establish and implement a statewide Restaurant Meals Program to September 1, 2021.
- **Transitional Nutrition Benefit (TNB) Program.** The budget includes \$5 million General Fund in 2021-22, \$11 million General Fund in 2022-23, and \$10 million General Fund in 2023-24 for increased outreach and support to mitigate attrition from these programs. Additionally, \$600,000 is provided for the automation required to pause recertification for the TNB program. The budget also includes trailer bill language that extends the time for required documentation and information to be provided to restore discontinued benefits for the TNB Program to 90 days and maintains eligibility for all beneficiaries for two years by pausing discontinuances.
- **CalFresh Program Outreach and Retention.** The budget includes trailer bill language that extends the date that requires counties to complete efforts to expand CalFresh program outreach and retention from January 1, 2022, to January 1, 2023.
- **Food Bank Emergency Resources.** The budget includes \$110 million one-time General Fund for food bank resources to meet COVID-19 pandemic demands. Budget bill language is included to facilitate the efficient and timely expenditure of funds.
- **Food Bank Capacity and Climate Resilience.** The budget includes \$182 million General Fund one-time to support capacity and infrastructure needs for food banks and disaster resiliency needs. Budget bill language is included to facilitate the efficient and timely expenditure of funds.
- **Federally Approved Waivers.** The budget includes trailer bill language authorizing the department to implement waivers approved by the United States Secretary of Agriculture through all-county letters or similar instructions without adopting regulations only if the waiver is 24 months or less.

- **Pandemic-EBT Data Sharing.** The budget includes trailer bill language authorizing the department and the Department of Education to share data for the limited purpose of administering the Pandemic-EBT food benefits program.

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

- **Complex Care Needs for Foster Youth.** The budget includes \$139.2 million General Fund to assist counties with serving foster youth with complex needs and behavioral health conditions within California, as well as youth that return from an out-of-state congregate placement. The budget also includes trailer bill language that does the following:
  - Establishes a five-year Children’s Crisis Continuum Pilot Program.
  - Requires the Health and Human Services Agency to review, by December 31, 2022, the specific needs, and characteristics of youth with unplanned discharges from short-term residential therapeutic programs and youth for whom counties had difficulty securing placements and providing trauma-informed services, and to submit a plan to develop needed services.
  - Requires the department to post and update monthly, beginning September 1, 2021, the number of children placed by a county child welfare or probation department in out-of-state residential facilities.
  - Authorizes the state to make child-specific placements into out-of-state residential facilities after the county has exhausted in-state placement and services options that meet the child’s needs, and the county has participated in the department’s technical assistance program.
  - Requires the department to review licensing documents and conduct an in-person visit of any facility that seeks placement of a California youth before certifying that it may be used as a placement for the child, and requires the department director’s approval of any child-specific certification.
  - Requires a court order be made after the county has considered other placements and the state has made a child-specific certification.
  - Ends the ability to send youth to out-of-state residential facilities as of July 1, 2022, and requires all youth be returned to California and facilities be decertified by January 1, 2023.
- **Families First Prevention Services Act (FFPSA).** The budget includes \$222.5 million General Fund in 2021-22, to be expended over three years, to assist counties with new prevention services implementation efforts allowable under the new federal Family First Prevention Services Act. These one-time resources will assist counties to build locally-driven prevention services and supports for children, youth, and families at risk of entering foster care. In addition, the budget includes \$3.2 million (\$2.3 million General Fund) in 2021-22 and \$2.6 million (\$1.9 million General Fund) ongoing for seven positions to support California’s compliance with Part I of the FFPSA. Finally, the budget includes trailer bill language relating to FFPSA that does the following:

- States the Legislature’s intent to exercise the option afforded to states to receive federal financial participation for federally approved prevention services that have been shown to reduce foster care system involvement.
  - Requires counties and tribes seeking funding for eligible prevention services to submit prevention plans to the department.
  - Requires the department to develop an allocation methodology to distribute funding for prevention services and requires counties to document and report the services.
  - Authorizes the Department of Health Care Services to submit a Medicaid state plan amendment, waiver request, or both, to maximize federal financial participation under the Medi-Cal program for prevention services and would require the department to maintain oversight over the prevention services claimed under the Medi-Cal program.
  - Requires a qualified individual to conduct an assessment of certain placements to short-term residential therapeutic programs. Also clarifies that a qualified individual is considered a member of a child’s multidisciplinary team to access that child’s case file.
  - Establishes a process for the juvenile court to review and approve the placement of a dependent child, ward, or nonminor dependent in a short-term residential therapeutic program.
  - Requires short-term residential therapeutic programs to ensure the availability of nursing staff.
  - Provides at least six months of family-based aftercare services post-discharge.
  - Requires the department to clarify the conditions under which Title IV-E federal financial participation is available for certain placements by October 1, 2021.
- **Resource Family Approval Emergency Assistance.** The budget includes \$24.5 million General Fund/TANF block grant funds one-time to provide caregivers with up to four months of emergency assistance payments pending resource family approval and up to twelve months for cases that meet good cause criteria. The budget also includes trailer bill language to enact this change.
  - **Child Welfare Services-California Automated Response and Engagement System (CWS-CARES).** The budget includes \$39.4 million General Fund one-time to continue the development of a new technology platform for Child Welfare Services. The budget also includes an additional \$1.3 million (\$953,000 General Fund) every year for the next five years to extend existing limited-term positions for the project. Budget bill language extending the Joint Legislative Budget Committee’s review process from ten to 30 days is also included.
  - **Child and Adolescent Needs and Strengths (CANS) Assessment.** The budget includes \$3.4 million General Fund ongoing for increased county social worker workload associated with the CANS assessment tool.

- **Continuum of Care Reform (CCR) Reconciliation.** The budget includes \$7.1 million General Fund to reflect Continuum of Care Reform true-up related to county Child and Family Teams actual expenditures for the 2018-19 fiscal year.
- **Increased Infant Supplement Payment.** The budget includes \$1.8 million General Fund in 2021-22 and \$800,000 General Fund ongoing to allow infant supplement payments to be made for the three months before the month of the anticipated birth. The budget also includes trailer bill language to enact these changes.
- **Child Welfare Caregiver Pandemic Assistance.** The budget includes \$80 million General Fund one-time for COVID-19 pandemic assistance for caregivers, providing \$1500 per child to all caregivers with a foster child in care.
- **Short-Term Residential Therapeutic Program (STRTP) Pandemic Assistance.** The budget includes \$42 million one-time General Fund for STRTP COVID Relief. Budget bill language is also included to enact this change.
- **Emergency Response Social Workers.** The budget includes \$50 million General Fund in both 2021-22 and 2022-23 to support increased emergency response social workers in child welfare.
- **Foster Family Agencies (FFA) Rate Increase.** The budget includes \$5.4 million General Fund ongoing to increase FFA rates by \$50 per child per month to reduce social worker turnover. The budget also includes trailer bill language stating the Legislature's intent to develop an ongoing payment structure for rates paid to FFAs by January 1, 2023.
- **Child Welfare Training.** The budget includes an additional \$7 million General Fund in both 2021-22 and 2022-23 to support increased child welfare training.
- **Extended Eligibility for Approved Relative Caregiver Funding Program.** The budget includes trailer bill language that extends eligibility for payments under the program on behalf of a child or nonminor dependent placed out-of-state in the home of a relative. The language also requires the home of the out-of-state relative to be licensed or approved as required by the state in which the home is located.
- **Resource Family Approval (RFA) True-Up.** The budget includes \$85 million General Fund one-time to reflect actual expenditures and costs for counties to conduct the RFA process.
- **Sexual and Reproductive Health Education.** The budget includes trailer bill language that requires the department, subject to an appropriation, to compile and report outcome data on the implementation of sexual and reproductive health training and education for foster youth.
- **Transitional Housing Placement (THP)-Plus Housing Supplement.** The budget includes trailer bill language that establishes the THP-Plus Housing Supplement program that would allocate funding to up to 11 of the most expensive counties to provide a housing supplement payment.

- **Elimination of Funding Suspensions.** The budget includes the following funding to repeal conditional suspensions to augmentations made in the 2019 Budget Act. The budget also includes trailer bill language to enact these changes:
  - \$2.8 million General Fund to support a 4.15% rate increase paid to foster family agencies.
  - \$4.1 million General Fund to support the child welfare public health nursing early intervention program in Los Angeles County.
  - \$14.9 million General Fund to support the Family Urgent Response System.
  - Funding to support the Transitional Housing Placement (THP) Program for transitional age youth. Note that the funding associated with this program is included in the budget of the Department of Housing and Community Development.
  - \$5 million General Fund to support the Emergency Child Care Bridge Program.
- **California Child and Family Services Review Quality Assurance Support.** The budget includes \$499,000 (\$281,000 General Fund) in 2021-22 and \$468,000 (\$264,000 General Fund) ongoing for three positions to support the California Child and Family Services Review quality assurance.
- **Children’s Services Policy and Program Support.** The budget includes \$9.8 million (\$6.7 million General Fund) ongoing to fund an additional 56 positions that will focus on strengthening child safety, addressing quality of care, and supporting performance-informed decisions with the use of data.
- **Foster Care Ombudsperson.** The budget includes \$949,000 (\$765,000 General Fund) to make six limited-term positions permanent. The positions support the increasing workload of the Office of the Foster Care Ombudsperson.

**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 \$225 million General Fund in 2021-22 and \$450 million in 2022-23 to increase grants for SSP, Cash Assistance Program for Immigrants (CAPI), and California Veterans Cash Benefits recipients, to 50 percent of the remaining 2009 SSI/SSP grant reduction. Beginning January 1, 2022, the maximum payments for individuals will increase from \$954.72 to \$993.21 and a couple from \$1,598.14 to \$1,695.64. The budget also includes trailer bill language that allows for an additional grant increase to restore the remaining 50 percent, beginning January 1, 2024, subject to an appropriation in the 2023 Budget Act.
- **Eligibility Interviews for the CAPI Program.** The budget includes trailer bill language extending authorization for eligibility interviews for the program to be conducted electronically, and all application and redetermination forms to be submitted by telephone, email, or facsimile through the end of the state of emergency declared due to the COVID-19 pandemic.

- **Golden State Grant Program.** The budget includes trailer bill language requiring the one-time grant payment of \$600 made under the Golden State Grant program to be to be paid as a one-time increase to the individual's SSP benefits.

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

- **State and County Sharing Ratio.** The budget includes \$57.3 million General Fund in 2021-22 and \$123.8 million ongoing General Fund to reflect the continuation of the 65-percent state and 35-percent county cost-sharing ratio and the continuation of the ten percent over three years option.
- **Seven Percent Fiscal Penalty.** The budget includes trailer bill language that subjects a county to withholding of seven percent of 1991 Realignment funds if the county fails to reach an agreement on a bargaining contract after a fact-finding process finds terms more favorable to the employee organization.
- **Restoration of Seven Percent Reduction in IHSS Service Hours.** The budget includes \$248 million General Fund in 2022-23 and \$496 million ongoing General Fund to permanently eliminate the seven percent reduction in service hours. The budget also includes trailer bill language that permanently repeals the reduction in service hours.
- **Long-Term Care Career Pathways Program.** The budget includes \$200 million General Fund one-time to incentivize, support, and fund career pathways for IHSS providers, allowing these workers to build on their experience to obtain a higher-level job in the home care and/or health care industry. The budget also includes trailer bill language detailing specifics of the program, including requirements that provider participation is voluntary, at no cost to providers, and that providers be compensated for each hour of training.
- **Electronic Forms.** The budget includes \$5 million General Fund every year, for the next three years, to support the development of electronic forms within the program. Budget bill language is also included to enact this change.
- **Electronic Visit Verification (EVV).** The budget includes \$1.2 million General Fund to extend limited-term resources needed for the ongoing support of EVV implementation and support for the new direct deposit and/or pay card mandate for In-Home Supportive Services program providers. The budget also includes trailer bill language that requires the department to collaborate with stakeholders to identify the least intrusive manner to record the location of service delivery at the time service begins and ends each day, in compliance with federal requirements.
- **Permanent Provider Backup System.** The budget includes trailer bill language that requires the department, in consultation with stakeholders, to create, and provide to the Legislature, the framework for a permanent provider backup system. The language also requires that statute to define the system's parameters be enacted before the system can be implemented.
- **Extended Eligibility for the IHSS Program.** The budget includes trailer bill language that extends eligibility for the IHSS program to individuals who are eligible for state-only funded full-scope Medi-Cal benefits and meet all other IHSS program eligibility criteria.

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

- **APS Program Expansion.** The budget includes \$70 million General Fund ongoing to expand the APS program. The budget also includes trailer bill language that extends the age of eligibility for the program from 65 to 60 years old, alters the definition of “adult protective services,” and makes other changes to definitions relating to the program.
- **Statewide APS Case Management System.** The budget also includes trailer bill language that requires the department to convene a workgroup to develop recommendations to create or establish a statewide APS case management system.

**Immigrant/Refugee/Asylee Services.** The budget includes the following augmentations related to immigration services:

- **Assistance for Afghan Citizens.** The budget includes \$26.7 million General Fund one-time for services and assistance to Afghan citizens entering California.
- **One California Program.** The budget includes \$30 million one-time General Fund to augment the One California legal services programs for immigrants.
- **Enhanced Services for Asylees and Vulnerable Noncitizens.** The budget includes trailer bill language that establishes the Enhanced Services for Asylees and Vulnerable Noncitizens program to provide for persons granted asylum or who are eligible to receive refugee cash assistance and services as victims of crime. The budget also includes \$8 million one-time General Fund for the program.
- **Rapid Response Program.** The budget includes \$105.2 million one-time General Fund for the Rapid Response Fund to provide support for migrant family arrivals at the Southern California border and additional funding for other emergency responses, including wildfires and drought. The budget also includes trailer bill language repealing the July 1, 2022 sunset date for the program, making the program permanent. Budget bill language requiring reporting on the use of funds by April 1, 2022, is also included.
- **Unaccompanied Undocumented Minors (UUM).** The budget includes \$20 million General Fund to provide additional support for UUMs through the Opportunities for Youth pilot project (\$4.7 million General Fund), the UUM legal services (\$14 million General Fund), and state operations (\$1.3 million General Fund).
- **California Newcomer Education and Well-Being Project (CalNEW).** The budget includes \$5 million Proposition 98 General Fund to assist school districts in improving refugee and UUM students' well-being, English-language proficiency, and academic performance.
- **Deferred Action for Childhood Arrivals (DACA) and Naturalization Filing Fees.** The budget includes \$25 million one-time General Fund to fund filing fees for DACA and naturalization.

- **Allocation of Unspent Refugee Program Funds.** The budget includes trailer bill language authorizing the department to reallocate returned or declined funds among eligible counties and qualified nonprofit organizations for refugee social services programs.
- **Immigration Services Operation Support.** The budget includes \$316,000 General Fund a year for the next three years for two limited-term positions to maintain critical services and support workload associated with the Immigrant Integration Branch.

**Housing and Homelessness Programs.** The budget includes the following augmentations and language relating to housing and homelessness programs within the department:

- **Community Care Expansion (CCE) Program.** The budget includes \$805 million (\$353.5 million General Fund) one-time for the construction, acquisition, and/or rehabilitation of projects to preserve or expand adult and senior care facilities to serve people experiencing homelessness or who are at risk of becoming homeless. \$55 million of the total funding will be used to provide operating subsidies to existing adult and senior care facilities that serve at least one resident receiving SSI/SSP or Cash Assistance Program for Immigrants (CAPI) benefits, to avoid the closure of facilities. The budget also includes trailer bill language to enact the program and \$1.4 million General Fund for six limited-term positions and contract funding to administer the program.
- **Project Roomkey.** The budget includes \$150 million one-time General Fund to support transitioning participants into permanent housing. The budget also includes \$1.4 million General Fund in 2021-22 and \$797,000 General Fund in 2022-23 and 2023-24 for limited-term positions to support the implementation of the CCE program and Project Roomkey.
- **Home Safe Program.** The budget includes \$92.5 million General Fund in both 2021-22 and 2022-23 for the Home Safe program for access to health, safety, and housing supports for individuals involved in or at risk of involvement in Adult Protective Services. The budget also includes trailer bill language that expands the definition of an eligible individual to include individuals who are in the process of intake to adult protective services, or who may be served through a tribal social services agency who appears to be eligible for adult protective services. The language also includes a waiver of the county match requirement for the entire three-year period.
- **Housing and Disability Advocacy Program.** The budget includes \$150 million General Fund in both 2021-22 and 2022-23 (with spending authority through 2024-25) to assist disabled individuals who are experiencing homelessness. This augmentation is in addition to an ongoing annual appropriation of \$25 million General Fund for this purpose. The budget also includes trailer bill language that includes a waiver of the county match requirement for the entire three-year period.
- **CalWORKs Housing Support Program.** The budget includes \$190 million General Fund in both 2021-22 and 2022-23 (with spending authority through 2024-25) to expand the existing CalWORKs Housing Support program. The budget also includes trailer bill language authorizing the use of funds to provide housing supports to CalWORKs recipients who are at risk of homelessness and for whom housing instability would be a barrier to self-sufficiency or child well-being. The budget includes \$350,000 (\$178,000 General Fund) for two positions and resources to



support the ongoing policy implementation and intensive technical assistance for the CalWORKs Housing Support Program.

- **CalWORKs Homeless Assistance Program.** The budget includes \$260,000 (\$38,000 General Fund) in 2021-22 and \$240,000 (\$35,000 General Fund) ongoing for two positions to support policy changes associated with Senate Bill 1065 (Hertzberg), Chapter 152, Statutes of 2020, which requires ongoing, high-quality technical assistance and oversight to counties through the Homeless Assistance Program.
- **Bringing Families Home Program.** The budget includes \$92.5 million General Fund in both 2021-22 and 2022-23 (with spending authority through 2024-25) to expand the existing Bringing Families Home program. This program provides housing-related supports to eligible families experiencing homelessness in the child welfare system. The budget also includes trailer bill language that modifies the definitions of “homeless” and “eligible family” for the Bringing Families Home program and includes a waiver of the county match requirement for the entire three-year period and funding flexibility to serve families at risk of homelessness.
- **Housing and Homelessness Data Reporting Solution.** The budget includes \$247,000 General Fund in 2021-22 and \$183,000 General Fund ongoing for one position and contract funding to support the continued planning and implementation of a data reporting solution for current and upcoming housing and homelessness programs.

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

- **Administrator Certification Training Program Fee Structure.** The budget includes trailer bill language revising the fee structure for the administrator certification training program for administrators of community care facilities.
- **Reducing Law Enforcement in Children’s Residential Facilities.** The budget includes \$294,000 (\$183,000 General Fund) in 2021-22 and 2022-23 for the extension of limited-term positions to continue work to reduce the use of law enforcement to manage the behavior of foster youth within care facilities.
- **CCL Resources.** The budget includes \$2.3 million (\$1.9 million General Fund) ongoing to support additional positions to address ongoing complaint investigations workload and reduce license application processing time.
- **Closure of Adult Residential Facilities and Resident Transfers.** The budget includes \$1.1 million ongoing General Fund to provide temporary oversight of Adult Residential Facilities (ARF) when a facility owner forfeits their license or intends to close the facility.

**Early Childhood Care and Education.** Beginning July 1, 2021, the majority of child care programs, with the exception of the California State Preschool Program are under the Department of Social Services. The budget included the transfer of child care program and authority from the Education Code and the Department of Education to the Welfare and Institutions Code and the Department of Social Services including:

- General Child Care and Development Program
  - Migrant Child Care and Development Program
  - California Alternative Payment Program
  - CalWORKs Stage 2 & 3 programs
  - Resource and Referral agencies
  - Local Child Care and Development Planning Councils
  - Head Start & Early Head Start
  - Trustline
  - The Child and Adult Care Food Program
  - Family Child Care Home Education Networks
  - Child Care and Development Services for Children with Special Needs
  - Child Care facility programs
  - Early Learning and Care Workforce Development program
  - Early Childhood Policy Council
  - Lead Agency for federal Child Care and Development Fund & quality improvement projects
  - California Child Care Initiative Project
- **Cost-of-Living Increase.** The budget provides a statutory cost-of-living adjustment (COLA) of 4.05 percent for the Standard Reimbursement Rate reflecting the lost 2020-21 Budget Act COLA and a 2021-22 Budget Act COLA, beginning July 1, 2021.
  - **Federal Funding for Child Care.** The budget transfers \$3.8 billion in federal America Rescue Plan Act funds for child care from the Department of Education to the Department of Social Services and specifies that of the total, \$1.4 billion is for child care slots through 2023-24, and \$20 million (over two years) is provided for child care resource and referral networks.
  - **Child Care Reimbursement Rates.** Beginning January 1, 2022, trailer bill language increases all direct-contract childcare rates to the 75th percentile of their county 2018 Regional Market Rate or the new Standard Reimbursement Rate as of December 31, 2021, whichever is highest. This policy replaces the Standard Reimbursement rate for contracts with higher county-based Regional Market rates, in the 2018 survey, beginning January 1, 2022. In addition, the budget adopts the 75<sup>th</sup> percentile of the 2018 Regional Market Rate survey as the funding ceiling for the CalWORKs Stages child care programs, and the California Alternative Payment Program. These policies are consistent with the Child Care Providers United - California bargaining contract agreed to on June 25<sup>th</sup>, 2021.
  - **Child Care and Development Infrastructure Block Grant.** The budget amends the Child Care and Development Infrastructure Block Grant Program to be administered by the Department of Social Services to provide one-time infrastructure grant funds to child care and preschool providers to build new facilities or retrofit, renovate, repair, or expand existing facilities. A total of \$250 million (\$100 million in federal funds and \$150 million in General Fund) in one-time funding is provided in the Budget Act of 2021 for this program.
  - **Family Fees.** The budget waives child care family fees for the 2021-22 Budget Year.

- **Direct Deposit.** The budget provides \$9 million in one-time General Fund for the Department of Social Services to contract for the implementation of direct deposit for payments to child care providers over a two-year period.
- **Child Care Nutrition.** The budget provides \$15 million in ongoing General Fund for restoring the Child Care nutrition program state reimbursement rates.
- **Rate Reform Workgroup.** The budget establishes a Rate Reform workgroup, to be convened by the Department of Social Services, with diverse stakeholder representation, for recommendations on rate methodology and existing program standards, including licensing standards, quality and environmental standards, and workforce competencies. The workgroup's recommendations are due to the Legislature and Administration no later than August 15, 2022, and should inform the Joint Labor Management Committee recommendations on a single reimbursement rate system.
- **Child Care Bargaining.** The budget includes ratification of the Child Care Providers United - California bargaining contracts agreed to on April 20<sup>th</sup> and June 25<sup>th</sup>, 2021 and codifies portions of the agreements, including allocating funding appropriated in the Budget Act of 2021 for:
  - Rate increases.
  - \$500 per provider licensing incentives.
  - Provider stipends.
  - \$289 million in one-time funds for provider supplemental payments, including required federal funding reporting, to be allocated during the 2021-22 and 2022-23 fiscal years.
  - Paid non-operative days and pandemic flexibilities.
  - A hold-harmless for child attendance in all early care and learning programs.
  - Mental health supports.
  - California Child Care Initiative Project expansion.
  - Training Partnership Fund.
  - Process for a Joint Labor Management Committee to provide recommendations on a single reimbursement rate system (up to \$20 million in one-time federal funds is made available for these purposes) including coordination with a larger working group convened by the Department of Social Services.
- **Unlicensed Provider Rates.** The budget clarifies that all unlicensed child care providers earn 70 percent of the regional market rate ceiling.
- **Child Care Stipends.** The budget specifies that an additional \$188 million in one-time funding (of this, \$57.7 million is Proposition 98 General Fund, \$36.8 million is non-Proposition 98 General Fund and the remainder is federal funds) is provided for supplemental payments to providers, who prior to January 1, 2022 received the Standard Reimbursement Rate and are not covered by additional supplemental payments for these purposes included under the Child Care Providers United – California agreement from June 25, 2021, to be allocated between January 1, 2022 and December 31, 2023.

- **Child Care Slots.** The budget provides \$739 million in one-time federal funds for the Department of Education in the 2021-22 fiscal year to be transferred to the Department of Social Services for the expansion of access to child care slots. Of the total, \$403 million is available for allocation in the 2021-22 fiscal year, and \$336 million is available for allocation in the 2022-23 fiscal year. A total of 200,000 child care slots will be added over a five year period including budget year investments.
- **Emergency Child Care Bridge.** The budget ensures Emergency Foster Bridge child care providers and migrant alternative payment programs are eligible for various pandemic relief provisions and child care funding and provides for the allocation of \$6 million in one-time General Fund for these purposes. In addition, authorized one-time \$525 stipends to providers in the Emergency Child Care Bridge Program for foster youth. This provider type was not included in the current budget year's childcare stipend payments passed earlier this year.
- **Child Care Pilot.** The budget extends the Alameda County Child Care Pilot sunset date from 2022 to 2023.
- **Age Eligibility.** The budget changes the definitions of child age eligibility for a “four year old” to maintain child care and preschool program eligibility for Transitional Kindergarten-eligible children.
- **Child Care Website Support.** The budget allocates \$10 million one-time funds to support the MyChildCarePlan.org website for resource and referral agencies.
- **Child Care State Operations.** The budget provides approximately \$48 million for 259.7 positions at the Department of Social Services related to shifting child care and related programs to the department from the Department of Education.

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

- **Guaranteed Income Pilot Programs.** The budget includes \$35 million General Fund, to be spent over five years, for Guaranteed Income pilot programs. The budget also includes trailer bill language to enact this change. These pilot programs will be city or county-administered, require a local-match commitment, and target former foster youth, pregnant or parenting foster youth, and low-income Californians. The language also requires eligible entities that receive grant funds to provide benefits counseling and informational materials to individuals receiving guaranteed income payments.
- **Global Telephonic Signature.** The budget includes \$5 million General Fund in 2021-22 and \$1 million General Fund in 2022-23 for the development of a global telephonic signature for county human services programs. The budget also includes trailer bill language to enact this change.
- **Notification of Eligibility for Social Services Programs.** The budget includes trailer bill language authorizing the use of a list of persons receiving public social services to notify a public social services recipient of their potential eligibility for other benefits and services not administered by the department.

- **Safety Net Reserve Fund.** The budget includes trailer bill language transferring \$450 million from the General Fund to the Safety Net Reserve Fund.
- **BenefitsCal Online Application Portal.** The budget includes \$200,000 General Fund on-time for consumer compensation for human-centered design for the BenefitsCal Online Application Portal, with budget bill language to effectuate the change. Budget bill language is also included to enact this change.
- **Community Response Initiative to Strengthen Emergency Systems (C.R.I.S.E.S) Act.** The budget includes \$10 million General Fund for the C.R.I.S.E.S. Act to establish a multi-year pilot grant program that supports innovative approaches, builds capacity, and develops a policy framework for community-based organizations to support emergency response.
- **Services for Survivors and Victims of Hate Crimes.** The budget includes \$110 million General Fund over three years for the department to administer a multi-year grant program to support services for victims and survivors of hate crimes and their families and facilitate hate crime prevention measures in consultation with the Commission on Asian and Pacific Islander American Affairs.
- **Stipends for Tribal Social Work Students.** The budget includes \$3 million General Fund one-time to provide a Master of Social Work Program stipend for tribal members or Native Americans who commit to working in tribal social services programs dedicated to serving children and families after graduation.
- **Equal Employment Opportunity (EEO) Office.** The budget includes \$320,000 (\$139,000 General Fund) in 2021-22 and \$299,000 (\$130,000 General Fund) ongoing for two positions to address increased workload in the department's EEO Office.
- **Language Access Resources.** The budget includes \$920,000 (\$797,000 General Fund) in 2021-22 and \$767,000 (\$664,000 General Fund) ongoing for four positions to comply with language access requirements.
- **Office of Tribal Affairs.** The budget includes \$450,000 (\$281,000 General Fund) ongoing for three positions to address the workload associated with integrating tribal considerations throughout the department.
- **Statewide Verification Hub.** The budget includes \$5.3 million (\$531,000 General Fund) in 2021-22 and \$1.7 million (\$169,000 General Fund) ongoing for nine positions to continue the planning and implementation of the Statewide Verification Hub.
- **Diaper Assistance Funding.** The budget includes \$30 million one-time General Fund for diaper banks to meet COVID-19 pandemic demands. Budget bill language is also included to enact this change.
- **Jewish Family Services Food Bank.** The budget includes \$5.7 million one-time General Fund to allow for the construction of the Jewish Family Services Food Bank.

