



Final Action Report

A Summary of the 2019 Budget Act

October 21, 2019

Chapter 23, Statutes of 2019

Senate Committee on Budget and Fiscal Review
Senator Holly J. Mitchell, Chair

FINAL ACTION REPORT

October 21, 2019

Assembly Bill 74
2019-20 Budget Bill

Senate Committee on Budget and Fiscal Review

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October 21, 2019

The Senate Committee on Budget and Fiscal Review has completed its Final Action Report, which is a detailed summary of the 2019-20 budget actions taken by the Legislature, and signed into law by the Governor. This report is available on the website of the Committee on Budget and Fiscal Review: <https://sbud.senate.ca.gov/finalactionreports>.

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

Sincerely,

A handwritten signature in black ink that reads "H. Mitchell".

HOLLY J. MITCHELL
Chair, Senate Budget and Fiscal Review

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INTRODUCTION

2019 Budget Act

Summary

This Final Action Report from the Senate Committee on Budget and Fiscal Review provides a summary of the 2019 Budget Act, including related statutory changes, and reflects actions taken by the Senate Committee on Budget and Fiscal Review, the Conference Committee on the Budget, and final negotiations between the leadership of the Legislature and the Administration. The budget authorizes General Fund expenditures of \$147.8 billion¹ and assumes \$150.6 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 Safety Net Reserve, and the Public School System Stabilization Account of approximately \$19.2 billion. This reserve total includes approximately \$16.5 billion in the BSA.

On June 9, 2019, the Conference Committee on the Budget completed its work to reconcile the Senate and Assembly versions of the 2019-20 budget. The Conference Committee on the Budget built upon the extensive framework of both the Senate Committee on Budget and Fiscal Review and the Assembly Committee on Budget in establishing the Legislature's version of the budget. Working from the general framework of the Governor's budget and May Revision, the Legislature incorporated significant and important budgetary and policy changes to the state expenditure plan. On June 13, 2019, the Legislature passed the 2019 Budget Act, thus meeting its constitutional obligation to pass a timely balanced budget. The Legislature also approved numerous budget trailer bills and budget act amendments prior to adjourning on September 13, 2019. Budget trailer bills are designed to implement certain provisions of the 2019 Budget Act as noted elsewhere in this report. The 2019 Budget Act was signed by the Governor on June 27, 2019, representing the state's ninth 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 13, 2019.

The budget carefully balances the need for additional public investment with the necessity of maintaining the state's fiscal stability through increasing reserves and continued debt reduction. Overall, this budget is structured such that it:

- Continues to fully fund existing programs and commitments.
- Dedicates the vast majority of discretionary resources to building reserves, paying debts and one-time commitments.
- Establishes the largest reserves in history.

¹ Does not include impacts of measures passed after July 1, 2019.

- Pays off the remaining Great Recession era “Wall of Debt.”
- Highlights social services, health, K-12 education and combatting homelessness and the state’s housing crisis.

The budget package continues the Legislature’s ongoing commitment to California’s residents by strengthening the state’s investments in public programs and services. The Legislature continues to emphasize rebuilding state programs and services, which have still not recovered from the deep economic downturn. For example, the budget includes the second step of planned CalWORKs grant increases to ensure no child lives in deep poverty. Grant increases would ensure all grants are no less than 47 percent of the Federal Poverty Level. In addition, the budget continues to expand health care coverage by providing \$74.4 million to provide full-scope Medi-Cal coverage for income-eligible young adults age 19-25 regardless of immigration status, while also addressing health care affordability by providing \$428.6 million to expand Covered California subsidies for Californians up to 600 percent of federal poverty (about \$150,000).

Budget Framework and Resources

The budget adopts the Administration’s revenue estimates for the General Fund and is balanced through the forecast period. It also retains the Administration’s Proposition 2 debt reduction proposal. The budget is structured to relieve General Fund pressure, maximize federal revenues, and use cost-effective means of funding public programs. The General Fund budget summary is as follows:

General Fund Budget Summary Prior Year and Adopted Budget (Dollars in Millions)		
	<u>2018-19</u>	<u>2019-20</u>
Prior Year Balance	\$11,419	\$6,772
Revenues and Transfers	<u>138,047</u>	<u>143,805</u>
Total Resources Available	\$149,466	\$150,577
Non-Proposition 98 Expenditures	88,249	91,890
Proposition 98 Expenditures	<u>54,445</u>	<u>55,891</u>
Total Expenditures	\$142,694	\$147,781
Fund Balance	\$6,772	\$2,796
Reserve for Liquidation of Encumbrances	1,385	1,385
Special Fund for Economic Uncertainties	5,388	1,412
Safety Net Reserve	\$900	\$900
Budget Stabilization Account	\$14,358	\$16,516

Note: Does not include impacts of measures passed after July 1, 2019.

The Budget Act of 2019 is the culmination of over five months and 125 public legislative subcommittee, full committee, and conference committee hearings. The Budget Act of 2019 includes total spending of \$214.8 billion, including \$147.8 billion from the General Fund. The final budget contains total General Fund reserves of \$19.2 billion, including \$377 million in the Constitutional Prop 98 Reserve, \$16.5 billion in the Constitutional Rainy Day Fund, \$900 million in the Safety Net Reserve, and \$1.4 billion in the Regular Reserve (SFEU).

In total, the budget allocates \$14.8 billion, \$14.3 billion in 2019-20, and an additional \$500 million over the forecast period, to build budgetary resiliency and pay down the state's unfunded liabilities. This includes \$4.5 billion to eliminate debts and reverse deferrals, \$5.5 billion to build reserves, and \$4.3 billion to pay down unfunded retirement liabilities. A supplemental payment to the California Public Employees' Retirement System of \$3 billion is scheduled to be made over the forecast period, with \$2.5 billion being made this year and \$500 million scheduled over the following three fiscal years.

The adopted budget includes the Governor's revenue assumptions for 2019-20 of \$145.96 billion (prior to transfers, including to the BSA), representing an increase of about 3.1 percent from the prior year. Revenue growth for the state's major taxes continues to be moderately strong; however, economic risks continue to fester. These risks include, projections of slower growth by both the International Monetary Fund and the Federal Reserve Board, total wages and salaries in 2018 that grew at less than one-half the rate of growth during the last period of low unemployment (2000), and federal tax reform and other federal fiscal policies. Revenue assumptions for major General Fund tax sources are shown in the table below:

General Fund Revenue Sources Prior Year and Adopted Budget (Dollars in Millions)				
	<u>2018-19</u>	<u>2019-20</u>	<u>Percent Change</u>	<u>Percent Total¹</u>
Personal Income Tax	\$98,304	\$102,413	4.2	70.2
Sales and Use Tax	26,100	27,241	4.4	18.7
Corporation Tax	13,774	13,133	-4.7	9.0
Insurance Tax	2,643	2,868	8.5	1.9
Other Sources ²	776	307	-60.0	0.2
Total	\$141,597	\$145,962	3.1	--

¹Based on 2019-20.

²Excludes transfers and loan repayments.

Budget Expenditure Highlights

The budget package represents a comprehensive approach to continuing the restoration of essential services and programs, while maintaining the state's solid fiscal outlook. Specifically, the budget funding plan provides resources for many of the Legislature's priorities—especially in the areas of

child care, human services, housing, and education—within the established fiscal framework. The foundation for the plan largely begins with the Governor’s base level funding, but incorporates distinctive and important changes in program spending to reflect the Legislature’s priorities. Major spending categories are shown on the table.

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

	<u>2018-19</u>	<u>2019-20</u>	<u>Percent Change</u>	<u>Percent Total¹</u>
Legislative, Judicial, Executive	\$4,654	\$5,336	14.7	3.6
Business, Consumer, Housing	439	1,438	227.6	0.9
Transportation	208	304	46.2	0.2
Natural Resources	3,992	3,680	-7.8	2.5
Environmental Protection	380	193	-49.2	0.1
Health and Human Services	36,171	41,929	15.9	28.4
Corrections and Rehabilitation	12,575	12,783	1.7	8.7
K-12 Education	57,481	58,308	1.4	39.5
Higher Education	16,418	17,502	6.6	11.8
Labor and Workforce	160	138	-13.8	0.1
Government Operations	5,292	1,286	-75.7	0.9
General Government	4,924	4,884	-0.8	3.3
Total	\$142,694	\$147,781	3.6	--

¹Based on 2019-20.

Note: Does not include impacts of measures passed after July 1, 2019.

The budget incorporates priorities of the Legislature and the Administration and includes funding for the following highlighted initiatives and programs:

- Education.** The budget includes \$81.1 billion in Proposition 98 funding for K-14 education in 2019-20. Highlights for K-12 include: 1) \$2 billion in a cost-of-living adjustment (COLA) of 3.26 percent for the Local Control Funding Formula (LCFF) to school districts, charter schools, and county offices of education. The total amount provided for LCFF is \$63 billion in the 2019-20 fiscal year. 2) \$300 million in one-time General Fund for the Full-Day Kindergarten Facilities Grant Program, 3) \$141 million to apply a COLA of 3.26 percent to select K-12 categorical programs (not including LCFF), and 4) \$152.6 million to increase base special education funding rates. For Higher Education, the budget includes, among other things: 1) \$119.8 million ongoing General Fund to the University of California (UC) to support operational cost increases, 2) \$147.8 million ongoing General Fund to support compensation increases and \$45.4 million ongoing General Fund to support mandatory cost increases at the California State University (CSU), 3) \$135 million to support combined enrollment increases of approximately 15,000 students at both UC and CSU, and 4) \$42.6 million to fund a second year of tuition waivers for first-time, full-time students known as the College Promise Program.

- **California State Preschool Program.** The budget provides \$1.5 billion total for state preschool, including \$980.6 million for part-day and \$500.4 million for full-day preschool including full-day wrap care. The budget includes an increase of \$27 million in ongoing funding to annualize 2,959 full-day slots to LEAs, which were provided as part of the 2018-19 budget and took effect April 1, 2019. The budget also includes \$31.4 million ongoing General Fund to increase the number of non-LEA full-day state preschool slots by 10,000, commencing April 1, 2020.
- **Child Care.** The budget provides \$318.4 million for Stage 1 child care; \$614.6 million for Stage 2; and \$502.9 million for Stage 3. In addition, the budget includes \$1.1 billion for non-CalWORKs child care programs, a 25.6 percent increase over 2018-19, including general child care (\$521.5 million), the Alternative Payment Program (\$535.9 million), a bridge program for foster children (\$54 million), and migrant and severely disabled child care (\$46 million).
- **Housing and Homelessness.** The budget includes \$2.4 billion for affordable housing and homelessness programs, and new incentives and accountability measures to ensure all local governments follow the law and work to combat the housing crisis.
- **Earned Income Tax Credit (EITC).** The budget more than doubles the EITC by investing \$1 billion in a new expanded EITC (up from \$400 million). The expansion includes help for low-income families with young children by providing an additional \$1,000 annually to address the costs of raising young children. This expansion will provide one million more economically distressed households with financial support to help with the costs of food, rent, and child care—bringing the total number of eligible households to three million.
- **Safe Drinking Water.** The budget provides \$130 million in permanent, dedicated funding for Safe and Affordable Drinking Water.
- **Covered California Affordability.** The budget provides \$428.6 million to expand subsidies for Californians up to 600 percent of federal poverty (about \$150,000). The subsidies will provide approximately \$120 in monthly premium relief for Californians between 400 percent and 600 percent of federal poverty, \$10 per month in addition to the current federal subsidies for Californians under 400 percent of federal poverty, and result in zero out of pocket premium costs for Californians under 138 percent of federal poverty.
- **Medi-Cal Expansion for Young Adults.** The budget provides \$74.4 million to provide full-scope Medi-Cal coverage for income-eligible young adults age 19-25 regardless of immigration status.
- **Aging Package.** The budget provides \$33.5 million in ongoing funding for Senior Nutrition, the No Wrong Door Model, and Long-term Care Ombudsman; and provides \$16.8 million in one-time funds for Long-term Care Actuarial study, Alzheimer Early Detection and Diagnosis, Adult Protective Services Training, and Fall Prevention.
- **Funding for Enhanced Fire Protection Resources.** The budget includes \$96.9 million to CalFire for the following: 13 new fire engines, seven C-130 air tankers, 228 positions, 100

additional fire detection cameras, mobile equipment replacement, and expansion of employee health and wellness programs.

- **Recidivism Reduction / Reentry Success.** The budget provides \$50 million in ongoing new General Fund to reduce recidivism and improve successful reentry, including: \$5 million for rehabilitation programs offered by community based organizations within corrections settings with a new grant process that includes a steering committee; \$32.9 million to continue to support the warm hand-off and reentry of offenders transitioning from state prison to communities; \$8 million to support the establishment of therapeutic communities at the Division of Juvenile Justice (DJJ) facilities; \$4 million one-time for a parole preparation pilot in state facilities; and \$50,000 one-time to provide reentry support for those that have been exonerated.

Overall, the budget represents a responsible and balanced approach. It focuses on both the Administration's and Legislature's priorities by building reserves to protect against an economic downturn, fighting homelessness and poverty, taking steps to improve the state's emergency response and preparedness capabilities, and making additional investments in education, higher education, and child care. All new expenditures are supported by fiscal projections that represent a balanced budget throughout the forecast period (through 2022-23). Once again, the 2019-20 budget constitutes a fiscally responsible approach to supporting program's that are critical to the citizens of California, while also building the state's fiscal resiliency in order to protect these same programs during the next economic downturn.

Subcommittee No. 1 – Education

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

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

0540	Secretary for Natural Resources	3810	Santa Monica Mountains Conservancy
0521	Transportation Agency	3820	San Francisco Bay Conservation and Development Commission
0555	Secretary for Environmental Protection	3825	San Gabriel and Lower Los Angeles River and Mountains Conservancy
2600	California Transportation Commission	3840	Delta Protection Commission
2660	Department of Transportation	3845	San Diego River Conservancy
2665	High-Speed Rail Authority	3855	Sierra Nevada Conservancy
2670	Board of Pilot Commissioners	3860	Department of Water Resources
2720	California Highway Patrol	3875	Sacramento-San Joaquin Delta Conservancy
2740	Department of Motor Vehicles	3885	Delta Stewardship Council
3100	California Science Center, African American Museum and Exposition Park	3900	Air Resources Board
3125	California Tahoe Conservancy	3930	Department of Pesticide Regulation
3340	California Conservation Corps	3940	State Water Resources Control Board
3360	California Energy Commission	3960	Department of Toxic Substances Control
3460	Colorado River Board of California	3970	Department of Resources Recycling and Recovery
3480	Department of Conservation	3980	Office of Environmental Health Hazard Assessment
3540	Department of Forestry and Fire Protection	4265	Department of Public Health
3560	State Lands Commission	8570	Department of Food and Agriculture
3600	Department of Fish and Wildlife	8660	California Public Utilities Commission
3640	Wildlife Conservation Board		Greenhouse Gas Reduction Fund
3720	California Coastal Commission		
3760	State Coastal Conservancy		
3780	Native American Heritage Commission		
3790	Department of Parks and Recreation		

Subcommittee No. 3 – Health and Human Services

0530	California Health and Human Services Agency	4265	Department of Public Health
0977	California Department Facilities Financing Authority	4440	Department of State Hospital
4100	State Council on Developmental Disabilities	4300	Department of Developmental Services
4120	Emergency Medical Services Authority	4560	Mental Health Services Oversight and Accountability Commission
4140	Office of Statewide Health Planning and Development	4700	Department of Community Services and Development
4150	Department of Managed Health Care	4800	California Health Benefit Exchange
4170	California Department of Aging	5160	Department of Rehabilitation
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

0160	Legislative Counsel Bureau		
0509	Governor’s Office of Business and Economic Development	2320	Department of Real Estate
0511	Secretary for Government Operations Agency	7100	Employment Development Department
0515	Secretary for Government Operations Agency	7120	California Workforce Development Board
0559	Labor and Workforce Development Agency	7300	Agriculture Labor Relations Board
0650	Office of Planning and Research	7320	Public Employment Relations Board
0750	Office of the Lieutenant Governor	7350	Department of Industrial Relations
0840	State Controller	7501	Department of Human Resources
0845	Department of Insurance	7502	Department of Technology
0855	Gambling Control Commission	7600	Department of Tax and Fee Administration
0870	Office of Tax Appeals	7730	Franchise Tax Board
0890	Secretary of State	7760	Department of General Services
0950	State Treasurer’s Office	7870	Victim Compensation Board
0954-0989	State Treasurer’s Boards, Commissions, and Authorities	7900	Public Employees’ Retirement System
0981	California Able Act Board	7920	State Teachers’ Retirement System
0984	Secure Choice Retirement Savings Investment Board	8260	California Arts Council
0989	California Educational Facilities Authority	8620	Fair Political Practices Commission
1111	Department of Consumer Affairs – Boards and Bureaus	8820	Commission on the Status of Women and Girls
1700	Department of Fair Employment and Housing	8825	Commission on Asian Pacific Islander American Affairs
1701	Department of Business Oversight	8850	State Public Works Board
2100	Department of Alcoholic Beverage Control	8880	Financial Information System for California
2120	Department of Alcoholic Beverage Control	8885	Commission on State Mandates
2240	Department of Housing and Community Development	8940	Military Department
		8955	Department of Veterans Affairs
		9210	Local Government Financing
		9800	Employee Compensation
		9860	Capital Outlay
			Control Section 3.60

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

0250	Judicial Branch	5225	Department of Corrections & Rehabilitation
0552	Office of Inspector General	5227	Board of State and Community Corrections
0690	Office of Emergency Services	8120	Commission on Peace Officer Standards and Training
		8830	California Law Revision Commission

SUBCOMMITTEE 1
ON
EDUCATION

Senate Committee on Budget and Fiscal Review

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Anita Lee
Elisa Wynne

SUBCOMMITTEE NO. 1

EDUCATION

Pre-K-12

6100	Department of Education.....	1-1
6360	California Commission on Teacher Credentialing.....	1-16

Higher Education

6120	California State Library.....	1-17
6440	University of California.....	1-18
6600	Hastings College of Law.....	1-20
6610	California State University.....	1-20
6870	California Community Colleges.....	1-23
6980	California Student Aid Commission.....	1-26

K-12 EDUCATION

6100 CALIFORNIA DEPARTMENT OF EDUCATION (CDE)

K-14 EDUCATION - PROPOSITION 98 OVERALL

The budget act includes adoption of the Governor's May Revision revenue estimates and property taxes (although the Legislative Analyst's Office property tax growth rates for the secured roll were adopted). The resulting Proposition 98 funding levels for K-12 schools and community colleges (K-14 education) are illustrated below:

Budget Year	Proposition 98 Minimum Guarantee	Change from Estimated Guarantee as of June 2018	Applicable Proposition 98 Test ¹	K-12 Overall Per Pupil Expenditures ²
2017-18	\$75.6 billion	\$158 million decrease	Test 2	\$11,199
2018-19	\$78.1 billion	\$279 million increase	Test 2	\$11,587
2019-20	\$81.1 billion	\$2.7 billion increase	Test 1	\$11,993

The calculation of the Proposition 98 Guarantee for 2017-18 includes paying off the balance of the maintenance factor (\$1.2 billion) as part of the 2017-18 Guarantee level. The maintenance factor balance reflects the difference between the Guarantee levels when the operative test is Test 3 or when the Guarantee is suspended, and what the Guarantee would have been if Test 2 were operative. The state makes payments towards this obligation in years when Test 1 or 2 is operative and General Fund revenues are growing. Under the factors used to determine the budget in 2019, no maintenance factor balance is carried through 2018-19 and 2019-20.