- **Menstrual Product Pilot Program.** The budget includes \$2 million one-time General Fund for a Menstrual Product Pilot at the Los Angeles and San Diego Food Banks.
- **Appeals Case Management System.** The budget includes \$892,000 (\$341,000 General Fund) for two limited-term positions to plan for the development of an Appeals Case Management System that will allow users better access to due process and interacts with other statewide eligibility determination data systems.

### **Human Services Budget Trailer Bills**

1. *Early Care and Education – Assembly Bill 131 (Committee on Budget), Chapter 116, Statutes of 202.*
2. *Human Services – Assembly Bill 135 (Committee on Budget), Chapter 85, Statutes of 2021.*
3. *Developmental Services – Assembly Bill 136 (Committee on Budget), Chapter 76, Statutes of 2021*
4. *Public Social Services (Child Welfare) – Assembly Bill 153 (Committee on Budget), Chapter 86, Statutes of 2021*
5. *Human Services – Assembly Bill 172 (Committee on Budget), Chapter 696, Statutes of 2021*
6. *Public Social Services – Senate Bill 86 (Committee on Budget and Fiscal Review), Chapter 15, Statutes of 2021*

SUBCOMMITTEE 4  
ON  
STATE ADMINISTRATION  
AND  
GENERAL GOVERNMENT

Senate Committee on Budget and Fiscal Review

*Members*

Anna Caballero, Chair  
Sydney K. Kamlager  
Jim Nielson

*Consultants*

Nora Brackbill  
James Hacker  
Yong Salas  
Joe Stephenshaw

# SUBCOMMITTEE No. 4

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## STATE ADMINISTRATION

### 0511 GOVERNMENT OPERATIONS AGENCY (GovOps)

- **Workload Augmentation.** GovOps requested four positions and \$1 million (\$649,000 General Fund and \$362,000 reimbursements) in 2021-22, and \$836,000 ongoing, to fund and manage existing and new workload associated with oversight and management of state government operations. Of these positions, GovOps requested a Chief Equity Officer and associated trailer bill language, and in its May Revision, requested two additional positions and \$298,000 to support the Chief Equity Officer. The Legislature approved the funding for six positions, but deferred trailer bill language as part of the discussions around Senate Bill 17.
- **Statewide Data Strategy.** GovOps requested three positions and \$558,000 General Fund in 2021-22 and ongoing to facilitate and support the implementation of the Statewide Data Strategy (SDS) and conduct evaluations for GovOps' Center of Government Excellence. GovOps established a Center for Government Excellence and Transformation (GET) within their existing resources, and intends to help departments and agencies prototype ideas, research best practices, and map possible next steps under the GET Center process. Defined challenges and opportunities will be selected by the review team, guided by the key criteria chosen. A portion of the requested staff resources will support ongoing evaluation of these projects to help inform how well they are working and if they should be scaled. The Legislature approved this request.
- **Census Funding Re-appropriation.** The 2021 Budget re-appropriates up to \$2.2 million from the 2019 Budget Act appropriation for residual costs of Census activities.

### 0840 STATE CONTROLLER'S OFFICE (SCO)

- **California State Payroll System Project.** The SCO requested resources to support the California State Payroll System (CSPS) Project through the continuation of the California Department of Technology (CDT) Project Approval Lifecycle (PAL) Stages 3 and 4. SCO requests six permanent and 1 one-year limited-term position and \$5.5 million (\$3.1 million General Fund and \$2.4 million Central Service Cost Recovery Fund) in 2021-22; 6 positions and \$1 million (\$581,000 General Fund and \$439,000 Central Service Cost Recovery Fund) in 2022-23 and ongoing. The Legislature approved this request, and added budget bill language that requires regularly scheduled oversight meetings with the Legislative Analyst's Office (LAO), the SCO, CalHR, CDT, and the Department of Finance to allow the LAO to receive project updates and review oversight documents such as CDT independent project oversight reports and independent verification and validation reports with the project team.

- **Local Government Oversight – Internal Control Reviews.** The SCO requested \$712,000 General Fund in 2021-22 and ongoing, and a corresponding decrease in reimbursement authority to fund five existing positions to perform investigative audits and reviews of the financial oversight of local government agencies. The Legislature approved this request.
- **SCO Information Security Program Workload.** The SCO requested two positions and \$308,000 (\$234,000 General Fund and \$74,000 Unclaimed Property Fund) in 2021-22, with two positions and \$287,000 (\$218,000 General Fund and \$69,000 Unclaimed Property Fund) ongoing to validate compliance with statewide information security policies, standards, and procedures; verify SCO’s internal information security systems and policies are in place and functioning as intended; and to support business continuity operations. The Legislature approved this request.
- **Continuity of Operations Program.** The SCO requested four positions and \$609,000 (\$464,000 General Fund and \$145,000 Unclaimed Property Fund) to support the development and expansion of SCO’s Continuity of Operations Program (COOP) as the state transitions to telework and adapts to new ways of doing business. The Legislature approved this request.
- **SCO Infrastructure and Operational Costs.** The SCO requested \$1.6 million (\$1.1 million General Fund and \$474,000 Unclaimed Property Fund) in 2021-22 and ongoing to support increased infrastructure and operational costs associated with personnel services, training, statewide fees, and contracted costs. The Legislature approved this request.
- **FI\$Cal Audit Workload.** The SCO requests \$408,000 (\$233,000 General Fund and \$175,000 Central Service Cost Recovery Fund) in 2021-22 and ongoing to support three existing positions to perform pre-payment audits of Financial Information System of California (FI\$Cal) vouchers. The Legislature approved this request.
- **FI\$Cal Implementation for Annual Comprehensive Financial Report and Other Annual Reports.** The SCO requested \$872,000 (\$497,000 General Fund and \$375,000 Central Service Cost Recovery Fund) in 2021-22 and \$854,000 (\$487,000 GF; \$367,000 CSCRF) in 2022- 23 and budget bill language to support six positions as part of the Financial Information System for California (FI\$Cal) project, Special Project Report 9 (SPR9) plan to complete the Annual Comprehensive Financial Report (ACFR), Budgetary/Legal Basis Annual Report (BLBAR), and other annual reports are timely and ensure financial reporting functions related to the current Legacy system are successfully transitioned to FI\$Cal. The Legislature approved this request.

- **Golden State Stimulus I and II Administrative Costs.** SCO requested budget bill language that authorizes the Department of Finance to augment the SCO's budget for the administrative costs of making the Golden State Stimulus I and II tax refund payments. The Legislature approved this request.

#### **0845 DEPARTMENT OF INSURANCE (CDI)**

- **Continuation of Enhanced Fraud Investigation and Prevention Activities.** CDI requested to convert 34 limited-term positions to permanent positions and increase its expenditure authority of \$6.1 million General Fund in 2021-22 and ongoing to support enhanced fraud investigation and prevention efforts in civil whistleblower cases. Beginning in 2023-24 and every three fiscal years thereafter, CDI is requesting \$640,000 to continue the eDiscovery Software-as-a-Service (SaaS) subscription. The Legislature approved this request.
- **Mental Health or Substance Use Disorders (SB 855).** CDI requested an increase of \$81,000 in Insurance Fund in 2021-22 and \$70,000 and ongoing to monitor insurer compliance as mandated by Chapter 151, Statutes of 2020 (SB 855). SB 855 put in place a broader requirement on health plans and disability insurers to cover medically necessary treatment of mental health and substance use disorders under the same terms and conditions applied to other medical conditions. It also established new requirements for medically necessary care determinations and utilization review and banned discretionary clauses in health plan contracts. The Legislature approved this request.

#### **0855 CALIFORNIA GAMBLING CONTROL COMMISSION**

- **Card Room Fee Waivers.** The budget includes trailer bill language to waive fees for certain card rooms. The fee waivers will be funded by the reserve in the Gambling Control Fund, so no additional augmentations were necessary.

#### **0890 SECRETARY OF STATE**

- **California Business Connect Project.** The SOS requested \$11.7 million (\$8.2 million from the Business Fees Fund and \$3.5 million from the Business Programs Modernization Fund) in 2021-22 to continue implementation of the California Business Connect Project. The Legislature approved this request.
- **Corporations – Board of Directors – Underrepresented Communities (AB 979).** The SOS requested \$343,000 in 2021-22 and \$333,000 annually thereafter from the Business Fees Fund to establish two positions to implement Chapter 316, Statutes of 2020 (AB 979). AB 979 requires each publicly held corporation whose principal executive offices are located in California to have a minimum number of directors from underrepresented communities on its board of directors. The bill required the SOS to annually report corporations subject to the requirements of the bill and their compliance, as well as

authorized the SOS to impose fines for violations of these requirements. The Legislature approved this request.

- **Help America Vote Act – Spending Plan.** The SOS requested \$22.7 million from the Federal Trust Fund in 2021-22 to continue implementation of the statewide mandates of the Help America Vote Act of 2002. The Legislature approved this request.
- **Statements of Information Labor Judgment Language (AB 3075).** The SOS requested \$216,000 in 2021-22 and \$79,000 in 2022-23 and ongoing from the Business Fees Fund to support one position to implement Chapter 357, Statutes of 2020 (AB 3075). AB 3075 changed existing requirements for the annual filings of stock corporations, foreign corporations and limited liability companies by requiring corporations and limited liability companies to certify whether specified officers/directors or managers/members of the entity have an outstanding final judgment issued by the Division of Labor Standards or a court of law. The Legislature approved this request.
- **CAL-ACCESS Replacement System Project.** The SOS requested \$10.7 million (\$10.2 million General Fund and \$500,000 from the Political Disclosure, Accountability, Transparency, and Access Fund) for the ongoing maintenance and operation of the CAL-ACCESS Replacement System. The Legislature approved this request.
- **Continuation of Limited-Term Accounting Resources.** The SOS requests \$1.6 million (\$1.1 million Businesses Fees Fund and \$463,000 General Fund) in 2021-22 and ongoing for 12 positions, ten of which are existing and two of which are new, for the Accounting and Procurement Sections. The Legislature approved this request.
- **Human Resources Bureau of Critical Administrative Resources.** SOS requested \$783,000 in 2021-22 (\$555,000 Business Filing Fees Fund and \$228,000 General Fund) and \$753,000 (\$534,000 Business Filings Fees Fund and \$219,000 General Fund) in 2022-23 and ongoing to fund six permanent full-time positions to align the Human Resources Bureau staffing with agency growth. The Legislature approved this request.
- **Help America Vote Act – VoteCal.** SOS requested \$9.8 million from the Federal Trust Fund in 2021-22 to cover the maintenance and operations, data analysis, security assessment, increased costs for Department of Motor Vehicles and Department of Technology connectivity, and election management system support and verification for the VoteCal statewide voter registration system. The Legislature approved this request.
- **Business Programs Division Processing Times.** SOS requested a continuation of spending authority for the additional resources needed to reach and maintain the average of five business days or better for processing paperwork for Business Filings and Statements of Information until California Business Connect is fully implemented. The request was for 47 positions, a decrease from the current 56 positions, and \$5.1 million from the Business Fees Fund in 2021-22. The Legislature approved this request.

- **Elections Enhancement.** The SOS requested \$1,651,000 General Fund in 2021-22 and \$1,641,000 General Fund in 2022-23 and ongoing for resources to support elections in California. This request will provide ongoing resources to maintain the operation, access, and integrity of public services provided by the SOS including funding for the expansion of existing system maintenance services and licenses. The Legislature approved this request.
- **Increasing Access to California’s Historic Records.** SOS requested a General Fund augmentation of \$3,078,000 in 2021-22 and \$1,622,000 in 2022-23 and ongoing and three positions to automate paper-based processes and support increased online and contactless access to the State’s historic public records and data held in the State Archives in response to the ongoing COVID-19 pandemic. The Legislature approved this request.
- **Elections: Voter Eligibility.** The SOS requested a one-time General Fund increase in the amount of \$265,000 for 2021-22 for additional voter registration card costs and a one-time Federal Trust Fund increase in the amount of \$140,000 for 2021-22 for the cost of system changes to VoteCal, the state’s centralized voter registration database. The Legislature approved this request.
- **Oral History Program and Preservica Subscription.** The SOS requested \$225,000 General Fund in 2021-22 and ongoing to reflect of funding for the State Government Oral History Program and digital preservation subscription services from the State Library to the Secretary of State. This request aligns with a corresponding reduction to the State Library’s budget by an equivalent amount. The Legislature approved this request.
- **Recall Election Costs.** The budget includes \$276 million General Fund to support the Secretary of State and local governments in administering the 2021 Gubernatorial Recall election.
- **Voter’s Choice Act (SB 450) Counties.** The budget includes one-time \$5.8 million General Fund to support Voter’s Choice Act counties in preparation for the 2022 Primary Election and General Election. This funding will be used to provide local assistance to counties adopting the Voter’s Choice Act elections model and to fund statutory elections research and reporting requirements.

## 0911 REDISTRICTING COMMISSION

- **Redistricting Augmentation.** The budget includes \$8.5 million one-time General Fund in 2021-22, to be spent over three years, to provide the Commission with additional funding to complete the necessary maps and to perform related support activities to finalize redistricting activities related to the 2020 Census.
- **Re-appropriation of Funds.** The Budget re-appropriates \$4.3 million General Fund from the 2019 Budget, to be spent over three years, to continue funding for costs related to activities after the adoption of the final set of maps.

**1111 DEPARTMENT OF CONSUMER AFFAIRS (DCA)**

- **Vehicle Repair Assistance Program (Bureau of Automotive Repair).** The Bureau of Automotive Repair (BAR) under DCA requested an increase of \$2.3 million in 2021-22 and 2022-23 from the High Polluter Repair or Removal Account (HPRRA), to increase repair assistance to consumers when their vehicles fail a Smog Check inspection. The Legislature approved this request.
- **Information Technology Security.** DCA requested two positions and \$2.0 million in 2021-22 and \$1.7 million ongoing to meet State of California mandated information technology security regulations and processes across all five department domains. The Legislature approved this request.
- **Business Modernization Cohort I.** DCA requested funding for maintenance activities associated with the selected Business Modernization Cohort 1 software alternative. The total combined request was \$1.8 million in fiscal year 2021-22 to fund software licensing, project management, maintenance, credit card services, technical knowledge transfer, and 3.5 existing positions. The Legislature approved this request.
- **Regulations Unit – Funding Extension.** DCA requested a two-year limited-term extension of \$1.7 million in 2021-22 and 2022-23 to continue supporting eight existing positions in the Department’s Regulations Unit. The Legislature approved this request.
- **Continued Resources for Accounting and Business Services Workload.** DCA requested \$436,000 in fiscal year 2021-22 and ongoing to support one existing position in the Business Services Office and two existing positions in the Fiscal Operations Office, which were received in 2019-20 with two years of limited-term funding. These positions will continue to address significant ongoing workload increases, enhanced reporting requirements, and complex accounting processes. This proposal also includes removal of the remaining four positions, also received in 2019-20, which are not requested to be continued. The Legislature approved this request.
- **Enforcement Staffing Augmentation (Veterinary Medical Board).** The Veterinary Medical Board requested \$430,000 in fiscal year 2021-22, \$406,000 in 2022-23, \$246,000 in 2023-24 and ongoing, and three positions, to sufficiently address oversight and probation monitoring workload. Funding for one of the positions is requested on a two-year limited-term basis. The Legislature approved this request.
- **Board of Optometry – Mobile Optometric Office License (AB 896).** The California State Board of Optometry requested \$262,000 in the fiscal year 2021-2022, \$246,000 in 2022-23 and 2023-24, and two three-year limited-term positions to address anticipated workload as a result of Chapter 121, Statutes of 2020, which creates a new license type for mobile optometric offices. The Legislature approved this request.

- **Licensure with Criminal Background (Structural Pest Control Board).** The Structural Pest Control Board (Board) requested \$188,000 in fiscal year 2021-22, \$180,000 in 2022-23 and 2023-24, and one position to address the additional workload associated with implementing Chapter 995, Statutes of 2018 (AB 2138), and oversee the Board's probation monitoring. The Legislature approved this request.
- **Expert Witness and Court Reporter Costs (Board of Psychology).** The California Board of Psychology requested funding to augment the Board's expert witness budget and to support court reporter expenses as follows: \$165,000 in 2021-22, \$178,000 in 2022-23, \$186,000 in 2023-24, and \$193,000 thereafter for expert witnesses, and \$13,000 in 2021-22 and \$14,000 thereafter for court reporters. This will align the Board's budget more closely with actual costs. The Legislature approved this request.
- **Budget Bill Language Request (Contractors State License Board).** The Contractors State License Board requested budget bill language to authorize the augmentation of its Construction Management Education Account (CMEA) appropriation and to provide the flexibility to increase the grants awarded from the fund based on the amount of contributions made to the CMEA.
- **Cemetery and Funeral Bureau – Endowment Funds (AB 795).** The Cemetery and Funeral Bureau requested a 0.5 position and \$86,000 in 2021-22, and \$78,000 in 2022-23 and ongoing, from the Cemetery and Funeral Fund, to address the additional workload related to the requirements of Chapter 309, Statutes of 2019 (AB 795). The Legislature approved this request.
- **Examination Development and Validation (Board of Optometry).** The California State Board of Optometry requested \$60,000 in fiscal year 2021-22 and ongoing to fund continued optometry examination development and validation. Ongoing annual development and validation of the Board's licensing exams is critical to avoid any potential compromises of the exams. The Legislature approved this request.
- **Business Modernization Cohort 2.** DCA requested one-time funding of \$4,346,000 and eight positions to allow the Structural Pest Control Board, the California Architects Board/Landscape Architects Technical Committee, the Cemetery and Funeral Bureau, and the Bureau of Household Goods and Services to begin implementing their selected Business Modernization software alternative, consistent with the Department's Business Modernization Plan. The Legislature approved this request.
- **Business Modernization – Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.** DCA's Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board requested one-time funding of \$1,117,000 and two positions to complete planning activities and begin implementing its selected Business Modernization software alternative, consistent with the Department's Business Modernization Plan. The Legislature approved this request.



- **Augmentation for Attorney General Services (Bureau of Security and Investigative Services).** The Bureau of Security and Investigative Services requested \$800,000 in fiscal year 2021-22 and 2022-23 to support increased Attorney General (AG) services as a result of Chapter 800, Statutes of 2016 (SB 1196), requiring all firearm assessment appeals be referred to the AG's Office. The Legislature approved this request.
- **Augmentation and Continuation of Resources for the Licensed Physicians and Dentists from Mexico Pilot Program.** The Medical Board of California requested three-year limited term funding of \$242,000 in 2021-22, \$341,000 in 2022-23, and \$275,000 in 2023-24 to align the appropriation for the Licensed Physicians and Dentists from Mexico Pilot Program (Mexico Pilot Program) to match the revised timeline for the program's implementation as required by Chapter 1157, Statutes of 2002 (AB 1045). The Legislature approved this request.
- **Facility Relocation Due to Renovation.** DCA requested a \$74,000 increase in expenditure authority from its various special funds to reimburse the Business, Consumer Services, and Housing Agency for costs related to relocating the Agency from the Jesse Unruh Building.
- **Fee Waivers for Board of Barbering and Cosmetology.** The budget includes \$25.6 million General Fund to backfill revenues as a result of waiving fees for licensees of the Board of Barbering and Cosmetology that are in effect between January 1, 2021 and January 1, 2025. This action also required statutory changes in accompanying trailer bill.

## 1115 DEPARTMENT OF CANNABIS CONTROL

- **Establishment of the Department of Cannabis Control.** The budget shifted \$154 million in Cannabis Control Fund from various cannabis licensing entities to administer the new Department of Cannabis Control, and also included trailer bill language that makes the necessary statutory changes to consolidate the state's licensing authorities into the Department of Cannabis Control. Among the statutory changes is the renewal of the cannabis provisional licensing program and the authorization of cannabis trade samples.
- **Cannabis Local Jurisdiction Assistance Grant Program.** The budget also includes \$100 million General Fund, to be spent over three years, to assist local jurisdictions expedite their environmental review processes and transition provisional licenses to annual licensure.
- **Cannabis Equity.** As part of the establishment of the Department of Cannabis Control (described in this section), the budget includes a newly-created Deputy Director of Equity and two additional positions, of which one is an attorney. The budget also includes one-time \$30 million General Fund to allow the Department to issue fee waivers and deferrals for cannabis equity licensees and applicants. This funding was accompanied with trailer bill language that created a statewide definition for equity. The budget also included \$20 million General Fund for the Cannabis Local Equity Grant program, and more information can be found under the Governor's Office of Business and Economic Development section.

**1703 CALIFORNIA PRIVACY PROTECTION AGENCY**

- **Establishment of the California Privacy Protection Agency.** Proposition 24, the California Privacy Rights Act of 2020, requires \$5 million to be appropriated in 2020-21 and \$10 million to be appropriated in 2021-22, with \$10 million appropriated in each following year with adjustments for the cost-of-living. The budget includes these statutorily required appropriations.

**1750 CALIFORNIA HORSE RACING BOARD**

- **Horse Safety Panel Funding Shift (AB 1974).** The California Horse Racing Board requested a decrease in expenditure authority of \$434,000 Horse Racing Fund and two positions in 2021-22, \$662,000 in 2022-23, and \$890,000 in 2023-24 and ongoing. CHRB also requested an increase in expenditure authority of \$890,000 Horse and Jockey Safety and Welfare Account in 2021-22 and ongoing and two positions to fulfill the requirements of Chapter 251, Statutes of 2020 (AB 1974), which provides additional revenue sources for enhanced equine and jockey safety measures consistent with the statewide implementation of safety review panels designed to effectively assess the fitness of horses prior to racing. These requests will result in a net-zero funding shift by 2023-24. The Legislature approved this request.

**2100 DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL (ABC)**

- **Fee Waivers for Licensees of ABC.** The budget includes \$93 million General Fund to backfill revenues as a result of waiving fees for specified licensees of ABC that are in effect between March 1, 2021 and February 28, 2023. This action also required statutory changes in accompanying trailer bill.
- **Business Modernization and Responsible Beverage Service.** ABC requested an increase in expenditure authority of \$2,943,000 one-time Alcohol Beverage Control Fund in 2021-22 for ongoing support costs following the completion of the Business Modernization and Responsible Beverage Service (BizMod/RBS) project. The Legislature approved this request.

**2320 DEPARTMENT OF REAL ESTATE (DRE)**

- **Accounting Workload Resources.** The DRE requested \$125,000 in 2021-22 and \$117,000 in 2022-23 and ongoing from the Real Estate Fund, and one permanent position and one two-year, limited-term position to support the accounting activities in Fiscal Operations. The Legislature approved this request.

- **Licensing Information Section – Call Workload.** The DRE requested three year, limited-term funding of \$414,000 in 2021-22, and \$374,000 in 2022-23 and 2023-24 from the Real Estate Fund and five positions to the support the Licensing Program, Information Section and assist with managing high call volumes and excessive call wait times. The Legislature approved this request.

## 7502 DEPARTMENT OF TECHNOLOGY (CDT)

- **Security Operations Center and Audit Program.** CDT requested a \$21 million General Fund augmentation in 2021-22 and ongoing to convert 49 existing Office of Information Security positions currently funded through the Technology Services Revolving Fund. This request was accompanied by a trailer bill to allow for CDT to receive General Fund for audits. The Legislature approved these requests.
- **Stabilize Critical Services and IT Infrastructure.** CDT requested 17 positions and \$11.4 million General Fund in 2021-22, \$9.4 million in 2022-23, and \$6.4 million ongoing to invest in proactive measures to stabilize critical services and enhance performance statewide. Additionally, this request augmented resources to support the State’s Broadband for All initiative. CDT also requested \$3 million to sustain operational expenses for the ongoing support of COVID-19 software and cloud services. In addition to staff, CDT requested \$5 million to bring in the necessary specialist diagnostic capabilities required during the assessment process, and bootstrap initial critical service stabilization activities. It is anticipated the amount required will decrease to \$3 million in subsequent years. The Legislature approved this request.
- **Digital Identification Project Planning.** CDT requested two positions and \$1.1 million General Fund in 2021-22 and 2022-23 to develop a Digital Identification (ID) system. The Legislature approved this funding, and included budget bill language that prohibited the Digital ID pilot from operating with departments that hold sensitive information and data, and from collecting precise geolocation information, among other parameters.
- **CA.gov Website.** CDT requested ten positions and \$2.3 million General Fund in 2021-22 and 2022-23 to develop the CA.gov web portal and expand the CAWeb team to increase capacity and reduce time required for onboarding partner agency websites into the state’s web portal. The Legislature approved this request.
- **Technology Modernization Fund.** The budget includes \$25 million General Fund for a Technology Modernization Fund administered by the Department of Technology, to be used to update legacy systems and other modernization projects that cost less than \$5 million.

## 7760 DEPARTMENT OF GENERAL SERVICES

**Capitol Outlay and Progressive Design Build Project Delivery.** The budget provides the following resources for the Department of General Services' capital outlay projects:

- **Gregory Bateson Building.** \$191.6 million in lease revenue bond authority for the design build phase of the Gregory Bateson Building in Sacramento.
- **Jesse Unruh Building.** Provides \$124.4 million in lease revenue bond authority for the Jesse Unruh Building in Sacramento, which includes \$2 million to restore the State Capitol Fountain.
- **Resources Building.** Provides \$452.1 million in lease revenue bond authority for the Resources Building renovation in Sacramento.
- **Bonderson Building.** Provides \$11.6 million General Fund to renovate the Bonderson Building swing space.

The budget also includes statutory changes that authorize the use of the progressive design build project delivery method for the Gregory Bateson Building, the Jesse Unruh Building, and the Resources Building renovation.

- **EVSE Infrastructure Assessment and Facility Development.** Office of Sustainability (OS) in DGS requested a one-time budget augmentation of \$50 million in General Fund and \$1.3 million in Service Revolving Fund (SRF) authority. This request is to fund year five of the DGS Zero Emission Vehicles (ZEV) Five-Year Infrastructure Investment Plan (2017-18 through 2021-22) to continue performing installations of Electric Vehicle Service Equipment (EVSE) at state-owned and leased facilities, to meet California's transportation and greenhouse gas goals. The Legislature approved this request.
- **New Buildings Operations and Support.** The Facilities Management Division (FMD) within DGS requested \$15.31 million ongoing Service Revolving Fund (SRF) expenditure authority and 105.0 authorized permanent positions beginning in fiscal year 2021-22 to manage, operate, and maintain the new Clifford L. Allenby (Allenby) and new Natural Resources Headquarters (Resources) buildings located in Sacramento. The Legislature approved this request.
- **Division of the State Architect Oversight.** The DGS Division of the State Architect (DSA) requested an increase in expenditure authority of \$11 million (\$9.3 million for the Public School Planning, Design, and Construction Review Revolving Fund and \$1.7 million for the Disability Access Account), and 26 permanent positions beginning in fiscal year 2021-22 to provide necessary resources to manage increasing public school construction workload and required oversight.

- **Division of the State Architect Evaluation of Detectable Warnings.** DGS' Division of the State Architect (DSA) requested a one-time budget authority increase of \$1.3 million in the Disability Access Account for 2021-22 to complete a statutorily-mandated study of detectable warning surfaces. The Legislature approved this request.
- **Statewide Support Emergency Management Functions.** The DGS Office of Risk & Insurance Management requested \$300,000 in ongoing Service Revolving Fund expenditure authority and two permanent positions to support the increased demand for departmental and statewide emergency management functions, specific to statewide resiliency and emergency planning. The Legislature approved this request.
- **Contracted Fiscal Services Workload Increase.** DGS' Contracted Fiscal Services requested \$1.4 million in additional ongoing authority comprised of the following funds: General Fund (\$738,000), Central Services Cost Recovery Fund (\$560,000), and Service Revolving Fund (\$148,000). Additionally, DGS requested nine positions to provide administrative services for five new client agencies. The Legislature approved this request.
- **Fire Alarm and System Deferred Maintenance.** DGS requested \$50 million in one-time General Fund for fiscal year 2021-22 to address critical Fire, Life, and Safety (FLS) issues related to Fire Alarm Systems in seven state buildings, and elevator deficiencies in one state building, owned and operated by DGS. The Legislature approved this request.
- **Statewide Property Inventory Modernization Project Planning.** DGS requested a one-time increase of \$214,000 General Fund to fund the planning efforts for the State Property Inventory (SPI) modernization project. The Legislature approved this request.
- **California Commission Disability Access.** DGS requested an increase of \$99,000 General Fund to allow the California Commission on Disability Access to expend its share of fee revenues collected over fiscal years 2015-16 through 2019-20. The Legislature approved this request.
- **The Capitol Annex and State Project Infrastructure Fund Transfer.** The budget transfers \$104.5 million General Fund to the State Project Infrastructure Fund, and accompanied trailer bill language that increased the appropriation authorized for the State Capitol's West Wing renovations from \$20 million to \$37 million.

#### 7870 CALIFORNIA VICTIMS COMPENSATION BOARD (CalVCB)

- **Reparations for Forced or Involuntary Sterilizations.** The budget includes \$7.5 million General Fund and trailer bill language for CalVCB to establish and administer reparations for individuals who survived forced or involuntary sterilizations while under the state's custody.

- **Restitution Fund Backfill.** CalVCB requested \$33 million General Fund in 2021-22 and \$39.5 million General Fund thereafter to backfill a decline in revenues in the Restitution Fund. The Legislature approved this request.

## 8260 CALIFORNIA ARTS COUNCIL

- **California Creative Corps Pilot Program.** The budget includes \$60 million one-time General Fund in 2021-22, to be spent over three years, to implement the California Creative Corps Pilot Program. This program will support artists and local art organizations with a focus on art campaigns that bring awareness to stopping the spread of COVID-19, water and energy conservation, emergency preparedness, response and recovery, civic engagement, and social justice. Budget bill language is included to require the Arts Council to provide grants in every county and prioritize grants in zip codes in the lowest quartile of the California Healthy Places Index.
- **Creative Youth Development Grant Program.** The budget includes \$40 million one-time General Fund in 2021-22, to be spent over three years, to support the Arts Council's existing Creative Youth Development programs. The Arts Council will use partnerships between community-based organizations, educators, and local artists to expand participation in these programs statewide.
- **Paymaster.** The budget appropriates \$500,000 General Fund to the California Arts Council to establish a nonprofit paymaster for nonprofit arts organizations, and adjusts the Small Nonprofit Performing Arts Grants Program administered by the Governor's Office of Business and Economic Development accordingly.

## 8620 FAIR POLITICAL PRACTICES COMMISSION (FPPC)

- **Local Campaign Filings (AB 2151).** The FPPC requested \$121,000 General Fund in 2021-22, and \$114,000 in 2022-23 and ongoing) and one permanent position to implement AB 2151 (Chapter 214, Statutes of 2020), regarding online filing and disclosure systems. The Legislature approved this request.
- **Continuation of California Disclose Act Workload.** The FPPC requested \$430,000 General Fund in 2021-22 and ongoing to continue funding three existing limited-term funded positions on a permanent basis to continue interpretation, outreach and education, enforcement, and refinement for continuing workload associated with AB 249 (Chapter 546, Statutes of 2017), the California Disclose Act. This request will continue funding for one senior commission counsel, one political reform consultant, and one special investigator. The Legislature approved this request.
- **Lobbying Audits and Investigations.** The FPPC requested trailer bill language that transferred the authority to conduct lobbying audits and investigations from the Franchise Tax Board to the FPPC, and also requested five positions and \$637,000 General Fund in

2021-22, and \$602,000 annually thereafter, to implement the redirection of authority from the Franchise Tax Board to perform lobbying audits and field investigations on lobbying reports and statements filed with the Secretary of State pursuant Government Code section 86100. The Legislature rejected without prejudice the request for statutory changes through the budget process, and approved and redirected the resources to conduct lobbying audits and investigations to remain with the Franchise Tax Board.

## 8885 COMMISSION ON STATE MANDATES

- **Cost Increases for Mandate Reimbursements.** The budget includes expenditures of \$47.7 million related to funding non-education mandates, and includes the newly funded mandate costs for Peace Officer Training: Mental Health/Crisis Intervention. Funded mandates are listed in the following table.

2021-22 Funded Local Government Mandates	Proposed Funding Levels
<b>General Fund</b>	
Allocation of Property Tax Revenues	603,000
Crime Victims' Domestic Violence Incident Reports	178,000
Custody of Minors-Child Abduction and Recovery	13,259,000
Domestic Violence Arrest Policies	9,793,000
Domestic Violence Arrests and Victims Assistance	2,288,000
Domestic Violence Treatment Services	2,367,000
Health Benefits for Survivors of Peace Officers and Firefighters	2,695,000
Local Agency Ethics	17,000
Medi-Cal Beneficiary Death Notices	8,000
Medi-Cal Eligibility of Juvenile Offenders	2,000
Peace Officer Personnel Records: Unfounded Complaints and Discovery	809,000
Rape Victim Counseling	601,000
Sexually Violent Predators	3,800,000
State Authorized Risk Assessment Tool	724,000
Threats Against Peace Officers	0
Tuberculosis Control	239,000
Unitary Countywide Tax Rates	400,000
U Visa 918 Form	1,339,000
Impasse Procedures II	1,201,000
Peace Officer Training: Mental Health/Crisis Intervention (New)	5,300,000
<b>Total General Fund</b>	<b>45,623,000</b>
<b>Fund 0044</b>	
Administrative License Suspension	<b>2,008,000</b>
<b>Fund 0106</b>	
Pesticide Use Reports	<b>47,000</b>
<b>Totals</b>	<b>47,678,000</b>

Consistent with previous years, the budget includes the suspension of 38 mandates totaling \$552.5 million.

## 8940 CALIFORNIA MILITARY DEPARTMENT (CMD)

- State Information Technology Network – Phase 2.** CMD requested 11 permanent positions and \$2.7 million one-time General Fund with \$2.1 million General Fund ongoing to continue the development, implementation, and maintenance of its State Network. The Legislature approved this request.
- Los Alamitos: Starbase Classroom Building.** The budget includes one-time \$1.7 million General Fund for the construction phase of the Los Alamitos: STARBASE Classroom Building project. This project was originally approved in the Budget Act of 2018 to provide additional classroom space. However, due to design and contracting issues, the working drawing phase of the project was delayed and will likely be approved by June 30, 2021. This request will allow the CMD to complete the design phase of the project and proceed to construction in 2021-22. Total estimated project costs are \$1,850,000 General Fund (\$68,000 for preliminary plans, \$102,000 for working drawings, and \$1,680,000 for construction).
- State Active Duty Compensation Adjustment.** CMD requested an ongoing net increase of \$16,000 (an increase of \$22,000 General Fund and a decrease of \$6,000 Federal Trust Fund) to align the pay of its State Active Duty employees to the pay of service members of similar grade in the United States Army, United States Air Force, and United States Navy.
- Deferred Maintenance.** The budget includes one-time \$15 million General Fund to address deferred maintenance projects. The requested funding will address deferred maintenance projects on the 2020 Backlog of Maintenance and Repair list:

Facility Location	Project Title and Description	Estimated Cost
San Bernardino , 266 East 3rd Street, Armory	Fencing	\$ 250,000
San Francisco , End of Zoo Road, Armory	MVSC Roof repairs	\$ 125,000
San Francisco , End of Zoo Road, Armory	Replace fence on east side	\$ 300,000
San Mateo , 400 No Humboldt St., Armory	Security fencing	\$ 250,000
San Mateo , 400 No Humboldt St., Armory	Replace roof on Armory.	\$ 300,000
San Pedro , 891 W 13th Street, Armory	HVAC repair	\$ 200,000
San Pedro , 891 W 13th Street, Armory	Sec Fence/Lighting & Paving, Landscape	\$ 450,000
Santa Ana , 612 E. Warner Ave., Armory	Fence repairs and repairs	\$ 250,000
Santa Ana , 612 E. Warner Ave., Armory	Upgrade HVAC	\$ 125,000
Seaside 140 COL Durham Street, Armory	Repair motorpool gates	\$ 125,000
Stockton , 2000 Stimson Road, AASF	Electrical upgrade	\$ 230,000
Stockton , 8010 So. Airport Dr., Armory	HVAC for Assembly Hall	\$ 200,000
Stockton , 8020 So. Airport Dr., CSMS	restoration and improvements fencing	\$ 500,000
Van Nuys, 17330 Victory Blvd, Armory	HVAC repair	\$ 300,000
Van Nuys, 17330 Victory Blvd, Armory	Fenceline repairs	\$ 250,000
Ventura , 1270 Arundell Ave., Armory	Storefront Door replacement	\$ 75,000
Walnut Creek , 1800 Carmel Drive, Armory	Fencing repairs on Motor pool	\$ 250,000
Walnut Creek , 1800 Carmel Drive, Armory	Re-roof with Cool roof	\$ 150,000
Yuba City , 310 B Street, Armory	Perimeter Fence Survey/Replacement	\$ 175,000



Source: Department of Finance

- Emergency Preparedness and Disaster Response.** CMD requested 18 positions and \$2.9 million General Fund in 2021-22, and \$2.8 million annually thereafter, to address higher levels in the magnitude, frequency, and complexity of natural disasters and demand for National Guard support. The Legislature rejected two positions and the associated resources related to the Friendly Force Tracking program, and approved the remaining request.
- Headquarters Complex.** On March 19, 2021, the State Fire Marshal (SFM) issued a stop-work order for CMD's Headquarters Complex, citing five areas of deficiencies, including a lack of on-site fire protection. At the release of the Governor's January budget, the estimated move in time was spring of 2021, and as of now, the move in date has been pushed back to 2022. Since the SFM issued its stop-work order, the project has ceased to continue until a resolution can be reached. The Administration had two proposals related to the Headquarters Complex: (1) An increase in position authority of eight positions in 2020-21 and ongoing to be paid for by a portion of the savings generated due to the move from a leased building to the new state-owned Consolidated Headquarters Complex in Rancho Cordova, and (2) \$1.7 million reduction in General Fund due to anticipated lease savings. As a result of project delays due to the SFM's stop-work order, the Legislature rejected the proposal providing position authority for maintenance personnel at the new Consolidated Headquarters Complex, and approved the one-time augmentation of \$1.7 million that reflects the elimination of lease savings.

The CMD also requested a supplemental appropriation of \$25,855,000 one-time General Fund for the design-build phase of the Sacramento: Consolidated Headquarters Complex project. The additional funds are necessary to secure project management, construction supervision, engineering support and inspection services through the duration of the project, and to address numerous required change orders and contractor re-mobilization activities and related costs. The additional funds will allow the project to be completed in 2021-22. This request covers the following estimated costs:

Supplemental Appropriation Estimate			
PCO's	\$	12,000,000	Includes costs primarily related to utilities and technology connections, permits, and other State Fire Marshall compliance changes
De-mob-Re-mob & Overhead (6 mos)	\$	6,000,000	For 6 months of delays
Criteria Architect/Engineer Contract Extension Jul 21 - Jun 22 (Burns & MacDonald)	\$	2,300,000	Provides Specialty Inspections & Engineering Support validation of contract requirements, and provides historical engineering data as well as continuity of Civil Engineered design.
DGS Fees & Services	\$	2,300,000	Includes all Soft Costs for Inspection, fully burdened costs for Project Director III (\$360K) for 18 months, and 2.5 Construction Supervisor II's (\$774K) for 18 months.
3rd Party Construction Management Firm	\$	1,700,000	Includes a 3rd Party Construction Management Firm (\$1.7M). Military is currently in the process of procuring these services.
Remaining Cap Out Funds for 1 year Warranty Monitoring Contract	\$	1,230,000	CMD to let Contract to Burns & MacDonald upon completion and occupancy. A portion of that Appropriation is good until June 22'.
Connection Fees	\$	325,000	Water Connection fee: \$198K, SMUD Fee: \$125K
<b>TOTAL SUPPLEMENTAL COST</b>	<b>\$</b>	<b>25,855,000</b>	

*Source: Department of Finance*

Total project costs are estimated at \$197,242,000 including acquisition (\$8,831,000), performance criteria (\$6,889,000), and design-build (\$181,522,000). The Legislature approved this request.

## **8955 CALIFORNIA DEPARTMENT OF VETERAN AFFAIRS (CalVet)**

- **CalVet Electronic Health Record Project: Phases 2 and 3.** CalVet requested a one-time augmentation of \$10 million General Fund in 2021-22 for the second year of implementation of a new long-term care electronic health record system in the Veterans Homes of California and Headquarters. The Legislature approved this request.
- **Northern California Veterans Cemetery, Igo: Columbaria Expansion (Capital Outlay).** CalVet requested \$296,000 General Fund for the preliminary plans and working drawings phases for the columbarium expansion at the Northern California Veterans Cemetery (NCVC) in Igo, California. The Legislature approved this request.
- **Northern California Veterans Cemetery, Igo: Water System Upgrade (Capital Outlay).** CalVet requested \$954,000 General Fund for the construction phase of the water system upgrade at the Northern California Veterans Cemetery in Igo, California. The Legislature approved this request.
- **Rector Creek Instream Flow and Fish Condition Assessment Study.** CalVet requested a re-appropriation to extend the liquidation period to complete the Rector Creek Instream Flow and Fish Condition Assessment Study to June 30, 2023. The Legislature approved this request.
- **Veterans Home of California – Yountville Water Treatment Plant Upgrades (Capital Outlay).** CalVet requested a one-time augmentation of \$2.1 million General Fund in 2021-22 for the required renovations for the water treatment plant at the Rector Reservoir near the Veterans Home of California-Yountville. The Legislature approved this request.
- **Strategic Realignment for the Barstow Veterans Home.** The budget provides \$330,000 General Fund in 2020-21 and \$588,000 ongoing General Fund to support the Barstow Veterans Home in meeting current and future program needs as outlined in the Master Plan.
- **Extension of Liquidation Period of Barstow Veterans Home Nurse Call System Project.** The budget includes an extension of the liquidation period to complete the infrastructure upgrades for the nurse call system at the Barstow Veterans Home.
- **Veterans Home of California-Yountville Steam Distribution System, Reappropriation.** CalVet requested the reappropriation of \$7,833,000 in Public Buildings Construction Fund for the construction phase of the Steam Distribution System Renovation project at the Veterans Home of California-Yountville (VHC-Yountville). The reappropriation is necessary due to delays from the United States Department of Veterans

Affairs (USDVA) awarding grant funding for projects. The Legislature approved this request.

- **Funding for County Veteran Services Officers.** The budget augments the county veteran service officer program by \$5.4 million ongoing General Fund, for a total of \$11 million ongoing General Fund.
- **West Los Angeles Veterans Collective Affordable Housing.** The budget includes \$20 million General Fund to help support the West Los Angeles Veterans Collective in building affordable housing units on the West Los Angeles VA Medical Center Campus.
- **Deferred Maintenance.** The budget includes one-time \$15 million General Fund to address the following deferred maintenance projects at the Veterans Homes of California:

Facility Location	Project Title and Description	Estimated Cost
Veterans Home of California, Barstow	Replace Air Handling Units (AHU) throughout the Home: The AHUs typically operate 24-hours per day, are over 25 years old, and are at risk of failing. The aging mechanical systems require constant, ongoing maintenance as bearings, motors, and heating and cooling coils have exceeded their life expectancy of 15 years. The AHUs need to be replaced/upgraded and aligned to increase efficiency. They need to be connected to the new control system installed by Honeywell in 2016. Due to the extreme desert temperatures, AHUs are a critical part of the infrastructure. Taking a proactive approach to address this situation before failure will ensure that the VHC-Barstow maintains its compliance with health and safety standards and that policies and procedures are in line with Title 22 and the United States Department of Veterans Affairs regulations.	\$14,400,000
Veterans Home of California, Yountville	Elevator Modernization: The VHC-Yountville has 26 elevators throughout the property. Most of these elevators are very old and routinely fail. These failures have proven costly, resulting in numerous emergency contracts and repairs. In many cases, elevator parts are no longer manufactured and new parts have to be reengineered by specialty manufacturers specifically for the VHC-Yountville, dramatically extending the time before elevators return to operation and increasing the costs for repairs. More importantly, the continuous failures have proven significantly disruptive to resident services, particularly those with limited mobility.  To date, only two elevators on the Yountville campus have been modernized. The \$600,000 requested in this proposal will allow the VHC-Yountville to modernize one to two additional elevators.	\$600,000
<b>Total</b>		<b>\$15,000,000</b>

Source: Department of Finance

- **Federal Veterans Administration Grant.** The budget includes a one-time augmentation of \$7,725,000 Federal Trust Fund from the United States Department of Veterans Affairs (VA) through the Consolidated Appropriations Act, 2021 (Public Law 116-260) for State Veterans Homes. The funding will be used to support efforts to prevent, prepare for, and respond to COVID-19 in CalVet's eight Veterans Homes of California.
- **Support to Self-Reliance for Veterans Programs.** The budget includes \$25 million General Fund for the Veterans Support to Self-Reliance grant program.
- **Re-appropriation and Extension of Liquidation for Yountville Restrooms and Nurse Call System.** CalVet requested the use of deferred maintenance funding from the 2018 Budget Act to make Americans with Disabilities Act renovations to two restrooms at the

Yountville Veterans Home. CalVet also requested reappropriation of funds to complete upgrades to a nurse call system at the Yountville Veterans Home.

## 9210 LOCAL GOVERNMENT FINANCING

- **Local Government Backfill.** The Administration requested \$10.3 million to reimburse the Counties of Alpine and San Mateo for shortfalls incurred in 2019-20. The Administration is proposing \$10.1 million for San Mateo County and \$148,000 for Alpine County so it can reimburse its cities and the counties in the context of there being (1) insufficient ERAF monies and (2) too many basic aid school districts. The Legislature approved this request.
- **Property Tax Backfill for 2020 Wildfires.** The budget includes one-time \$11 million General Fund to backfill property tax losses for the 2020 wildfires. This request includes the counties of Butte, Fresno, Lake, Lassen, Los Angeles, Madera, Monterey, Napa, Nevada, Orange, San Bernardino, San Diego, San Mateo, Santa Cruz, Siskiyou, Solano, Sonoma, Trinity, Tulare, and Yolo.
- **Local Assessment Appeals Deadline Extension.** The Administration requested trailer bill language to extend the deadline to allow assessment appeals board to hear cases remotely from March 31, 2021 to December 31, 2021. The 2020 Budget extended the deadline for decisions in pending assessment appeals cases to March 31, 2021 and provided explicit statutory authority to conduct assessment appeals hearings remotely. These important provisions were intended to allow counties to safely conduct assessment appeals hearings and ensure that boards were able to finalize rulings on appeals that were nearing the statutory deadline. While in a few counties these provisions were sufficient to allow for disposition of backlogged cases, in many others, the backlog has persisted and grown substantially. An extension of the statutory deadline to December 31, 2021 is necessary to ensure the appropriate adjudication of these cases.
- **Financial Support for Independent Special Districts.** The budget provides \$100 million General Fund to support independent special districts who have not received other state or federal assistance.

## CONTROL SECTIONS 19.56 AND 19.57

- **Control Sections 19.56 and 19.57.** Added Control Sections 19.56 and 19.57 to appropriate funds for various Legislative priorities throughout the state.

### General Government and State Administration Budget Trailer Bills

1. *Alcoholic Beverage Control: License Renewal Fees: Waiver – Assembly Bill 83 (Committee on Budget), Chapter 11, Statutes of 2021*

2. *Alcoholic Beverage control: Barbering and Cosmetology: License Renewal Fees: Waiver – Senate Bill 94 (Skinner), Chapter 9, Statutes of 2021*
3. *State Government – Assembly Bill 137 (Committee on Budget), Chapter 77, Statutes of 2021*
4. *Cannabis – Assembly Bill 141 (Committee on Budget), Chapter 70, Statutes of 2021*
5. *Elections – Senate Bill 152 (Committee on Budget and Fiscal Review), Chapter 34, Statutes of 2021*
6. *Cannabis – Senate Bill 160 (Committee on Budget and Fiscal Review), Chapter 87, Statutes of 2021*
7. *State Government – Assembly Bill 163 (Committee on Budget), Chapter 251, Statutes of 2021*
8. *Cannabis – Senate Bill 166 (Committee on Budget and Fiscal Review), Chapter 260, Statutes of 2021*

# FINANCIAL MANAGEMENT

## 0110/0120/0130 STATE LEGISLATURE

The Legislature's budget for 2021-22 was increased to reflect the growth in the state's appropriation limit (SAL), which was calculated to be 4.75 percent in the Governor's May Revision. Applying the May Revision SAL rate to the legislative budget resulted in funding of \$157.9 million for the Senate and \$208.0 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. GO-Biz's budget this year focused on economic recovery and expanding support to underserved populations.

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

- **Small Business Grants.** The budget included \$2.059 billion one-time General Fund in 2020-21 and language for CalOSBA to provide grants to small businesses affected by the economic impacts of the COVID-19 pandemic. \$2.075 billion was originally allocated, but \$16 million earmarked for nonprofit cultural institutions was unspent and transferred to 2021-22.
- **Climate Catalyst Fund.** \$16 million one-time General Fund in 2020-21 was included for the Climate Catalyst Fund as part of a wildfire prevention and resilience package. The fund provides low-interest loans to accelerate economic development in sectors that help the state achieve its climate goals.

**Enacted 2021-22 Budget.** The enacted budget for GO-Biz for the fiscal year 2021-22 includes 133.3 positions and \$2.2 billion (\$557 million General Fund), including:

- **California Competes (CalCompetes).** CalCompetes provides incentives for businesses to create quality full-time jobs in the state. The budget includes \$120 million one-time General Fund and trailer bill language to establish a CalCompetes grant program. The budget also includes language to expand the existing tax credit incentive from \$180 million to \$290 million one-time in 2021-22.
- **Film and Television Tax Credit Expansion.** The budget includes trailer bill language that expands the existing Film and TV Tax Credit by \$90 million per year for 2021-22 and 2022-23, and allows CFC to allocate up to \$150 million towards a new tax credit for studio construction projects.
- **California Travel and Tourism.** The budget includes \$95 million one-time Coronavirus Fiscal Recovery Fund in 2021-22 for Visit California and the California Office of Tourism to implement a

marketing campaign to boost travel in the state. Additional reporting requirements for Visit California were included in budget bill and trailer bill language.

- **IBank.** The 2021-22 budget for IBank includes:
  - **Small Business Loan Guarantee Program.** The budget includes \$20 million one-time General Fund for the Small Business Loan Guarantee Program to continue to provide loan guarantees as businesses recover from the economic impacts of the COVID-19 pandemic.
  - **California Rebuilding Fund.** The budget includes \$50 million one-time General Fund for the California Rebuilding Fund, which provides loans to underserved businesses. Budget bill language allows this funding to be used across other IBank programs that focus on underserved businesses with notification of the Joint Legislative Budget Committee.
  - **Climate Catalyst Fund.** In addition to the funding provided for the Climate Catalyst Fund in 2020-21, the budget includes \$33 million in 2021-22 for projects in the forestry sector as part of the Wildfire Prevention and Resilience Package, and \$25 million in 2022-23 for projects that address greenhouse gas emissions as part of the Sustainable Agriculture Package. The budget also includes trailer bill language for the Climate Catalyst Fund that specifies how these funds may be used.
- **Cannabis Local Equity Grant Program.** The budget includes \$20 million one-time General Fund in 2021-22 for the Cannabis Local Equity Grant Program, administered by GO-Biz, to assist local equity applicants and licensees. This amount is in addition to the \$15.5 million ongoing Cannabis Tax Fund allocated to GO-Biz for this purpose, bringing the 2021-22 total to \$35.5 million.
- **California Jobs Initiative Staffing.** The budget includes \$1.4 million General Fund and ten positions in 2021-22 and ongoing to support GO-Biz’s increased responsibilities, including six positions for CalCompetes, three positions for CalOSBA, and one position for the Legislative and Inter-Governmental Unit.
- **Zero-Emission Vehicle Market Development Strategy.** The budget includes \$5 million one-time General Fund for Zero-Emission Vehicle Market Development Strategy, as part of a \$3.9 billion package to scale the zero-emission vehicle market.
- **Energy Unit.** The budget includes trailer bill language and \$950,000 General Fund and five positions ongoing to establish an Energy Unit to expedite critical projects and essential infrastructure focusing on energy generation and wildfire mitigation.

**CalOSBA.** GO-Biz’s 2021-22 budget includes \$1.826 billion 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:
  - **Small Business Grant Program.** The budget includes \$1.5 billion one-time Coronavirus Fiscal Recovery Fund in 2021-22 for three additional rounds of grants for small businesses.

Trailer bill language allows CalOSBA to administer additional rounds targeted at nonprofit cultural institutions using \$16 million that was unspent in 2020-21 and moved to 2021-22.

- o **California Microbusiness Grant Program.** The budget includes \$50 million one-time General Fund in 2021-22 for CalOSBA to partner with local organizations to provide \$2,500 grants to qualified microbusinesses.
- o **California Venues Grant Program.** The budget includes \$150 million one-time General Fund in 2021-22 to provide grants of up to \$250,000 to independent venues, live events businesses, and minor league sports.

The language also exempted these grants from state income taxes and specified that grants from all programs may be recaptured if the receiving entities do not meet the eligibility criteria.

- **California Dream Fund.** The budget includes \$35 million one-time General Fund in 2021-22 and trailer bill language to establish the California Dream Fund, which will provide grants of up to \$10,000 to new businesses through the California Small Business Technical Assistance Expansion Program (SB TAEP). Budget bill language allows up to ten percent of the funding to be used for outreach and administration. Trailer bill language also makes nonprofits and community-based organizations eligible to receive SB TAEP funding (previously, grants were restricted to federally-funded centers).
- **Inclusive Innovation Hub Program.** The budget includes \$2.5 million one-time General Fund in 2021-22 to restart and expand the Innovation Hub Program established in Chapter 530, Statutes of 2013. The budget includes language that updates the existing program with a new focus on inclusivity and on startups and the commercialization of technology.
- **California Nonprofit Performing Arts Grant Program.** The budget includes \$49.5 million one-time General Fund in 2021-22 and trailer bill language to provide grants of up to \$75,000 to eligible nonprofit performing arts organizations to encourage workforce development.
- **Office of the Small Business Advocate, Outreach Engagement.** The budget includes six positions and \$901,000 ongoing General Fund to support CalOSBA's ability to provide direct support to small businesses.

## 0750 OFFICE OF THE LIEUTENANT GOVERNOR

The budget for the Office of the Lieutenant Governor for the fiscal year 2021-22 was approved as budgeted and includes 13.9 positions and \$2.684 million General Fund. This includes:

- **Lieutenant Governor Relocation Costs.** The budget includes \$58,000 in 2021-22, and \$7,000 in 2022-23 and 2023-24 General Fund for relocation costs to move from the Capitol Annex to 1021 O Street in November 2021. Resources will cover one-time costs associated with the relocation and reestablishment of the office, and storage costs for three years.
- **Lieutenant Governor Support Staff.** The budget includes \$500,000 General Fund and three positions in 2021-22 and ongoing to support the Lieutenant Governor in fulfilling the duties and



obligations of the office and representing the constituents of California, including improving communication outreach and constituent services, and analyzing education policy.

## 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 2021-22 includes 212.0 positions and \$44.5 million (\$14.3 million General Fund), including:

- **Electronic Resources Augmentation.** The budget includes \$400,000 in reimbursements for the Investment Division to meet the increasing cost of electronic services necessary to safely and prudently invest state money for the Pooled Money Investment Account.
- **Jesse Unruh Building Relocation Costs.** The budget includes \$1.2 million one-time General Fund for relocation costs necessary to facilitate the renovation of the STO headquarters, the Jesse Unruh building located at 915 Capitol Mall in Sacramento. The renovation is part of the State's Ten Year Sequencing Plan for the renovation or replacement of state office buildings in Sacramento. Budget bill language allows the Department of Finance, upon notice of the fiscal committees in each house of the Legislature and the Joint Legislative Budget Committee, to authorize expenditures in excess of the amount requested.
- **Dream for All First Time Homebuyer's Program.** The budget includes \$3 million one-time General Fund and trailer bill language for the State Treasurer to investigate and plan a state-funded first-time homebuyer's program.

## 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. Budget bill language allows CTCAC to allocate up to \$50 million annually in tax credits for the rehabilitation of historic structures, and trailer bill language extends the sunset of this program from 2025 to 2026.