Of the \$81.1 billion appropriated in 2019-20, \$70.2 billion (86.6 percent) funds K-12 education; \$8.7 billion (10.8 percent) funds community colleges and \$963 million (1.2 percent) funds preschool (reduced from 2018-19 by \$252 million, primarily due to some preschool funds being shifted out of Proposition 98). Of the remaining Proposition 98 funds, \$544 million funds adult education, \$164 million funds the K-12 portion of the Strong Workforce Program and \$86 million funds other programs.

The 2019-20 estimate of average daily attendance (ADA) was 5,933,407, reflecting a slight ADA decline from 2018-19 of 0.19 percent, continuing a trend of ADA decline.

¹ In general, Test 1 is calculated based on a specified percent of General Fund revenues (currently around 38.2 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.

² Figures do not include settle-up payments.

Proposition 98 Funding by Segment			
(Dollars in Millions)**			
	2017-18	2018-19	2019-20
K-12 Education*			
General Fund	\$47,100	\$48,239	\$49,235
Local property tax revenue	\$19,644	\$20,645	\$21,921
K-12 subtotal	\$66,744	\$68,884	\$71,156
California Community Colleges*			
General Fund	\$5,757	\$6,117	\$6,193
Local property tax revenue	\$2,980	\$3,056	\$3,244
CCC subtotal	\$8,737	\$9,173	\$9,437
Other Agencies	\$95	\$88	\$86
Total Proposition 98	\$75,576	\$78,146	\$81,056
General Fund	\$52,951	\$54,445	\$55,891
Local property tax revenue	\$22,625	\$23,701	\$25,166

*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 2019-20 Proposition 98 guarantee calculation triggers a deposit into the Public School System Stabilization Account, known as the Proposition 98 Rainy Day Fund. The required deposit is \$376.5 million and counts towards the Proposition 98 Guarantee in 2019-20. The deposit is triggered primarily as a result of higher capital gains revenue, and a Proposition 98 Guarantee Test 1 calculation that is above the Test 2 level, reflecting lower per capita personal income growth. Funds from this reserve account may be expended in years when the Proposition 98 Guarantee does not increase enough to cover year-over-year growth and inflation.

Proposition 98 Certification Changes. The 2018 budget package included a new process for certifying the Proposition 98 Guarantee in the prior year. Under this process, the Department of Finance certifies the calculation of the Proposition 98 Guarantee and the appropriations and expenditures that count towards the Guarantee level. Certifying the Guarantee results in a finalized Guarantee level for the year, as well as finalizing any settle-up owed as a result of changes in the Guarantee level. Prior to this new process, the Guarantee was last certified for 2008-09. The 2018 Budget Act had created a Proposition 98 Cost Allocation Schedule to score any over-appropriations in prior years to, with the balance available to satisfy outstanding obligations for K-14 education under the Proposition 98 Guarantee in any prior year. The 2019 budget retains the Proposition 98 certification process, but eliminates the Proposition 98 cost allocation schedule. Other changes would no longer result in a reduction to the Proposition 98 Guarantee in prior years as a result of certification.

Proposition 98 Settle-Up Funds. The budget provides \$686.6 million in settle-up funds which reflects adjustments related to the certification of the Guarantee for the 2009-10 through 2015-16 fiscal years. These funds are used to cover a portion of Local Control Funding Formula (LCFF) costs for the 2018-19 and 2019-20 fiscal years, to provide one-time funding for the Classified Employees Summer Assistance program, to backfill San Francisco Unified School District as a result of a property tax misallocation, and for various one-time community college programs. Settle-up funds are appropriated through the education trailer bill.

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 \$103.4 billion in 2019-20, \$101 billion in 2018-19, and \$94.6 billion in 2017-18.

K-12 Major Expenditures. The following significant investments in K-12 education were adopted in the 2019 budget:

- **Local Control Funding Formula (LCFF).** The budget provides \$2 billion in a cost-of-living adjustment (COLA) of 3.26 percent for the LCFF to school districts, charter schools, and county offices of education in 2019-20. The total amount provided for LCFF is \$63 billion in the 2019-20 fiscal year, including base workload adjustments provided to school districts, charter schools, and county offices of education to account for ADA changes and COLAs. In addition, trailer bill language makes a change to the continuous appropriation adopted in the 2018 Budget Act for COLAs for the LCFF in future years. Specifically, trailer bill language includes a cap on COLAs for the LCFF continuous appropriation in future years, if the COLA for LCFF and other K-14 programs exceeds growth in the Proposition 98 Guarantee and adjusts the COLA for other specified K-12 programs outside the LCFF by a like amount.
- **CalSTRS and CalPERS Relief.** The budget includes \$3.15 billion in one-time non-Proposition 98 General Fund to pay contributions to the California Public Employees Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) on behalf of local educational agencies and community colleges. Of the total, approximately \$850 million will buy down the employer contribution rates in 2019-20 and 2020-21 and the remaining \$2.3 billion will be a payment towards the employers' long-term unfunded liability in both systems. These appropriations are discussed in more detail in the **Labor** section of this report.
- **Full-Day Kindergarten Facilities Grant Program.** The budget provides \$300 million in one-time General Fund for the Full-Day Kindergarten Facilities Grant Program. The State Allocation Board is charged with allocating grants to school districts that lack the facilities to provide full-day kindergarten. Priority for grants is provided for districts with financial hardship or districts that have a high population of low-income students. Grant recipients must provide a local match, except for those districts that meet financial hardship requirements. Changes were also made to the program to: 1) prioritize schools converting part-day to full-day kindergarten programs, 2) increase the state matching share from 50 percent to 75 percent, 3) allow for any remaining grant funding to be used for other one-time costs to implement the full-day kindergarten program, and 4) specify

that participation in the Full-Day Kindergarten Facilities Grant program does not impact a district's eligibility in the School Facility Program.

- **Special Education Funding.** The budget provides \$152.6 million to increase base special education funding rates to ensure that all Special Education Local Plan Areas (SELPAs) receive at least the statewide target rate (approximately \$557 per ADA in 2019-20) under the existing AB 602 funding formula.
- **Special Education Early Intervention Preschool Grant.** The budget provides \$492.7 million and creates the Special Education Early Intervention Preschool grant, to be provided to LEAs based on the number of three through five-year olds with exceptional needs (specifically students with Individualized Education Plans (IEPs), who are not enrolled in transitional kindergarten or kindergarten). A per pupil rate is determined by dividing the total funding by the number of eligible children. The school district of residence receives funding based on the respective count of eligible children. The budget also includes language to specify that the increase in the statewide funding rate is contingent upon the passage of legislation in the 2020-21 budget to reform the special education system to improve outcomes for students.
- **K-12 Programs Growth and COLA.** The budget includes an increase of \$141 million to apply a COLA of 3.26 percent to select K-12 categorical programs (not including LCFF). These programs include Foster Youth, American Indian Early Education, American Indian Education Centers, Special Education, Preschool, Child Nutrition, Adults in Correctional Facilities, and K-12 Mandate Block Grant programs.
- **Golden State Teacher Grant Program.** The budget provides \$89.8 million in one-time General Fund for the Golden State Teacher Grant program. Through this program, the Student Aid Commission is charged with providing one-time grants of \$20,000 to each student enrolled in a professional preparation program leading to a preliminary teaching credential, if the student commits to working in a high-need field at a priority school for four years after the student receives a teaching credential.
- **Mental Health Student Services Act.** The budget provides \$50 million Proposition 63 funding \$10 million is ongoing to establish the Mental Health Student Services Act to create a competitive grant program to fund partnerships between county mental health or behavioral health departments and K-12 school districts, charter schools, and the county office of education within a county. The grant program is managed by the Mental Health Services Oversight and Accountability Commission. Funds are available for expenditure across a five-year period. Grant funds shall be used for services provided on K-12 campuses, suicide prevention services, drop-out prevention services, outreach to at-risk youth, placement assistance for ongoing services, and other services to respond to the mental health needs of students and youth.
- **Educator Workforce Investment Grant.** The budget provides \$37.1 million in one-time non-Proposition 98 General Fund for the Educator Workforce Investment Grant to provide competitive grants for professional learning opportunities for teachers and paraprofessionals. CDE is charged with administering grants to one or more institutions of higher education or nonprofit organizations with expertise in developing and providing professional learning to teachers and paraprofessionals. Of this funding, \$10 million is for professional development for the English Learner Roadmap

adopted by the State Board of Education, \$5 million is for special education related professional development and \$22.1 million is for professional development in other areas, including social-emotional learning, positive school climate, including restorative justice, the computer science content standards, and the ethnic studies model curriculum. The budget also provides CDE with \$250,000 each year for four years to support a computer sciences coordinator at the Department.

- **After School Education and Safety (ASES) Program.** The budget provides \$50 million in ongoing funding for the ASES program. The ASES program funds the establishment of local after school education and enrichment programs, created through partnerships between schools and the local community to provide resources to support literacy, academic enrichment and activities for students in kindergarten through ninth grade in low-income schools. This funding is in addition to an existing \$550 million in ongoing funding for the program. With these new funds, the per-pupil daily rate for the ASES program would increase to approximately \$8.87.
- **Classified School Employee Summer Assistance Program.** The budget provides \$36 million in one-time Proposition 98 funding for the Classified School Employees Summer Assistance Program, created in the 2018-19 budget. The budget also makes changes to the program to allow the funds to be available over three years, increases the minimum salary requirements and makes other minor and technical changes.
- **Statewide System of Support - County Offices of Education.** The budget includes an increase of \$20.2 million Proposition 98 General Fund (across 2018-19 and 2019-20) to county offices of education to support districts in need of improvement as identified under the California School Dashboard.
- **Longitudinal Data System.** The budget provides \$10 million in one-time General Fund for the development of the California Cradle to Career Data System. Funding is provided to the Governor's Office of Planning and Research to contract with planning facilitators to lead a workgroup comprised of representatives from education, workforce, health, and other relevant agencies. By July 1, 2020, the workgroup shall report to the Department of Finance and the Legislature on the proposed structure of the data system, including the governance, architecture and functionality of the system. By January 1, 2021, the workgroup shall report to the Department of Finance and the Legislature on additional details regarding the data system. Of the total funding, \$2 million is available for the administrative costs of the workgroup process, \$300,000 is available for the California Community Colleges, California State University, and University of California to integrate the use of Statewide Student Identifiers into their systems, and the remaining funds are available for initial implementation activities upon approval of an expenditure plan by the Department of Finance and notification to the Joint Legislative Budget Committee.
- **21st Century California School Leadership Academy.** The budget provides \$13.8 million in ongoing federal funds to establish the 21st Century California School Leadership Academy, administered by CDE and the California Collaborative for Educational Excellence to provide professional learning opportunities for school administrators and other school leaders, aligned with the statewide system of support. Eligible grantees include local educational agencies (LEAs), institutions of higher education and nonprofit educational service providers.

- **California Subject Matter Projects.** The budget provides \$6.7 million one-time non-Proposition 98 General Fund to support the California Subject Matter Projects (CSMP). The CSMP provides content-focused professional development and creates collaborative networks of K-12 teachers and university faculty. There are nine projects encompassing all of the academic disciplines and K-12 academic content standards. Of the total, \$1.3 million is provided for each of the Writing, Reading and Literature, Math, and Science projects, with the balance split equally among the remaining projects.
- **Broadband Infrastructure Grant Program.** The budget provides \$7.5 million in one-time non-Proposition 98 General Fund for the Broadband Infrastructure Grant Program to improve broadband infrastructure in schools. CDE is required to contract with the Corporation for Education Network Initiatives in California (CENIC) to administer the program and identify broadband connectivity solutions for the most poorly connected school sites.

OTHER CHANGES

- **Special Education Property Tax Adjustments.** The budget reduces the amount of General Fund provided for Special Education by \$69.4 million to reflect an increase in offsetting property taxes and by \$605,000 for other base adjustments.
- **Charter School Enrollment.** The budget includes trailer bill language that prohibits charter schools from discouraging students from enrolling in a charter school or encouraging students to disenroll from a charter school on the basis of academic performance or student characteristic, or from obtaining specified student information prior to enrollment. The budget further allows a charter school that exists as of as of July 1, 2019 that operates in partnership with the California National Guard to dismiss a pupil from the charter school for failing to maintain the minimum standards of conduct required by the California Military Department. The budget also requires CDE to conduct a study on the feasibility of using student enrollment data from the California Longitudinal Pupil Assessment Data System to identify potential instances of practices that discourage students from enrolling in charter schools.
- **Standardized Account Code Structure System Replacement Project.** The budget includes \$3 million in one-time Proposition 98 funding for CDE to allocate to the Kern County Superintendent of Schools for the Fiscal Crisis and Management Assistance Team for the Standardized Account Code Structure system replacement project.
- **Southern California Regional Occupational Center (SoCal ROC).** The budget provides \$2 million in one-time Proposition 98 funding for SoCal ROC for instructional and operational costs in the 2019-20 fiscal year. The budget also requires SoCal ROC to provide an updated operational plan to the Department of Finance and the Legislative Analyst's Office on or before September 1, 2019.
- **Administrator to Teacher Ratio Waiver.** The budget provides an exemption for a school district with ADA of more than 400,000 from administrator-to-teacher ratio penalties (calculated pursuant to Education Code Section 41404) for the 2019-20 through 2021-22 fiscal years. The budget further requires annual reporting on the administrator-to-teacher ratio calculation for each year a

school district receives a waiver under this provision, including historical information for past years and the school district's plan to meet the ratio requirements over time.

- **Wildfire Relief.** The budget extends the hold-harmless funding provisions for school districts and charter schools that experienced attendance losses as a result of the 2018 wildfires through 2020-21. The language also allows for the Paradise Unified School District to request for the Fiscal Crisis Management Assistance Team to conduct an evaluation of the need for additional funding and statutory changes for the 2021-22 fiscal year. The budget also provides a backfill for wildfire affected basic aid school districts for property tax losses in 2018-19 and 2019-20.
- **Redevelopment Agency Property Tax Backfill.** The budget provides a backfill for special education programs for 2018-19 and 2019-20 to the extent that property tax revenues from Redevelopment Agency dissolution is not sufficient to cover the appropriation in the 2018 and 2019 Budget Acts for Special Education.
- **Breakfast After the Bell Program.** The budget creates the Breakfast After the Bell grant program and provides \$500,000 in one-time Proposition 98 funding. Under the program, CDE is charged with administering grants to LEAs to start-up or expand school breakfast programs that offer breakfast to students after the start of the school day.
- **Provision of Medical Services to Students Workgroup.** The budget provides \$500,000 in one-time non-Proposition 98 funding to create a workgroup to increase the ability of schools to draw down federal funds for medically-related services for students and to improve the transition of three year-olds with disabilities from regional centers to schools.
- **School Accountability Systems Maintenance.** The budget provides \$178,000 in 2019-20 and \$154,000 ongoing for the State Board of Education to enter into a contract with the San Joaquin County Office of Education to support maintenance of the California School Dashboard and the School Accountability Report Card.
- **Uniform Complaint Procedures.** The budget expands the Uniform Complaint Procedures to include complaints of non-compliance with required minimum instructional minutes for physical education for grades 9 to 12. This change conforms to the existing process for grades 1 to 8.
- **Local Control and Accountability Plan Indicators.** The budget requires local indicators used by LEAs for the Local Control and Accountability Plan (LCAP) process to reflect school site-level data, if it is currently collected statewide by CDE, by January 31, 2020.
- **SELPA Template Extension.** The budget extends the deadline for CDE to develop the Special Education Local Plan Area (SELPA) assurances support template from March 31, 2019 to July 1, 2020. Additionally, the deadline for SELPAs to submit the assurances support plans is extended from July 1, 2020 to July 1, 2021, to align with the development of the template.
- **Mandates Block Grant.** The budget provides a \$6.9 million increase in Proposition 98 funding for the K-12 Mandates Block Grant, for a total of \$243.2 million. The budget also adds the Cal Grant:

Opt-Out Notice and Grade Point Average Submission mandated program to the K-12 mandate block grant programs through the education trailer bill.

- **Special Education Interagency Collaboration.** The budget includes \$500,000 in one-time non-Proposition 98 General Fund to support the convening of staff from CDE, the Department of Health Care Services, the Department of Developmental Services, local educational agencies, regional centers, stakeholder groups, and legislative staff to review special education services and other non-special education medical needs of students.
- **School Accountability Systems.** The budget provides \$350,000 in one-time Proposition 98 funding for the State Board of Education to contract with the San Joaquin County Office of Education to merge the California School Dashboard, LCAP electronic template, and other local school site and school district reports into a single web-based application.
- **Charter School Local Control and Accountability Plans.** The budget specifies the state priorities that charter schools need to address in their LCAPs, clarifies that charter LCAPs need to be adopted at a public hearing and prominently posted online, and specifies that charter schools are required to translate reports and notices if 15 percent or more of their enrolled students speak a primary language other than English.
- **Charter School In-Lieu Property Taxes.** The budget aligns the treatment of “in-lieu of property tax transfers” for charter schools authorized on appeal by the State Board of Education with the treatment of countywide benefit charter schools that serve students from a basic aid school district of residence.
- **Non-Waivable Education Code Sections.** The budget expands the list of non-waivable sections of law to include all Education Code sections that pertain to the LCFE apportionment calculations. Apportionment statutes are not subject to waiver by the State Board of Education (SBE).
- **Out-of-Home Care Program.** The budget extends through the 2019-20 fiscal year the existing funding allocation method for the Out-of-Home Care program for foster students with exceptional needs.
- **Schoolsite Councils.** The budget makes technical and clarifying changes to the schoolsite council requirements for schools and local educational agencies.
- **State School Fund.** The budget specifies which appropriations are transferred through the K-12 portion of the State School Fund in order to streamline the apportionment accounting process for CDE and the State Controller’s Office, while still meeting statutory apportionment deadlines and satisfying the constitutional requirements of the pass-through fund.
- **Proposition 98 Split.** The budget extends the suspension of the Proposition 98 statutory split for K-12 education and community colleges for the 2019-20 fiscal year.
- **Proposition 98 Appropriations.** The budget specifies that one-time funding provided in the 2018-19 budget counts toward the Proposition 98 guarantee, including \$4 million for San Francisco

Unified School District, \$2 million for Sweetwater Unified School District and \$1.7 million for CDE for a suicide prevention program.

- **Special Olympics of Northern and Southern California.** The budget provides \$4 million one-time General Fund for the Special Olympics of Northern and Southern California.
- **Four-Day School Week.** The budget provides an exemption for Leggett Valley Unified School District and Big Sur Unified School District to operate on a four-day school week without penalties pursuant to meeting instructional minute requirements each year and providing a plan to the Department of Education on meeting the instructional minute requirement in the following year. It also amends statute to clarify that these school districts retain funding under the LCFF.
- **Career Technical Education Programs.** The budget makes technical and clarifying changes to the Career Technical Education Incentive Grant program and the K-12 Strong Workforce program, including updating the name of the related federal grant program and clarifying that a regional occupational center or program (ROCP) operated by a county office of education is also eligible to receive grant funding.
- **Agricultural Career Technical Education Staffing.** The budget clarifies the roles and responsibilities of the Agricultural Career Technical Education Unit within CDE.
- **School Districts in Fiscal Distress.** The budget allocates \$514,000 to the Oakland Unified School District and \$3.6 million to the Inglewood Unified School District for the 2019-20 fiscal year to be released to the school districts if the specified requirements for 2018-19 are certified as having been met by the Fiscal Crisis Management Assistance Team. For the 2018-19 fiscal year, the Oakland Unified School District was required to develop short and long-term financial plans and to update school district facilities plans to be aligned with their plans for fiscal solvency. In 2018-19, Inglewood Unified School District was required to meet the requirements for qualified or positive certification and to complete comprehensive operational reviews of the district, as specified.
- **California School Information Services (CSIS).** The budget provides \$6.5 million Proposition 98 funding to the Fiscal Crisis and Management Assistance Team for CSIS operations related to supporting the California Longitudinal Pupil Achievement Data System.
- **California Collaborative for Educational Excellence (CCEE).** The budget increases funding for the CCEE by \$232,000 for a total of \$11.8 million in Proposition 98 General Fund, for ongoing professional development activities, support of lead agencies, and direct technical assistance to LEAs under limited circumstances. The increase in funds reflects increases in CCEE operations costs. In addition, the budget includes language that requires the CCEE and CDE, in consultation with the SBE, to establish a formal process to coordinate the work of the various departments and agencies in supporting LEAs.
- **High Speed Network (HSN).** The budget provides \$16.4 million from federal e-rate and Teleconnect fund subsidies, and requires the use of \$350,000 in reserves, for a total funding level of \$16.7 million for the HSN.

- **State Special Schools Fremont.** The budget includes \$2.2 million in funding authority for the construction phase of the Fremont School for the Deaf Middle School Activity Center. Of the total, \$1.5 million are reappropriated unspent project funds and the remaining \$694,000 reflects additional one-time non-Proposition 98 General Fund. The project experienced planning and construction delays and costs increased during the planning process.
- **Student Assessments Program.** The budget includes a reduction of \$12.5 million Proposition 98 General Fund and an increase of \$325,000 in federal funds for the student assessments program. Both federal funds and Proposition 98 General Fund are used to support costs associated with the administration of statewide K-12 student assessments.
- **Adult Education Program.** The budget increases the Adult Education program by \$1.2 million in reimbursements to reflect funds received through an interagency agreement with the Chancellor's Office of the California Community Colleges.
- **Tobacco Use Prevention Education Program.** The budget includes an increase in Health Education Account, Cigarette and Tobacco Products Surtax Fund of \$124,000 for county offices of education and an increase of \$399,000 for a grant program that support efforts aimed at preventing and reducing tobacco use.
- **San Diego Unified School District Homeless Youth Support.** The budget provides \$500,000 in one-time Proposition 98 funds to CDE to allocate to the San Diego Unified School District to support the needs of homeless youth for 2019-20 and 2020-21.
- **Other Baseline Workload Changes.** The budget also reflects various technical adjustments related to baseline workload cost changes.

OTHER FEDERAL FUNDS CHANGES

- **Project Advancing Wellness and Resilience in Education (AWARE).** The budget includes an increase of \$612,000 in state operations and \$1.2 million in local assistance federal funds to reflect a new federal grant for training, technical assistance, and oversight of mental health programs at grantee LEAs. In addition, the budget includes an increase of \$540,000 in state-level activities funds to reflect federal carryover for the Project AWARE program.
- **McKinney – Vento Homeless Assistance Program.** The budget includes an increase of \$889,000 in local assistance federal funds for the McKinney – Vento Homeless Assistance Program. This includes a shift of \$177,000 from one-time state operations funding and \$88,000 in one-time carryover funds.
- **Special Education – Office of Administrative Hearings.** The budget includes a one-time transfer of \$3.2 million from federal Individuals with Disabilities Education Act (IDEA) local assistance funds to state operations to support increased costs associated with special education dispute resolution services.

- **Equitable Services for Private School Educators.** The budget includes an increase of \$3 million in federal funds for federally-required professional development of private school teachers and administrators. This includes the use of available federal funds and one-time carryover funds.
- **Migrant Education Program.** The budget includes an increase of \$21.3 million for the federal Migrant Education Program, for a total of \$125.3 million. Of this total, \$22 million is one-time carryover funding. In addition, the budget includes an increase of \$3.8 million for state-level activities for the Migrant Education program, including \$3 million in one-time carryover.
- **English Language Acquisition Program.** The budget includes an increase of \$276,000 in federal funds for the English Language Acquisition program, including an increase of \$1 million in carryover funding and a decrease of \$724,000 to align with the federal grant award. This program provides services to help students attain English proficiency and meet grade level standards.
- **Title I State Grant and School Improvement Act Program.** The budget includes a decrease of \$43.5 million in federal Title I funds to reflect a decrease in the federal grant award. Title I funds are used to support eligible LEAs and schools that serve high numbers of low-income students. The budget further includes a corresponding reduction to the amount of Title I funding dedicated to the School Improvement Act program, for total funding of \$127 million for this program.
- **Student Support and Academic Enrichment.** The budget includes a reduction of \$8 million in federal Title IV funding for Student Support and Academic Enrichment to reflect a reduction in the federal grant amount of \$2.3 million and a shift of \$5.7 million to the 21st Century California School Leadership Academy program created in this budget.
- **Rural and Low-Income Schools Program.** The budget includes an increase of \$314,000 in federal funds for the Rural and Low-Income Schools Program to align with the federal grant award. This program provides financial assistance to rural schools for initiatives aimed at improving student achievement.
- **Adult Education Program.** The budget includes an increase of \$3.4 million federal Workforce Innovation and Opportunity Act Title II funds to reflect an increase in the federal grant award. The federal Adult Education Program supports adult basic education, English as a second language, and adult secondary education programs.
- **Special Education.** The budget includes an increase of \$8.1 million in federal Individuals with Disabilities Education Act (IDEA) funds for LEAs to align with the federal grant award and \$1.8 million in one-time carryover funds. The budget also includes an increase of \$1.6 million (\$905,000 in increased grant funds, \$1.6 million in carryover funds and a reduction of \$594,000 that was shifted to state operations) federal IDEA funds for special education and related services for children ages three, four, and five who are not in kindergarten. The budget also includes an increase of \$50,000 (\$150,000 in one-time carryover and a decrease of \$100,000 in the federal grant award) federal IDEA funds for Project Read focused on increasing reading and English Language Arts outcomes for students with disabilities. Finally, the budget includes an increase of \$50,000 in one-time federal Public Health Services Act funds to support outreach to families for newborns with hearing disabilities.

- **Vocational Education.** The budget includes an increase of \$16.9 million in federal funds to align with the federal grant award for California partnership academies. In addition, provisional language was added to specify the use of funds for 6.0 full-time agricultural career technical education positions within CDE.
- **Relief for Schools Impacted by Wildfires.** The budget includes \$2 million in one-time federal funds for a one-time federal grant for eligible LEAs impacted by the Northern California wildfires in 2018. The budget includes \$13.8 million in one-time carryover funds for the Immediate Aid to Restart School Operations grant to assist LEAs and non-public schools impacted by the Northern and Southern California wildfires of October and December, 2017.
- **Supporting Effective Instruction.** The budget includes a decrease of \$825,000 to reflect a decrease in the federal grant to support professional development activities for teachers, principals, and other school leaders.
- **21st Century Community Learning.** The budget includes an increase of \$17.7 million (of this \$5 million is one-time carryover) in federal funds to align with the federal grant award for the 21st Century Community Learning program. The program supports community learning centers that provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools.
- **Program for Neglected and Delinquent Children.** The budget includes a decrease of \$742,000 in federal funds to support supplemental instruction, including math and literacy activities, for students in state institutions for juveniles and adult correctional institutions to align with the federal grant award.

EARLY CHILDHOOD CARE AND EDUCATION PROGRAMS

Overall, the 2019 budget provides \$5.6 billion (\$1.8 billion Proposition 98 General Fund, \$2.4 billion General Fund, \$1.2 billion federal funds, and \$80 million Proposition 64 Special Funds) for child care, state preschool, and transitional kindergarten programs.

- **Transitional Kindergarten.** Transitional kindergarten is considered the first year of a two-year kindergarten program. Children whose fifth birthday falls between September 2nd and December 2nd may be admitted to a transitional kindergarten program (children are admitted to Kindergarten if their fifth birthday falls before September 2nd). Starting in 2015-16, children whose fifth birthday is after December 2nd may be admitted to transitional kindergarten (as developmentally appropriate); however, these students do not generate state funding until they reach their fifth birthday. The budget provides \$873 million for transitional kindergarten in 2019-20, an increase of approximately three percent over the 2018-19 fiscal year.
- **California State Preschool Program.** State preschool provides part-day or full-day care and education for low-income three and four-year-old children. The budget provides \$1.5 billion total for state preschool, including \$980.6 million for part-day and \$500.4 million for full-day preschool including full-day wrap care. The budget includes an increase of \$27 million in ongoing funding to annualize 2,959 full-day slots to LEAs which were provided as part of the 2018-19 budget and took

effect April 1, 2019. The budget also includes \$31.4 million ongoing General Fund to increase the number of non-LEA full-day state preschool slots by 10,000, commencing April 1, 2020. Annualized costs are anticipated to be approximately \$125 million in future years. Finally, the budget shifts Proposition 98 funding for part-day State Preschool at non-LEAs to the non-Proposition 98 General Fund and rebenches the Proposition 98 guarantee, reducing it by \$309.3 million.

- **Child Care.** The budget provides approximately \$1.4 billion for CalWORKs child care, an 8.6 percent increase over 2018-19. Specifically, it provides \$318.4 million for Stage 1; \$614.6 million for Stage 2; and \$502.9 million for Stage 3. In addition, the budget includes \$1.1 billion for non-CalWORKs child care programs, a 25.6 percent increase over 2018-19, including general child care (\$521.5 million), the Alternative Payment Program (\$535.9 million), a bridge program for foster children (\$54), and migrant and severely disabled child care (\$46 million). In addition, the budget provides funding for other child care activities, such as Resource and Referral Agency work, local planning councils, and quality-related activities (\$447 million). Of the funds used to expand Alternative Payment Program slots, \$80.5 million are Proposition 64 Cannabis funding.

Early Education One-Time Funding and Other Changes. The budget also makes other early education changes, including:

- **State Preschool Eligibility.** The budget changes the eligibility requirements for the state preschool program to provide priority access to full-day state preschool program slots to income eligible families with a need for full-day care (parents are working or in school), with remaining full-day slots available for other income eligible families. In addition, for programs operating in a school attendance area of a public school where at least 80 percent of enrolled pupils are eligible for free or reduced-price meals, after all eligible children are enrolled, the program may enroll four-year-old children who do not meet the eligibility requirements but reside within the attendance boundary of the public school, commencing January 1, 2020.
- **Master Plan for Early Learning and Care.** The budget provides \$5 million one-time General Fund and requires the Secretary of the Health and Human Services Agency, in concurrence with the executive director of the SBE to contract for research to create a Master Plan to ensure comprehensive and affordable child care and universal preschool. Funding appropriated in the Budget Act for these purposes is to be used for studies on the following: 1) a fiscal framework to expand early learning and care in the state; 2) early learning and care facility needs statewide; 3) needs for services by families eligible for subsidies; 4) a quality improvement plan to support all types of providers, and 5) steps necessary to provide universal pre-kindergarten for all three and four-year-old children. Studies are required to be completed on a flow basis, but by October 1, 2020 at the latest.
- **Infrastructure.** The budget establishes the Early Learning and Care Infrastructure Grant Program to provide grants to child care and early education providers to build new facilities, or retrofit, renovate, or expand existing facilities. Competitive grants shall be available to providers to increase capacity or recover lost capacity as a result of a state or federal emergency through construction or renovation and modernization projects. The Superintendent of Public Instruction shall determine the process for awarding and managing the grants and may set aside up to five percent to contract with organizations to provide technical assistance. Up to five percent shall be

set aside each fiscal year for renovation, repair, modernization, or retrofitting existing early learning and care facilities to address health and safety or other licensure needs for low-income providers. The budget appropriates \$245 million General Fund to be expended over five years in equal amounts per year. Annual reporting to the Governor and the relevant policy and fiscal committees of the Legislature is required on the expenditure of funds and relevant outcome data.

In addition, the budget eliminates the Child Care Revolving Loan Program, although the related funding is retained through December 31, 2029 for the purpose of collecting deposits from outstanding loan and lease payments. Revenues from these purposes will be transferred to the Early Learning and Care Infrastructure Grant program. In addition, the budget transfers the remaining non-Proposition 98 fund balance, approximately \$18 million in the Child Care Revolving Loan Fund to this new grant program.