## 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 2021-22 includes 693.1 positions and \$146.3 million (\$10 million General Fund), including:

- **Debt Collector Licensing and Regulation (SB 908).** The budget includes 23 positions and \$5.8 million Financial Protection Fund in 2021-22, \$5.0 million in 2022-23, and \$4.9 million in 2023-24 to license, regulate, and examine debt collectors in compliance with Chapter 163, Statutes of 2020 (SB 908). Implementation of this program will promote fair and honest business practices and protect consumers by preventing marketplace risks, fraud, and abuse. The budget also includes trailer bill language defining the fee to become a licensed debt collector.

- **Financial Empowerment Fund.** The budget includes \$10 million one-time General Fund in 2021-22, to be transferred to the Financial Empowerment Fund, to increase grant funding available for non-profits to serve unbanked and underbanked Californians. This brings the total amount available in the Financial Empowerment Fund to \$11.3 million in 2021-22. The budget also includes trailer bill language to increase the maximum grant size from \$100,000 to \$200,000, and increase the total amount of awarded grants from \$1 million to \$2 million per year. The language also extends the program sunset from 2025 to 2030.
- **Information Security Strategy and Operations.** The budget includes \$710,000 (\$238,000 Credit Union and \$470,000 Fund Financial Protection Fund) in 2021-22 and \$573,000 (\$191,000 Credit Union Fund and \$382,000 Financial Protection Fund) in 2022-23 and ongoing for one Information Technology Manager I, one Information Technology Specialist II, one Information Technology Specialist I, and information technology tools to strengthen the DFPI's information technology security safeguards and protocols, and to comply with state information technology security requirements.
- **Legal Division Rulemaking Workload.** The budget includes \$426,000 non-General Fund in 2021-22 and \$408,000 in 2022-23 and ongoing for one Attorney III and one Legal Analyst to address increased rulemaking workload.
- **Student Loan Borrower Protection (AB 376).** The budget includes \$733,000 Financial Protection Fund in 2021-22 and \$705,000 in 2022-23 and ongoing to support one Staff Services Manager II to serve as the Student Loan Ombudsman, one Senior Financial Institutions Examiner to examine the Student Loan Servicing Program licensees and investigate borrower complaints, and one Attorney IV to manage increased enforcement activities, as required by AB 376 (Stone) Chapter 154, Statutes of 2020.

## 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 2021-22 includes 3,986.1 positions and \$700.5 million (\$404.4 million General Fund), including:

- **Local Prepaid Mobile Telephony Services Surcharge Sunset Removal.** The budget includes \$347,000 from the Local Charges for Prepaid Mobile Telephony Service Fund and two positions in fiscal year 2021-22, growing to \$469,000 and three positions in 2024-25 and ongoing to administer the Local Prepaid MTS collection program.
- **Centralized Revenue Opportunity System (CROS) Project Implementation Phase.** The budget includes \$23.9 million (\$13 million General Fund) to provide resources required to support the final phases of the CROS Project and the transition to Production Support Maintenance and Operations. The CROS Project is an information technology modernization effort designed to enable the CDTFA to expand tax and fee payer services, to improve the efficiency and effectiveness of its operations, and to enhance its ability to generate increased revenues, reducing the tax gap. This item includes

provisional language to augment unencumbered funds for vendor compensation payments with reporting to the Joint Legislative Budget Committee within 30 days.

- **The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act (Proposition 19).** The budget includes a General Fund appropriation of \$1.6 million in the 2021-22 fiscal year, \$266,000 and 1.5 positions in 2023-24, and \$245,000 in 2024-25, and ongoing to address the costs associated with the passage of Proposition 19.
- **Used Motor Vehicle Sales Tax Gap.** The budget includes \$5.9 million General Fund to reimburse the Department of Motor Vehicles for costs incurred to collect sales tax from used car dealers associated with the passage of Chapter 8, Statutes of 2020 (AB 85).
- **Diaper/Menstrual Product Sales Tax Exemption.** The budget includes trailer bill language to indefinitely extend the sales and use tax exemption for the sale of, or the storage, use, or other consumption of diapers for infants, toddlers, and children and menstrual hygiene products.
- **Administrative Costs for Main Street Tax Credit.** The budget includes \$500,000 one-time General Fund for the administration of the Main Street Tax Credit.

### 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 2020-21 Budget.** The following adjustments were made to the 2020-21 budget:

- **Golden State Stimulus (GSS).** The first GSS was included in trailer bill language, and provided \$600 payments to Californians who qualified for the California Earned Income Tax Credit (CalEITC), or who were recipients of other specified benefit programs. The language contained a continuous appropriation to make the payments, and \$5 million was included for the FTB to conduct outreach. Roughly \$2 million of this was unspent and transferred to 2021-22.
- **Paycheck Protection Program (PPP) Business Expense Deductions.** Language was included to expand the existing PPP loan income exclusion, and to allow businesses to deduct up to \$150,000 of expenses that were paid for using forgiven loans.

**Enacted 2021-22 Budget.** The enacted budget for FTB for the fiscal year 2021-22 includes 6,078.7 positions and \$9.144 billion (\$9.106 billion General Fund), including:

- **Golden State Stimulus 2.0.** The budget includes \$8.1 billion General Fund for a GSS payment for individuals making under \$75,000 and additional payments for filers with dependents and that use Individual Taxpayer Identification Numbers (ITINs). In addition, the budget includes \$3.4 million General Fund and 46.6 positions for the FTB to administer the GSS 2.0.
- **Pass-Through Entity Elective Tax.** The budget includes language to create a 9.3 percent tax that pass-through entities can annually elect to pay on behalf of their owners, and allows an equal credit to those owners that consent to have the tax paid on their behalf.

- **Tax Assistance and ITIN Support.** The budget includes \$15 million one-time for free tax preparation, outreach, and technical support, including assistance for individuals obtaining ITINs.
- **Limitations on Debt Collection.** The budget includes trailer bill language that limits the ability of the FTB to collect court-ordered and vehicle-related debt from individuals who earn low wages or have low bank account balances, consistent with existing limitations on private debt collectors.
- **Medi-Cal Data Sharing.** Language was included to allow the Department of Health Care Services to exchange data with the FTB in order to identify individuals enrolled in Medi-Cal who may be eligible for tax benefits, including the CalEITC.
- **Real Estate Fraud Fee.** The budget includes clarifying language around recording fees that counties may charge to the state or other political subdivisions, such as counties and municipalities, which are typically exempt from such fees. The language specifies that the lien release fee is twice the fee charged to record the first page of a lien. The language clarifies that other recording fees, including the Real Estate Fraud Fee, cannot be charged to otherwise exempt government entities.

**New Tax Incentives.** The budget included new tax incentives administered by FTB, including:

- **Main Street Tax Credit.** Language was included to expand the Small Business Hiring Credit by \$70 million. The language allows a credit of \$1,000 per new employee for businesses that expanded their workforce during the COVID-19 pandemic. The budget also includes \$107,000 and 1.5 positions in 2021-22, \$184,000 and two positions in 2022-23 and 2023-24 for administration.
- **Homeless Hiring Credit.** Language was included to create a new tax credit for businesses that hire homeless individuals. The language allows a credit of between \$2,500 and \$10,000 per employee, depending on the hours worked, and is capped at \$30,000 per taxpayer and a total of \$30 million per year. The budget includes \$1.326 million and ten positions for FTB to administer the credit.
- **Donated Fresh Fruits or Vegetables Credit.** Language was included to extend the sunset from January 1, 2022 to January 1, 2027 for a 15 percent tax credit for taxpayers who donate fresh fruits or vegetables to a food bank, as defined in sections 17053.88.5 and 23689 of the Revenue and Taxation Code.

**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.

- **Enterprise Data to Revenue Phase 2.** The budget includes \$88.5 million General Fund and 35 positions for the Enterprise Data to Revenue project, which is the second phase of the Tax System Modernization plan.
- **Legal Costs.** The budget includes \$2 million General Fund to reimburse the Department of Justice for legal costs related to tax refund lawsuits.
- **Tax Fraud Investigations.** The budget includes a \$590,000 increase in expenditure authority from the Asset Forfeiture Account, for the expenditure of funds FTB received from Equitable Sharing Agreements related to tax fraud cases it investigated.

- **The American Rescue Plan Act and In-Home Supportive Services.** The budget includes \$2.8 million General Fund and 45 positions so FTB may assist persons who are eligible for enhanced CalEITC payments related to their receipt of unemployment insurance benefits or In-Home Supportive Services income.
- **Earned Income Tax Credit/ITINs (AB 1876).** The budget includes \$2 million General Fund and 17 permanent and one permanent-intermittent position in 2021-22 and \$1.7 million General Fund and 17 permanent and one permanent-intermittent position in 2022-23 and ongoing to implement and administer provisions of AB 1876 (Committee on Budget) Chapter 87, Statutes 2020, which expands CalEITC to ITIN holders.
- **Privacy and Security Assessments.** The budget includes \$1.7 million General Fund and \$42,000 Special Funds and 12 positions in 2021-22, and \$1.6 million General Fund and \$39,000 Special Funds in 2022- 23 and ongoing. These resources will accommodate newly mandated state and federal workloads within the functions of FTB's Privacy Program and Information Security Oversight Unit.
- **Small Business Hiring Credit (SB 1447).** The budget includes \$377,000 General Fund and 4 positions for 2021-22 and \$189,000 General Fund and 4 positions for 2022-23 (ending December 31, 2022) to administer provisions of SB 1447 (Bradford), Chapter 41, Statute 2020, which creates a small business hiring credit fund for small business that grow their workforce.
- **FTB Central Office Campus: Data Center Upgrades.** The budget includes \$1.6 million General Fund for preliminary plans (\$680,000) and working drawings (\$937,000) phases in 2021-22. The project includes upgrades to the existing data center within the existing Los Angeles building and Sacramento building; HVAC systems and controls, upgrade of the entire electrical infrastructure, fire protection upgrades, telecommunication upgrades and mechanical system upgrades to achieve mandated energy efficiency requirements.

## **8860 DEPARTMENT OF FINANCE 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 2021-22 includes 441.6 positions and \$92.4 million (\$44.8 million General Fund), including:

- **Office of Statewide Disaster Cost Tracking, Financial Recovery, and Reconciliation.** The budget includes \$3.4 million in Coronavirus Fiscal Recovery Fund and 15 positions to create a new unit in DOF called the Office of Statewide Disaster Cost Tracking, Financial Recovery, and Reconciliation for the purpose of tracking, implementation, and oversight of federal stimulus and disaster relief funds through December 2024. Thereafter, ongoing activities of the unit will be funded by \$1.6 million General Fund and performed by seven positions.

### **Financial Management Budget Trailer Bills**

1. *Income Taxes: Federal CARES Act: Tax Deductions – Assembly Bill 80 (Burke), Chapter 17, Statutes of 2021*

2. *California Small Business COVID-19 Relief Grant Program: income tax: gross income: exclusion: small business grants – Senate Bill 87 (Caballero), Chapter 7, Statutes of 2021*
3. *Golden State Stimulus – Assembly Bill 88 (Committee on Budget), Chapter 12, Statutes of 2021*
4. *State Government – Assembly Bill 137 (Committee on Budget), Chapter 77, Statutes of 2021*
5. *Golden State Stimulus II: Golden State Stimulus – Senate Bill 139 (Committee on Budget and Fiscal Review), Chapter 71, Statutes of 2021*
6. *Taxes: credits: qualified motion pictures: certified studio construction projects: reports – Senate Bill 144 (Portantino), Chapter 114, Statutes of 2021*
7. *Sales and Use Tax Law: Personal Income Tax Law: Corporation Tax Law: Budget Act of 2021 – Assembly Bill 150 (Committee on Budget), Chapter 82, Statutes of 2021*
8. *Economic Development – Senate Bill 151 (Committee on Budget and Fiscal Review), Chapter 74, Statutes of 2021*
9. *Governor’s Office of Business and Economic Development: Office of Small Business Advocate: grant programs: taxation: credits: exclusions: sales and use tax – Assembly Bill 176 (Committee on Budget), Chapter 256, Statutes of 2021*

# 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 \$7.3 billion in 2021-22, and \$11.9 billion through 2022-23, in investments to combat homelessness statewide. These include:
  - \$1.45 billion in 2021-22 for additional investments through the Department of Housing and Community Development's (HCD) Project Homekey.
  - \$1 billion in 2021-22 for flexible aid to local governments through the Homeless Housing, Assistance, and Prevention Program through the Business, Consumer Services, and Housing Agency.
  - \$5 million for Foster Youth Navigators through California Office of Emergency Services (CalOES).
  - \$8 million for the Transitional Housing Program through HCD.
  - \$2 million per year for additional resources at the Homeless Coordinating and Financing Council (HCFC).
  - \$5.6 million through HCFC for a comprehensive statewide homeless landscape assessment.
  - \$50.3 million through HCFC for Homeless Encampment Resolution Grants.
  - \$40 million through HCFC for a new Family Homelessness Challenge Grant program.
  - \$1.2 million over two years through CalOES for a Youth Emergency Telephone Network.
  - \$805 million over two years for Department of Social Services (DSS) to administer a Community Care Expansion program.
  - \$190 million per year for two years for the CalWORKs Housing Support Program.
  - \$150 million per year for two years for the Housing and Disability Advocacy Program.
  - \$92.5 million per year for two years for the Bringing Families Home program at DSS.
  - \$92.5 million per year for two years for the Home Safe program at DSS.
  - \$150 million in 2021-22 to wind down Project Homekey.

- \$1.005 billion in 2021-22 through Department of Health Care Services (DHCS) for the Behavioral Health Continuum Infrastructure program.
- \$8.8 million in 2021-22 through DHCS for the Project for Assistance in the Transition from Homelessness.
- \$25 million in 2021-222 for Supportive Services for Formerly Homeless Veterans, administered through California Department of Veterans Affairs (CalVet).
- \$20 million in 2021-22 for the West LA Medical Center, administered through CalVet.
- \$2.7 million per year for two years for Encampment Relocation and Homeless Services Liaisons at California Department of Transportation (Caltrans).
- \$45.6 million in 2021-22 for hazardous material removal services at homeless encampments, administered through Caltrans.
- Funding for student hunger and homelessness throughout California universities, including:
  - \$100 million per year for two years at California Community Colleges.
  - \$15 million per year for two years in the California State University system.
  - \$15 million per year for two years in the University of California system.
- Funding for student rapid rehousing through California universities, including:
  - \$9 million per year for two years for the California Community Colleges.
  - \$6.5 million per year for two years for the California State University system.
  - \$3.5 million per year for two years for the University of California system.
- **Housing Investments.** The budget includes roughly \$4.5 billion in one-time investments in planning, producing, and preserving additional affordable and livable housing statewide. These investments include:
  - \$1.75 billion to reduce the backlog of affordable housing projects waiting for allocations of private activity bonds and state tax credits by “buying down” the equity those vehicles would otherwise provide.
  - \$300 million for the preservation of existing state-funded affordable housing units.
  - \$500 million for the new Foreclosure Intervention Housing Preservation Program, which provides funding for qualified non-profits and community land trusts to purchase housing out of foreclosure and convert it to affordable housing.
  - \$130 million in funding for farmworker housing, including \$30 million in deferred maintenance for existing Office of Migrant Services housing facilities and \$100 million



for additional affordable housing production through the Joe Serna Jr Farmworker Housing Program.

- \$600 million for the Regional Early Action Planning Program of 2021, which provides funding for regional entities to plan and deliver projects that meet housing goals while reducing vehicle miles traveled.
  - \$500 million in additional Low-Income Housing Tax Credits.
  - \$534 million in both federal and state bond funding for the Infill Infrastructure Grant Program.
  - \$81 million in funding for the expansion of a pilot program to provide loans for the development of Auxiliary Dwelling Units as affordable housing investments. This will augment an existing \$19 million program at the California Housing Finance Authority (CalHFA).
  - \$100 million for down payment assistance for low-income homebuyers. This will augment the existing First Time Homebuyers program at CalHFA.
- **Rental Assistance Program.** The budget includes trailer bill language that does the following:
    - Establishes the state Emergency Rental Assistance Program, which provides for up to 100 percent of back rent owed by tenants during the course of the Covid pandemic, or for prospective rent up to three months at a time, or for other eligible household expenses.
    - Provides tenant, landlord, and homeowner protections until September 30, 2021, including those against evictions for non-payment of rent due to the economic impacts of the COVID-19 pandemic.
    - Provides for statewide uniformity / preemption rules around those protections until March 31, 2022.
    - Codifies debt-masking protections in COVID-19 cases to protect impacted tenants' credit histories.

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

The budget provides \$1.1 billion from a variety of funds in 2021-22. The total budget includes:

- **Homeless Data Integration System.** The budget includes \$4 million from the General Fund to support additional staff for the state's Homeless Data Integration System.
- **Homeless Housing, Assistance, and Preservation Program.** The budget includes \$1 billion in 2021-22, and an additional \$1 billion in 2022-23, to provide assistance to local governments to combat homelessness.

- **Encampment Resolution Grants.** The budget includes \$50.3 million General Fund in 2021-22, \$300,000 in 2022-23, and two limited-term positions for the Homeless Coordinating and Financing Council (HCFC) to partner with local governments and Continuums of Care, and assist in resolving critical encampments and transitioning individuals into permanent housing.
- **Family Homelessness Challenge Grants and Technical Assistance.** The budget includes \$40 million General Fund in 2021-22 for the HCFC to provide grants and technical assistance over five years to local jurisdictions to address family homelessness.
- **Homelessness Landscape Assessment.** The budget includes \$5,622,000 General Fund and four positions in 2021-22, \$590,000 and four positions in 2022-23 to conduct a landscape assessment focused at the local level to identify providers with the local systems of response to classify programs by the relevant grouping such as the type of intervention or service, the stakeholders involved in administration and service delivery, and target beneficiary. Additionally, HCFC will conduct a state funding analysis which will collect and aggregate data summarizing state funding to local systems of response. The budget included trailer bill language implementing this landscape assessment.
- **Facility Relocation Due to Renovation.** The budget includes \$150,000 in fiscal year 2021-22 and \$185,000 in 2022-23 and ongoing, with incremental adjustments to account for annual rent increases. This authority will cover one-time and ongoing facilities costs required to accommodate a mandated relocation from its current office.

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

The budget includes \$882 million to support 104 positions in 2021-22. The total budget includes:

- **Volunteer and Donation Management Planning Guidance.** The budget includes \$348,000 General Fund in 2021-22 to develop planning guidance for jurisdictions to leverage volunteer and donation resources during disasters per the mandates of AB 2213 (Limón), Chapter 98, Statutes 2020. AB 2213 requires, among other things, CalOES and California Volunteers, in coordination with Voluntary Organizations Active in Disasters, to develop planning guidance to identify volunteer and donation management resources that could assist in responding to and recovering from disasters. This funding will support the development and implementation of the planning guidance by May 1, 2022, as required by AB 2213.
- **Just Transition Roadmap.** The budget includes \$406,000 General Fund in 2021-22 and ongoing to develop and implement a Just Transition Roadmap as required by Executive Order N-79-20.
- **Regional Climate Collaborative Program Implementation.** The budget includes three positions and \$508,000 General Fund in 2021-22 and ongoing to continue establishing the Regional Climate Collaborative program and continue developing and implementing technical assistance guidelines for state agencies.
- **Administrative Staff Augmentation.** The budget includes \$622,000 General Fund to fund increased personnel in the CEQA Clearinghouse and OPR's cross-programmatic administrative functions.

- **Precision Medicine.** The budget includes \$12.4 million for the California Institute for Precision Medicine for seven projects focused on advancing research on, and building scalable approaches to, treating and preventing adverse childhood experiences.
- **CalVolunteers Emergency Response.** The budget includes \$1.3 million and seven positions to establish and maintain a framework for volunteer emergency response.
- **Youth Workforce Development.** The budget includes \$200 million in one-time federal funds for grants to cities to support local youth employment programs.
- **Californians For All College Service Program.** The budget includes \$146.3 million one-time (\$18.8 million General Fund and \$127.5 million American Rescue Plan Act) to provide paid service opportunities for college students in critical issue areas such as climate action, education and youth development, tutoring and mentoring, health, and disaster response.
- **Student Success Coach Grant Program.** The budget includes \$15 million one-time General Fund to establish student success coaches in communities to support K-12 students.
- **Green Means Go.** The budget includes \$4 million for the Strategic Growth Council for Green Means Go in Sacramento.

## 0950 STATE TREASURER'S OFFICE

- **California Dream for All.** The budget includes trailer bill language directing the State Treasurer's Office, in consultation with other relevant stakeholders, to study the creation of a state-funded California Dream for All First Time Homebuyer's Program, with the goal of assisting low and middle income Californians achieve homeownership. This report is to be completed by April 2022, with funding for the program considered as part of the 2022 budget.

## 1700 DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING

The budget provides \$48.4 million for 264.2 positions in 2020-21. This includes:

- **Housing Equity Outreach and Enforcement.** The budget includes \$2.2 million General Fund in 2021-22 and \$1.7 million General Fund in 2022-23 and ongoing and eight positions to: expand the department's multi-lingual education and training efforts to reduce discrimination in housing and employment, build a fair housing testing program and attendant enforcement capability, and study housing discrimination amid COVID-19.
- **Workload Resources.** The budget includes \$5.1 million General Fund in 2021-22 and \$3.9 million General Fund in 2022-23 and ongoing, and 24 positions to provide resources to implement the expansion of California Family Rights Act (CFRA) protections pursuant to SB 1383 (Jackson), Chapter 86, Statutes of 2020, initiate a mediation pilot program pursuant to AB 1867 (Committee on Budget), Chapter 45, Statutes of 2020, and enforce California's Equal Pay

Act and create an IT infrastructure to collect, secure and analyze pay data received pursuant to SB 973 (Jackson), Chapter 363, Statutes of 2020.

- **Civil Rights Enforcement.** The budget includes \$536,000 for the Department of Fair Employment and Housing (DFEH) to investigate and enforce civil rights violations.

## 2240 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD)

The budget provides \$7.1 billion in 2021-22 to support 964.5 positions at HCD. This includes:

- **Workload Resources.** The budget includes \$2,924,000 General Fund and 11.5 positions in 2021-22, \$1,622,000 General Fund and nine positions in 2022-23, and \$125,000 and one position in 2023-24 and ongoing to implement housing laws passed during the 2020 legislative session, including AB 168 (Aguilar-Curry), Chapter 166, Statutes of 2020, and AB 434 (Daly), Chapter 192, Statutes of 2020. The budget also includes additional administrative resources to support the additional workload created by these bills.
- **Housing Law Assistance.** The budget includes \$4.3 million General Fund for 16 positions in 2021-22, and \$3.8 million General Fund for 16 positions in 2022-23 and ongoing to assist local jurisdictions in housing element and housing law compliance. The budget also includes \$360,000 General Fund for two positions in 2021-22 and ongoing, and budget bill language to augment authority for resources for IT costs related to this effort.
- **Infill Infrastructure Grant Program of 2019 Liquidation Extension.** The budget includes budget bill language to extend the liquidation date for the Infill Infrastructure Grant Program of 2019, on a case-by-case basis, from June 30, 2023 to June 30, 2025 to provide sufficient time for grantees impacted by COVID-19 related delays to complete construction of infill infrastructure projects to incentivize housing development. The 2019 funding was an important investment in additional housing production. This change will allow locals who have already received funds to fully expend their funds regardless of any delays they have experienced during the COVID-19 pandemic.
- **Infill Infrastructure Grant Program Reallocation.** The budget includes a reappropriation of \$160 million in Veterans and Affordable Housing Bond Act of 2019 (Proposition 1) funds for the Infill Infrastructure Grant Program (IIG) in the 2020 Budget Act to extend the encumbrance period from June 30, 2021 to June 30, 2022. In addition, the budget includes \$124.1 million in Proposition 1 funds for 2021-22 for IIG with an encumbrance period through June 30, 2023 and a liquidation date of June 30, 2026.
- **Deferred Maintenance for the Office of Migrant Services.** The budget includes \$30 million in fiscal year 2021-22 for deferred maintenance and repairs to address critical deficiencies at Office of Migrant Services housing centers throughout the state.
- **Scaling Housing Production on Excess Lands.** The budget includes \$45,000,000 from the Coronavirus Fiscal Recovery Fund of 2021 in 2021-22, to expand the state excess sites program with funding for brownfield remediation, and trailer bill language to expand the state excess sites program with local government matching grants that will incentivize further affordable housing development on excess lands.

- **Program Streamlining and Alignment.** The budget includes \$2.7 million General Fund to implement AB 434 (Daly), Chapter 193, Statutes of 2020 to create a single application system for HCD’s major housing financing program, streamline the ability for developers and local governments to apply and obtain valuable funding for affordable housing financing and development.
- **Golden State Acquisition Fund.** The budget includes \$50 million one-time General Fund to the Golden State Acquisition Fund, which will be matched by various community development financial institutions in a revolving fund to leverage additional capital for acquisition or preservation of affordable housing statewide.
- **Mixed Income Housing.** The budget includes \$45 million one-time General Fund to CalHFA’s Mixed-Income Program to provide loans to developers for new mixed-income housing.
- **Oasis Mobilehome Park.** The budget includes \$30 million, leveraged against other funding sources for affordable housing development and construction of needed infrastructure for the Oasis Mobilehome Park.
- **Regional Housing Authorities and Trusts.** The budget includes \$30 million in one-time General Fund resources for the creation and support of regional housing authorities and trusts.
- **Dolores Huerta Peace and Justice Cultural Center.** The budget includes \$15 million for a community center complex to provide statewide economic recovery, jobs, and educational opportunities for disadvantaged and underrepresented communities.
- **Various Projects.** The budget includes funding for several specific projects, including:
  - \$5,500,000 to the City of Anaheim for the Kona Motel acquisition.
  - \$3,410,000 to Culver City for an emergency shelter and transitional housing project.
  - \$8,000,000 to the City of Mountain View for an affordable housing project.
  - \$2,000,000 to the City of Riverbank for a transitional housing project.
  - \$14,000,000 to the City of Santa Cruz for the Homeless Response Program.
  - \$750,000 to Habitat for Humanity of Greater Sacramento for the Mandolin Estates housing development in South Sacramento.
  - \$662,000 to the City of Hayward Navigation Center.
  - \$3,000,000 to the City of Norwalk for homelessness and affordable housing.
  - \$4,000,000 to the City of Fullerton for the Homelessness Recuperative Center.
  - \$5,600,000 to the City and County of San Francisco for the Candlestick Point Safe Parking Program.

- \$8,000,000 to the City of Corona to renovate Las Coronas Affordable Housing Community.
- \$10,000,000 to the City of Riverside for TruEvolution’s Project Legacy Housing Project.
- \$20,000,000 to the San Gabriel Valley Regional Housing Trust to address the affordable housing shortage and homeless crisis in the San Gabriel Valley.
- \$20,000,000 to the Metropolitan Transportation Commission for the Bay Area Housing Finance Authority.
- \$1,000,000 to the Community Action Partnership of San Bernardino County for advocacy and addressing homelessness and poverty.
- \$1,500,000 to City of Santa Paula for the Spirit of Santa Paula homeless shelter.
- \$1,500,000 to the County of Alameda for CROP and Bay Area Community Services Reentry Housing for a new property in the San Francisco Bay Area.
- \$10,000,000 for the Pet Assistance and Support program.