- **Workforce.** The budget establishes the Early Learning and Care Workforce Development Grant Program to expand the number of qualified early learning and care professionals and increase education credentials for existing professionals. The Superintendent of Public Instruction shall award and administer grants, consistent with the Quality Rating and Improvement System local consortia, to local or regional quality improvement partnerships. Grants provided under this program may be used for costs associated with expenses related to education and professional development for all types of early learning and care professionals to increase educational attainment and/or development of competencies related to early childhood instruction and development. The budget appropriates \$195 million for this program, to be expended over five years in equal amounts per year. Up to one percent of funds may be set aside by the Superintendent for technical assistance to grantees and potential grantees. Annual reporting to the Governor and the relevant policy and fiscal committees of the Legislature is required on the expenditure of funds and relevant outcome data.
- **Child Care Organizing.** The budget provides \$10 million in one-time General Fund for the Department of Education, Department of Social Services, Department of Human Resources and the Public Employment Relations Board for costs associated with implementing child care organizing. Each department is required to submit expenditure plans and to allocate the funds contingent upon Department of Finance approval and notification of the Joint Legislative Budget Committee. The Department of Education and the Department of Social Services are required to collect contact information for child care providers to make available to provider organizations for organizing purposes.
- **Reimbursement Rate Adjustment Factors.** The budget applies the reimbursement rate adjustment factor for children with exceptional needs to part-day state preschool programs. Rate adjustment factors are intended to account for the higher costs of serving children in specific categories. This specific rate adjustment factor previously applied only to full-day state preschool programs.
- **Early Childhood Policy Council.** The budget establishes the Early Childhood Policy Council and provides \$2.2 million General Fund annually to fund it for three years to advise the Governor, the Legislature, and the Superintendent on statewide early learning and care policy. The intention is to build on the work of the state's Master Plan for Early Learning and Care and the 2019 California Blue Ribbon Commission on Early Childhood Education Final Report. The Council shall consult

with a parent advisory committee and a workforce advisory committee. The Department of Education shall provide staffing to the Council and up to \$300,000 of funds provided for the Council may be used for this purpose.

- **Notice Requirements.** The budget delays the implementation of the requirement to provide 14-days notice to Alternative Payment child care providers before a family can receive a subsidy for a different provider until July 1, 2020.

DEPARTMENT OF EDUCATION STATE OPERATIONS ISSUES

The budget provides total state operations funding of \$402.2 million, and authority for 2,234.7 positions for the Department of Education headquarters and the state special schools. This includes an increase of 17.5 positions and \$3.8 million, specifically:

- \$1 million General Fund over four years and 1.0 position to support a Statewide Coordinator for Computer Science.
- \$492,000 in one-time General Fund to support workload of the Instructional Quality Commission to update curriculum frameworks for visual and performing arts, world languages, and mathematics.
- \$452,000 General Fund and 3.0 positions to provide technical assistance to districts identified as having poor outcomes for students with disabilities.
- \$284,000 General Fund and 2.0 positions to monitor SBE-authorized charter schools in 2019-20 and 2020-21.
- \$275,000 General Fund and 2.0 positions to support implementation of the Career Technical Education Incentive Grant Program and the K-12 component of the Strong Workforce Program.
- \$271,000 General Fund and a shift of 2.0 positions to permanent from temporary to support the development and implementation of state and federal accountability systems.
- \$244,000 in reimbursements and 2.0 positions to perform certification and monitoring of nonpublic schools.
- \$207,000 federal funds and 1.5 positions to coordinate services for foster youth.
- \$150,000 federal funds and 1.0 position to provide administrative support for the 21st Century California School Leadership Academy.
- \$142,000 General Fund and 1.0 position to provide technical assistance to county offices of education in developing local inter-agency plans for the care of foster youth pursuant to AB 2083 (Cooley), Chapter 815, Statutes of 2018.

- \$138,000 federal funds and 1.0 position to review, approve, and provide technical assistance regarding district plans for providing behavioral restraints to students in danger of harming themselves or others pursuant to AB 2657 (Weber), Chapter 998, Statutes of 2018.
- \$105,000 General Fund and 1.0 position to review the waivers districts submit when they experience a reduction in student attendance or loss of instructional days due to natural disasters or other emergencies.
- \$53,000 one-time General Fund to develop best practices for reviewing and approving school safety plans and posting these on CDE's website pursuant to AB 1747 (Rodriguez), Chapter 806, Statutes of 2018.
- \$754,000 one-time General Fund reappropriated for legal costs associated with specified lawsuits for purposes provided for in the original appropriation (an employment lawsuit and the Ella T. v. State of California lawsuit).

6360 CALIFORNIA COMMISSION ON TEACHER CREDENTIALING (CTC)

The budget includes workload-related adjustments for the CTC and other substantial adjustments, as follows:

- **California Administrator Performance Assessment Field Test.** The budget includes \$2 million in one-time funding (\$1.2 million in 2019-20 and \$800,000 in 2020-21) from the Test Development and Administration Account (TDAA) for an ongoing allocation of \$136,402 from the TDAA for one permanent full-time education consultant to expand California's educator performance assessment system into special education. The funds would be used to develop, validate, and ensure consistency in the implementation and scoring of a Special Educator Teaching Performance Assessment (CalSTPA) for candidates completing a Commission-approved preparation program for the Preliminary Special Education Credential.
- **Teacher Misconduct Staff.** The budget includes \$52,000 in ongoing Teacher Credential Fund and three positions for the CTC to conduct teacher discipline investigations. The CTC currently has \$285,000 in limited-term funding through June 30, 2021 to support 2.5 temporary positions for this purpose.
- **Other Fund Sources.** The budget allows for the CTC to receive donations, bequests, grants and philanthropic funding, subject to approval by the Director of Finance.

K-12 Education Budget Trailer Bills

1. *K-12 Education Omnibus – SB 75 (Committee on Budget), Chapter 51, Statutes of 2019.*
2. *Education AB 114 (Committee on Budget), Chapter 413, Statutes of 2019.*

HIGHER EDUCATION

6120 CALIFORNIA STATE LIBRARY

- **Zip Books.** The budget provides \$1 million one-time local 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 provides \$1 million one-time General Fund to support the Lunch at the Library program. This funding will be distributed as follows: \$675,000 for local library grants start-up costs, \$210,000 for program staff, \$25,000 for conference travel and supplies, and \$90,000 for overhead.
- **Implementation of Legislation.** The budget provides \$641,000 General Fund in 2019-20 and \$391,000 in 2020-21 and ongoing to implement AB 2252 (Limon), Chapter 318, Statutes of 2018.
- **Historical Preservation of Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Sites.** The budget provides \$500,000 General Fund one-time to support for the preservation of historical LGBTQ sites.
- **Book Mobiles.** The budget provides \$3 million one-time General Fund to support grants to local library jurisdictions to acquire bookmobiles and vans, community outreach vehicles, and other strategies to improve access.
- **State Law Library.** The budget extends the sunset date for the revenue transfer supporting the California State Law Library Special Account from January 1, 2020 to January 1, 2025.
- **Early Learning and After School Library Programs.** The budget provides \$5 million one-time General Fund to provide grants for early learning and after school programs to library jurisdictions with low per capita library spending.
- **Historical Preservation.** The budget provides \$1.7 million, of which \$700,000 is one-time, to support three positions that would establish a team providing digital concierge archival services for state entities and conduct a statewide survey to inventory cultural heritage assets.
- **Oral Histories Project.** The budget requires the State Library to spend up to \$75,000 one-time General Fund for an oral history project to document the history of legislative caucuses.
- **Local Library Assistance.** The budget provides: (1) \$1.5 million one-time General Fund to support expansion of the Fillmore Library, (2) \$200,000 one-time General Fund to support a satellite library branch of the City of Goleta near Isla Vista, (3) \$500,000 one-time General Fund to support the Laguna Woods Library, (4) \$2.5 million one-time General Fund to support renovations at the Hunt Library in Fullerton, (5) \$4.4 million one-time General Fund to support the Whittier Library, (6)

\$280,000 one-time General Fund to support the Pomona Library, and (7) \$250,000 one-time to support the Chinatown Planning Grant for the City and County of San Francisco.

- **California Humanities.** The budget provides \$1 million one-time General Fund to support humanities programs.

6440 UNIVERSITY OF CALIFORNIA (UC)

- **Base Operations.** The budget provides an increase of \$119.8 million ongoing General Fund to UC to support operational cost increases.
- **Student Hunger.** The budget provides \$15 million ongoing General Fund to support student basic needs, such as meal donation programs, food pantries, Cal Fresh enrollment, and other methods to support student hunger and housing insecure. The budget requires UC to work with the Department of Social Services to assess the effectiveness of CalFresh and other state departments in addressing student food and housing insecurity.
- **Enrollment.** The budget provides UC with \$10 million ongoing General Fund to support 2018-19 enrollment growth beyond the enrollment target. The budget provides \$50 million ongoing General Fund to increase resident undergraduate enrollment by 4,860 students by 2020-21 above 2018-19.
- **Mental Health Services.** The budget provides \$5.3 million ongoing General Fund to support student mental health services.
- **Medical Education.** The budget includes \$40 million ongoing General Fund to expand graduate medical education and end the shift of Proposition 56 funds.
- **UC Riverside and Merced Medical Buildings.** The budget also approves the construction for a medical building at UC Riverside and UC Merced, with budget bill language specifying legislative intent to pay for debt service for bonds associated with the projects.
- **Student Homelessness.** The budget provides \$3.5 million ongoing General Fund for rapid rehousing to support homeless and housing insecure students. Campuses must establish ongoing partnerships with community organizations to provide wrap-around services. The budget requires the UC to annually submit a report to the Legislature starting on July 15, 2020 regarding the use of funds and specified outcomes.
- **Equal Employment Opportunity.** The budget provides \$2.5 million one-time General Fund to support equal employment opportunity practices.
- **Extension Programs.** The budget provides \$15 million one-time General Fund to UC Extension programs to develop or expand degree and certificate completion programs. The budget requires UC to submit a plan to the Department of Finance and the Joint Legislative Budget Committee a description of how funds will be used, types of programs UC plans to develop, and anticipated outcomes, among others.

- **Deferred Maintenance.** The budget provides \$143.5 million one-time General Fund to support deferred maintenance projects, and budget bill language to require the Department of Finance to notify the Joint Legislative Budget Committee regarding the list of projects and the associated costs 30 days prior to allocation of funds. Additionally, adopts supplemental reporting language directing UC to submit a report by January 1, 2021 to ensure its academic facilities are well maintained. The maintenance plan shall include estimates of annual spending, need, total amount of the backlog, and the cost to eliminate the backlog. Additionally, the report shall provide an update regarding seismic safety issues across campuses, the cost to address them, and a timeline and plan on how to address them.
- **UCSF Dyslexia Center Pilot Program.** The budget provides \$3.5 million one-time General Fund to the UCSF Dyslexia Center Pilot Program to support a dyslexia screening and early intervention pilot program.
- **UC and CSU Collaborative for Neurodiversity and Learning.** The budget provides \$6 million one-time General Fund to create the University of California and California State University Collaborative for Neurodiversity and Learning. This funding is available for expenditure through June 30, 2024.
- **Statewide Database.** The budget provides \$1.9 million one-time General Fund to maintain the Statewide Database and provide public access to redistricting software.
- **Reappropriations.** The budget reappropriates faculty diversity funds until June 30, 2022 and California Vector-Borne Disease Surveillance Gateway funds until June 30, 2021.
- **Various UC Berkeley Investments:** The budget provides (1) \$1.5 million one-time General Fund to support the UC Berkeley Labor Center, (2) \$2 million one-time General Fund to support Asian American and Asian Diaspora Studies in the Department of Ethnic Studies, and authorizes this funding to be transferred to a UC Regents endowment, (3) \$300,000 one-time General Fund to support the UC Berkeley Underground Scholars program, and (4) \$1.2 million one-time General Fund to establish the Marcus Foster Fellowship to support Ph.D students in the Department of Education.
- **Outreach and Student Support Services.** The budget provides \$6 million one-time General Fund to allow UC to conduct outreach activities and provide student support services to low-income or underrepresented minority groups, including students who were enrolled in high schools designated as local control funding formula plus schools.
- **Financial Aid.** The budget includes \$4 million General Fund to waive summer tuition fees for students eligible for state financial aid, with the program to be suspended in 2021-22, and approves trailer bill language allowing UC to provide private or institutional funding to California students who meet certain eligibility requirements.
- **Various UC Davis Investments:** The budget includes the following investments at UC Davis: (1) \$3.9 million one-time General Fund to the UC Davis Firearms Violence Research Center to enhance firearm-violence prevention education and training for health care providers, (2) \$1 million one-time

General Fund to support the Bulosan Center for Filipino Studies, (3) \$2 million one-time General Fund to support the marine mammal stranding network, (4) budget bill language prohibiting the Office of the President or campus administration from taking indirect costs from the UC Davis Firearms Violence Research Center program, and (5) \$160,000 for the UC Davis School of Veterinary Medicine for the development of humane management strategies for the wild horse population.

- **Various UC Los Angeles Investments:** The budget makes various appropriations to support UCLA: (1) \$10 million one-time General Fund to UCLA to create a publicly available landscape genomics database, (2) \$2.5 million one-time General Fund to support the Luskin School of Public Affairs Latino Policy and Politics Initiative, and (3) \$3.5 million one-time General Fund to support the Ralph J. Bunche Center.
- **Charles R. Drew University.** The budget provides \$7.5 million one-time General Fund to support Charles R. Drew University, of which \$5 million is to support enrollment growth and student support services, and \$2.5 million is to support academic facilities upgrades.
- **UC Office of the President Reporting.** The budget includes trailer bill language to include UC programs in the annual report on systemwide and presidential initiatives.

6600 HASTINGS COLLEGE OF LAW

- **Base Augmentation.** The budget provides a \$1.4 million General Fund ongoing increase to the Hastings budget.
- **UC Payroll, Accounting, Timekeeping and Human Resources (UC PATH).** The budget includes an increase of \$594,000 to support the implementation of the UC PATH. UC PATH is a UC program to implement a single payroll, benefits, human resources and academic personnel solution for all UC employees.
- **Deferred Maintenance.** The budget provides \$500,000 one-time General Fund for deferred maintenance and replacement of instructional equipment and technology.

6610 CALIFORNIA STATE UNIVERSITY (CSU)

- **Graduation Initiative.** The budget provides \$45 million ongoing General Fund and \$30 million one-time General Fund to support the Graduation Initiative. The budget requires CSU to report to the Legislature by January 15, 2021 on campus spending activities and outcomes data, among others.
- **Base Operations.** The budget provides \$147.8 million ongoing General Fund to support compensation increases and \$45.4 million ongoing General Fund to support mandatory cost increases.
- **Enrollment Growth.** The budget includes \$85 million ongoing General Fund to support enrollment growth, and budget bill language setting enrollment targets of 10,000 additional California undergraduate students.

- **CSU Project Rebound Program.** The budget provides \$3.3 million ongoing General Fund for the CSU Project Rebound Program and requires CSU to annually submit a report to the Legislature starting April 1, 2020 regarding use of funds, program enrollment and student outcomes.
- **Immigrant Legal Services.** The budget provides \$7 million ongoing General Fund to provide immigrant legal services to students.
- **Student Homelessness.** The budget provides \$6.5 million ongoing General Fund for rapid rehousing to assist homeless and housing insecure students. Campuses must establish ongoing partnerships with community organizations to provide wrap around services to students. The budget requires CSU to annually report, starting on July 15, 2020 regarding use of these funds, specified outcomes and other data.
- **Tenure Track Faculty.** The budget requires CSU to use \$35 million to hire full-time, tenure-track faculty above and beyond the CSU's 11,228 current tenure-track faculty. The CSU must report by December 1, 2020, and beginning November 2021 and every two years thereafter until funds are fully allocated, on use of funds. In addition, the CSU shall provide the Legislature a plan for allocating the new moneys to campuses and their expected hiring amounts by October 2019. Lastly, SB 77 requires CSU to use evidence-based Equal Employment Opportunity practices to improve faculty diversity.
- **Deferred Maintenance.** The budget provides \$239 million one-time General Fund to support deferred maintenance and child care center projects. The budget requires the Department of Finance to notify the Joint Legislative Budget Committee regarding the list of projects and the associated costs 30 days prior to allocation of funds.

The budget also includes supplemental reporting language requiring CSU to report by January 1, 2021, a plan to ensure its academic facilities are well maintained. The maintenance plan must include estimates of annual spending, need, total amount of the backlog, and how much it would cost to eliminate the backlog. Additionally, the report must provide an update regarding seismic safety issues across campuses, and the cost, timeline and plan on how to address them.

- **Capital Outlay.** The budget includes trailer bill language to allow CSU to apply remaining proceeds, approximately \$11 million, from its share of four General Obligation bonds towards CSU Los Angeles- physical sciences building renovation project. The proceeds are from the 1996, 2002, 2004, and 2006 Higher Education Capital Outlay Bond Funds. This project was selected by the Administration to address fire life safety and code deficiencies at the facility, including outdated elevators and inadequate fire alarm and suppression systems.
- **Student Basic Needs.** The budget includes \$15 million one-time General Fund to support basic needs partnerships, and requires CSU to work with the Department of Social Services to assess the effectiveness of CalFresh and other state departments and programs in addressing student food and housing insecurity. CSU must report by March 1, 2020 on the use of funds, including the amount distributed to campuses, amount of funds used to address housing insecurity, amount of funds used to address food insecurity, types of programs the campuses invested in, number of Cal Fresh referrals and other resources to address housing insecurity, and outcomes.

The budget requires CSU to report to the Department of Finance and all relevant policy and fiscal committees of the Legislature regarding their findings and recommendations, as well as information they learned from their workgroup meetings pursuant to the Welfare and Institutions Code Section 18928 by November 1, 2019.

- **New Campus Study.** The budget provides \$2 million one-time General Fund to study sites in San Joaquin County, and \$2 million one-time General Fund to study sites in Chula Vista, Palm Desert, San Mateo County, and Concord.
- **First Star Foster Youth Cohort.** The budget provides \$740,000 one-time General Fund support the First Star Foster Youth Cohort at CSU Sacramento.
- **Capital Fellows Program.** The budget provides an increase of \$100,000 ongoing General Fund to support a cost of living adjustment for Capitol Fellows and an increased relocation stipend.
- **California Science Fellows.** The budget includes \$11.5 million one-time General Fund to support the Science Fellows program.
- **Student Mental Health Services.** The budget includes \$3 million one-time from Proposition 63 state administration account to support student mental health services.
- **Center to Close Achievement Gaps.** The budget includes \$3 million one-time General Fund to establish the Center for Closing the Achievement Gap.
- **Other Post-Employment Benefits.** Senate Bill 77 (Committee on Budget and Fiscal Review), Chapter 53, Statutes of 2019, aligns the vesting period for the United Auto Workers (CSU bargaining unit 11) CSU employees' health and dental benefits with recently approved collective bargaining agreements. SB 77 increases the vesting period for retiree health and dental benefits for new employees hired after July 1, 2019 from five years to ten years.

SB 77 also authorizes the California Public Employees Retirement System to provide retiree census data to the CSU to enable CSU to contact the employees to inform them about benefits (dental, vision, and group legal services) available to them during the open enrollment period. This authority is currently available to the Department of Human Resources. Sensitive personal information will not be exchanged.

- **Speech Pathology Programs.** The budget includes \$3 million one-time General Fund to support increased enrollment in speech pathology master degree programs.
- **Summer Financial Aid.** The budget provides \$6 million General Fund to waive summer tuition and fees for students eligible for state financial aid, with the program to be suspended in 2021-22.
- **Various Augmentations.** The budget also provides funding to the following programs: (1) \$700,000 one-time General Fund to support the Mervyn M. Dymally African American Political & Economic Institute at CSU Dominguez Hills, (2) \$250,000 one-time General Fund to support planning costs for a new student housing project at San Jose State University, (3) \$5 million one-time General Fund

to support the development of a child care center at CSU Channel Islands, and (4) \$3 million one-time to support the Council on Ocean Affairs, Science and Technology program.

6870 CALIFORNIA COMMUNITY COLLEGES (CCC)

- **CCC College Promise Program.** The budget provides \$42.6 million to fund a second year of tuition waivers for first-time, full-time students known as the College Promise Program.
- **Student Centered Funding Formula.** SB 77 makes the following changes to the Student Centered Funding Formula:
 - Caps performance funding at ten percent of the formula.
 - Modifies the definition of a transfer student.
 - Extends the hold harmless period by one year, through 2021-22.
 - Requires colleges to use three-year averages outcomes funding.
- **CCC Capital Outlay Projects.** The budget approves and provides Proposition 51 funds the following community college capital outlay projects.

College	Project	Phase	2019-20 State Cost*
Alameda	Auto and diesel technologies replacement building	PW	\$1.3
Allan Hancock	Fine arts replacement complex	C	22.9
American River	Technology replacement building	PW	1.3
Butte	Technology building renovation	PW	0.5
Cabrillo	Buildings 500, 600 and 1600 renovation	PW	0.3
Cañada College	Building 13- Multiple Program Instructional Center renovation	PW	0.8
Cerritos	Health Sciences Building 26 renovation	PW	1.1
Chaffey	Instructional Building 1	PW	1
Clovis	Applied Technology building	PW	1.8
College of the Canyons	Modernize Boykin Hall academic building	PW	0.4
Compton	Instructional replacement building	C	14.9
Folsom Lake College	Instructional buildings phase 2	PW	1.3
Fresno	Child development replacement center	PW	1
Fullerton	Business 300 and Humanities 500 Renovation	C	14.1
Golden West	Language arts replacement complex	C	21.9
Imperial	Academic buildings renovation	WC	8.7
Irvine Valley	Fine arts building	PW	1.6
Kern (Delano Center)	LRC multipurpose building	PW	1.2
Lake Tahoe	RFE and Science renovation	PW	1.5
Laney	Theater buildings renovation	PW	0.7

Laney	Learning resource replacement center	C	22.8
Long Beach (Pacific Coast Campus)	Construction trades building renovation, phase 1	C	6.7
Long Beach City	Music/theatre complex	PW	1.7
Los Angeles City	Theater arts replacement building	PW	1.1
Los Rios (Elk Grove Center)	Elk Grove Center phase 2	PW	0.4
Los Rios (Natomas Education Center)	Natomas Center phases 2 and 3	PW	0.9
Merced	New agricultural science and industrial technologies complex	PW	0.4
Merritt	Horticulture building replacement	PW	0.8
Merritt	New child development center	C	5.7
Mission	Portables replacement	C	10.1
Monterey Peninsula	Public safety center phase 1	PW	0.7
Monterey Peninsula	Music facilities phase 1 renovation	PW	0.2
Mount San Antonio	New physical education complex	C	53.9
Mount San Jacinto	Math and Sciences building	PW	1.6
Mount San Jacinto	Science and Technology building	PW	1.9
Orange Coast	Language arts and social sciences replacement building	C	28.3
Pasadena City	Armen Sarafian building seismic replacement	C	40.7
Porterville	Allied health building	PW	0.8
Redwoods	Physical education replacement building	PW	5.4
Redwoods	Arts building replacement	C	22
Reedley	New child development center	PW	0.8
Rio Hondo	Music/Wray theater renovation	PW	0.9
Saddleback	New Gateway Building	PW	1.72
San Bernardino	Technology replacement building	PW	2.3
San Francisco (Alemany Center)	Seismic and code renovations	C	10.9
San Francisco (Ocean)	Utility infrastructure replacement	C	58.1
San Mateo	Water supply tank replacement	PW	0.5
Santa Ana	Russell Hall replacement	C	19.2
Santa Barbara City	Physical education replacement	PW	2.6
Santa Monica	Art replacement complex	PW	0.8
Santa Monica	Science and mathematics building addition	C	37.0
Santa Rosa	Science and mathematics replacement building	C	30.8
Sequoias	Basic skills replacement center	PW	1.4
Skyline	Workforce and Economic Development Center renovation	PW	1.2
Solano	Library replacement building	C	17.4
West Hills (North District Center)	New library and instructional facility	C	40.3

West Hills Lemoore	Instructional Center phase 1	PW	1.6
West Valley	Learning resource center renovation	PW	1.6
Woodland	Performing arts facility	PW	1.4
Total			\$534.92
*dollars in millions, P: Planning, W: Working Drawings, C: Construction			

- **Deferred Maintenance.** The budget provides \$38.6 million one-time Proposition 98 General Fund to support deferred maintenance projects.
- **Student Mental Health Services.** The budget provides \$7 million one-time Proposition 63 State Administration Fund to support student mental health services.
- **Veterans Resource Centers (VRC).** The budget provides an increase of \$5 million ongoing Proposition 98 General Fund for VRCs. The budget also provides: (1) \$1 million one-time Proposition 98 General Fund to expand the Norco College VRC, (2) \$1.5 million one-time Proposition 98 General Fund to expand the Mira Costa College VRC, and (3) \$2.4 million one-time Proposition 98 General Fund to support the creation of a basic needs/veterans resource center at Sacramento City College.
- **Workforce Development Programs.** The budget provides: (1) \$1 million one-time Proposition 98 General Fund each to Fresno, Bakersfield and Mendocino community colleges, (2) \$1.5 million one-time Proposition 98 General Fund to Modesto and San Bernardino community colleges, (3) \$500,000 one-time Proposition 98 General Fund to Norco community college to improve workforce development programs, and (4) \$1 million Proposition 98 General Fund for the Palo Verde Child Development Center.
- **Student Homelessness.** The budget provides \$9 million ongoing Proposition 98 General Fund to support a rapid rehousing pilot program for homeless or housing insecure students. Colleges must establish ongoing partnerships with community organizations to provide wrap around services. Additionally, the Chancellor's Office must annually report, starting in July 15, 2020, regarding use of funds as well as other specified outcomes.
- **Student Hunger.** The budget provides \$3.9 million one-time Proposition 98 General Fund to support student basic needs, and \$500,000 one-time Proposition 98 General Fund to support a study of student hunger and effective practices to reduce student hunger.
- **Re-entry Programs.** The budget provides \$3.5 million one-time Proposition 98 General Fund to support re-entry programs.
- **Teacher Credentialing Pilot Project.** The budget provides \$1.5 million one-time Proposition 98 General Fund to support the Community College Teacher Credentialing Pilot Project, pursuant to Senate Bill 577 (Dodd), Chapter 603, Statutes of 2018.
- **Historically Black Colleges and Universities (HBCU) Transfer Pathways Program.** The budget provides \$81,000 ongoing General Fund to support the HBCU Transfer Pathways program.

- **Categorical Programs.** The budget provides a cost-of-living adjustment for the Fund for Student Success, Disabled Student Programs and Services, Student Services for CalWORKs, Extended Opportunity Programs and Services, adult education and apprenticeship programs. Additionally, the budget removes the local match requirement for community colleges that receive funding from the Student Services for CalWORKs categorical program.
- **State Operations.** The budget provides: (1) \$435,000 General Fund one-time for the Chancellor's Office to support an external contract to staff the Student Centered Funding Formula Oversight Committee, (2) \$135,000 ongoing General Fund and one new position for an Information Security Officer at the Chancellor's Office, to provide increased security capacity, and (3) \$381,000 General Fund to support three positions (two accounting positions, and one technical assistant position to monitor districts' fiscal health).
- **Various Trailer Bill Language.** SB 77 provides the following: (1) authorizes a community college complex operated by a public agency or nonprofit corporation to be exempt from the Field Act, (2) aligns state law with recently enacted amendments to the federal Veterans Access, Choice, and Accountability Act of 2014 (VACA Act), which requires CCC and CSU institutions to exempt students accessing federal Vocational Rehabilitation and Employment benefits from paying nonresident tuition and fees, and (3) amends the LAO reporting deadline for the Community College Baccalaureate Pilot Program to February 2020 and eliminates a report on the Student Success program.
- **Technical Adjustments.** The budget makes the following technical adjustments: (1) authorizes the Board of Governors to appropriate \$339,000 to promote equal employment opportunities in hiring and promotions, and (2) reappropriates \$8.2 million from the Student Success and Support Program, \$600,000 from the Student Success for Basic Skills Students program, \$1.3 million from the Telecommunications and Technology and Infrastructure program, \$36,000 from the Student Success program, and \$360,000 from the Economic Development program.

6980 CALIFORNIA STUDENT AID COMMISSION

- **Competitive Cal Grant Awards.** The budget provides \$42 million to increase the number of competitive Cal Grant awards from 25,750 to 41,000. SB 77 also specifies that AB 540 students are eligible to receive a competitive Cal Grant.
- **Cal Grants for Students with Dependent Children.** The budget provides \$97 million to create a new access award for low-income students who are parents. This will provide up to \$6,000 in non-tuition aid for UC, CSU and CCC Cal Grant recipients with dependent children.
- **Cal Grant B Service Incentive Grant Program.** The budget creates the Cal Grant B Service Incentive Grant Program and provides \$9 million General Fund to support the program. The program would provide Cal Grant recipients at the three public segments and private non-profit institutions who are not eligible for federal work study programs with non-tuition aid of up to \$1,500 per semester or \$1,000 per quarter for performing at least 150 hours per semester or 100 hours per quarter of community or volunteer service.

- **Golden State Teacher Grant Program.** The budget provides \$89.8 million one-time General Fund to establish the Golden State Teacher Grant Program. The program will award one-time grants of up to \$20,000 to students in educator preparation programs who commit to teaching for four years in the high-need subject area. SB 77 authorizes CSAC to use up to 1.5 percent of the funds to conduct outreach and administer the program.
- **Child Savings Account grant program.** The budget provides \$25 million one-time General Fund to support the creation of the Child Savings Account grant program at the Student Aid Commission. This program provides grants to local governments and nonprofit organizations to establish or expand local child savings account programs. Priority shall be given to local programs that have a higher percentages of students who are eligible for free or reduced price meals, lower average and median incomes, and lower college-going rates compared to the geographic region, among other criteria.
- **California Kids Investment and Development Savings.** The budget provides \$25 million one-time General Fund to support the California Kids Investment and Development Savings program to be administered by Scholarshare Investment Board at the State Treasurer’s Office. This program would create a Scholarshare 529 account for qualified higher education expenses. Children born after July 1, 2020 are eligible to participate in the program. The state shall make a seed deposit of at least \$25 to each account.
- **California Student Opportunity and Access Program (Cal SOAP).** The budget provides the Cal SOAP program an increase of \$10 million one-time General Fund. This funding is intended to help launch a new program in the Inland Empire and ensure that existing programs receive the same level of funding in 2019-20 as they did in 2018-19.
- **Grant Delivery System.** The budget provides \$6.2 million one-time General Fund for the second year of the implementing the Grant Delivery System.
- **State Operations.** The budget provides \$390,000 General Fund in 2019-20 and \$290,000 General Fund ongoing starting in 2020-21, and an increase of three permanent positions at CSAC.
- **Cal Grant Awards for Students Attending Accredited Private Non-Profit Institutions.** SB 77 extends the timeframes, by one-year, for private non-profit postsecondary institutions to meet associate degree for transfer (ADT) admissions to maintain the maximum Cal Grant award of \$9,084.
- **Innovation Awards.** The budget provides \$10 million one-time General Fund to implement the Inland Empire and San Joaquin Valley Innovation Awards through the Office of Planning and Research.

Higher Education Budget Trailer Bills

1. *Higher Education – SB 77 (Committee on Budget and Fiscal Review), Chapter 53, Statutes of 2019.*
2. *Education Finance – AB 114 (Committee on Budget), Chapter 413, Statutes of 2019.*

SUBCOMMITTEE 2
ON
NATURAL RESOURCES,
ENVIRONMENTAL
PROTECTION, ENERGY AND
TRANSPORTATION

Senate Committee on Budget and Fiscal Review

Members

Bob Wieckowski, Chair
Brian W. Jones
Mike McGuire
William W. Monning
Henry Stern

Consultants

James Hacker
Joanne Roy

SUBCOMMITTEE No. 2

NATURAL RESOURCES, ENVIRONMENTAL PROTECTION, ENERGY and TRANSPORTATION

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NATURAL RESOURCES

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)

- Scientific Study of Lake Tahoe Clarity.** The budget appropriates \$500,000 from the Lake Tahoe Science and Lake Improvement Account one-time for a scientific study that will identify the causes of Lake Tahoe clarity decline, future climate change impacts on water quality, and recommended actions for addressing these issues.
- Digital Migration.** The budget appropriates \$8.4 million one-time from various funds to perform digital conversion of approximately 103,757,502 paper records for multiple departments under CNRA.
- Local Assistance.** The budget provides for Item 0540-101-0001 to be decreased by \$1 million and Item 8260-103-0001 to be added in the amount of \$5 million to support the development of the Armenian American Museum and Cultural Center of California in Glendale, California. The budget includes provisional language for Item 8260-103-0001 specifying that funding be made available to the Armenian American Museum.
- California Drought, Water, Parks, Climate Coastal Protection, and Outdoor Access for All Act of 2018 (Proposition 68) Implementation.** The budget appropriates approximately \$1 billion Proposition 68 one-time and adds 15.5 new positions across multiple departments to continue development and implementation of Proposition 68 bond programs. The chart below lists funding amounts by each department and bond subsection.