### **Housing Budget Trailer Bills**

1. *Housing – Assembly Bill 140 (Committee on Budget), Chapter 111, Statutes of 2021*
2. *Housing – Assembly Bill 175 (Committee on Budget), Chapter 255, Statutes of 2021*
3. *COVID-19 relief: tenancy: federal rental assistance – Senate Bill 91 (Committee on Budget and Fiscal Review), Chapter 2, Statutes of 2021*
4. *COVID-19 relief: tenancy: federal rental assistance – Assembly Bill 832 (Chiu), Chapter 27, Statutes of 2021*

# COVID-19 DIRECT RESPONSE

## 0000 MULTIPLE DEPARTMENTS

**COVID-19 Direct Response Expenditures.** The budget includes a total of \$1,888,985,000 General Fund for COVID-19-related response expenditures in 2021-22. Of the total amount, \$1,742,923,000 General Fund is allocated to nine different departments for direct response activities. The remaining \$146,062,000 million General Fund is available for unanticipated response activities that can include increasing hospital and medical surge capacity, contact tracing, or other emergency operation costs. The specific allocations for the nine departments are as follows:

- *Department of Public Health (DPH).* The budget includes \$1,079,931,000 General Fund in 2021-22 for DPH to support statewide testing efforts at the Valencia Branch testing laboratory, testing specimen collection through OptumServe, and other miscellaneous services and procurement related to testing.
- *Department of General Services (DGS).* The budget includes \$32 million General Fund in 2021-22 to support three key pandemic-related programs administered by DGS: 1) Hotels for Healthcare Workers, which provides hotel rooms to healthcare workers who are caring for COVID-19 patients, and helps prevent the spread of the virus into workers' homes; 2) Housing for the Harvest, which provides hotel rooms to agricultural workers who need to isolate if they are exposed to, or test positive for COVID-19; and 3) Project Hope, which provides hotel rooms to individuals who need to quarantine after they are released from prison. The funding also covers the cost of a contract with FedEx for testing specimen transportation.
- *Department of Corrections and Rehabilitation (CDCR).* The budget appropriates a total of \$407,986,000 General Fund in 2021-22 to CDCR for COVID-19-related expenditures. Of that amount, \$50 million will be used for tent and equipment rental contracts, cleaning, and purchasing personal protective equipment (PPE) for staff and inmates. \$97.5 million reimburses counties for the cost of housing inmates during the temporary suspension of prison intake during 2020 and 2021. The remaining \$260.3 million is appropriated to California Correctional Health Care Services' for inmate and staff testing, the medical staffing registry, medical staff overtime, medical treatment, and the purchase of PPE.
- *Department of State Hospitals (DSH).* The budget includes \$69 million General Fund for DSH to support COVID-19-related staffing costs, cleaning, environmental projects, custody tasks, screening and isolation. The funding will cover commodity purchases, such as PPE, sanitation supplies, changes in food service, equipment for heating and air, filtration, and information technology solutions. In addition, though most testing costs will be shifting to DPH, DSH expects some cost from a contractor hired to work onsite to collect, process, and report staff testing results.

- *Board of State and Community Corrections (BSCC)*. The budget appropriates \$12.2 million General Fund in 2021-22 for the BSCC to support county probation departments with the increased number of individuals released from state prison on Post-Release Community Supervision which has helped reduce institutional populations during the pandemic.
- *Department of Developmental Services (DDS)*. The budget includes General Fund expenditure authority of \$15 million for DDS for the development of surge sites for consumers diagnosed with, exposed to, or at high risk of contracting COVID-19. The funding will support an average of 20 beds at Fairview and 10 beds at Porterville Developmental Centers for six months.
- *Governor's Office of Emergency Services (CalOES)*. The budget appropriates \$18.9 million General Fund for CalOES to reimburse local governments for eligible costs associated with emergency activities undertaken in response to the COVID-19 pandemic.
- *Secretary of Government Operations (GovOps)*. The budget includes \$90,832,000 General Fund for GovOps to develop and maintain the Statewide Vaccine Network. In addition, the funding will cover costs of vaccine distribution provided by Blue Shield of California and other response activities conducted in coordination with local health jurisdictions.
- *Emergency Medical Services Authority (EMSA)*. The budget includes \$16,956,000 General Fund for medical staffing, ambulance transportation services, and other related support costs.
- *Other Unanticipated Expenditures*. The remaining \$146 million General Fund will provide support for other unanticipated direct response activities. The funds provide a flexible source that can be used to increase hospital and medical surge capacity, pay for contact tracing, and address other potential emergency operation costs.

### **COVID-19 Direct Response Expenditure Budget Bill**

1. *Budget Bill – Assembly Bill 128 (Committee on Budget), Chapter 21, Statutes of 2021*



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*

Christopher Francis  
James Hacker  
Anita Lee

# SUBCOMMITTEE No. 5

## CORRECTIONS, PUBLIC SAFETY, JUDICIARY, LABOR AND TRANSPORTATION

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# THE JUDICIARY

## 0250 JUDICIAL BRANCH

The budget includes total funding of \$4.6 billion (\$2.8 billion General Fund and \$1.8 billion other funds) in 2021-22 for the Judicial Branch, of which \$1.3 billion General Fund is provided to support trial court operations. Of note are the following:

- **Restoration of Trigger Cuts.** The budget restores \$200 million ongoing General Fund (\$176.9 million for the trial courts and \$23.1 million for the state-level judiciary) to allow courts to re-open temporarily closed courtrooms and process case backlogs which have accumulated during the pandemic. The budget includes an additional \$72 million General Fund ongoing to support trial court operations. It also includes resources to provide the trial courts a 3.7 percent increase in funding for general trial court operational costs.
- **Pre-Trial Services.** The budget provides \$140 million in 2021-22 (\$70 million ongoing) from the General Fund to support programs and practices statewide that reduce pre-trial detention. Trial courts could use the funding to support pre-trial decision making activities and/or to contract for the provision of services to individuals released pretrial.
- **Legal Aid for Renters and Homeowners.** The budget delivers \$80 million ARPA funds over three years to fund legal aid services for renters and homeowners to avoid eviction and foreclosure.
- **Funding for COVID-19 backlog.** Includes \$60 million for allocation by the Judicial Council to trial courts to address backlogs and workload delays resulting from the COVID-19 Pandemic.
- **Access to Justice Package.** The budget expands essential legal service resources through an Access to Justice Package. This package contains the following components:
  - **Equal Access Fund Augmentation.** The budget includes funding of \$50 million General Fund in 2021-2022 and \$20 million ongoing General Fund augmentations to the Equal Access Fund to provide resources to legal aid organizations.
  - **Court Reporters.** The budget allocates \$30 million General Fund in 2021-22 and ongoing to increase the number of court reporters in family law and civil law cases.
  - **Dependency Counsel.** The budget includes \$10 million General Fund in 2021-22 to address pandemic-related operational costs and dependency caseload increases. Additionally the budget includes up to \$30 million in 2021-22 and ongoing to correct for any shortfall in federal funding.
  - **Court Interpreters.** The budget includes \$30 million General Fund in 2021-22 for the Court Interpreter Employee Incentive Grant.

- **County Law Libraries.** The budget includes \$16.5 million General Fund in each of 2021-22 and 2022-23 to the County Law Libraries to backfill lost revenue.
- **Court Reporter Transcript Rate Increase.** Assembly Bill 177 (Committee on Budget) increases the fees for original transcripts prepared by official court reporters and court reporters pro tempore. Additionally, the budget makes \$7 million in 2021-22 and ongoing available to the Judicial Council to establish a methodology to allocate a share of resources to all courts to cover the costs associated with the increased transcript rates.
- **Transcript Reimbursement Fund.** The budget includes \$500,000 General Fund in 2021-22 for the Transcript Reimbursement Fund. These funds are available to reimburse applicants that could not be reimbursed during the years 2017 to 2020, inclusive, and for applicants that seek reimbursement after 2020. As well, Assembly Bill 163 (Committee on Budget) includes statutory changes to effectuate changes to the transcript reimbursement thresholds.
- **Court Appointed Special Advocate LA (CASA-LA).** The budget includes \$200,000 General Fund in 2021-22 to Funding of Court Appointed Special Advocate LA to provide advocacy for youth in foster care in LA County's child welfare system.
- **Pandemic Early Disposition Readiness.** The budget includes \$30 million one-time General Fund to support the Early Disposition Readiness Conference Program.
- **Remote Technology in Civil Proceedings.** Assembly Bill 177 (Committee on Budget) makes statutory changes related to the use of remote technology in civil court proceedings. Specifically, the trailer bill:
  - Directs the Judicial Council to submit a report to the Legislature and the Governor by January 1, 2023 on the use of remote technology in civil actions by the trial courts. These provisions shall remain in effect only until July 1, 2023, and as of that date are repealed.
  - Directs the Judicial Council to convene a working group for the purpose of recommending a statewide framework for remote civil court proceedings that addresses equal and fair access to justice. These provisions shall remain in effect only until July 1, 2023, and as of that date are repealed.
- **Judicial Council of California Emergency Authority in Response to the COVID-19 Pandemic.** AB 177 codifies, until January 31, 2022, the authority to take actions necessary to respond to the emergency conditions caused by COVID-19, which was extended to the Judicial Council of California and its Chairperson in Executive Order N-38-20, issued by the Governor on March 27, 2020.
- **Ability to Pay Expansion.** Assembly Bill 143 (Committee on Budget), Chapter 79, Statutes of 2021 expands upon a pilot program approved in the 2018 Budget Act which implemented online traffic adjudication and ability to pay projects in eight courts. AB 143 eliminates the pilot program and makes certain components of the pilot program permanent, and applicable statewide, such as requirements related to the ability-to-pay determinations and to online trials for those trial courts that choose to offer them. The budget also includes \$12.3 million General Fund in 2021-22, \$25.1 million in 2022-23, \$47.0 million in 2023-24, and \$58.4 million annually

thereafter for the Judicial Branch to support statewide court operations to allow individuals the ability to adjudicate all infractions online, including processing ability to pay determinations.

- **Self-Help Centers.** The budget appropriates \$19.1 million General Fund on a three-year limited basis for Self-Help centers for unrepresented litigants and directs Judicial Council to complete the cost benefit analysis required in the 2018 Budget Act.
- **Trial Court Trust Fund Revenue Backfill.** The budget includes \$118.3 million General Fund for the Trial Court Trust Fund Revenue Backfill.
- **Court of Appeal Facility Improvements.** The budget includes \$53.5 million ongoing General Fund to support maintenance, utility, and lease costs for trial court and the Courts of Appeal facilities.
- **Deferred Maintenance.** The budget appropriates \$188 million General Fund one-time to support deferred maintenance.
- **Infrastructure and Maintenance.** The budget includes the following infrastructure and maintenance appropriations and changes for the judicial branch:
  - \$303.25 million from the Public Building Construction Fund for the construction phase of the Stanislaus County—New Modesto Courthouse.
  - \$75.79 million from the Public Building Construction Fund for the construction phase of the Riverside County—New Mid-County Civil Courthouse.
  - \$52.7 million supplemental appropriation for the construction phase of the Judicial Branch’s Stanislaus-New Modesto Courthouse.
  - \$38.72 million General Fund for the Monterey County—New Fort Ord Courthouse for the acquisition and performance criteria for the new seven courtroom courthouse. The total project cost is \$154.26 million.
  - \$18.9 million General Fund in 2021-22 and \$48.8 million in 2022-23 to make facility modifications in two trial courts in Orange County and San Diego County to correct deficiencies identified by the State Fire Marshal.
  - \$2.35 million General Fund to the Judicial Council to complete a study for the Superior Court of Los Angeles to analyze and develop a plan for improving and modernizing Los Angeles County court facilities. \$3.33 million General Fund for the Performance Criteria phase of the Mendocino County—New Ukiah Courthouse resulting in a new seven courtroom courthouse in Ukiah. The estimated total project cost is \$118.13 million.
  - \$1.63 million General Fund for the Performance Criteria and \$66.6 million in lease revenue bond authority for the Design Build phase of the Lake County—New Lakeport Courthouse.
  - \$972,000 General Fund to initiate a Planning Study for the Nevada County— New Nevada City Courthouse.

- \$901,000 General Fund for the acquisition and preliminary plans phase for the San Bernardino Juvenile Dependency Courthouse. The total project cost is \$8.87 million.
- \$604,000 General Fund for the Butte County Juvenile Hall addition and renovation project. The total project cost is \$3.39 million.
- AB 143 authorizes the Judicial Council to use a design-build procurement process in contracting and procuring public works projects and would authorize the Judicial Council to award contracts using either the best value or low bid selection method for all projects.
- AB 143 combines the Immediate and Critical Needs Account and the State Court Facilities Construction Fund which were facing insolvency due to steady decreases in fine and fee revenue.
- **Trial Court Security in Shasta County.** The budget includes \$330,000 General Fund in 2021-22 and \$660,000 ongoing thereafter to support trial court security costs for a new courthouse scheduled to open in January 2022. Court security is provided by the Shasta County Marshal's Office.
- **Child Support Commissioner and Family Law Facilitator Program.** The budget increases the reimbursement authority of AB 1058 Chapter 957, Statutes of 1996 to be \$5 million ongoing.
- **Judges Retirement System Adjustment.** The budget reduces the Judges Retirement System by \$567,000 to comply with statutory requirement pursuant to Government Code 75600.5.
- **Benefit Adjustments.** The budget makes a reduction of \$7.82 million General Fund to reflect the updated health benefit and retirement rate changes as part of the trial court benefit adjustment.

## 0280 COMMISSION ON JUDICIAL PERFORMANCE (CJP)

- **Changes to Structure and Operation of the CJP.** AB 143, (Committee on Budget), Chapter 79, Statutes of 2021 creates the Committee to Review Operations and Structure of the Commission on Judicial Performance to study and recommend changes to structure and operation of the CJP.

### Courts Budget Trailer Bills

1. *Courts – Assembly Bill 143 (Committee on Budget), Chapter 79, Statutes of 2021.*
2. *Public Safety: Courts – Assembly Bill 177 (Committee on Budget), Chapter 257, Statutes of 2021*

# CORRECTIONS AND REHABILITATION

## 0552 OFFICE OF INSPECTOR GENERAL

- **Contingent Spending.** The budget includes \$7 million ongoing General Fund contingent upon the passage of pending legislation.

## 5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR)

The budget includes total funding of \$13.6 billion (\$13.3 billion General Fund and \$347 million other funds) for the CDCR in 2021-22 to operate 34 state owned and operated prisons and one leased and operated prison. The CDCR oversees a total state prison population of 93,356 people as of May 12, 2021 and 55,000 budgeted staffing positions. Updated spring population projections estimate an average daily population of 106,259 and an average daily parolee population of 48,269.

- **Health Care Services.** The budget provides \$3.4 billion ongoing General Fund for health care services programs, including \$3.5 million for the Quality Management and Patient Safety Program.
- **Rehabilitative Programming Budget.** The budget includes \$546.9 million General Fund for rehabilitative programs including the following:
  - \$23.2 million General Fund in 2021-22, and \$18 million ongoing General Fund, for information technology to enhance access to rehabilitative programming, including the purchase of laptops, expansion of virtualization infrastructure, network bandwidth, and the creation of a secure online academic portal.
  - \$13.7 million General Fund in 2021-22 and \$3 million ongoing to expand programming and undertake facility improvements in Valley State Prison, guided by the Norway Model, including two new modular buildings, two new baccalaureate degree programs (one in general education, and one in STEM), new vocational and career technical training opportunities, and additional laptops.
  - \$2 million ongoing General Fund to establish a Youth Rehabilitative Offender Community at Valley State Prison.
- **Staff Complaint and Court Compliance.** The budget includes a total of \$88.7 million General Fund and 180 positions in 2021-22 and \$43 million ongoing for various proposals related to CDCR's staff complaint process including, the Armstrong Court Compliance order and the Statewide Use of Force and Prison Rape Elimination Act Allegations process. This is in addition to the \$9.8 million ongoing funding provided in the 2019 Budget Act.
- **Security Cameras.** The budget includes \$37.6 million General Fund and seven positions in 2021-22, and \$1.9 million ongoing to install cameras at Salinas Valley State Prison, Mule Creek State Prison, California State Prison Sacramento, and California Correctional Institution in Tehachapi.



- **Closure of Deuel Vocational Institute.** AB 145 makes the provisions authorizing the establishment and operation of Deuel Vocational Institution inoperative on October 1, 2021, and would repeal those provisions on July 1, 2022. The budget also provides \$1.6 million General Fund and 9.3 positions in 2021-22 and \$2.2 million and 12 positions ongoing to support the warm shutdown of the prison.
- **Long-term Infrastructure Plan.** The budget includes supplemental reporting language for a long-term prison infrastructure plan to limit unnecessary General Fund expenditures.
- **Board of Parole Hearings Workload.** The budget includes \$3.1 million in 2021-22 and ongoing General Fund to increase the number of Board of Parole Hearings commissioners from 17 to 21 to address a backlog in hearings. The proposal also includes statutory changes to permit the Board of Parole Hearings to conduct video conference hearings currently authorized through an Emergency Executive Order, which allows for more hearings by reducing travel time for commissioners, as well as associated costs. The budget also includes provisions related to diversity and experience.
- **Correctional Staff Training and Job Shadowing.** Assembly Bill 145 (Committee on Budget), Chapter 80, Statutes of 2021 makes statutory changes to implement a new CDCR job shadowing program and revised staff trainings. The purpose of the CDCR's new training and job shadowing for correctional officers is to facilitate better interactions with incarcerated populations and handle a variety of job scenarios. To support these changes, the budget includes \$21.2 million General Fund in 2021-22 and 59 positions and trailer bill language to enhance staff development through new training for correctional officers, including repurposing the former Northern California Women's Facility into a training facility.
- **Furniture.** The budget includes \$34.8 million one-time General Fund for CDCR to replace existing metal dayroom furniture with more comfortable furniture for positive programming and non-designated program facilities and female institutions.
- **Workers' Compensation Costs Associated with COVID-19.** The budget provides \$51 million General Fund in 2021-22, growing to \$77.6 million through 2024-25 for increased workers' compensation costs associated with SB 1159 (Hill) Chapter 85, Statutes of 2020.
- **Infrastructure and Maintenance.** The budget includes the following infrastructure and maintenance appropriations and changes:
  - \$100 million one-time General Fund for deferred maintenance.
  - \$115.7 million in General Fund for remaining Health Care Facility Improvement Projects (HCFIP) instead of using existing lease revenue bond authority; withdraws April spring finance letter asking for \$43.23 million lease revenue authority and replaces it with this proposal and reappropriates \$30.1 million for 13 medication distribution projects.
  - Reappropriates \$91.03 million Public Buildings Construction Fund for the construction phase delayed due to recent CEQA litigation for the 50 bed mental health crisis facility at the CA Institution for Men. \$328,000 General Fund for working drawings for the Medication Preparation Room Unit D5 at California State Prison, Los Angeles.
  - \$54.5 million General Fund reappropriation for fire alarm replacement and fire suppression repair.

- \$33.6 million General Fund over two years for roof replacement projects at California State Prison, Los Angeles.
  - \$11.49 million lease revenue to complete the construction of a new central chiller water plant at Ironwood State Prison as well as replacement of existing air handling units and improvements to existing roofs, fire dampers, and smoke evacuation systems. The total estimated project cost is \$187.42 million.
  - \$6.8 million one-time General Fund for health care facility repairs at the California Rehabilitation Center.
  - \$6 million AB 900 General Fund reappropriation.
  - \$4.15 million General Fund (total estimated project cost is \$22.19 million) in additional funding for construction of the HCFIP project at Calipatria.
  - \$2.7 million General Fund for preliminary plans and working drawings for the California Substance Abuse Treatment Center and Corcoran State Prison: Air Cooling Facility F and G.
  - \$1.52 million for the minor capital outlay program.
  - \$1 million General Fund in 2021-22 for the design phase and \$32.6 million General Fund in 2022-23 for the construction phase of roof replacements at California State Prison, Los Angeles.
  - Reappropriation of \$6 million General Fund for CDCR's HCFIP to ensure the balance of this appropriation remains available for encumbrance or expenditure until June 30, 2022 for completion of these projects.
  - \$821,000 for two new ground water wells to supply potable water at Chuckawalla State Prison. The total project cost is \$11.43 million.
  - \$537,000 for preliminary plans and working drawings for ten individual exercise yards at the CA Health Care Facility.
- **Healthy Menus.** The budget includes \$7.5 million ongoing General Fund to implement healthier menus in its prisons based on the Department of Agriculture's dietary guidelines.
  - **Blocking Unauthorized Cell Phones.** The budget includes \$1.8 million ongoing General Fund to maintain the Managed Access System to block unauthorized cellular usage.
  - **Civil Rights Operations and Equal Employment Opportunity Program.** Provides \$815,000 General Fund in 2021-22 and \$804,000 ongoing and six positions to expand CDCR's Civil Rights Operations and Equal Employment Opportunity Program.
  - **Pine Grove Youth Conservation Camp State and Local Partnerships.** AB 145 creates opportunities for state and local partnerships to maintain firefighting operations at the Pine Grove Youth Conservation Camp in Amador County. This will enable juvenile courts to assign local youth to Pine Grove and authorize counties to contract with the state to place youth at Pine Grove.
  - **Statutory Changes to Reentry Facility Criteria.** AB 145 adjusts the eligibility for CDCR Community Reentry Programs.
  - **California Reentry and Enrichment (CARE) Grant.** AB 145 makes technical changes to the CARE Grant committee process established in the 2019 Budget Act.
  - **California Sex Offender Management Board.** AB 145 increases the total membership from 17 to 19.

- **Savings Redirection for Mental Health Program.** The budget redirects savings of \$49.3 million in 2020-21 and \$40.9 million in 2021-22 and ongoing within CDCR from eliminated civil service positions to augment existing funding for psychiatry registry staff and to support the mental health program.
- **Psychiatric Inpatient Programs Standardization.** The budget includes \$42.7 million General Fund in 2021-22 (\$35.9 million ongoing) to standardize staffing levels across all Psychiatric Inpatient Programs operated by CDCR and to increase certain service levels. This proposal preserves psychiatric technician positions in the budget year and adds \$5 million General Fund above the May Revision in accordance with this preservation.
- **Free Communications for Incarcerated People.** The budget includes \$12 million General Fund one-time to the CDCR for 60 minutes of telephone calls to each incarcerated person every two weeks at no cost to the incarcerated person or the person receiving the telephone call. This will be in addition to, and will not supplant, the existing 15 minutes every two weeks of no-cost telephone calls currently provided to incarcerated persons or the persons receiving telephone calls. As well, includes 60 electronically transmitted outgoing written messages, equivalent to an email or instant message, per month at no cost to the incarcerated person or the person with whom they are communicating.
- **Transgender Respect, Agency, and Dignity Act: SB 132 (Wiener), Chapter 182, Statutes of 2020 Implementation.** The budget includes \$2.8 million General Fund and 5.5 positions in 2021-22, \$1.8 million General Fund in 2022-23, and \$1.2 million General Fund in 2023-24 and ongoing for the CDCR to implement SB 132.
- **Increased Visitation.** The budget adds a third day of in-person visitation on Fridays at all institutions. In addition, provides visitors with free transportation on select days throughout the year to all prisons via chartered busses. The budget appropriates \$20.3 million ongoing General Fund to support this change.

#### Division of Juvenile Justice Realignment

- **Division of Juvenile Justice.** Senate Bill 92 (Committee on Budget and Fiscal Review), Chapter 18, Statutes of 2021 establishes a separate, long-term local dispositional track for higher-need youth--called the Secure Youth Treatment Facilities--states the DJJ closure date, and includes various technical changes to effectuate the provisions included in the 2020 Budget Act. Specifically, this bill:
  - Allows counties to establish secure youth treatment facilities for certain youth who are 14 years of age or older and found to be a ward of the court based on an offense that would have resulted in a commitment to DJJ.
  - Provides guidance on how counties will adjudicate, house and facilitate services for these youth.
  - Requires the court to set a maximum term of confinement for the youth in a secure treatment facility and requires the submission of a rehabilitation plan to the court from the probation department and any other entity that is designated by the court to develop the plan.

- Requires the court to hold regular progress review hearings for youth who are in a secure youth treatment facility. It also allows probation or the youth to make a motion to the court for transfer to a less restrictive program.
  - Requires the Judicial Council to develop and adopt a matrix of offense-based classifications.
  - Closes DJJ on June 30, 2023 and requires the Director of DJJ to develop a plan by January 2, 2022, for the transfer of jurisdiction of any remaining youth in DJJ who are unable to be discharged or otherwise moved.
- **Office of Youth and Community Restoration.** The budget provides \$27.6 million General Fund in 2021-22 and \$7 million ongoing for the new Office of Youth and Community Restoration (OYCR) under the Health and Human Services Agency to support the continuum of youth justice in the state to improve youth outcomes, reduce and eliminate racial disparities, and enhance public safety. Of the amount provided in the budget year, \$20 million shall be available to the OYCR to provide technical assistance, disseminate best practices and issue grants to counties and probation departments for the purpose of transforming the juvenile justice system to improve outcomes for justice involved youth.
  - **Juvenile Justice Database Modernization.** The budget provides \$1.9 million General Fund in 2021-22, and \$1 million 2022-23, to the Department of Justice to convene a working group to submit a plan for the replacement of the Juvenile Court and Probation Statistical System with a modern database, as a part of the realignment of the Division of Juvenile Justice to the counties.

### **Public Safety and Corrections Budget Trailer Bills**

1. *Juvenile Justice – Senate Bill 92 (Committee on Budget and Fiscal Review), Chapter 18, Statutes of 2021*
2. *Public Safety I – Assembly Bill 145 (Committee on Budget), Chapter 80, Statutes of 2021*
3. *Public Safety: Correctional facilities – Senate Bill 146 (Committee on Budget and Fiscal Review), Chapter 72, Statutes of 2021*
4. *Crime prevention: enforcement and training programs– Senate Bill 157 (Committee on Budget and Fiscal Review), Chapter 83, Statutes of 2021*
5. *Public Safety II – Assembly Bill 173 (Committee on Budget), Chapter 253, Statutes of 2021*
6. *Public Safety: Courts– Assembly Bill 177 (Committee on Budget), Chapter 257, Statutes of 2021*

# PUBLIC SAFETY AND CRIMINAL JUSTICE

## CRIMINAL JUSTICE REFORM

- **Elimination of Criminal Administrative Fees and Related Debt Relief.** The budget makes the following changes:
  - Effective January 1, 2022, eliminates 17 criminal administrative fees.
  - On and after January 1, 2022, makes the balance of any court-imposed costs due to these fees as read on December 31, 2021 unenforceable and uncollectible and vacates any portion of a judgment imposing those fees.
  - Provides fiscal relief to the counties to backfill revenues lost from the repeal of those fees specified in this bill. In 2021-22, the backfill would total \$25 million General Fund for counties. In 2022-23 and ongoing, the backfill would increase to \$50 million General Fund for counties.
  - AB 1869 (Committee on Budget), Chapter 92, Statutes of 2020. AB 1869 eliminated 23 criminal administrative fees effective July 1, 2021. AB 143 includes an allocation schedule for a backfill to the counties and AB 177 makes technical amendments to AB 1869.
- **Rehabilitation, Re-entry and Recidivism Reduction Package.** The budget includes a “Rehabilitation, Re-entry and Recidivism Reduction Package” of \$200+ million starting in 2021-22 for career development, rehabilitative programming, local support for individuals to remain out of the criminal justice system, and removal of barriers to successful re-entry. This includes the following components:
  - **Public Defense Pilot.** The budget includes \$50 million General Fund in 2021- 2022, \$50 million General Fund in 2022-23, and \$50 million General Fund in 2023-24 for public defender offices, alternative public defender offices, and other alternative offices providing indigent criminal defense services to support the workload associated with the provisions in paragraph (1) of subdivision (d) of Section 1170 and Sections 1170.95, 1473.7, and 3051 of the Penal Code. Of the amount appropriated in 2021-22, \$500,000 shall be available for the Board of State and Community Corrections for administrative costs and to contract with a university or research institution to complete the independent evaluation. These funds shall be available for encumbrance or expenditure until June 30, 2026.
  - **Collaborative County Resentencing Pilot.** AB 145 establishes a collaborative resentencing pilot program between District Attorneys’ offices, community based organizations, and Public Defender offices. The budget includes \$18 million to support the pilot and this amount shall be made available for encumbrance or expenditure until January 20, 2025. Of the amount appropriated, up to \$1.3 million shall be available to RAND Corporation to complete an evaluation of the County Resentencing Pilot Program. Payments shall be made upon receipt of each preliminary report and the final report.