**Dollar Amounts in Thousands.*

Category	Bond Section	Agency	Program	Bond Allocation	2018-19 Budget	2019-20 Proposed
Parks Improvements	80050	State Parks	Safe Neighborhood Parks in accordance with the Statewide Park Development and Community Revitalization Act of 2008 - Competitive Grants	\$725,000	\$277,379	\$2,416
			Local Park Rehabilitation, Creation, and Improvement Grants	\$200,000	\$185,671	\$667
	80061(a)	State Parks	-- Per Capita Grants			
	80061(b)	State Parks	Parks in Urban Areas (jurisdictions 200,000 or less in population)	\$15,000	\$18	\$13,925
	80065	State Parks	Regional Parks -- Competitive Grants	\$30,000	\$30	\$83
	80066	State Parks	Local or Regional Park Infrastructure for local	\$40,000	\$293	\$37,133

	80070	State Parks	agencies with revenue enhancement measures - Proportional Grants Restoration and Preservation of Existing Parks	\$80,000	\$2,100	\$132
	80072	State Parks	Enterprise Projects	\$10,000	\$0	\$4,000
	80073(a)	State Parks	Grants to Local Agencies for Aging Infrastructure in the State Park System	\$5,000	\$6	\$17
	80074	Dept. of Food and Agriculture	Facility Improvements to county fairs and district agricultural associations	\$18,000	\$3,559	\$7,047
	80075	State Parks	Lower Cost Coastal Accommodations	\$30,000	\$0	\$0
	80076	State Parks	State Park System Natural Resource Values	\$25,000	\$16,935	\$30
	80077	State Parks	Deferred Maintenance Regional Allocations (\$10 million each: Central Valley, Central Coast, East Bay, Imperial County and Coachella Valley, Inland Empire)	\$50,000	\$150	\$11,650
	80080(a)	Natural Resources Agency	Trails and Greenway Investments - Competitive Grants	\$30,000	\$117	\$27,888
	80090(a)	State Parks	Parks in non-urbanized areas in accordance with the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Act -- Competitive Grants	\$25,000	\$30	\$83
			Subtotal	\$1,283,000	\$486,288	\$105,071
Climate Adaptation & Ecosystem Restoration	80100(a)(1)(A)	Santa Monica Mountains Conservancy	Protect or Enhance the Los Angeles River watershed and its tributaries	\$37,500	\$8,675	\$8,675
	80100(a)(1)(B)	Rivers and Mountains Conservancy	Protect or Enhance the Los Angeles River watershed and its tributaries	\$37,500	\$8,675	\$5,792
	80100(a)(2)	State Coastal Conservancy	Santa Ana River Conservancy Program	\$16,000	\$0	\$0
	80100(a)(3)	Wildlife Conservation Board	Lower American River Conservancy Program	\$10,000	\$2,037	\$7,281

		California River Recreation, Creek, and Waterway Improvements (Los Gatos Creek/Guadalupe River/\$3,000; Russian River/\$3,000; Clear Lake/\$ 5,000, Los Angeles River in Glendale/ \$20,000)	\$31,000	\$28,840	\$120
80100(a)(4), (5), (7), (10)	Natural Resources Agency				
80100(a)(6)	State Coastal Conservancy	River Parkway Projects along the Santa Margarita River	\$10,000	\$9,750	\$0
80100(a)(8)	Natural Resources Agency	California River Parkways Program - Competitive Grants	\$10,000	\$9,395	\$120
80010(a)(9)	Department of Water Resources	Urban Streams Restoration Program - Competitive Grants	\$10,000	\$537	\$7,906
80110(a)	Natural Resources Agency	Salton Sea Authority: Management Program Implementation (New River Water Quality, Public Health, River Parkway/\$10,000)	\$30,000	\$0	\$0
80110(b)(1)	Baldwin Hills Conservancy	Conservancy Specified Purposes	\$6,000	\$1,235	\$1,284
80110(b)(2)	California Tahoe Conservancy	Conservancy Specified Purposes	\$27,000	\$3,200	\$6,181
80110(b)(3)	Coachella Valley Mountains Conservancy	Conservancy Specified Purposes	\$7,000	\$0	\$2,000
80110(b)(4)	Sacramento-San Joaquin Delta Conservancy	Conservancy Specified Purposes	\$12,000	\$1,056	\$9,291
80110(b)(5)	San Diego River Conservancy	Conservancy Specified Purposes	\$12,000	\$50	\$2,100
80110(b)(6)	Rivers and Mountains Conservancy	Conservancy Specified Purposes	\$30,000	\$0	\$6,602

	80110(b)(7)	San Joaquin River Conservancy	Conservancy Specified Purposes	\$6,000	\$0	\$0
	80110(b)(8)	Santa Monica Mountains Conservancy	Conservancy Specified Purposes	\$30,000	\$25,300	\$300
	80110(b)(9)	Sierra Nevada Conservancy	Conservancy Specified Purposes	\$30,000	\$13,017	\$275
	80110(b)(10)	State Coastal Conservancy	San Francisco Bay Restoration	\$20,000	\$19,500	\$0
	80110(c)	Wildlife Conservation Board	Specified Purposes + Regional Conservation Investment Strategies/\$5,000; NCCP Implementation/\$52,000; UC Natural Reserve System/\$10,000	\$137,000	\$39,515	\$65,400
	80114	Natural Resources Agency	Voluntary Agreements	\$200,000	\$0	\$70,000
	80115	Department of Fish and Wildlife	Capital Improvements for DFW Deferred Maintenance	\$50,000	\$0	\$10,000
	80116	Natural Resources Agency	Salton Sea Management Program Restoration Activities	\$170,000	\$30,000	\$0
	80120(a)	Ocean Protection Council	Marine Wildlife and Healthy Ocean and Coastal Ecosystems	\$35,000	\$10,142	\$142
	80120(b)	State Coastal Conservancy	Lower Cost Coastal Accommodation Grants and Project Development	\$30,000	\$0	\$0
	80120(c)	State Coastal Conservancy	Beaches, Bays, Wetlands, and Coastal Watersheds	\$63,750	\$0	\$0
	80120(d)	State Coastal Conservancy	San Francisco Bay Area Conservancy	\$21,250	\$3,010	\$3,128
	80120(e)	State Coastal Conservancy	Coastal Forest Watersheds	\$20,000	\$19,500	\$0

	80120(f)	State Coastal Conservancy	Estuarine Lagoons and Designated Wildlife Areas	\$5,000	\$0	\$1,525
	80132(a)	Wildlife Conservation Board	Direct Expenditures and Grants Pursuant to Wildlife Conservation Law of 1947 - Competitive Grants	\$18,000	\$10,000	\$6,706
	80132(c)	Wildlife Conservation Board	Pacific Flyway Habitat Protection and Restoration	\$20,000	\$75	\$10,062
	80132(c)	Department of Fish and Wildlife	California Waterfowl Habitat Program	\$10,000	\$0	\$975
	80132(d)	Department of Fish and Wildlife	Habitat Restoration and Protection - Competitive Grants	\$25,000	\$4,875	\$462
	80132(e)(1)	Wildlife Conservation Board	Wildlife or Fish Passage - Competitive Grants	\$30,000	\$10,113	\$15,093
	80132(e)(2)	Department of Fish and Wildlife	Southern California Steelhead Habitat - Competitive Grants	\$30,000	\$9,379	\$886
	80132(f)	Wildlife Conservation Board	Sierra Nevada and Cascade Mountains - Competitive Grants	\$60,000	\$10,113	\$30,186
	80132(g)	Department of Fish and Wildlife	Improve Conditions for Fish and Wildlife - Competitive Grants	\$30,000	\$9,380	\$887
	80133(a)	Ocean Protection Council	Projects that Assist Coastal Communities	\$21,200	\$10,142	\$142
	80133(b)	State Coastal Conservancy	San Francisco Bay Area Conservancy Program	\$14,000	\$1,983	\$2,223
	80133(c)	State Coastal Conservancy	West Coyote Hills	\$4,800	\$0	\$0
	80134(b)	Department of Food and Agriculture	Farm and Ranch Management Practices	\$10,000	\$9,052	\$448
	80134(c)(1)	Department of Conservation	Working Lands and Riparian Corridors	\$20,000	\$2,195	\$15,200
	80135(a)	CAL FIRE	Forest Management Practices	\$10,000	\$0	\$8,872

	80135(b)	CAL FIRE	Urban Forestry Program	\$15,000	\$14,625	\$0
				\$25,000	\$23,328	\$225
	80135(c)	Sierra Nevada Conservancy	Sierra Nevada Watershed Improvement Program			
	80136	California Conservation Corps	CCC Restoration and Rehabilitation Projects	\$20,000	\$4,875	\$7,159
	80136, ref 1	California Conservation Corps	Grants to Certified Local Community Conservation Corps	\$20,000	\$4,875	\$4,875
			Various Projects (Native American Resources; Repurpose Powerplants; Science Centers; Natural Resources Investments, Cultural and Visitor Centers) -- Competitive Grants	\$40,000	\$39,115	\$0
	80137(a)	Natural Resources Agency				
	80137(b)	Natural Resources Agency	Multibenefit Green Infrastructure Program -- Competitive Grants	\$20,000	\$18,616	\$100
			Subtotal	\$1,547,000	\$416,175	\$312,623
Water	80140(a)	State Water Resources Control Board	Safe Drinking Water	\$220,000	\$35,500	\$170,333
	80140(b)	State Water Resources Control Board	Regional Water Supply Projects within the San Joaquin River hydrologic unit	\$30,000	\$27,750	\$961
	80141(a)	State Water Resources Control Board	Groundwater Treatment and Remediation -- Competitive Grants	\$80,000	\$74,000	\$222
	80145(a)(2)	Department of Water Resources	Stormwater, Mudslide, Flash-Flood Protection	\$100,000	\$2,000	\$30,350
	80145(a)(3)	Natural Resources Agency	Multibenefit Stormwater Projects -- Competitive Grants	\$100,000	\$117	\$92,991
	80146(a)	Department of Water Resources	Groundwater/Sustainable Groundwater Management Act Implementation	\$190,000	\$15,000	\$111,353
	80146(a)	State Water Resources Control Board	Groundwater Regional Sustainability	\$50,000	\$40,000	(\$9,670)

	80146(b)	Department of Water Resources	Groundwater Planning and Implementation -- Competitive Grants	\$50,000	\$46,750	\$500
	80147(a)	State Water Resources Control Board	Water Recycling	\$80,000	\$0	\$74,347
	80147(b)	Department of Food and Agriculture	State Water Efficiency and Enhancement Program	\$20,000	\$18,400	\$600
			Subtotal	\$1,270,000	\$259,517	\$471,987
			Projects Total	\$4,100,000	\$1,161,980	\$889,681
Statewide Bond Costs	Various	Natural Resources Agency	Statewide Bond Costs		\$427	\$425
	Various	State Parks	Statewide Bond Costs		\$747	\$748
	Various	Department of Water Resources	Statewide Bond Costs		\$188	\$190
			Subtotal	\$0	\$1,362	\$1,363
			Grand Total	\$4,100,000	\$1,163,342	\$891,044

*Source: Legislative Analyst's Office (LAO).

Among the Proposition 68 appropriations above, the budget includes:

- **Voluntary Settlement Agreements.** Adoption of provisional language and \$70 million that is dedicated by Chapter 8 of Proposition 68 for “implementation of voluntary agreements that provide multi-benefit water quality, water supply, and watershed protection and restoration for the watersheds of the state to achieve the objective of implementing an updated State Water Resources Control Board’s San Francisco Bay/San Joaquin Delta Estuary Water Quality Control Plan (Delta Water Quality Control Plan).” The funding is available for projects that implement a voluntary agreement between water users in the Sacramento and San Joaquin Rivers, and tributaries thereto, for the purposes of projects and actions to develop and improve habitat, river flows, water quality, and contribute to conditions that support the viability of native fish species.
- **Trails and Greenway Investments.** Appropriation of \$27.9 million in support and local assistance to administer the Proposition 68 Trails and Greenways program per Public Resources Code §80080(a), and one position (previously approved on a one-time basis in 2018-19) to administer the program and related projects. This competitive program will grant funds for nonmotorized trail projects to promote new or alternate access to parks, waterways, outdoor recreational pursuits, and forested or other natural environments. The projects are intended to encourage health-related active transportation and opportunities for Californians to reconnect with nature.
- **Multibenefit Stormwater Projects.** Appropriation of \$93 million in support and local assistance to administer the Proposition 68 Multibenefit Stormwater Projects program per Public Resources Code §80145(a)(3), and funding for three positions to develop and administer

the program. The projects will support stormwater capture and reuse, planning and implementation of low-impact development, restoration of urban streams and watersheds, and increasing permeable surfaces to help reduce flooding.

- **Sustainable Groundwater Management Act Implementation Grants and New Positions.** Appropriation of \$171.8 million in multi-year funding to support nine new positions and 28.4 existing positions for continued implementation of drought and groundwater investments to achieve regional sustainability.
- **Stormwater, Mudslide, Flash-Flood Protection.** Appropriation of \$30.4 million one-time, of which \$25 million provides for local assistance and \$5.4 million for state operations in support of the Floodplain Management, Protection and Risk Awareness Program.
- **Urban Streams Restoration Program.** \$9.2 million to the Department of Water Resources Urban Streams Restoration Program for local assistance (\$7.6 million) and state operations (\$1.6 million) to continue development and implementation of the Proposition 68 bond program.
- **Deferred Maintenance.** Appropriation of \$10 million for Department of Fish and Wildlife (DFW) deferred maintenance. These funds will be directed to the highest priority health and safety projects at DFW facilities statewide.
- The budget includes the following Proposition 68 one-time appropriations:
 - **Alameda Creek Restoration.** \$31.4 million for Alameda Creek restoration project.
 - **Tijuana River.** \$15 million for Tijuana River border pollution control.
 - **Arroyo Seco Water Reuse and Natural Stream Restoration Project.** \$3.5 million for Arroyo Seco water reuse and restoration project.
- **Deferred Maintenance Funding for Various Departments.** The budget appropriates \$45 million General Fund one-time for multiple agencies to address deferred maintenance projects. Specifically the deferred maintenance funding is allocated as follows:
 - \$34 million for the Department of Parks and Recreation,
 - \$6 million for the Department of Forestry and Fire Protection,
 - \$3 million for the Exposition Park,
 - \$1 million for the California Conservation Corps, and
 - \$1 million for the California Tahoe Conservancy.
- **Various Bond Appropriations and Technical Adjustments.** The budget includes various bond appropriations and technical reappropriations, reversions, reversions with associated new appropriations, and baseline appropriation adjustments to continue implementation of previously authorized programs.

- **Various Adjustments.** The budget includes various adjustment including amendments to and addition of various budget bill items for reimbursements, support, local assistance and capital outlay.
- **Various General Fund Appropriations.** The budget includes the following General Fund appropriations:
 - **Santa Cruz Port District.** \$530,000 one-time to fund a new search and rescue vessel.
 - **Columbia Memorial Space Center.** \$5.8 million one-time for local assistance (\$800,000 to purchase a 3-D printer and audio-visual system).
 - **Natural History Museum of Los Angeles County.** \$9 million one-time for local assistance (\$5 million of which is allocated for first phase of an expansion project, which will reorient the museum's entrance into Exposition Park).
 - **Del Mar Bluffs Stabilization project.** \$6.13 million for one year to help fund a five-year plan to stabilize Del Mar Bluffs.
 - **Discovery Science Center of Orange County.** \$10 million one-time for the purchase of nearby property to create a parking lot.
 - **Camp Rebuilds.** \$23.5 million one-time for local assistance for capital outlay to rebuild camps destroyed in the Woolsey and Tubbs Fires: 1) Wilshire Blvd. Temple Camps (Camp Hess Kramer and Gindling Hilltop Camp), 2) the Shalom Institute Camp and Conference Center, and 3) Camp Newman in Santa Rosa.
 - **Sabercat Trail Bridge.** \$5.7 million one-time for planning/environmental clearance and final design for the bridge/trail project. The bridge location of the cycling/pedestrian bridge would be over I-680 in Fremont.
 - **Clearlake Community Center.** \$70,000 one-time for local assistance.
 - **Cloverdale Ranch and Gordon Ridge.** \$2 million one-time for local assistance.
 - **Oceanside Beachfront Improvement.** \$8 million one-time for local assistance.
 - **Santa Fe Springs and South El Monte Parks and Community Center in City of Santa Fe Springs.** \$2.52 million one-time for local assistance.
 - **Santa Fe Springs and South El Monte Parks and Community Center in the City of El Monte.** \$2.09 million one-time for local assistance.
 - **Santa Fe Springs and South El Monte Parks and Community Center in the City of La Puente Park.** \$1.16 million one-time for local assistance.
 - **Jurupa Mountain Conservation in the City of Jurupa Valley.** \$15 million one-time for local assistance.

- **Pannell Center Summer Nights in the City of Sacramento.** \$750,000 one-time for local assistance.
- **Compton Creek Watershed planning in the County of Los Angeles.** \$3 million one-time for local assistance.
- **Multi-Benefit Stormwater Capture, City/County Association of San Mateo.** \$3 million one-time for local assistance.
- **Fullerton Boys and Girls Club in the City of Fullerton.** \$2.5 million one-time for local assistance.
- **Korean Federation Sprinkler System in the City of Garden Grove.** \$100,000 one-time for local assistance.
- **City of Maywood Parks.** \$200,000 one-time for local assistance.
- **City of Lakewood Parks.** \$700,000 one-time for local assistance.
- **City of South Gate Parks.** \$200,000 one-time for local assistance.
- **City of Paramount Park.** \$500,000 one-time for local assistance.
- **City of Hawaiian Gardens Park.** \$150,000 one-time for local assistance.
- **Lower Los Angeles River.** \$3 million one-time for local assistance.
- **Blue Mountain Trail and Wilderness in the city of Grand Terrace.** \$1.3 million one-time for local assistance.
- **Chinatown Planning Grant in the City and County of San Francisco.** \$250,000 one-time for local assistance.
- **Defensible Space Assistance Program.** \$5 million one-time for local assistance related to wildfires.
- **Marine Mammal Center.** \$2 million to conduct rescue and research efforts.
- **Conservation Genomics.** \$10 million for a statewide public research collaboration on conservation genomics.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)**0555 CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY (CalEPA)**

- **Proposition 99 Technical Adjustments.** The budget includes various technical baseline budget adjustments for several departments within the CNRA and CalEPA to reflect additional tobacco tax revenue for the Public Resources Account. Revenue and Tax Code §30124(b)(5) 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. The budget adjusts the budget baselines for specified items, as follows:

- Increase Item 0555-001-0235 by \$7,000 (CalEPA)
- Increase Item 3600-001-0235 by \$167,000 (DFW)
- Increase Item 3790-001-0235 by \$468,000 (Department of Parks and Recreation)
- Increase Item 3940-001-0235 by \$27,000 (State Water Resources Control Board)
- Decrease Item 3640-311-0001 by \$256,000 (Wildlife Conservation Board)

The adjustment for the Wildlife Conservation Board is associated with corresponding increased May Revision revenues from the Unallocated Account Cigarette and Tobacco Products Surtax fund that offset General Fund expenditures pursuant to Fish and Game Code §2796.

0540 CALIFORNIA NATURAL RESOURCES AGENCY
3600 DEPARTMENT OF FISH AND WILDLIFE
3790 DEPARTMENT OF PARKS AND RECREATION

- **Cannabis Tax Fund.** The budget includes the following appropriations:
 - **CNRA: Youth Community Access Grants.** \$5.3 million Cannabis Tax Fund for CNRA to support youth community access grants. These grants will fund programs to support youth access to natural or cultural resources, with a focus on low-income and disadvantaged communities.
 - **DFW: Watershed Mitigation.** \$23.9 million Cannabis Tax Fund and 79 positions, as follows: \$13.8 million to support clean-up, remediation, and restoration of damage in watersheds affected by illegal cannabis cultivation and \$10.1 million of which to support enforcement activities aimed at preventing further environmental degradation of public lands.
 - **Parks: Survey, Enforcement, Remediation, and Restoration.** \$15.9 million Cannabis Tax Fund and 53 positions for Parks, as follows: \$7.1 million for assessment and program development, \$5.6 million for remediation and restoration, and \$3.2 million to make roads and trails accessible for peace officers and program assessment and development.

0540 CALIFORNIA NATURAL RESOURCES AGENCY
3600 DEPARTMENT OF FISH AND WILDLIFE

- **Salton Sea Restoration.** The budget appropriates \$206.1 million from various funds for the design-build phase of the Salton Sea Species Conservation Habitat project to commence this fiscal year, and reverts \$89.6 million in funds previously provided for this purpose. The project will construct habitat crucial to restoring wildlife within the Salton Sea.

3100 CALIFORNIA SCIENCE CENTER

- **Utilities Cost Adjustment.** The budget appropriates \$559,000 in 2019-20 and \$639,000 ongoing from a combination of the General Fund and the Exposition Park Improvement Fund to address utility rate increases for the Office of Exposition Park Management, the California Science Center, and California African American Museum.
- **California Science Center Elevator.** The budget appropriates \$2.5 million General Fund one-time to install a new elevator for Americans with Disabilities Act compliance and to assist handicapped visitors.

3100 CALIFORNIA AFRICAN AMERICAN MUSEUM

- **Operations.** The budget appropriates \$4 million General Fund one-time for deferred maintenance and \$500,000 General Fund ongoing for operations of the museum.

3100 EXPOSITION PARK

- **Security Contract Augmentation.** The budget appropriates \$2.1 million General Fund ongoing to enter into an inter-agency agreement with the California Highway Patrol to continue providing personnel for around the-clock public safety support to Exposition Park.

3125 CALIFORNIA TAHOE CONSERVANCY

- **Conceptual Feasibility Planning.** The budget appropriates \$322,000 one-time (\$222,000 Proposition 40 and \$100,000 Lake Tahoe Conservancy Account) for conceptual and feasibility planning for future capital outlay projects. The budget reverts \$325,000 from a 2015 Budget Act Proposition 40 appropriation to free up funding for this purpose.
- **Minor Capital Outlay.** The budget appropriates \$1 million (\$204,000 Tahoe Conservancy Fund, \$322,000 Habitat Conservation Fund, and \$480,000 Proposition 84) for various capital outlay projects to secure previously acquired property, and complete upgrades on developed facilities to meet Americans with Disabilities Act requirements.
- **Alta Mira Public Access Project.** The budget appropriates \$600,000 Proposition 68 funds for a study of proposed alternatives, environmental review, and better understanding of the costs associated with improving public access and site resilience to climate change.
- **Opportunity Acquisitions.** The budget appropriates \$7 million (\$5 million Proposition 68, \$1.6 million Reimbursements, and \$397,000 Habitat Conservation Fund) for the acquisition of environmentally sensitive or significant resource areas.
- **Upper Truckee River and Marsh Restoration Project.** The budget includes a reversion of \$9.1 million, and a new appropriation for the same amount, as well as provides an additional \$1.5 million in reimbursement authority for increased construction costs for the Upper Truckee River and Marsh Restoration project to address seismic and aquatic invasive species issues.

3340 CALIFORNIA CONSERVATION CORPS (CCC)

- **Corpsmember Educational and Employment Outcome Reporting.** The budget appropriates \$358,000 one-time (\$208,000 General Fund, \$150,000 Collins Dugan Reimbursement Account) and \$108,000 ongoing starting 2020-21 (\$63,000 General Fund, \$45,000 Collins Dugan Reimbursement Account) to fund one position and one-time programming costs (\$250,000 in 2019-20) to implement new reporting requirements in SB 854 (Committee on Budget and Fiscal Review), Chapter 51, Statutes of 2018.
- **Various Capital Outlay Projects.** The budget appropriates \$9.3 million General Fund one-time for the working drawing phases to replace several residential centers. Specifically, this appropriation includes funding for working drawings, as follows:
 - \$808,000 to renovate the existing Fortuna Residential Center in Humboldt County.
 - \$1.19 million to renovate the existing Los Piños facility located in Orange County.
 - \$3.55 million to replace the existing Ukiah Residential Center in Mendocino County.
 - \$3.75 million to replace the existing Greenwood Residential Center in El Dorado County.
- **Wildfire Prevention and Recovery Legislative Package: Forestry Corps (AB 2126).** The budget appropriates \$4.5 million General Fund in 2019-20 and \$4.4 million General Fund ongoing to fund two positions, three CCC crews, and one crew via local corps grant to implement the Forestry Corps Program consistent with AB 2126 (Eggman), Chapter 635, Statutes of 2018. This item includes \$450,000 fund shift from the Collins Dugan Reimbursement Account to General Fund to convert one existing resource crew to a Forestry Corps crew.
- **Delta Service District Center.** The budget includes a reappropriation from the Public Buildings Construction Fund to extend the liquidation period of the construction phase of the Delta Service District Center project for a new residential facility located in San Joaquin County to June 30, 2020. This extension is intended to allow the CCC to utilize about \$300,000 of the remaining balance to purchase and install key design elements to finish the Delta Service District Center, as originally intended.
- **Reappropriations – Various Projects.** The budget includes a reappropriation of \$1.6 million General Fund for the Preliminary Plans phase of the Auberry Residential Center project for a new residential facility located in Fresno County, and \$22.6 million General Fund for the construction phase of the Auburn Campus project to replace the kitchen, multipurpose room, and dorm at its existing residential center located in Placer County.
- **Tahoe Base Center: Equipment Storage Relocation.** The budget reappropriates \$279,000 from the Public Buildings Construction Fund for the acquisition phase of the Tahoe Base Center: Equipment Storage Relocation project.

- **Funding Authorization for Personnel Costs.** The budget includes budget bill language authorizing the Department of Finance to fund CCC costs for service contract costs, or other personnel costs outside of standard civil service compensation, that are a result of increases to the state's minimum wage.

3340 CALIFORNIA CONSERVATION CORPS (CCC)

5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION

- **Division of Juvenile Justice (DJJ) Apprenticeship Conservation Corps.** The budget appropriates the following:
 - **DJJ:** 2.4 positions and associated General Fund totaling \$344,000 beginning in 2019-20 for five years.
 - **CCC:** Two positions and \$1.1 million one-time General Fund in 2019-20 and \$581,000 General Fund for four years beginning in 2020-21, which includes \$876,000 in 2019-20 and \$376,000 for four years thereafter for certified local conservation corps.

These resources are intended to support the implementation of the DJJ Apprenticeship Conservation Corps pilot program to present DJJ youth with skill-building and job-readiness opportunities that are intended to provide pathways to conservation careers upon returning to their communities.

3480 DEPARTMENT OF CONSERVATION (DOC)

- **Information Technology and Maintenance.** The budget appropriates \$2 million from the Strong Motion Instrumentation and Seismic Hazards Mapping Fund on a two-year limited-term basis and \$500,000 from the same fund in 2020-21. These funds will be used to perform preventive and corrective maintenance to information technology infrastructure and operations.
- **Well Statewide Tracking and Reporting (WellSTAR).** The budget appropriates \$5.6 million from the Oil, Gas, and Geothermal Administrative Fund in 2019-20, \$2.54 million in 2020-21, and \$1.3 million ongoing to continue the development and implementation WellSTAR, which is a centralized database system to help run operations.
- **WellSTAR.** The budget appropriates \$3.2 million from the Oil, Gas, and Geothermal Administrative Fund to expand the scope and functionality of the WellSTAR system. The budget includes the reappropriation of a portion of Item 3480-001-3046, Budget Act of 2018, for the continued development and implementation of WellSTAR.
- **Surface Mining and Reclamation Account: Technical Amendment.** The budget includes trailer bill language, which requires the amount to be deposited into the Surface Mining and Reclamation Account to include any statewide general administrative costs assessed to the account for that fiscal year.
- **Federal Grant for Federal Safety Standards Compliance and Reimbursement Authority Increase for Division of Oil, Gas, and Geothermal Resources.** The budget includes two adjustments: (1) A baseline appropriation increase of \$1.4 million from the Federal Trust Fund that

is needed to spend annual grant funds from the United States Department of Transportation that support the Division's Underground Natural Gas Storage Program, and (2) A one-time increase of \$250,000 reimbursement authority that is needed to accept payments from Southern California Gas Co. The adjustments increase reimbursement authority to defray the cost of its response efforts in the Aliso Canyon incident.

- **Technical Bond Adjustments.** The budget reverts \$1.1 million in Proposition 40 that was allocated in the Budget Act of 2016 and reverts \$180,000 in Proposition 84 that was allocated in the Budget Act of 2016.
- **Reappropriation.** The budget reappropriates \$130,000 General Fund to provide local assistance grants to Resources Conservation Districts for capacity building. The original funding of \$2.5 million General Fund was appropriated in the 2016 Budget Act for this purpose.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CalFire)

- **Regulation of Power Tool Use in Tolerance Zones (AB 1914).** The budget appropriates \$139,000 Safe Energy Infrastructure and Excavation Fund on a two year limited-term basis to implement AB 1914 (Flora), Chapter 708, Statutes of 2018.
- **Stewardship Council Lands: Acquisition.** The budget appropriates \$425,000 General Fund one-time for the acquisition of five properties from the Pacific Gas and Electric Company: Pit River/Tunnel Reservoir, Battle Creek, Cow Creek, Lake Spaulding and Bear River. The acquired properties will serve to enhance CalFire's existing network of Demonstration State Forests.
- **Enhanced Fire Protection Resources.** The budget appropriates \$96.9 million (offset by \$1.8 million in reduced reimbursement authority for CCC) and 228 positions to implement specified items described below. This funding for CalFire will increase to over \$120 million in subsequent years. Enhanced fire protection resources include:
 - **Additional Fire Engines (\$40.3 Million).** 13 new fire engines to CalFire's fleet, as well as 131 additional positions to staff those engines, which brings the total size of the fleet to 356 fire engines. The 13 new engines will be operated on a year-round basis bringing the total number of fire engines operated on a year-round basis to 65 engines.
 - **Increased Staffing (\$15.1 Million).** An increase of CalFire's fire response staffing, including: (1) \$10.6 million and 34 heavy equipment operator positions in order have a total of three heavy equipment operators for each of CalFire's 58 bulldozers to provide 24 hours a day, seven days a week staffing, and (2) \$4.5 million to support 13 positions to provide situational awareness staffing. These are dedicated staff to provide real-time intelligence to decision makers during a wildfire.
 - **CCC Crews Dedicated to CalFire.** \$13.6 million to add five CCC crews dedicated to CalFire for fire response and prevention activities. This includes converting four existing CCC reimbursement crews into crews dedicated full-time to CalFire work and creating one new crew dedicated to CalFire work. This item increases the total number of CCC crews dedicated to CalFire to 12 crews.

- ***C-130 Large Air Tankers and Related Capital Outlay.*** \$13.1 million and six positions to implement the first year of a plan to accept seven used C-130 air tankers from the federal government to replace CalFire's existing fleet of aircraft, with the first air tanker scheduled to be received in 2020-21. The state will receive the aircraft for no cost, but the department's costs will increase over the next several years for operating and maintenance costs. CalFire estimates annual costs will rise steadily over the next five years reaching \$50 million in increased annual costs by 2023-24. In addition, the 2019-20 funding level includes \$1.7 million for the first phase of three capital outlay projects to construct barracks to accommodate the new larger flight crews needed to operate the C-130 aircraft. These three projects along with a fourth barracks project expected to be initiated next year are estimated to cost a total of \$26 million over several years.
- ***Employee Wellness.*** \$6.6 million to expand two employee wellness programs. First, the budget expands an existing health and wellness pilot program to a statewide program. The health and wellness pilot program involves conducting voluntary wellness screenings to test for health conditions common to firefighters, such as heart disease and certain types of cancer. Second, the budget increases staffing for CalFire's Employee Support Services program that provides mental health support to CalFire employees and family members. The budget allows CalFire to provide more services to firefighters at the location of major fires and provide additional education and information related to post-traumatic stress disorder. The budget includes provisional language, which requires CalFire to report on outcomes of the Health and Wellness Program by December 31, 2020.
- ***Fire Detection Cameras.*** \$5.2 million to join an existing network of wildfire detection cameras and to expand the network by 100 additional cameras in locations determined by CalFire. Specifically, the funding will support a contract between CalFire and ALERTWildfire—a consortium of the University of Nevada, Reno; the University of California, San Diego; and the University of Oregon—to allow CalFire to access and control ALERTWildfire's existing network of wildfire detection cameras.
- ***Mobile Equipment Replacement.*** \$3 million to continue on an ongoing basis a one-time 2018-19 funding augmentation to CalFire's budget for replacement of mobile equipment, such as bulldozers and fire engines. Funding will be used to replace additional mobile equipment that has experienced additional wear and tear from the extended fire seasons in recent years.
- **Enhanced Fire Protection: C-130 Federal Air Tankers.** The budget appropriates \$4.6 million in 2019-20, \$4.6 million in 2020-21, and \$2.2 million in 2021-22 to fund an exclusive use C-130 contract-training platform to support CalFire's air tanker program.
- **Emergency Medical Services: Data and Information Systems (AB 1129).** The budget appropriates \$3.2 million General Fund and includes 7.8 positions ongoing to comply with AB 1129 (Burke), Chapter 377, Statutes of 2015.
- **Enhanced Industrial Disability Leave (SB 334 and SB 1144).** The budget appropriates \$4.2 million General Fund one-time for the estimated increase in workers' compensation and overtime costs. This item also includes budget bill language authorizing an augmentation of up to \$3.5

million if expenditure data shows that costs related to SB 334 (Dodd), Chapter 857, Statutes of 2017, and SB 1144 (Dodd), Chapter 897, Statutes of 2018, exceed the \$4.2 million budgeted for SB 334.

- Facilities Repairs and Maintenance.** The budget appropriates \$9.5 million General Fund and includes 22.3 permanent positions in 2019-20, with additional staff in subsequent years, to build capacity in its Technical Services Unit to undertake projects and effectively repair and maintain over 2,000 structures across its 530 facilities statewide. This item includes trailer bill language to establish the CalFire Infrastructure Projects Revolving Fund to enhance its ability to undertake agency-retained infrastructure improvement projects.
- Fireworks Management and Disposal.** The budget appropriates \$3.6 million General Fund ongoing to increase the state's overall fire prevention efforts and to reduce the influx of illegal fireworks in the state.
- Professional Standards Program Continuation.** The budget appropriates \$4 million ongoing (\$2.7 million General Fund, \$1.3 million in reimbursement authority) and includes 14 positions to continue the Professional Standards Program.
- Various Capital Outlay Projects.** The budget appropriates \$40 million for a number of capital outlay projects, including the following:

CalFire Capital Outlay Projects

Project Title	Description
Butte Fire County: Replace Facility <i>(New project)</i>	\$2.7 million General Fund one-time for the preliminary plans phase to replace the Butte Conservation Camp, in Butte County. Butte Fire Center was constructed in the mid-1940s and no longer meets current operational requirements.
Davis Mobile Equipment Storage <i>(New project)</i>	\$975,000 General Fund one-time for the preliminary plans, working drawings, and construction phases of this project to construct two metal storage buildings. These buildings will replace the existing warehouse at the Davis Mobile Equipment Facility in Yolo County and will house 12 fire engines.
Elsinore Fire Station: Relocate Facility <i>(New project)</i>	\$1.8 million General Fund one-time for the acquisition phase to replace the Elsinore Fire Station in Riverside County. The Elsinore Fire Station built in 1946 has functional deficiencies and is not large enough to properly house both equipment and employees. The apparatus building is inadequate to accommodate the larger fire engines currently in use.
Growlersburg Conservation Camp: Replace Facility <i>(New project)</i>	\$3.1 million General Fund one-time for the preliminary plans phase to replace the existing Growlersburg Conservation Camp in El Dorado County, which no longer meets programmatic needs.
Hemet-Ryan Air Attack Base: Replace Facility <i>(New project)</i>	\$1.9 million General Fund one-time for the preliminary plans phase to replace the existing Hemet-Ryan Air Attack Base in Riverside County, which no longer meets programmatic needs.