- **Adult Re-entry Grant.** The budget includes a one-time \$30 million General Fund augmentation to the Adult Re-entry Grant created in the 2018 Budget Act for re-entry, housing, and wraparound services. These funds will supplement the ongoing baseline \$37 million General Fund and provide additional grant funding to organizations that provide rental assistance and warm handoff and reentry services for individuals released from state prisons.
- **Relief.** AB 145 provides retroactive expungement relief, beginning on July 1, 2022, for individuals that, under current law, get relief prospectively as of January 1, 2021. To support this, \$7.5 million shall be made available to provide for the purposes of retroactive expungement of arrest records. Funding for these purposes shall be made available for expenditure or encumbrance until June 30, 2025.
- **Rehabilitative Programming for Incarcerated People.** The budget includes \$3.5 million General Fund in 2021 -22 and \$3.3 million General Fund each in 2022 -23 and 2023-24 to expand the Anti-Recidivism Coalition's Hope and Redemption Team across all prisons and provide support during and after their incarceration.
- **Pine Grove Conservation Camp Resources.** The budget includes \$2.35 million General Fund in 2021-22 and \$1.95 million General Fund in 2022-23 and ongoing to transform the Pine Grove Youth Conservation Camp in Amador County into a camp that also promotes rehabilitation and preparedness by teaching life skills, helping participants find mental health services, focusing on reentry and recruiting participants from all over California.
- **Pilot for Extra Hour of Counsel at Parole Hearings.** The budget includes \$1.75 million General Fund for a one-year Board of Parole Hearings pilot to require state-appointed attorneys to provide an additional hour of counsel to incarcerated persons before they are interviewed for their comprehensive risk assessment and to represent them before the full board if their case is referred to the full board for review at a monthly executive meeting. This shall include at least one hour of counsel, education, and advice on the importance of the comprehensive risk assessment and its role in the parole decision making decision making process.
- **Accountability Related to the California District Attorneys Association.** Senate Bill 157 (Committee on Budget and Fiscal Review), Chapter 83, Statutes of 2021 increases accountability over various sources of state funding that currently flow to and through the California District Attorneys Association (CDAA) and transfers the responsibility to the Environmental Protection Agency. This bill specifically:
  - Eliminates the Environmental Circuit Prosecutor Project and establishes the Environmental Prosecutor Grant Program within the California Environmental Protection Agency which would provide grants for the costs of prosecutors, investigators, and research attorneys for prosecuting environmental crimes.
  - Shifts the authorization of funds under the Environmental Enforcement and Training Act of 2002 away from the CDAA and instead allocates funding to qualified grantees to develop and implement specified education and training programs.

- Allocates all funds for the High Technology Theft Apprehension and Prosecution Fund to the Department of Justice and removes the CDAA as a recipient.
- Prohibits the awarding of a grant to or the creation of new contracts with the CDAA under these specified programs.
- **Prohibitions of Weapons at the State Capitol and State Office Buildings.** Existing law prohibits the bringing or possession of, a loaded firearm or other specified weapon, to the State Capitol and legislative offices, as specified, punishable as either a misdemeanor or a felony. Assembly Bill 173 (Committee on Budget) includes the state office building located at 1021 O Street in the City of Sacramento within these prohibitions.

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

**Capital Outlay.** The 2021 Budget includes resources for the following capital outlay projects:

- **Mather: Headquarters Lobby Security Enhancements.** \$251,000 General Fund for preliminary plans (\$78,000) and working drawings (\$173,000) for security improvements to the Headquarters' lobby.
- **Mather: Headquarters Security Checkpoint Enhancements.** \$300,000 General Fund for the preliminary plan (\$100,000) and working drawing (\$200,000) phases of the Security Checkpoint Enhancements project. This project will install two permanent security checkpoints and upgrade the existing entryway gates at the North and West entrances of the Governor's Office of Emergency Services Headquarters main parking lot.
- **Mather: State Operations Center Modification.** \$465,000 General Fund for the preliminary plan (\$116,000) and working drawing (\$349,000) phases of the State Operations Center Modification project.
- **Southern Region Emergency Operations Center – Acquisition.** CalOES requested \$26.5 million one-time General Fund for the acquisition of land for the new Southern Regional Emergency Operations Center facility to be located in the Southern California area. The estimated total project costs are \$90,581,000 including acquisition (\$26,490,000), performance criteria (\$2,160,000), and design-build (\$61,931,000). The construction amount includes \$51,234,000 for the construction contract, \$1,537,000 for contingency, \$4,193,000 for architectural and engineering services, \$4,967,000 for other project costs. The Legislature approved this request.
- **California Disaster Assistance Act.** The 2021 Budget includes a total of \$162 million General Fund for local governments through the California Disaster Assistance Act.
- **California Earthquake Early Warning System.** CalOES requested \$17.3 million one-time General Fund. This request will support system operations and program management, an education and outreach campaign, research and development to expand mitigation uses for the California Earthquake Early Warning (CEEW) System. The Budget also extends the liquidation date of the 2018 Budget Act funding associated with the Earthquake Early Warning System from

June 30, 2021 to June 30, 2022 to continue the installation of seismic sensors and to perform maintenance activities.

- **Deferred Maintenance.** The 2021 Budget includes one-time \$5 million General Fund for the following deferred maintenance projects:

Facility Location	Project Title and Description	Estimated Cost
3650 Schriever Ave, Mather CA 95655	Supplement funding shortage for employee breakroom renovations	\$374,750
3650 Schriever Ave, Mather CA 95655	Upgrade Physical Security Systems: CCTV, Access Control Equipment, CPU hardware, software and door hardware	776,250
3650 Schriever Ave, Mather CA 95655	Curb and Sidewalk Repair - Replace cracked, crumbling, and broken concrete sidewalks and curbed areas.	1,550,000
3650 Schriever Ave, Mather CA 95655	Replace IT Network Fiber Optic Backbone	450,000
3650 Schriever Ave, Mather CA 95655	Replace IT Network Cabling (copper)	1,050,000
CSTI - Camp San Luis Obispo	Repave and restripe parking lot between Kern and Mendocino Avenue (14,000 sq. ft.)	124,000
CSTI - Camp San Luis Obispo	Streambed alterations to prevent further erosion of Howard Hall foundation due to creek overflow	375,000
CSTI - Camp San Luis Obispo	Main Campus: Hardscape, landscape and irrigation replacement	300,000
	<b>Total</b>	<b>\$5,000,000</b>

*Source: Department of Finance*

- **Regional Hazardous Materials Response.** CalOES requested \$3,595,000 General Fund ongoing, beginning in 2021-22, to continue implementation of the Regional Hazardous Materials Response program. The Legislature approved this request.
- **Next Generation 9-1-1 Grant Program.** The 2021 Budget includes a one-time increase of \$570,000 in federal fund authority to support the continued development of the Next Generation 9-1-1 program.
- **Reimbursement Authority Increase for CALFIRE.** CalOES requested an increase of \$90,000 in reimbursement authority beginning in fiscal year 2021-22, and increasing annually thereafter, related to an Interagency Agreement with the California Department of Forestry and Fire Protection for the lease of office space. The Legislature approved this request.
- **Elimination of Voluntary Contribution Tax Form Expenditure Authority.** Cal OES requested the reduction of budget authority as a conforming action to the removal of the California Sexual Violence Victim Services Fund (Fund 8093) and California Domestic Violence Victims Fund (Fund 8104) from the state tax forms and no longer receive revenue because they did not meet the minimum contribution threshold. The sections of the Revenue and Taxation Code authorizing these funds have since become inoperative and have been repealed, in accordance with statute. The Legislature approved this request.
- **Federal Homeland Security Grant Program.** The budget includes budget bill reporting language for the homeland security grants administered by CalOES.
- **Reducing Reliance on Redirected and Temporary Staff for Emergency Response and Recovery.** CalOES requested \$16.5 million General Fund and 73 positions ongoing to establish a permanent Incident Support Team, a deployable Incident Management Assistance Team, and



needed support to operate California's State Operations Center or Regional Emergency Operations Centers to respond to the all-hazard events. The Legislature approved this request.

- **Long-Term Recovery Support.** CalOES requested \$37.8 million (\$15.7 million General Fund) ongoing to provide permanent funding for 104 permanent recovery positions provided in 2018 with three year limited-term funding, and 110 new positions to better support California's recovery efforts and recoupment of eligible federal disaster cost reimbursements for state and local governments, and to maximize the hazard mitigation program to mitigate the impacts of future disasters on the state and local jurisdictions. The Legislature approved this request.
- **Office of Equity and the Listos Grant Program.** CalOES requested \$29.9 million General Fund ongoing and 13 positions to establish a new Office of Equity and make permanent the Listos grant program. The Listos program would include an on-going \$25 million General Fund grant program and expand its focus from emergency preparedness to also include emergency response and recovery. The Legislature approved the funding and position request, and included budget bill language to target the Listos grant funds to accessible and culturally competent outreach and resources, as well as reporting language for how the funds were distributed.
- **Modernizing Technology and Data Analytics.** CalOES requested \$10.2 million General Fund and 14 positions to modernize the Department's technology and data capabilities through new technology and updating outdated systems. The Legislature approved this request.
- **Strengthening Tracking and Reporting of Disaster Costs and Funding.** CalOES requested \$4 million General Fund and 14 positions to establish a new unit within Cal OES to better coordinate and lead the state's disaster cost tracking and public facing reporting efforts in coordination with all state agencies. In addition, this new unit would serve as a liaison with the Department of Finance to better align cost tracking and federal cost recovery efforts, as this work is currently being done across agencies. The Legislature approved this request.
- **Wildfire Forecast and Threat Intelligence Integration Center.** CalOES, Department of Forestry and Fire Protection, California Public Utilities Commission, and California Military Department jointly requested 22 positions, \$7,286,000 General Fund, \$191,000 Public Utilities Commission Utilities Reimbursement Account (PUCURA) in 2021-22 and \$4,230,000 General Fund, \$191,000 PUCURA ongoing, to support the implementation and strategy development of the Wildfire Forecast and Threat Intelligence Integration Center pursuant to Chapter 405, Statutes of 2019. This investment builds on the \$2 million ongoing General Fund provided to the Office of Emergency Services in the 2020-21 Budget Act. It was also requested that the unspent balances of the 2020-21 Budget Act appropriation for this program be reverted. The Legislature approved as requested.
- **Southern Region Emergency Operations Center Relocation.** CalOES requested \$7.7 million General Fund in 2021-22 for the lease, tenant improvements, and moving costs associated with a temporary facility to support the Southern Region Office while a new Southern Regional Emergency Operations Center facility is constructed, to be located in the Orange County or Los Angeles area, along the 405 corridor. In addition, CalOES requested \$1,359,000 in fiscal year 2022-23, escalating thereafter, until fiscal year 2025-26 for annual lease costs of the temporary facility. The Legislature approved this request.

- **Nonprofit Security Grant Program.** The budget includes one-time \$50 million General Fund for the California State Nonprofit Security Grant program.
- **Sexual Assault Reimbursements.** The budget includes \$6.7 million ongoing General Fund to increase reimbursements to local law enforcement agencies to offset the cost of reimbursing qualified health care professionals, hospitals, or other emergency medical facilities for medical evidentiary examinations for all sexual assault victims.
- **Homeless Youth Pilot.** The budget includes \$50 million General Fund to support homeless youth emergency housing programs.
- **Coroner Trainings for Mass Casualty.** The budget includes \$1 million for CalOES to conduct coroner trainings for mass casualty events.
- **Operational Observer for Covered Utilities.** The Administration requested \$8.7 million for an observer to monitor covered utilities' implementation of measures to mitigate the risk of wildfire ignitions from utility infrastructure and reduce the use, scope, and duration of public safety power shutoffs. This request is included in the budget.
- **Victims of Crime Act Supplemental Funding.** The budget includes \$100 million one-time General Fund to provide one-time supplemental funding for various programs that provide services to victims of crime, including rape crisis centers, domestic violence shelters, housing first, victim witness, and child advocacy centers programs. This funding is available over three years.
- **Community Hardening to Build Disaster Resilient Communities.** CalOES requested \$250 million one-time General Fund for an initiative to strengthen California's resiliency to all hazard disasters through community hardening programs. The Legislature approved \$100 million one-time General Fund that will cover (1) the local share for the federal hazard mitigation grant program for disadvantaged communities and (2) outreach and technical assistance costs for CalOES to identify and provide support, including application support, for disadvantaged communities. Further investments in community hardening programs can be found under the Wildfire Prevention and Resilience Expenditure Plan.
- **Human Trafficking.** The budget includes an augmentation of one-time \$10 million General Fund, for a total of \$20 million General Fund in 2021-22, to support human trafficking survivors.
- **Statewide High Frequency Backup Disaster Communications System.** The budget includes \$6 million for local governments to acquire high frequency backup disaster communications systems.
- **Domestic and Sexual Violence Prevention Efforts.** The budget includes \$15 million General Fund one-time to support domestic and sexual violence prevention efforts.
- **Family Justice Centers.** The budget includes \$11 million to support family justice centers.

- **Gun Violence Restraining Orders.** The budget includes \$11 million one-time General Fund to facilitate education and training efforts related to gun violence restraining orders. This funding includes: (1) \$5 million to conduct a public awareness campaign, (2) \$5 million for grants to domestic violence groups to conduct outreach, and (3) \$1 million to the City of San Diego for the city attorney to provide temporary gun violence restraining order trainings to entities statewide.

**Various Re-appropriations.** The budget includes the re-appropriation of the following:

- **Community Power Resiliency.** Up to \$1.5 million from the 2020 Community Power Resiliency appropriation (originally \$50 million General Fund) until June 30, 2023 to support the continued administration of the local assistance grants and the development of the required report.
- **Alfred E. Alquist Seismic Safety Commission Transfer.** \$215,000 General Fund, until June 30, 2022, to continue expending unencumbered one-time funding for operating costs associated with the transfer of the Alfred E. Alquist Seismic Safety Commission to CalOES.
- **Resources Building Communications Site Relocation.** \$100,000 General Fund for the relocation of the Resources Building communications site until June 30, 2022, due to delayed site readiness of the relocation facility as a result of the COVID-19 pandemic and other delays.
- **Relocation of Red Mountain Communication Site, Del Norte County.** General Fund reappropriation of \$1.3 million for the equipment phase and \$15.4 million for the construction phase for the relocation of the Red Mountain Communications Site project in Del Norte County. The reappropriation is necessary due to project delays associated with extended lease negotiations, design changes, weather related access to the project site, and effects of the COVID-19 pandemic.

## **0820 DEPARTMENT OF JUSTICE (DOJ)**

The budget includes total funding of approximately \$1.1 billion, including \$387 million General Fund in 2021-22, to support DOJ. This includes the following:

- **Officer-Involved Shootings Investigations.** The budget increases the implementation costs of AB 1506 (McCarty) Chapter 326, Statutes of 2020, regarding the investigation of officer involved shootings to \$15.3 million General Fund in 2021-22 and \$15.6 million ongoing beginning in 2022-23 to implement AB 1506 which establishes four investigative teams throughout the state for investigations of officer involved shootings and supportive services.
- **California Highway Patrol-DOJ Retail Theft Task Force.** The budget augments the amount available to the Department of Justice in 2021-22 for participation in the California Highway Patrol Retail Theft Task Force by \$102,000. The total available is now \$251,000.
- **Information Access for Research Institutions: Firearms.** AB 173 clarifies the process and parameters of disclosure of specified information to the California Firearm Violence Research Center at UC Davis (Research Center) by the Department of Justice (DOJ) for research or statistical activities. The DOJ may at its discretion, also disclose specified information, to other

nonprofit bona fide research institutions that are accredited by the United State Department of Education or the Council for Higher Education Accreditation for the study of violence prevention in the matter prescribed. This trailer bill also requires that any material identifying individuals to only be used for research and statistical purposes and prohibits reports or publications derived from the material from identifying any specific individuals. This trailer bill requires DOJ to establish procedures for these requests and allows researchers to be charged reasonable fees related to their requests. This bill appropriates \$10,000 General Fund to the Department of Justice to implement provisions related to firearm information access for the purposes of research.

- **Gun Violence Reduction Program.** The budget includes \$10.3 million for the Gun Violence Reduction Program to support county sheriff's departments conducting activities related to the seizure of weapons and ammunition from persons who are prohibited from possessing them, including efforts based upon entries in the Department of Justice's Armed Prohibited Persons System (APPS).
- **Controlled Substance Utilization Review and Evaluation System Program Implementation.** The budget provides \$484,000 reimbursement authority in 2021-22 and ongoing to support the CURES program and includes trailer bill to extend the implementation date for AB 528 (Low), Chapter 677, Statutes of 2019 to allow for the completion of technology updates.
- **AB 2699 (Santiago) Chapter 289, Statutes of 2020 Costs.** Adjusts the implementation costs of AB 2699 to \$982,000 General Fund in 2021-22, \$912,000 in 2022-23, \$2.9 million in 2023-24, \$3 million in 2024-25, and \$1.9 million in 2025-26.
- **Sexual Assault Kit Backlog for Local Law Enforcement Agencies.** The budget includes \$4 million one-time in 2021-22 for grants to local law enforcement agencies through the Sexual Assault Evidence Submission Grant Program to ensure that a law enforcement agency submits sexual assault forensic evidence to a crime lab for testing. This funding is without regard to fiscal years.
- **Backfill.** The budget provides one year backfill of \$16 million (\$6 million General Fund and \$10 million Fingerprint Fees Account) in 2021-22 for the DNA Identification Fund and adopts supplemental reporting language directing DOJ to present various options to address the decline in revenue for the DNA Identification Fund.
- **Bureau of Gambling Control Application Resources.** The budget includes two year limited term funding of \$3.4 million Gambling Control Fund to process California Cardroom and Third-Party Providers of Proposition Player Services license applications.
- **Medi-Cal Elder Abuse.** The budget provides \$10.5 million Federal Trust Fund and \$3.5 million False Claims Act Fund to allow full expenditure of a reoccurring federal grant related to Medi-Cal fraud and elder abuse workload.
- **The Task Force To Study and Develop Reparation Proposals for African Americans.** The budget includes \$1.1 million General Fund in 2021-22 and 2022-23 to implement AB 3121 (Weber), Chapter 319, Statutes of 2020. The funding will support the task force to study and develop reparation proposals for African Americans, with a special consideration for African Americans who are descendants of person enslaved in the United States.

- **Information about Unsafe Firearms Transactions Involving Peace Officers.** The budget appropriates \$982,000 in 2021-22, \$912,000 in 2022-23, \$2.88 million in 2023-24, \$2.98 million in 2024-25, \$1.93 million in 2025-26, and \$778,000 ongoing thereafter to gather information about unsafe firearms transactions involving peace officers and develop/upgrade information technology infrastructure. Shifts sixty percent of this funding to come out of the Dealers' Record of Sale (DROS) Special Account.
- **Healthcare Rights and Access Section.** The budget allocates \$2.1 million Public Rights Law Enforcement Special Fund and 10 positions for workload associated with Healthcare Rights and Access Section.
- **Firearms Dealers: Conduct of Business.** The budget includes \$301,000 Dealers' Record of Sale (DROS) Special Account in 2021-22 and \$139,000 annually thereafter to promulgate regulations and track violations per the mandates of AB 2362, (Muratsuchi) Chapter 284, Statutes of 2020.
- **Firearms: Unsafe Handguns.** The budget includes \$674,000 DROS Special Account in 2021-22, and \$1.3 million in 2022-23 to implement AB 2847 (Chiu), Chapter 292, Statutes of 2020, relating to information technology resources.
- **Firearms: Inspections.** The budget includes two positions and \$152,000 DROS Special Account in 2021-22, \$600,000 in 2022-23, and \$445,000 annually thereafter to the DOJ to inspect gun shows per the mandates of AB 2061 (Limón), Chapter 273, Statutes of 2020.
- **Secondhand Goods: Tangible Personal Property: Reporting Requirements.** Provides \$491,000 Secondhand Dealer & Pawnbroker Fund in 2021-22 and \$114,000 in 2022-23 to perform database upgrades and modifications to comply with the mandates of AB 1969 (Blanca Rubio), Chapter 185, Statutes of 2020.
- **Personal information: social security numbers and state agencies.** The budget includes \$425,000 General Fund in 2021-22 and \$168,000 in 2022-23 to implement AB 499 (Mayes) Chapter 155, Statutes of 2020. AB 499 is related to personal information and state agencies.

## 5227 BOARD OF STATE AND COMMUNITY CORRECTIONS (BSCC)

- **BSCC Jail Oversight.** AB 145 allows any duly authorized officer, employee, or agent of the board may, upon presentation of proper identification, enter a local detention facility without advance notice to conduct inspections to determine compliance with the Board's regulations. Provides \$3.1 million ongoing General Fund for additional positions and electronic data entry support.
- **SB 678 (Leno), Chapter 608, Statutes of 2009 Grant Modification.** AB 145 makes, for the 2021-22 fiscal year only, a modification to the California Community Corrections Performance Incentives Act of 2009 that provides grants to county probation departments that reduce the number of individuals on felony supervision (i.e. felony probation, mandatory supervision, post release community supervision) who are sent to state prison. The modification freezes the

existing SB 678 formula and includes an adjustment to the SB 678 grant program to provide each county with their maximum SB 678 grant award from the prior three fiscal years. The budget appropriates \$122.8 million General Fund to the State Community Corrections Performance Incentives Fund to be allocated to counties, as specified, for the 2021–22 fiscal year.

- **Post-Release Community Supervision Workload.** The budget provides \$23.6 million one-time General Fund to county probation departments for post release community supervision. Also includes \$19.5 million one-time General Fund in 2021-22 for county probation departments to supervise the temporary increase in average daily population of individuals on Post-Release Community Supervision.
- **Proposition 47 and 57 Adjustments.** The budget estimates net General Fund savings of \$116.2 million as a result of Proposition 47 and \$23.6 million General Fund savings as a result of Proposition 57 adjustments.
- **California Violence Intervention and Prevention (CalVIP) Program.** The budget provides \$200 million one-time General Fund across the next three fiscal years for the Board of State and Community Corrections to expand the CalVIP program. CalVIP provides competitive grants to cities and community-based organizations to support services such as community education, diversion programs, outreach to at-risk transitional age youth, and violence reduction models.
- **Relinquishment of County Jail Funding.** SB 146 decreases the lease revenue authority for county jail construction programs by \$229,059,000 resulting from award relinquishments and unawarded funds for the construction of adult local criminal justice facilities. This will eliminate the remaining and relinquished bond authority for the county jail construction financing programs.
- **Title II Spending Authority Increase.** The budget increases \$500,000 federal spending authority for Title II spending.
- **Administrative Costs and Miscellaneous Appropriation.** The budget includes \$100,000 to the Board of State and Community Corrections for administrative and project support costs associated with Sections 19.56 and 19.57 and \$50,000 General Fund to the Adult Reentry Grant.

## **8120 COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING (POST)**

- **Reappropriation for training program.** The budget reappropriates \$10.3 million General Fund that was previously appropriated to create a Distance Learning Grant Program, increase the functionality of POST's Learning Portal, and upgrade previously produced and developed distance learning courses and videos.

## **8830 CALIFORNIA LAW REVISION COMMISSION**

- **Staffing for the Committee on Revision of the Penal Code.** The budget includes \$494,000 General Fund ongoing for additional staffing for the Committee on Revision of the Penal Code.

**Public Safety and Corrections Budget Trailer Bills**

1. *Juvenile Justice – Senate Bill 92 (Committee on Budget and Fiscal Review), Chapter 18, Statutes of 2021*
2. *Budget Act of 2021 – Assembly Bill 128 (Ting), Chapter 21, Statutes of 2021*
3. *Budget Act of 2021 – Senate Bill 129 (Skinner), Chapter 69, Statutes of 2021*
4. *Public Safety I – Assembly Bill 145 (Committee on Budget), Chapter 80, Statutes of 2021*
5. *Public Safety: Correctional Facilities – Senate Bill 146 (Committee on Budget and Fiscal Review), Chapter 72, Statutes of 2021*
6. *Crime prevention: enforcement and training programs – Senate Bill 157 (Committee on Budget and Fiscal Review), Chapter 83, Statutes of 2021.*
7. *Budget Act of 2021 – Senate Bill 170 (Skinner), Chapter 240, Statutes of 2021*
8. *Public Safety II – Assembly Bill 173 (Committee on Budget), Chapter 253, Statutes of 2021*
9. *Public Safety: Courts – Assembly Bill 177 (Committee on Budget), Chapter 257, Statutes of 2021*

# TRANSPORTATION

## TRANSIT ISSUES

**Statutory Relief.** The budget includes trailer bill language to provide additional statutory relief to transit agencies, including:

- An extension of provisions that temporarily hold harmless transit operators that receive state funding and whose ridership levels have been negatively impacted by COVID-19.
- An extension of the provisions that temporarily eliminate financial penalties for non-compliance with transit funding efficiency measures in the Transportation Development Act and the State Transit Assistance Program.
- An expansion of provisions that allow for increased flexibility in the use of funds transit operators receive from the State Transit Assistance - State of Good Repair program and the Low Carbon Transit Operations program.

## 0521 CALIFORNIA STATE TRANSPORTATION AGENCY (CALSTA)

The budget provides roughly \$715 million for the California State Transportation Agency, including \$212 million from the Greenhouse Gas Reduction Fund.

- **Transportation Infrastructure Funding.** The June budget included \$2.5 billion for a variety of investments in transit infrastructure and grade crossing projects through the Transit and Intercity Rail Capital Program. This funding was reverted and will be considered as part of the January 2022 budget proposal.
- **Highway 37 Adaptation.** The budget includes \$1 million to the Secretary of Transportation for Highway 37 climate adaptation.

## 2600 CALIFORNIA TRANSPORTATION COMMISSION (CTC)

The budget provides \$12 million (mostly from the State Highway Account and Public Transportation Account) for 2021-22 fiscal year to support 34 positions.

- **Transportation System Oversight.** The budget includes a total of \$1,189,000 from the State Highway Account and the Public Transportation Account to convert eight limited-term positions to permanent positions in order to address the permanent workload related to the implementation of SB 1 (Beall), Chapter 5, Statutes of 2017 (the Road Repair and Accountability Act of 2017); SB 103 (Committee on Budget and Fiscal Review) Chapter 95, Statutes of 2017 ; and SB 1328 (Beall) Chapter 698, Statutes of 2018 (SB 1328).



**2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)**

The budget provides \$16.8 billion for Caltrans, including \$6.5 billion in federal funds, to support 21,170 positions.

- **Maintenance Zone Enhanced Enforcement Program.** The budget includes \$4 million ongoing from the State Highway Account for additional Maintenance Zone Enhanced Enforcement Program (MAZEEP) needs statewide.
- **Office Space Related Costs.** The budget includes \$8,295,000, including a one-time operating expense increase of \$7,340,000 in 2021-22 and a permanent operating expense of \$955,000 beginning in fiscal year 2021-22. This increase in the State Highway Account (SHA) funds will fund office space modifications, internal staffing relocations, modular systems furniture (MSF) reconfigurations and mobile workforce technology to enhance the ability of Caltrans to telework and explore further innovations related to housing employees.
- **Planning Program PID ZBB.** The biennial Planning Initiation Document (PID) Zero-Based Budget includes a total of 370 positions and \$72,120,000 (\$68,790,000 in personal services (PS) and \$3,330,000 in operating expenses (OE)) to develop, review, and approve PIDs. This request represents a net decrease of 60 positions, 20 Full Time Equivalents (FTE) for Architecture and Engineering (A&E) contracting, and five Cash Overtime (COT) FTE equating to a total reduction of \$18,229,000.
- **Wildfire Litigation.** The budget includes three-year, limited-term State Highway Account (SHA) funds totaling \$2,756,000 (\$1,647,000 in personal services (PS), \$1,109,000 in operating expenses (OE)) to support increased workload for wildfire litigation.
- **CARES Act GTFS and Support.** The budget includes \$7,172,000 (\$1,829,000 in Personal Services (PS) and \$5,343,000 in Operating Expense (OE)) of the \$94,000,000 received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to contract for and hire technical staff to analyze, design, and implement business processes to support medium, small and rural agencies in consistent compliance with the General Transit Feed Specification (GTFS) and contactless payment standards. The resources also provide technical staff to analyze, research and define scopes of work for the statewide leveraged procurement of a catalog of goods and services necessary to comply with global data and payment standards, as well as incorporating compliance with all of these standards into the regular business processes and technical assistance provided to transit providers by Caltrans' Division of Rail and Mass Transit (DRMT).
- **Transportation System Network Replacement.** The budget includes \$5,540,000 and ten positions one-time in State Highway Account (SHA) funding to work on the Transportation System Network Replacement (TSNR) development.
- **Highway Safety Program.** The budget includes \$22,499,000 from the State Highway Account per year for five years and five two-year limited-term positions to fund safety projects throughout the state as part of its Highway Maintenance 4 Safety (HM-4) Program.

- **IT Infrastructure Refresh.** The budget includes \$10.6 million ongoing from the State Highway Account to implement the replacement of the most critical end-of-life IT infrastructure equipment per analysis and recommendations identified in the July 2020 Application Roadmap study.
- **Homeless Encampment Relocation and Service Liaisons.** The budget includes \$2,721,000 from the State Highway Account in 2021-22 and 2022-23 to support twenty two-year positions for the department to establish dedicated resources for Homeless Encampment Liaisons statewide.
- **Hazardous Material Removal at Encampments.** The budget includes \$45.6 million per year beginning fiscal year 2021-22, for the Division of Maintenance (Maintenance) to dedicate to Hazardous Material Removal at Encampments.
- **Clean California.** The budget includes funding for several components of the Clean California Program at Caltrans. This includes:
  - \$111.7 million per year for three years for litter abatement on the state highway system.
  - \$143 million per year for two years for state beautification grants.
  - \$148 million per year for two years for local beautification grants.
  - \$16.7 million per year for two years for education grants to reduce littering.
  - \$27.7 million per year for three years for additional maintenance staff to implement the litter abatement funding.
  - \$27.7 million for two years, and \$6.8 million in 2023-24, for additional administrative staff.
- **Active Transportation Program.** The June budget included \$500 million from the General Fund to provide additional investments in the Active Transportation Program. This funding was reverted and will be considered as part of the January 2022 budget proposal.
- **Highway Infrastructure Funding.** The budget includes \$968 million from the Federal Trust Fund in 2021-22 received from the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) for rehabilitation and enhancement of existing transportation infrastructure, and \$1.063 billion (\$316 million in 2021-22 and \$747 million from 2022-23 through 2027-28) in state transportation funding from the accrual of past and future interest earnings from primary state transportation accounts for the rehabilitation and maintenance of existing transportation infrastructure.
- **Project Delivery Workload.** The budget includes \$2.1 billion from the State Highway Account to support 10,902 positions, including 1,089 Architectural and Engineering consultant positions, to support the Capital Outlay Support program. This is an increase of \$107 million and 548 positions from the January proposal.

- **Indirect Cost Rate Proposal.** The budget includes trailer bill language extending the existing exemption for self-help counties from Caltrans indirect cost rate recovery through January 2023.
- **National Environmental Policy Act Delegation.** The budget includes trailer bill language to eliminate the sunset on the state’s ability to assume responsibility under the National Environmental Protection Act (NEPA).
- **Various Projects.** The budget includes funding for several specific projects, including:
  - \$300,000 to the City of Goleta for signaled pedestrian crosswalks.
  - \$800,000 to the City of La Mirada for a pedestrian bridge at Creek Park.
  - \$823,000 to the City of San Diego for the Pedestrian Path Woodman Street, Reo Drive Streetlights, 54th Street Pedestrian Path, Rolando Park V-Calming Devices.
  - \$1,200,000 to the County of Sacramento for the Interstate 80 Walerga Park sound wall.
  - \$8,500,000 to the City of Inglewood for the Market Street Streetscape Improvement Program and the Market Street Facade and Tenant Improvement Program.
  - \$2,000,000 to the City of Lawndale for local roadway safety improvements.
  - \$2,000,000 to the County of Kings for the Kettleman City Pedestrian Bridge.
  - \$5,000,000 to the City of Los Angeles for the Colorado Bridge Undercrossing East Bank River Way Project.
  - \$5,000,000 to the City of Redwood City for the Ferry Terminal.
  - \$8,000,000 to the City of San Jose for the Warm Springs Quiet Zone.
  - \$10,000,000 to the City of Glendale for the Glendale Narrows Bridge.
  - \$10,000,000 to the City of Compton for the Center Ave. Green Street Improvement.
  - \$11,000,000 to the City of Los Angeles for the Potrero Canyon Pacific Coast Highway Pedestrian Bridge.
  - \$7,200,000 to the City of Fremont for the Mission Boulevard Interchange Modernization Project.
  - \$5,000,000 to the City of Modesto for infrastructure improvements to County Islands located within the city limits.
  - \$3,000,000 to the City of Atascadero for downtown infrastructure enhancement.

- \$1,500,000 to the City of Glendora to retrofit streetlights.
- \$4,000,000 to the Sonoma County Transportation Authority for marsh restoration, sea-level rise protection, and advanced mitigation for future State Route 37 corridor improvements.
- \$2,500,000 to the City of San Diego for road repairs and replacements in Rancho Bernardo due to 2007 Witch Creek Fire. This area includes: Azucar Way, Aguamiel Road, Cabela Drive, Aliento Court, Escoba Place, Palito Circle, Danza Circle, Sedero Court, Nevoso Way, Grillo Court, and Alcalde Court.
- \$3,000,000 to Sonoma County Transportation Authority for Highway 37 final design.
- \$9,800,000 to the Department of Transportation for the following purposes:
  - \$2,300,000 to upgrade pedestrian access and finalize a complete streets project at the Louise Avenue U.S. Route 101 freeway overcrossing in Encino, while allowing the California Transportation Commission to extend the deadline for State Highway Operation and Protection Program funds.
  - \$2,500,000 for mural restoration at the Chicano Park Museum and Cultural Center in San Diego.
  - \$5,000,000 for an Interstate 710 pedestrian walkway at Florence Avenue in the City of Bell Gardens.

## 2665 CALIFORNIA HIGH SPEED RAIL AUTHORITY (HSRA)

The budget includes \$606 million for the High-Speed Rail Authority, including \$532 million in infrastructure funding.

- **High Speed Rail Property Fund.** The budget includes an increase of \$3.25 million in the annual appropriation from the High Speed Rail Property Fund for 2021-22 through 2022-23 for a total appropriation of \$4 million and an increase of \$1.75 million ongoing for a total appropriation of \$2.5 million from the lease and rent proceeds received that have been deposited into the Property Fund as part of the acquisition and ownership of real property.
- **IT Office Transition.** The budget includes a reduction of 25.4 consultant position FTEs for an annual savings of \$7.34 million and adds 17 permanent state positions and \$2.73 million in 2021-22, and ongoing. This results in annual net savings of \$4.61 million and a net reduction of 8.4 FTE positions.
- **Reappropriation of Federal Funds.** The budget includes a reappropriation of Federal Trust Fund authority approved in the Budget Act of 2012 (Chapters 21 and 29, Statutes of 2012, amended by Chapters 152, Statutes of 2012), as reappropriated in the Budget Act of 2018 (Chapter 29, Statutes of 2018) to extend availability until June 30, 2026.

## 2670 BOARD OF PILOT COMMISSIONERS

The budget includes a total of \$3.0 million to support four positions.

- **Funding for Increased Training Costs.** The budget includes an increase of \$200,000 ongoing from the Board of Pilot Commissioners' Special Fund to cover increased training costs.

## 2720 CALIFORNIA HIGHWAY PATROL (CHP)

The budget includes \$2.9 billion (including \$2.45 billion from the Motor Vehicle Account) to support 10,750.5 positions at CHP.

- **Dispatch Radio Console Replacement Project.** The budget includes a one-time augmentation of \$2.271 million from the Motor Vehicle Account (MVA) in 2021-22 and \$2.223 million in 2022-23 to address cost increases associated with services provided by the California Governor's Office of Emergency Services, Public Safety Communications (Cal OES-PSC) related to the Dispatch Radio Console Replacement Project.
- **Replacement of Portable Radios.** The budget includes an \$8.6 million permanent augmentation from the Motor Vehicle Account to replace portable radios and accessories that have exceeded the life expectancy, are out of warranty, and unserviceable.
- **Wireless In-Car Camera System Maintenance and Operations.** The budget includes a permanent augmentation of \$14.2 million from the MVA for the ongoing maintenance and operation of the Wireless In-Car Camera System, including ongoing funding for 12 previously approved positions.
- **Deferred Maintenance.** The budget includes \$10,000,000 General Fund in 2021-22 to complete a prioritized subset of the CHP's deferred maintenance project list. The total amount necessary to complete all deferred maintenance projects for the CHP is approximately \$40,500,000. The requested \$10,000,000 will allow the CHP to fund and complete 37 of the most critical projects.
- **Telematics.** The budget includes provisional language to allow the augmentation of the CHP's budget by up to \$1,442,000 to fund one Associate Governmental Program Analyst position and the costs related to the installation and operation of the Department of General Services telematics system.
- **Capital Outlay Proposals.** The budget includes \$154,797,000 in one-time General Fund for five projects; the reactivation of four projects presently suspended due to a lack of available funds within the Motor Vehicle Account, State Transportation Fund (MVA), and the initiation of one new project. The projects include:
  - Quincy Replacement Facility: \$43,934,000 for the design-build phase.

- Baldwin Park Area Office Replacement: \$54,285,000 for the design-build phase.
- Santa Fe Springs Area Office Replacement: \$53,522,000 for the design-build phase.
- Gold Run Area Office Replacement: \$1,463,000 for the acquisition phase.
- Humboldt Area Office Replacement: \$1,593,000 for the acquisition and performance criteria phase.
- \$2,635,000 from the MVA to provide new authority for the Keller Peak Tower Replacement project and an offsetting reversion of \$1,819,000 in existing authority to the MVA.

## 2740 DEPARTMENT OF MOTOR VEHICLES (DMV)

The budget includes \$1.68 billion (\$1.2 billion in Motor Vehicle Account (MVA)) to support 8,619.8 positions at the DMV in 2021-22.

- **REAL ID Workload.** The budget includes \$175.1 million in 2021-22, \$94 million in 2022-23, and \$72.7 million in 2023-24 for REAL ID related workload. The budget rejected the request for \$15.3 million in 2024-25 and \$14.2 million ongoing for REAL ID workload.
- **Digital Acceleration, Facility Improvement, and Talent Acquisition.** The budget includes \$39.9 million for the Digital Acceleration Project. Specifically, this will support facilities improvements and modernization projects across DMV.
- **Digital Experience Platform (DXP) Project.** The budget includes \$54.4 million from the MVA for the Digital Experience Platform (DXP) Project, which is a comprehensive, multi-year project for DMV to replace its aging legacy core system to provide a more modern customer experience, prevent outages, and adapt to future changes and demand.
- **Front End Sustainability Reconfiguration.** The budget includes \$6,914,000 of previously approved funds for the Front-End Sustainability Project, which has been divided into two projects: the Legacy System Stabilization Project and the DXP Project referenced above. The two projects are being conducted concurrently because the legacy system must be stabilized so that DMV services can continue to be provided to the public while a replacement is built.
- **State-to-State Verification System Project.** The budget includes \$3,586,000 from the MVA in 2021-22 for DMV to complete Stage 4 of the Project Approval Lifecycle (PAL) process to build an IT system that will communicate with a federally-mandated database required under the REAL ID Act for sharing driver data with other states.
- **Heavy Duty Vehicle Inspection and Maintenance Program.** The budget includes \$1,170,000 from special funds in 2021-22 to complete the PAL process for an IT project that builds a system for DMV to receive truck smog emission data from the California Air Resources Board. This system will allow DMV to place holds on the registration renewals of non-compliant

trucks. The budget also includes provisional language that provides an additional \$523,000 once DMV completes Stage 4 of the PAL process.

- **Used Motor Vehicle Sales Tax Group.** The budget includes \$5,889,000 in reimbursement authority in 2021-22, one-time, 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 the process of building an IT system to automate the process.
- **Deferred Maintenance.** The budget includes \$10 million in one-time General Fund resources in 2021-22 to fund deferred maintenance projects at DMV headquarters and field offices.
- **Capital Outlay Proposals.** The budget includes \$88,392,000 in one-time General Fund resources for the reactivation of five projects presently suspended due to a lack of available funds within the MVA, and the initiation of one new project. These projects include:
  - Delano Field Office Replacement: \$16,982,000 for the construction phase.
  - Santa Maria Field Office Replacement: \$18,127,000 for the construction phase.
  - Inglewood Field Office Replacement: \$18,814,000 for the construction phase.
  - Oxnard Field Office Reconfiguration: \$13,462,000 for the working drawings and construction phases.
  - Reedley Field Office Replacement: \$18,435,000 for the construction phase.
  - San Francisco Field Office Replacement: \$2,572,000 for the performance criteria phase.
- **Swing Space Requirements.** The budget includes \$1,138,000 in one-time General Fund resources to cover costs for swing space needed to sustain Department of Motor Vehicles functions at the Inglewood and Oxnard sites. Both of these projects are on-site replacements, and therefore will require closure of those offices to proceed.
- **Various Trailer Bill Proposals.** The budget includes several pieces of trailer bill language intended to streamline DMV's operations:
  - Driver License Renewal Alternatives: Allows DMV to permit certain drivers and identification card applicants to renew via the virtual field office that otherwise would have to visit a field office. This authority will expire on January 1, 2023.
  - Driver License and Identification Card Application Signature and Thumb/Fingerprint Requirements: Allows an applicant for a duplicate identification card to renew online, and allows customers to convert their driver licenses to identification cards online.

- Electronic Reporting of Commercial and Fleet Insurance: Requires that commercial and fleet liability insurance policies be reported to the DMV electronically instead of by mail.
- Publication of the California Vehicle Code: Repeals the requirement that the DMV publish, print, and distribute hard copies of the California Vehicle Code.

**Transportation Budget Trailer Bills**

1. *Transportation – Assembly Bill 149 (Committee on Budget), Chapter 81, Statutes of 2021*
2. *Transportation – Assembly Bill 174 (Committee on Budget), Chapter 254, Statutes of 2021*



# LABOR

## 0559 LABOR AND WORKFORCE DEVELOPMENT AGENCY

- **State Operations.** The budget approves the Governor's proposal to provide four positions and \$765,000 from the Labor and Workforce Development Fund for 2021-22 and ongoing to increase its capacity to ensure consistent implementation and interpretation of laws within the Labor Agency's jurisdiction.
- **Department of Better Jobs and Higher Wages.** The budget approves the withdrawal of the Governor's proposal to consolidate the California Workforce Development Board (CWDB), workforce services branch at the Employment Development Department, Division of Apprenticeship Standards at the Department of Industrial Relations, and the Employment Training Panel in the new Department of Better Jobs and Higher Wages.

## 7100 EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD)

- **Community Economic Resilience Fund (CERF).** SB 162 (Committee on Budget), Chapter 259, Statutes of 2021 modifies the May Revision proposal and provides \$600 million in federal funds from the Coronavirus Fiscal Recovery Fund to establish the CERF, which will be administered by the Workforce Service Branch at the EDD. CERF will be overseen by the Labor and Workforce Development Agency, Office of Planning and Research and the Governor's Office of Business and Economic Development, referred to as the Inter-Agency Leadership Team. The program shall provide competitive financial support to establish high road transition collaboratives to design region and industry specific economic recovery and transition strategies. The Workforce Services Branch shall submit an annual report to the Legislature starting on December 31, 2022 regarding the grants awarded, progress on individual program objectives, related to high road metrics, including equity job quality and sustainability, job creation, wage increases, and job retention. Additionally, the Workforce Services Branch shall submit a supplemental annual report to the Legislature starting on June 31, 2023 regarding key findings on regional trends in sustainable economic recovery and common challenges in the development and implementation of high road strategies.
- **Workload Adjustments.** The budget approves the Governor's proposal to provide \$276 million one-time for EDD to address deferred workloads associated with the initial pandemic claim surge, and to sustain current workload demands. The budget also authorizes the Department of Finance to provide up to an additional \$54 million for staffing resources to address EDD workload. The budget also approves the May Revision proposal to decrease staff by 762 positions associated with updated workload estimates, resulting in a decrease of \$73.8 million in federal authority.
- **Deferred Maintenance.** The budget approves the May Revision proposal to provide \$2 million one-time for EDD deferred maintenance projects.

- **Unemployment Loan Interest Payment.** The budget approves the May Revision proposal to provide \$35.7 million one-time to make an interest payment on the federal Unemployment Insurance Trust Fund loan.
- **Language Access Services.** The budget modifies the May Revision proposal and provides \$11.8 million in 2021-22 and 2022-23, and \$6.8 million ongoing in 2023-24 for expanded language access services. Assembly Bill 138 (Committee on Budget), Chapter 78, Statutes of 2021 requires EDD to provide language services in real time by qualified staff and interpreters by January 1, 2022. By December 1, 2022, EDD is required to provide dedicated phone lines for unemployment insurance claims in various languages, translate documents, which will be available on the website.
- **America's Job Center Staff.** The budget approves the May Revision proposal to provide \$10.4 million one-time to expand unemployment insurance staff at the America's Job Center of California locations.
- **Benefit Systems Modernization Project.** The budget approves the May Revision proposal of \$11.8 million one-time to refocus and review the Benefit Systems Modernization project.
- **Personal Information.** The budget approves the May Revision proposal to provide \$6 million one-time General Fund and Disability Insurance Fund to implement AB 499 (Mayes), Chapter 155, Statutes of 2020. AB 499 prohibits all state agencies from sending mail to an individual that includes the individual's full social security number, unless otherwise specified.
- **Direct Deposit.** The budget approves the May Revision proposal to provide \$5.5 million one-time to begin planning and implementation of the direct deposit solution. AB 138 requires EDD to provide a claimant the option to receive payments via direct deposit, debit card or checks starting on January 1, 2024.
- **Fraud Prevention and Detection.** AB 138 requires the EDD to provide a plan to the Legislature for assessing the effectiveness of fraud prevention and detection tools by May 1, 2022, and report on the progress of the assessment by July 1, 2022. The bill also requires EDD to report by January 1, 2023 and annually thereafter the effectiveness of the fraud prevent and detection tools.
- **Disability Wage Replacement Rate.** AB 138 extends the disability insurance wage replacement rate of 60 or 70 percent depending on income by an additional year, from January 1, 2022 to January 1, 2023.
- **School Employees Fund.** AB 138 specifies that the School Employees Fund local education agencies contribution rate shall be 0.5 percent for the 2021-22 and 2022-23 fiscal year.

- **EDD Wage Data.** AB 138 authorizes EDD to share wage data with the Department of Fair Employment and Housing to comply with Government Code Section 12999.
- **Early Action Revisions to the 2020 Budget Act.** AB 81 (Committee on Budget), Chapter 5, Statutes of 2021, provides conformity to the federal Continued Assistance Act to authorize the state to waive the 13-week waiting period to trigger “off” Fed-Ed, and retroactively includes the additional weeks of benefits provided under the Continued Assistance Act when determining whether the state has activated the extended benefits. Under the Federal Families First Coronavirus Response Act, the additional Fed-Ed benefits are 100 percent federally funded.

## 7120 CALIFORNIA WORKFORCE DEVELOPMENT BOARD

- **Extension of Encumbrance Periods.** The budget approves the Governor’s proposal to extend the encumbrance of the Breaking Barriers to Employment to June 30, 2024, Prison to Employment to June 30, 2023, and the Green House Gas Reduction Fund to June 30, 2022.
- **High Road Training Partnerships (HRTPs).** The budget approves the Governor’s budget proposal and May Revision proposal to provide \$100 million one-time General Fund for HRTPs. The budget also approves the May Revision proposal to provide \$10 million in Workforce Innovation Opportunity Act funds for HRTPs, and \$10 million to support High Road Construction Careers.

AB 138 defines HRTPS as strategies for developing industry based, worker focused partnerships. These partnerships demonstrate various job quality and employment practices. Specifies that the Workforce Development Board shall collect wage and employment data to evaluate HRTPs, as well provide reports to the Legislature on outcome data for the program.

- **HRTPS and HRCC at Community Colleges.** The budget modifies the May Revision proposal and provides \$25 million one-time for the Industry Based and Worker Focused program at the board to establish and expand HRTP and HRCC that align with community college pathways. These funds are available for encumbrance or expenditure through June 30, 2026. The budget requires the CWDB and CCC to submit an interim and final report to the Legislature on October 1, 2023 and October 1, 2026 on uses and outcomes associated with this funding.
- **Regional Equity and Recovery Partnership Grants.** The budget modifies the May Revision proposal and provides \$25 million one-time for Regional Equity and Recovery Partnership grants to local workforce boards who partner with community college consortia to design targeted short-term targeted education, training and job placements. The budget requires the CWDB and CCC to submit an interim and final report to the Legislature on October 1, 2023 and October 1, 2026 on uses and outcomes associated with this funding.

- **Data Infrastructure.** The budget modifies the May Revision proposal and provides \$8 million one-time on a shared data infrastructure between the Labor Agency and the CCC. The budget requires that this shared data infrastructure shall comply with federal and state laws to protect individual privacy.
- **Bureau for Private Post-Secondary Education (BPPE) Data.** The budget modifies the May Revision proposal, and provides \$2 million one-time for BPPE to gather data on workforce outcomes in for-profit entities. The funds shall be available for encumbrance until June 30, 2026.
- **Workload Adjustments.** The budget approves the May Revision proposal to provide \$15 million one-time to the board to address workload.
- **Workforce Innovation and Opportunity Act (WIOA) Administration and Program Services.** The budget approves the May Revision proposal to reappropriate \$5.5 million in unspent federal carryover funds. The budget also approves the May Revision proposal to provide \$32.1 million in federal WIOA funds as follows: \$10.1 million is for local oversight and technical assistance, \$6.2 million for audit, compliance and fraud prevention, \$3.4 million for financial management and informational technology and \$6.5 million for CWDB Administration, Policy Development, and Program Partner Coordination.

The budget approves the May Revision proposal to provide \$36.1 million in federal WIOA funds as follows: \$10.5 million for Regional Workforce Accelerator Program to focus on high road recover and COVID-19 response, \$10.5 million for high road training partnership (as noted previously), \$12.7 million for equity/target populations (to include disability, veterans, English language learners), \$2.3 million for CalJOBS.

- **Prison to Employment.** The budget provides \$20 million one-time for the Prison to Employment Initiative. The funds shall be available for encumbrance until June 30, 2024.
- **Breaking Barriers to Employment Program.** The budget provides \$30 million one-time for the Breaking Barriers to Employment program. The funds shall be available for encumbrance until June 30, 2024. Of this amount \$5 million is available for workforce programs targeted toward individuals with autism.
- **Social Entrepreneurs for Economic Development Program.** The budget provides \$20 million one-time for the Social Entrepreneurs for Economic Development program. The funds shall be available for encumbrance until June 30, 2024.
- **East Palo Alto Job Training Center for Economic Mobility.** The budget provides \$2 million for the East Palo Alto Job Training Center for Economic Mobility.
- **Los Angeles Black Worker Center.** The budget provides \$3.5 million for the Los Angeles Black Worker Center to create the Workforce Equity Demonstration Project.

- **Creating Restorative Opportunities and Programs (CROP).** The budget provides \$27 million one-time for the CROP. The funds shall be available through December 31, 2024. The budget requires CROP to contract with the University of California, Berkeley to conduct an evaluation of the pilot program, and provide CWDB and annual audit due at the end of each year during which these resources are available.
- **Santa Clara Valley Transportation Authority.** The budget provides \$10 million one-time for the Santa Clara Valley Transportation Authority (VTA) to provide workforce training and retraining and mental health services to its workers. Additionally, the budget provides \$10 million one-time to the Santa Clara VTA for worker support and facility improvements. The VTA shall first prioritize worker support and assistance. The budget specifies that the VTA shall create a formal joint labor-management committee to review and advise on proposed state expenditures prior to sending final recommendations to the VTA board for approval.
- **Southern California Association of Governments and San Gabriel Valley Council of Governments.** The budget provides \$4.5 million one-time to the Southern California Association Governments and San Gabriel Valley Council of Governments for workforce development and training programs.
- **Certified Nurse Assistant Programs.** The budget provides \$14.5 million one-time for workforce programs for certified nurse assistants. These funds are available for encumbrance through June 30, 2026.
- **Rapid Digital Upskilling and Workforce Development for Displaced Workers Pilot.** The budget provides \$5 million one-time for Rapid Digital Upskilling and Workforce Development for Displaced Workers Pilot.
- **Homeboy Industries.** The budget provides \$15 million one-time for Homeboy Industries for workforce job training.
- **Los Angeles Clean Tech Incubator (LACI).** The budget provides \$1.75 million for LACI to expand workforce development for green jobs and creating LACI's electric vehicle satellite training center. The budget also provides \$12 million one-time for LACI.
- **Mexican American Opportunity Foundation Skill Center.** The budget provides \$1.3 million one-time General Fund to the County of Kern for the Mexican American Opportunity Foundation Skill Center.
- **Learning Centers at Fairplex.** The budget provides \$1.5 million to the City of Pomona for the Learning Centers at Fairplex.
- **High Demand Sectors.** The budget approves the May Revision proposal to provide \$50 million one-time to expand Employment Training Panel (ETP) training in high demand sectors including information technology and advanced manufacturing, healthcare and the public sector. The budget requires ETP to include in their annual report to the Legislature

on the uses and outcomes associated with this funding. The budget authorizes this funding to be available for encumbrance or expenditure until June 30, 2024.

- **ETP and Community Colleges.** The budget modifies the Governor’s proposal and provides \$15 million one-time for the ETP to align and operate programs with the community college system, and leverage existing community college strong workforce programs to provide small businesses with employee training. The budget requires ETP to include in their annual report to the Legislature information regarding the use and outcomes associated with this funding. The budget authorizes this funding to be available for encumbrance or expenditure until June 30, 2024.

### 7350 DEPARTMENT OF INDUSTRIAL RELATIONS (DIR)

- **Apprenticeships Federal Innovation Grant.** The budget approves the Governor’s proposal to provide an increase of \$240,000 in Federal Trust Fund authority to reflect additional grant funds available through the U.S. Department of Labor’s Employment and Training Administration.
- **Women in Construction Priority Initiative.** The budget provides \$15 million General Fund one-time for Women in Construction Priority Initiative to provide resources, support, outreach and education regarding worker’s rights, health and safety and labor laws, and leadership training for forewoman.
- **Elevator Safety Unit.** The budget approves the Governor’s proposal to provide \$11.16 million to increase the elevator public safety unit by 56.5 positions in 2021-22 and 2022-23.
- **Implementation of Legislation.** The budget approves the Governor’s proposal to add 43.0 positions and \$8.7 million from various funds in 2021-22, 43.0 positions and \$7.7 million in 2022-23, 41.0 positions and \$7.3 million 2023-24, 38.0 positions and \$6.7 million in 2024-25 and 2025-26, with 8.0 positions and \$1.7 million in 2026-27 and beyond to implement the provisions of:
  - Assembly Bill 685 (Reyes), Chapter 84, Statutes of 2020: COVID-19: Imminent Hazard to Employees - Exposure Notification.
  - Senate Bill 275 (Pan), Chapter 301, Statutes of 2020: Health Care & Essential Workers Protection Act: Personal Protective Equipment (PPE).
  - Senate Bill 1159 (Hill), Chapter 85, Statutes of 2020: Workers’ Compensation: Occupational Illness – COVID-19.
- **Division of Occupational Safety and Health (Cal/OSHA).** Approves the Governor’s proposal to authorize the Department of Finance to provide up to an additional 70.0 positions in the 2021-22 fiscal year and up to \$14.4 million (\$13.3 million ongoing) from the Occupational Safety and Health (OSH) Fund to Cal/OSHA.

- **Garment Worker Wage Claim Pilot Program.** The budget provides \$5 million General Fund one-time to create the Garment Worker Wage Claim Pilot Program. AB 138 specifies the pilot program will provide resources to qualified organizations to provide education, legal assistance and services to garment workers seeking to file a wage claim.
- **Emergency Medical Technician and Paramedic Pre-Apprenticeship.** The budget provides \$4 million General Fund one-time for the California Firefighter Joint Apprenticeship Council to conduct the Emergency Medical Technician and Paramedic Pre-Apprenticeship Program.
- **Federal Funding Authority.** The budget includes \$7.5 million from the American Rescue Plan Act of 2021 grant from the federal Occupational Safety and Health Administration (OSHA) to be available for COVID-19-related expenditures through September 30, 2023, \$10 million from the State Apprenticeship Expansion, Equity and Innovation Grant, and \$240,000 provided by the State Capacity to Expand Apprenticeship through Innovation Grant.
- **Early Action Revisions to the 2020 Budget Act.** SB 95 (Committee on Budget and Fiscal Review), Chapter 13, Statutes of 2021 reestablishes the COVID-19 supplemental sick leave for employers, as defined under existing law, who have more than 25 employees. The bill specifies that employers are entitled to up to 80 hours of supplemental sick leave due to quarantine or isolation related to COVID-19, attending an appointment or experiencing symptoms related to COVID-19 vaccine, experiencing COVID-19 symptoms, caring for a family member who is subject to quarantine, or caring for a child whose school or place of care is closed due to COVID-19. This supplemental leave is available through September 30, 2021. The bill provides \$100,000 from the Labor and Workforce Development Fund to the Labor Commissioner for resources to implement and enforce the provisions of the bill.

SB 93 (Committee on Budget and Fiscal Review), Chapter 16, Statutes of 2021 establishes rehiring rights for specified employees that were laid off due to reasons related to the COVID-19 pandemic, including public health directive, government shutdown order, lack of business, reduction in force or other economic, non-disciplinary reasons due to the COVID-19 pandemic. The bill specifies that the Division of Labor Standards Enforcement (DLSE) at DIR shall enforce the provisions of the bill, and establishes a complaint process at the DLSE for violations associated with this bill, as well as civil penalties and damages. The provisions of SB 93 will sunset on December 31, 2024. The bill also appropriates \$6 million from the Labor and Workforce Development Fund for staffing resources to implement and enforce the provisions of the bill.

### **Labor Budget Trailer Bill**

1. *General Government— Assembly Bill 81 (Committee on Budget), Chapter 5, Statutes of 2021*

2. *COVID-19 Supplemental Sick Leave – Senate Bill 95 (Committee on Budget and Fiscal Review), Chapter 13, Statutes of 2021*
3. *Employment: Rehiring and Retention – Senate Bill 93 (Committee on Budget and Fiscal Review), Chapter 16, Statutes of 2021*
4. *Labor and Employment - Assembly Bill 138 (Committee on Budget), Chapter 78, Statutes of 2021*
5. *Community Economic Resilience Fund – Senate Bill 162 (Committee on Budget), Chapter 259, Statutes of 2021*



# PUBLIC EMPLOYMENT AND RETIREMENT

## 7501 CALIFORNIA DEPARTMENT OF HUMAN RESOURCES (CalHR)

- **Substance Abuse and Testing Program Alignment.** The budget approves the Governor's proposal to permanently transfer the Controlled Substance Abuse Testing Program from the Benefits Division to the Pre-Employment Division of CalHR.
- **Statewide Human Resources Support.** The budget approves the Governor's proposal to provide five permanent positions and \$836,000 General Fund for 2021-2022 and ongoing to provide direct assistance and oversight in supporting departmental personnel units with complex workload, resolving audit findings, assisting with surge staffing for crises, and other human resources needs.
- **Dependent Verification for Health Benefits.** AB 138 shifts the statutory responsibility of dependent verification for retiree and active state employees' health benefit plans from California Public Employees Retirement System (CalPERS) to the Department of Human Resources.

## 7900 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)

- **Supplemental Pension Payment.** AB 138 provides \$1.8 billion Proposition 2 fund to make a supplemental pension payment to CalPERS unfunded liability.
- **SB 84 Loan Repayment.** The budget approves the May Revision proposal to adjust various fund sources for repayment of the loan authorized by SB 84 (Committee on Budget), Chapter 50, Statutes of 2017. The net effect of the various adjustments is \$4.79 million increase in 2020-21, and \$1.38 million decrease in 2021-22.
- **Operations.** The budget approves the May Revision proposal to provide an increase of \$195 million for CalPERS operations, primarily associated with external investment management fees, salaries, benefits assumptions, and third-party administrator fees.

## 7920 CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM (CalSTRS)

- **Supplemental Payment.** The budget approves \$410 million Proposition 2 funds to make a supplemental pension payment to the state share of the CalSTRS unfunded liability.
- **State Contribution.** The budget approves the May Revision proposal to provide an increase of \$4.9 million ongoing to reflect an increase in the state's contributions to the California State Teachers' Retirement System's Defined Benefit (DB) Program and Supplemental Benefit Maintenance Account (SBMA), as required in statute.

## 9800 EMPLOYEE COMPENSATION

- **Employee Compensation.** The budget approves the May Revision proposal to increase Item 9800-001-0001 by \$54 million ongoing, Item 9800-001-0494 by \$45.8 million ongoing, and Item 9800-001-0988 by \$22.6 million ongoing to reflect collectively bargained pay increases, updated health and dental rates, increased enrollment in health and dental plans, and a change in the Top 4 Health Plan composition.
- **Bargaining Agreements – Memoranda of Understanding.** The budget ratifies memoranda of understanding (MOUs), addenda and side letters negotiated between the state and the 21 bargaining units (BUs) that represent state employees.

*Common Provisions of Agreements.* The MOUs, addenda and side letters ratified by the Legislature end the reduction in compensation and benefits negotiated between the Administration and the different BUs in 2020. The Budget Act of 2020 included the Personal Leave Program 2020 (PLP 2020) which enacted reductions in employee compensation and benefits and suspended or deferred compensation increases in order to achieve General Fund savings for fiscal years 2020-21 and 2021-22. This year's budget ends PLP 2020 by restoring employee compensation and eliminating the monthly leave program. In addition, the budget reinstates state employee contributions for prefunded retiree health benefits and includes renegotiated compensation increases that were either suspended or deferred.

*Senate Bill 142.* SB 142 (Committee on Budget and Fiscal Review), Chapter 39, Statutes of 2021, ratifies the MOUs, addenda and side letters negotiated by the state with BUs 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21. For 2021-22, these MOUs cost approximately \$1,287,279,000 (\$469,723,000 General Fund) to implement the provisions of the agreements. The MOUs cover state employees represented by 12 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 Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE)

- Bargaining Unit 2: Attorneys, Administrative Law Judges, and Hearing Officers

### California Association of Highway Patrolmen (CAHP)

- Bargaining Unit 5: California Highway Patrol Officers

California State Law Enforcement Association (CSLEA)

- Bargaining Unit 7: Protective Services and Public Safety

Professional Engineers of California Government (PECG)

- Bargaining Unit 9: Professional Engineers

California Association of Professional Scientists (CAPS)

- Bargaining Unit 10: Professional Scientists

International Union of Operating Engineers (IUOE)

- Bargaining Unit 12: Craft and Maintenance

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

California Association of Psychiatric Technicians (CAPT)

- Bargaining Unit 18: Psychiatric Technicians

American Federation of State, County and Municipal Employees (AFSCME)

- Bargaining Unit 19: Professional Health and Social Services

*Senate Bill 159.* SB 159 (Committee on Budget and Fiscal Review), Chapter 42, Statutes of 2021, ratifies a side letter agreement to the MOU between BU 6 and the state. For 2021-22, the MOU costs approximately \$509,997,000. The MOU covers state employees represented by:

California Correctional Peace Officers Association (CCPOA)

- Bargaining Unit 6: Correctional Peace Officers

*Senate Bill 165.* SB 165 (Committee on Budget and Fiscal Review), Chapter 279, Statutes of 2021, ratifies the MOU side letters and addenda between the state and BUs 7 and 8. In addition, the budget appropriated funds necessary to implement the finalized salary surveys for BU 5 and Judges. For 2021-22, these MOUs and salary adjustments cost approximately \$38,737,000 (\$14,946,000 General Fund) to implement the provisions of the agreements. The MOUs cover state employees represented by two exclusive employee representatives, as follows:

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: California Firefighters

**CONTROL SECTION 3.60**

- The budget approves the May Revision proposal to capture changes in state retirement contribution rates for state members of the California Public Employees' Retirement System (CalPERS) and the Judges' Retirement System II (JRS II), adopted by the CalPERS Board on April 20, 2021. The increase in state employer contribution is primarily a result of increases in payroll. The newly adopted state employer contribution rates result in additional state costs of \$35.5 million ongoing, an increase from the \$133.5 million included in the Governor's Budget to \$169.1 million annually. The ongoing \$169.1 million consists of \$80.9 million General Fund, \$66.4 million special funds, and \$21.7 million other nongovernmental costs.

**CONTROL SECTION 3.91**

- The budget approves the May Revision proposal to eliminate Control Section 3.91, which was included in the 2020-21 budget act associated with the suspension of employee compensation increases.

**CONTROL SECTION 4.11**

- The budget modifies the May Revision proposal to amend Control Section 4.11 regarding position transparency. The budget specifies that the Department of Finance shall annually report to the Joint Legislative Budget Committee and the Legislative Analyst's Office by January 10 on past year actuals numbers regarding the vacant positions for each department, total authorized positions for each department, and the average percentage of vacant positions throughout the year for each department. This information shall also be available on the Department of Finance's website.

**OTHER POST EMPLOYMENT BENEFITS**

- **Prefunding Retiree Health Benefits.** AB 138 makes a \$616 million Proposition 2 fund payment on behalf of employees for the 2020-21 employee retire health prefunding that was suspended for 2020-21.

**Public Employment and Retirement Budget Trailer Bills**

1. *Labor and Employment - Assembly Bill 138 (Committee on Budget), Chapter 78, Statutes of 2021*
2. *State Employment: State Bargaining Units – Senate Bill 142 (Committee on Budget and Fiscal Review), Chapter 39, Statutes of 2021*
3. *State Employment: State Bargaining Unit 6 – Senate Bill 159 (Committee on Budget and Fiscal Review), Chapter 42, Statutes of 2021*
4. *State Employment: State Bargaining Units – Senate Bill 165 (Committee on Budget and Fiscal Review), Chapter 279, Statutes of 2021*

# APPENDIX

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## BUDGET and TRAILER BILLS

<b>Bill Number</b>	<b>Chapter Number</b>	<b>Topic</b>	<b>Date Chaptered</b>
<b>AB 85</b>	<b>4</b>	<b>Budget Act of 2020</b>	<b>2/23/21</b>
<b>AB 128</b>	<b>21</b>	<b>Budget Act of 2021</b>	<b>6/28/21</b>
<b>AB 161</b>	<b>43</b>	<b>Budget Act of 2021</b>	<b>7/9/21</b>
<b>AB 164</b>	<b>84</b>	<b>Budget Act of 2021</b>	<b>7/16/21</b>
<b>SB 85</b>	<b>14</b>	<b>Budget Act of 2020</b>	<b>4/13/21</b>
<b>SB 89</b>	<b>1</b>	<b>Budget Act of 2020</b>	<b>1/29/21</b>
<b>SB 129</b>	<b>69</b>	<b>Budget Act of 2021</b>	<b>7/12/21</b>
<b>SB 170</b>	<b>240</b>	<b>Budget Act of 2021</b>	<b>9/23/21</b>
AB 80	17	Paycheck Protection Program (Burke)	4/29/21
AB 81	5	General Federal Relief and Clean-up	2/23/21
AB 82	6	COVID-19 Pandemic Emergency: Contact Tracing: Childcare	2/23/21
AB 83	11	Alcoholic Beverage Control: License Renewal Fees: Waiver	3/17/21
AB 86	10	COVID-19 Relief and School Reopening, Reporting and Public Health Requirements	3/5/21
AB 88	12	Golden State Stimulus	3/17/21
AB 130	44	Education Finance	7/9/21
AB 131	116	Child Development Programs	7/23/21
AB 132	144	Postsecondary Education	7/27/21
AB 133	143	Health	7/27/21
AB 134	75	Mental Health Services Act: County Program & Expenditure Plans	7/16/21
AB 135	85	Human Services	7/16/21
AB 136	76	Developmental Services	7/16/21
AB 137	77	State Government	7/16/21
AB 138	78	Employment: Health Care Benefits: Unemployment Insurance: Policies	7/16/21
AB 140	111	Housing	7/19/21
AB 141	70	Department of Cannabis Control: Licensure Safety & Quality Assurance	7/12/21
AB 143	79	Courts	7/16/21
AB 145	80	Public Safety	7/16/21
AB 148	115	Public Resources	7/22/21
AB 149	81	Transportation	7/16/21
AB 150	82	Sales and Use Tax Law: Personal Income Tax Law: Corporation	7/16/21

		Tax Law: Budget Act of 2021	
AB 153	86	Social Services	7/16/21
AB 163	251	State Government	9/23/21
AB 167	252	Education	9/23/21
AB 172	696	Human Services	10/08/21
AB 173	253	Public Safety	9/23/21
AB 174	254	Transportation	9/23/21
AB 175	255	Housing	9/23/21
AB 176	256	Economic Development	9/23/21
AB 177	257	Public Safety: Courts	9/23/21
SB 86	15	Public Social Services	4/16/21
SB 88	8	One-Time Stimulus Payment: Delinquent Accts: Earned Income Tax Credits Statements	2/23/21
SB 87	7	Small Business Grants (Caballero & Min)	2/23/21
SB 91	2	COVID-19 Relief: Tenancy: Federal Rent Assistance	1/29/21
SB 92	18	Juvenile Justice	5/14/21
SB 93	16	Employment: Rehiring & Retention: Displaced Workers: COVID-19 Pandemic	4/16/21
SB 94	9	Alcoholic Beverage Control: Barbering and Cosmetology & License Renewal Fees Waiver	2/23/21
SB 95	13	Employment: COVID-19: Supplemental Paid Sick Leave	3/19/21
SB 139	71	Golden State Stimulus II	7/12/21
SB 142	39	State Employment: State Bargaining Units	6/30/21
SB 144	114	Tax: Credits	7/21/21
SB 146	72	Correctional Facilities	7/12/21
SB 147	40	Budget Act of 2020: Augmentation	6/30/21
SB 151	74	Economic Development	7/12/21
SB 152	34	Elections	6/28/21
SB 155	258	Resources	9/23/21
SB 156	112	Communications: Broadband	7/20/21
SB 157	83	Crime Prevention: Enforcement and Training Programs	7/16/21
SB 158	73	Hazardous Waste	7/12/21
SB 159	42	State Employment: State Bargaining Unit 6	7/1/21
SB 160	87	Department of Cannabis Control: Licensure: Appellations of Origin: Trade Samples	7/16/21
SB 162	259	Community Economic Resilience Fund Program	9/23/21
SB 165	279	State Employment: State Bargaining Units	9/23/21

SB 166	260	Department of Cannabis Control: Licensure: Fee Waivers and Deferrals	9/23/21
SB 168	261	Child Care	9/23/21
SB 169	262	Postsecondary Education	9/23/21
SB 171	263	Health	9/23/21



**General Fund Multi-Year Forecast**

**2021 Budget Act**

(Dollars in Millions)

	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>RESOURCES:</b>					
Prior Year Balance	\$5,557	\$28,274	\$7,204	\$2,131	-\$729
Revenues/Transfers	\$183,764	\$178,787	\$184,454	\$185,147	\$186,474
Transfer to Budget Stabilization Account	-\$2,795	-\$3,442	-\$3,026	-\$1,221	-\$363
Withdrawal from the Budget Stabilization Account	\$7,806	\$0	\$0	\$0	\$0
<b>Total Resources</b>	<b>\$194,332</b>	<b>\$203,619</b>	<b>\$188,632</b>	<b>\$186,057</b>	<b>\$185,382</b>
<b>EXPENDITURES:</b>					
Proposition 98	\$67,685	\$66,374	\$68,172	\$69,309	\$70,692
Non-Proposition 98	\$98,373	\$130,041	\$118,328	\$116,062	\$117,966
Prop 2 Infrastructure/Deferred Maintenance	\$0	\$0	\$0	\$1,414	\$1,858
<b>Total Expenditures</b>	<b>\$166,058</b>	<b>\$196,415</b>	<b>\$186,501</b>	<b>\$186,786</b>	<b>\$190,516</b>
<b>FUND BALANCES:</b>					
	\$28,274	\$7,204	\$2,131	-\$729	-\$5,134
Reserve for Encumbrances	\$3,175	\$3,175	\$3,175	\$3,175	\$3,175
SFEU	\$25,099	\$3,979	-\$1,044	-\$3,904	-\$8,309
Safety Net Reserve	\$450	\$900	\$900	\$900	\$900
Budget Stabilization Account (Mandatory Deposits)	\$10,540	\$13,982	\$17,008	\$18,229	\$18,592
Budget Stabilization Account (Total Deposits)	\$12,339	\$15,781	\$18,807	\$20,028	\$20,391
Public School System Stabilization Account	\$1,889	\$4,506	\$4,506	\$4,506	\$4,506
Total Reserves	\$39,777	\$25,217	\$23,170	\$21,531	\$17,488
BSA mandatory balance as a percentage of General Fund Tax Proceeds	5.9%	8.0%	9.5%	10.0%	10.0%
SFEU/Safety Net/PSSSA/Total BSA as a percentage of Total Resources	20.5%	12.4%	12.3%	11.6%	9.4%
Operating Surplus/Deficit with BSA Transfer	<b>\$22,717</b>	<b>-\$21,070</b>	<b>-\$5,073</b>	<b>-\$2,860</b>	<b>-\$4,405</b>
One-time Investments	<b>\$4,797</b>	<b>\$27,319</b>	<b>\$10,806</b>	<b>\$0</b>	<b>\$0</b>
Operating Surplus/Deficit--Excluding One-Time	<b>\$27,514</b>	<b>\$6,249</b>	<b>\$5,733</b>	<b>-\$2,860</b>	<b>-\$4,405</b>

Note: Totals may not add due to rounding

**General Fund Revenues**  
**2021 Budget Act**  
(Dollars in Millions)

	2020-21	2021-22	2022-23	2023-24	2024-25
<b>1 Major Revenues</b>					
2 Alcoholic Beverage Taxes and Fees	385	390	394	400	405
3 Cigarette Tax	60	58	51	47	45
4 Corporation Tax	20,720	18,106	17,348	16,826	17,191
5 Insurance Gross Premiums Tax	3,348	3,428	3,552	3,676	3,768
6 Personal Income Tax	125,151	123,298	128,458	131,182	133,573
7 Retail Sales and Use Tax	27,936	28,986	29,152	29,789	30,521
<b>8 Total Major Revenues</b>	<b>\$177,601</b>	<b>\$174,266</b>	<b>\$178,957</b>	<b>\$181,920</b>	<b>\$185,503</b>
<b>9 Minor Revenues</b>	<b>3,340</b>	<b>7,350</b>	<b>7,345</b>	<b>4,547</b>	<b>2,884</b>
10 Trailer Coach License (In Lieu) Fees	(39)	(36)	(36)	(36)	(37)
11 Local Agencies - Cost Recoveries	(29)	(28)	(28)	(28)	(28)
12 Local Agencies - Miscellaneous Revenue	(185)	(178)	(169)	(169)	(169)
13 Royalties - State Lands	(74)	(88)	(64)	(57)	(54)
14 Investment Income - Pooled Money Investments	(126)	(83)	(82)	(90)	(128)
15 Abandoned Property Revenue	(496)	(451)	(463)	(476)	(489)
16 Cost Recoveries - Other	(619)	(4,468)	(4,588)	(1,771)	(56)
17 Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	(99)	(99)	(99)	(99)	(99)
18 Miscellaneous Revenue	(1,337)	(1,622)	(1,514)	(1,514)	(1,514)
19 Penalty Assessments - Other	(48)	(42)	(42)	(42)	(42)
20 Individual Shared Responsibility Penalty Assessments	(188)	(166)	(169)	(173)	(176)
21 Other Miscellaneous Minor Revenues	(100)	(90)	(90)	(90)	(91)
<b>22 Revenue Transfers</b>	<b>5,938</b>	<b>-5,433</b>	<b>-4,193</b>	<b>-2,386</b>	<b>-1,568</b>
23 Transfers to/from Safety Net Reserve (1019)	(450)	(-450)	(0)	(0)	(0)
24 Transfers to the BSA	(-2,795)	(-3,442)	(-3,026)	(-1,221)	(-363)
25 Withdrawals from the BSA	(7,806)	(0)	(0)	(0)	(0)
26 All Other Transfers	(477)	(-1,541)	(-1,167)	(-1,165)	(-1,205)
<b>27 Loans</b>	<b>1,895</b>	<b>-838</b>	<b>-681</b>	<b>-156</b>	<b>-709</b>
28 All Other Loans	(2,014)	(-262)	(-89)	(-90)	(1)
29 Loan Repayments from Loan Repayment Drill	(-119)	(-576)	(-592)	(-66)	(-710)
<b>30 Total Minor Revenues/Transfers/Loans</b>	<b>\$11,173</b>	<b>\$1,079</b>	<b>\$2,471</b>	<b>\$2,005</b>	<b>\$608</b>
<b>31 Total Revenues/Transfers/Loans</b>	<b>\$188,775</b>	<b>\$175,345</b>	<b>\$181,428</b>	<b>\$183,926</b>	<b>\$186,111</b>

Note: Dollars may not add due to rounding

**Proposition 98 Multi-Year  
2021 Budget Act**

(Dollars in Millions)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund	49,733	53,462	53,961	56,697	57,989	59,504
Education Protection Account GF (Less health care share)	4,750	14,223	12,413	11,475	11,320	11,188
<b>Total Prop 98 General Fund</b>	<b>54,483</b>	<b>67,685</b>	<b>66,374</b>	<b>68,172</b>	<b>69,309</b>	<b>70,692</b>
Local Property Tax	24,846	25,745	27,365	28,996	30,424	31,911
<b>Total Prop 98</b>	<b>79,329</b>	<b>93,430</b>	<b>93,739</b>	<b>97,168</b>	<b>99,733</b>	<b>102,603</b>
<i>Prop 98 Change to Prior-year</i>	<i>-844</i>	<i>14,101</i>	<i>309</i>	<i>3,429</i>	<i>5,994</i>	<i>5,435</i>
<i>Percent Change to Prior-year</i>	<i>-1.07%</i>	<i>17.78%</i>	<i>0.33%</i>	<i>3.66%</i>	<i>6.39%</i>	<i>5.59%</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>
<b>Settle-Up</b>						
Amounts Applied from Over Appropriations	0	0	0	0	0	0
General Fund Payments for Prior Fiscal Years	-318	0	0	0	0	0
<b>Settle-Up Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Mandate Balance</b>	<b>1,118</b>	<b>1,118</b>	<b>1,118</b>	<b>1,118</b>	<b>1,118</b>	<b>1,118</b>
<b>Public School Stabilization Account Transfer</b>		<b>1,889</b>	<b>2,617</b>			
<b>Public School Stabilization Account Balance</b>	<b>0</b>	<b>1,889</b>	<b>4,506</b>	<b>4,506</b>	<b>4,506</b>	<b>4,506</b>

**General Fund Multi-Year N98 Expenditures by Agency**  
**2021 Budget Act**  
(Dollars in Millions)

<b>N98 excludes Capital Outlay, Debt Service</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Legislative, Executive	\$5,318	\$7,035	\$2,733	\$1,705	\$1,692
Courts	2,471	3,104	3,016	3,105	3,236
Business, Consumer Services, and Housing	616	1,679	399	98	98
Transportation	30	1,425	647	242	24
Natural Resources	3,522	5,704	2,925	2,462	2,328
Environmental Protection	2,484	2,980	620	581	91
Health and Human Services	44,221	57,029	56,062	56,587	62,396
Corrections and Rehabilitation	11,913	13,226	12,362	12,407	12,053
Education	15,374	19,821	18,412	18,680	19,781
Labor and Workforce Development	140	928	713	737	751
Government Operations	2,157	11,933	3,710	3,431	2,372
General Government	4,800	-1,449	11,026	10,245	7,257
Non-Agency Departments	( 923 )	( 1,419 )	( 1,069 )	( 2,185 )	( 805 )
Tax Relief/Local Government	( 1,182 )	( 613 )	( 492 )	( 492 )	( 492 )
Statewide Expenditures	( 2,695 )	-( 3,480 )	( 9,465 )	( 7,568 )	( 5,960 )
<b>Capital Outlay</b>	207	1,129	363	388	311
<b>Debt Service</b>	5,120	5,497	5,340	5,397	5,575
<b>Total N98 Expenditures</b>	<b>\$98,373</b>	<b>\$130,041</b>	<b>\$118,328</b>	<b>\$116,062</b>	<b>\$117,966</b>

Note: Totals may not add due to rounding

**Debts and Liabilities Eligible for Payments Under Proposition 2**

**2021 Budget Act**

(Dollars in Millions)

	<b>Outstanding Amount at Start of 2021-22 <sup>2/</sup></b>	<b>Use of 2021-22 Pay Down</b>	<b>Proposed Use of 2022-23 Pay Down</b>	<b>Proposed Use of 2023-24 Pay Down</b>	<b>Proposed Use of 2024-25 Pay Down</b>
<b>State Retirement Liabilities</b>					
1 State Retiree Health	91,929	926	305	325	340
2a State Employee Pensions—SB 84 Loan from SMIF		225	56	14	768
2b State Employee Pensions	62,991	1,881	2,358	2,086	1,028
3 Teachers' Pensions <sup>1/</sup>	102,636	410	307	210	85
4 Judges' Pensions	3,085	0	0	0	0
<b>Total</b>	<b>\$260,641</b>	<b>\$3,442</b>	<b>\$3,026</b>	<b>\$2,635</b>	<b>\$2,221</b>

<sup>1/</sup> The state portion of the unfunded liability for teachers' pensions is \$33.064 billion.

<sup>2/</sup> For retiree health and pensions, the amounts reflect latest actuarial report available.

## Prop 2 Rainy Day Fund - 2021-22 and Out Years 2021 Budget Act

(Dollars in Millions)

	2021-22	2022-23	2023-24	2024-25	
<b><u>1.5% of General Fund Revenues &amp; Transfers</u></b>					
1	General Fund Revenues and Transfers (before BSA transfer)	\$174,372 <sup>1/</sup>	\$179,921 <sup>1/</sup>	\$183,432 <sup>1/</sup>	\$186,474
2	1.5% of General Fund Revenues & Transfers	\$2,616	\$2,699	\$2,751	\$2,797
<b><u>Capital Gain Revenues (Sec 20(b))</u></b>					
3	General Fund Tax Proceeds	\$174,610	\$179,316	\$182,292	\$185,920
4	Personal Income Taxes from Capital Gains	\$20,854	\$19,758	\$18,647	\$17,529
5	% of General Fund Tax Proceeds	11.9%	11.0%	10.2%	9.4%
6	8% of General Funds Tax Proceeds	\$13,969	\$14,345	\$14,583	\$14,874
7	Personal Income Taxes from Capital Gains in Excess of 8% General Fund Tax Proceeds	\$6,885	\$5,413	\$4,064	\$2,655
8	Prop 98 Share of Capital Gains Tax Revenue above 8%	\$2,617	\$2,060	\$1,545	\$1,010
9	Non 98 Share of Capital Gain Tax Revenue above 8%	\$4,268	\$3,353	\$2,519	\$1,645
10	Total Available (Line 2 + Line 9)	\$6,884	\$6,052	\$5,270	\$4,442
11	Debt Repayment (50%)	\$3,442	\$3,026	\$2,635	\$2,221
12	Deposit to Rainy Day Fund (50%)	\$3,442	\$3,026	\$2,635	\$2,221
<b><u>Fund Balances</u></b>					
13	<b>Mandatory Balance from Previous Fiscal Year (Does <u>not</u> include discretionary amount)</b>	<b>\$10,540</b>	<b>\$13,982</b>	<b>\$17,008</b>	<b>\$18,229</b>
14	10 percent of GF Tax Proceeds	\$17,461	\$17,932	\$18,229	\$18,592
15	Infrastructure/Deferred Maintenance (Mandatory balance in excess of 10 percent GF Tax Proceeds)	\$0	\$0	\$1,414	\$1,858
16	Adjusted Deposit to Rainy Day Fund (Line 12 - Line 15)	\$3,442	\$3,026	\$1,221	\$363
17	<b>Mandatory Balance</b>	<b>\$13,982</b>	<b>\$17,008</b>	<b>\$18,229</b>	<b>\$18,592</b>
17.1	Mandatory Percentage	8.0%	9.5%	10.0%	10.0%
18	<b>Discretionary Balance</b>	<b>\$1,799</b>	<b>\$1,799</b>	<b>\$1,799</b>	<b>\$1,799</b>
19	<b>Total Rainy Day Fund Balance (Line 17+ Line 18)</b>	<b>\$15,781</b>	<b>\$18,807</b>	<b>\$20,028</b>	<b>\$20,391</b>
19.1	Total Balance (Line 19) as a Percentage of General Fund Tax Proceeds (Line 3)	9.0%	10.5%	11.0%	11.0%

<sup>1/</sup> Excludes \$4.4b in 2021-22, \$4.5b in 2022-23, and \$1.7b in 2023-24 for estimated FEMA cost recoveries for COVID-19 and wildfires