Hollister Air Attack/Bear Valley Helitack Base: Relocate Facilities <i>(New project)</i>	\$12.2 million General Fund one-time for the acquisition phase to relocate the existing Hollister Attack Base and Bear Valley Helitack Base in San Benito County, which no longer meets programmatic needs.
Humboldt-Del Norte Unit Headquarters - Relocate Facility <i>(New project)</i>	\$1.9 million General Fund one-time for the acquisition phase to relocate the Humboldt-Del Norte Unit Headquarters and the Fortuna Fire Station in Humboldt County, which no longer meets programmatic needs.
Ishi Conservation Camp: Replace Kitchen <i>(Continuing project)</i>	\$5.4 million General Fund one-time for the construction phase to replace the kitchen/dining facility that was destroyed by fire at the existing state-owned Ishi Conservation Camp in Tehama County.
Minor Projects-Boggs Mountain DSF Administration Building Replacement <i>(New project)</i>	\$975,000 General Fund one-time to construct a new administration building at the existing state-owned Boggs Mountain Demonstration State Forest.
Minor Projects-Rohnerville AAB Aviation Fuel System Replacement <i>(New project)</i>	\$975,000 General Fund one-time for the Rohnerville Air Attack Base Fuel System Replacement project. This project would remove the current aviation fuel tank and replace it with an upgraded 25,000-gallon aviation fuel tank and it also would remove and replace the fuel distribution system with a system capable of fueling multiple aircraft at the same time.
Minor Projects-Weed Fire Station-Construct Administration Building <i>(New project)</i>	\$851,000 General Fund one-time to construct a new administration building at the existing state-owned Weed Fire Station in Siskiyou County to improve Unit operations.
Perris Emergency Command Center: Remodel Facility <i>(Continuing project)</i>	\$834,000 General Fund one-time for the construction phase to remodel the Perris Emergency Command Center in Riverside County, which has functional deficiencies.
Potrero Forest Fire Station: Replace Facility <i>(Continuing project)</i>	\$981,000 General Fund one-time for the working drawings phase to replace the Potrero Forest Fire Station in San Diego County, which has functional deficiencies.
Prado Helitack Base: Replace Facility <i>(Continuing project)</i>	\$1.3 million General Fund for the working drawings phase to replace the existing Prado Helitack Base in San Bernardino County, which no longer meet programmatic needs.
Shasta Trinity Unit Headquarters/Northern Operations: Relocate Facility <i>(Continuing project)</i>	\$4.3 million General Fund one-time for the preliminary plan phase to construct a new joint facility to co-locate the Shasta Trinity Unit Headquarters and several Northern Region Operations - Redding facilities.

- **Contract County Capital Outlay.** The budget appropriates \$3.3 million General Fund ongoing to restore proportional capital outlay funding to the six Contract Counties.
- **Wildfire Prevention and Recovery Legislative Package (SB 901, SB 1260, AB 2518, and AB 2911).** The budget appropriates \$10 million Greenhouse Gas Reduction Fund (GGRF) and includes 24 positions starting in 2019-20 to address workload associated with SB 901 (Dodd), Chapter 626, Statutes of 2018, SB 1260 (Jackson), Chapter 624, Statutes of 2018, AB 2518 (Aguiar-Curry), Chapter 637, Statutes of 2018, and AB 2911 (Friedman), Chapter 641, Statutes of 2018.
 - **SB 901 (Dodd).** \$4.8 million GGRF and 10 positions to CalFire and the Board of Forestry and Fire Protection, starting in 2019-20, which are in addition to the annual budget appropriation required in SB 901 for forest health and fire prevention activities for prescribed fire and other fuel reduction activities. The increased funding and positions are intended to address forestry and landscape level fuels management, utility fire prevention and planning, and enable CalFire and the Board to implement and comply with these new laws.
 - **SB 1260 (Jackson).** \$2.5 million GGRF and eight positions to CalFire, starting in 2019-20, to develop curriculum for burn boss certification training standards, course plans, and continuing education; address the potential increase in workload associated with the anticipated increases in burn permits and prescribed fire projects statewide from newly certified burn bosses; and provide the necessary steps to increase the pace and scale of prescribed fire statewide, which involves cooperative planning, training, burn agreement liability, and public education surround the use of prescribed fire, fire prevention, and public safety.
 - **AB 2518 (Aguiar-Curry).** \$400,000 to produce the two reports to do the following: (1) identify barriers to in-state production of mass timber and other innovative forest products as well as solutions that are consistent with the state's climate objectives on forested lands; and, (2) provide recommendations for the siting of additional wood product manufacturing facilities in the state.
 - **AB 2911 (Friedman).** \$2.3 million GGRF and six positions, starting in 2019-20, to implement the local government survey required by the legislation, coordinate with local governments, and conduct field reviews and develop recommendations for improving the fire and life safety of non-conforming residential subdivisions across the state.

The funding and positions in this item for the Wildfire Prevention and Recovery Legislative Package are in addition to the \$200 million GGRF appropriated for forest health and fire prevention activities consistent with SB 901.

- **SB 901 Coordination.** The budget includes trailer bill language, which requires CalFire to collaborate with the State Water Resources Control Board and DFW when selecting fuel reduction projects to ensure they protect water resources and wildlife habitat, while addressing fire behavior and public safety.
- **Technical Adjustments – Various Projects.** The budget makes a number of technical adjustments to the funding authority for various projects. Specifically, it reverts the existing

funding authority and approves new appropriations in the same amount (resulting in a new-zero cost).

- **Ishi Conservation Camp – Replace Kitchen.** The budget appropriates \$5.4 million General Fund one-time for the construction phase to replace the kitchen/dining facility that was destroyed by fire at the existing state-owned Ishi Conservation Camp in Tehama County.

The budget appropriates an additional \$5.3 million General Fund one-time for the construction phase to replace the kitchen/dining facility. The supplemental appropriation is for work needed to facilitate a scope change to provide for increased fire water storage and plumbing for this institutional kitchen/dining hall, account for additional cost escalation increases, and cover additional costs related to project execution. The budget includes budget bill language to make the additional \$5.3 million contingent upon a report to Joint Legislative Budget Committee that explains steps taken to mitigate costs.

- **San Mateo-Santa Cruz Unit Headquarters – Relocate Auto Shop.** The budget includes a supplemental appropriation of \$7.3 million Public Buildings Construction Fund one-time for the construction phase of a project to relocate an auto shop facility at CalFire’s San Mateo-Santa Cruz Unit Headquarters. This funding addresses cost increases resulting from increased labor and material costs, as well as increased costs associate with the current condition in the construction service market in Santa Cruz County.
- **Professional Forester Registration Program.** The budget appropriates a one-time transfer of \$100,000 from the Environmental License Plate Fund (ELPF) to support the Office of Professional Foresters Registration. This is a short-term solution while the Board of Forestry and the Administration continue to develop a longer-term solution that addresses the increase in operating costs and decline in revenue, which has led to the structural imbalance of the Professional Forester Registration Fund.
- **Innovation Procurement Sprint.** The budget includes: (1) an appropriation of \$15 million to enable CalFire to procure innovative solutions to combat the state's wildfire crisis consistent with Executive Order N-04-19, (2) budget bill language that includes a \$35 million cap on the total level of augmentations that can be authorized and that requires 30 days notification.
- **Community Wildfire Prevention and Mitigation Report: California Vegetation Treatment Program Environmental Impact Report.** The budget appropriates \$730,000 General Fund one-time to complete the revision and certification of the California Vegetation Treatment Program Environmental Impact Report.
- **Office of the State Fire Marshal (OSFM), Fire and Life Safety Division.** The budget includes: (1) \$16 million (General Fund, \$133,000 Special Fund, and \$1.5 million reimbursements) in 2019-20, \$1.5 million (\$31,000 General Fund, \$133,000 Special Fund, and \$1.4 million in reimbursements) ongoing and eight positions to support the OSFM’s Fire and Safety Division increased workload. (2) \$500,000 one-time General Fund in 2019-20 for an analysis of the Division’s fee structure and a contract with the California Attorney General’s Office to analyze and provide clarity for specific statutory issues that relate to and impact the OSFM’s jurisdiction. (3)

Trailer bill language to help define and clarify the Division's mission and responsibilities. (4) Various technical changes for resources included in the 2018-19 budget.

- **OSFM: Licensing and Certification Fund Program.** The budget appropriates \$1.1 million State Fire Marshal Licensing and Certification Fund (L&C Fund) and includes four positions in 2019-20 and \$1.1 million L&C Fund and five positions ongoing to support the OSFM Fire Engineering and Investigations Division's Licensing and Certification Program.
- **Professional Standards Program Continuation.** The budget appropriates \$4 million ongoing (\$2.5 million General Fund, \$178,000 GGRF, and \$1.3 million in reimbursement authority), and includes 14 positions to continue the Professional Standards Program.
- **Overtime for Paramedic Staff.** The budget appropriates \$14.9 million General Fund one-time for overtime compensation for CalFire paramedic staff.
- **Shot Hole Borer Invasive Beetles.** The budget appropriates \$5 million General Fund one-time for local assistance to cure or suppress diseases associated with the spread of Shot Hole Borer invasive beetles.
- **Wildland-Urban Interface (WUI) and Other Fire Prevention Activities.** The budget appropriates GGRF one-time, as follows:
 - **Fire Outreach and Extension Program.** \$1 million to create a new fire outreach and extension program that would consist of 17 fire extension advisors located in selected counties.
 - **Training to Local Planners.** \$300,000 to reimburse counties for providing training to local planners on land use planning issues in the wildland urban interface.
 - **Best Practices Reflected in Local Planning.** \$250,000 to the Office of Planning and Research to inventory and publish on its website best practices reflected in local planning ordinances and enforcement practices undertaken at the local level in the wildland urban interface.
 - **Fire Prevention and Preparedness Community Action.** \$6 million for a block grant to county groups to support implementation of fire prevention and preparedness community action in collaboration with University of California fire advisors, resource conservation districts, and others.
 - **Evacuation Routes.** \$2.5 million to reimburse counties for maintenance of evacuation routes during emergencies. It is the intent of the Legislature that counties should develop standards for these evacuation routes as well as create and maintain signage and other necessities.
- **Technical Adjustments – Various Projects.** The budget includes the reversion of the existing funding authority and approval of new appropriations (resulting in a net-zero cost) for various projects.

3560 STATE LANDS COMMISSION (SLC)

- **Critical Business Technology Needs.** The budget appropriates \$525,000 (\$231,000 General Fund, \$52,000 Marine Invasive Species Control Fund, \$210,000 Oil Spill Prevention and Administration Fund, and \$32,000 School Land Bank Fund) and includes one permanent position in 2019-20 and \$320,000 ongoing (\$141,000 General Fund, \$32,000 Marine Invasive Species Control Fund, \$127,000 Oil Spill Prevention and Administration Fund, and \$20,000 School Land Bank Fund).
- **Spatially Indexed Record Management System – Project and Operations.** The budget appropriates \$1.3 million General Fund one-time, \$777,000 ongoing, and includes three positions to fund the Spatially Indexed Records Management System project.
- **School Lands Forestry Inventory.** The budget appropriates \$184,000 School Land Bank Fund and includes one permanent position in 2019-20, and \$149,000 annually thereafter to be used to manage and develop school lands into a permanent and productive resource base. The position will collaborate with other public agencies that manage forest resources and will be responsible for maintaining and managing SLC’s inventory of forested land. SLC intends to conduct an inventory to assess the health, species, size, and density of its forested land to assist in its efforts to develop a comprehensive forest management plan.
- **Environmental Justice Program.** The budget appropriates \$345,000 (from various funds) ongoing and includes two positions ongoing to implement its recently adopted Environmental Justice Policy. These resources are intended to support and expand SLC’s effort to institutionalize environmental justice considerations into its program planning, development, and implementation decisions.
- **Oil and Gas Decommissioning Litigation Costs.** The budget appropriates \$4 million General Fund one-time to fund unanticipated litigation costs associated with the Venoco LLC and Rincon Island oil and gas decommissioning projects. The budget includes the following budget bill language:

Of the amount appropriated in this item, \$4 million shall be available for external counsel costs related to Venoco, LLC and Greka Oil and Gas litigation. If costs related to the Venoco, LLC and Greka Oil and Gas litigation are less than \$4 million, the savings shall revert back to the General Fund. If costs related to the Venoco, LLC and Greka Oil and Gas litigation are more than \$4,000,000, the Department of Finance may augment this item by an amount sufficient to fund the difference. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee.

3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)

- **Various Minor Projects.** The budget appropriates \$369,000 from the Fish and Game Preservation Fund-State Duck Stamp Account for minor projects in the Shasta Valley and Gray Lodge Wildlife Areas.

- **Law Enforcement Radio Replacement.** The budget appropriates \$1.6 million General Fund each year for three years, to replace vehicle-mounted and handheld radios for Wildlife Law Enforcement Division officers.
- **Nutria Eradication and Control Program.** The budget appropriates \$2 million General Fund one-time and includes 10 positions and \$1.6 million ongoing thereafter, to fund a program to eradicate nutria, a highly invasive, non-native, semi-aquatic rodent.
- **Wildfire Prevention and Recovery Legislation: Timber Harvest Plan Exemption Review (SB 901).** The budget includes 15 positions and appropriates \$3.5 million (\$1.5 million General Fund and \$2 million Timber Regulation and Forest Restoration Fund) in 2019-20, \$3 million annually through 2023-24, and \$1 million annually thereafter to implement SB 901 (Dodd), Chapter 626, Statutes of 2018.
- **Service Based Budget Review.** The budget appropriates \$2 million ELPF one-time to fund the completion of the service-based budget review, service-based budget tracking system, and final legislative report due January 15, 2021.
- **Dedicated Fish and Game Preservation Fund Realignment.** The budget includes a realignment of the Fish and Game Preservation Fund dedicated (FGPF-D) accounts and adds \$150,000 from the Fish and Game Preservation Fund, Native Species Conservation and Enhancement Account resulting in a \$2.3 million overall increase, to better align the FGPF-D account's expenditure authority with revenues, ensure the accounts remain structurally balanced, and provide resources to the DFW's Lands Visitor Pass Program.
- **Nutria Eradication and Control Program Reimbursement Grant Funding.** The budget appropriates \$9.4 million in reimbursement authority over three years for grants from the Sacramento-San Joaquin Delta Conservancy. The Water Quality, Supply, and Infrastructure Act of 2014 (Proposition 1) grants provide supplemental funding to DFW's Nutria Eradication and Control Program to expand field operations and eradicate the highly invasive, semi-aquatic rodent from the state.
- **Erskine Land Restoration.** The budget appropriates \$325,000 General Fund one-time to fulfill its contractual obligation to the United States Department of the Interior, Bureau of Land Management under an existing Recreation or Public Purposes Lease. The funding will be used to conduct remediation of the site and remove DFW from further involvement in the site, which was impacted by a wildfire in 2016.
- **Salton Sea Restoration Fund.** The budget appropriates an ongoing increased spending authority of \$324,000 from Salton Sea Restoration Fund (SSRF). Annual payments to the SSRF from the Imperial Irrigation District are scheduled through 2047 and are expected to increase annually. The increased spending authority will enable DFW to continue implementation of Salton Sea Restoration Actions described in Fish and Game Code §2932.
- **Reappropriation.** The budget includes a conference committee compromise to reappropriate \$5 million General Fund for the Winter Rice Habitat Incentive Program and budget bill language to extend the encumbrance period for three years. The original appropriation was made in the 2018 Budget Act.

- **Interlake Tunnel Fish Screens.** The budget appropriates \$17 million General Fund one-time for fish screens for a water conveyance tunnel between Lake Nacimiento and Lake San Antonio in San Luis Obispo County.

3640 WILDLIFE CONSERVATION BOARD (WCB)

- **Proposition 68.** The budget appropriates \$127 million and includes five positions for restoration and conservation projects implemented by WCB, including:
 - Lower American River Program
 - Regional Conservation Investment Strategies
 - Natural Community Conservation Planning Implementation
 - UC Natural Reserve System
 - WCB Governing Statutes
 - Pacific Flyway Habitat Protection and Restoration
 - Wildlife or Fish Passage
 - Sierra Nevada and Cascade Mountains
 - Lower American River Conservancy Program

This item was part of a larger budget change proposal, “Proposition 68 Implementation,” for the California Natural Resources Agency.

- **Habitat Conservation Fund Sunset Extension.** The budget includes trailer bill language to extend the sunset of the Habitat Conservation Fund by 10 years to January 1, 2030.

3720 CALIFORNIA COASTAL COMMISSION

- **Legal Support.** The budget appropriates \$130,000 General Fund ongoing and includes one position ongoing to address increased workload relating to recorded documents, litigation, and an increased number of Public Records Act requests.
- **Increased Lease Costs.** The budget appropriates \$1.3 million General Fund ongoing for higher rent costs in the new office location within its base budget.
- **Department of Transportation (Caltrans) Reimbursement Increase.** The budget includes a one-time increase of \$480,000 in reimbursement authority for increased reimbursements from Caltrans associated with an interagency agreement related to support of coastal transportation projects.

- **Funding Extension for Operational Costs.** The budget appropriates a continuation of \$784,000 Coastal Act Services Fund for two years (2019-20 and 2020-21) to provide funding for increased operating expenses and business services tasks.
- **Environmental Justice/Tribal Consultation Program.** The budget appropriates \$378,000 ELPF ongoing and includes two permanent positions to implement the Coastal Commission's Environmental Justice/Tribal Consultation Program.
- **External Counsel Costs.** The budget appropriates \$200,000 General Fund one-time for external counsel costs related to litigation over the Coastal Commission's provision of a defense and indemnification to commissioners in an underlying litigation related to ex parte communications and includes budget bill language, as follows:

Of the amount appropriated in this item, \$200,000 shall be available for external counsel costs related to litigation over the Commission's provision of a defense and indemnification to current and former commissioners in underlying litigation. If external counsel costs related to the litigation are less than \$200,000, the savings shall revert back to the General Fund. If external counsel costs related to the litigation are more than \$200,000, the Department of Finance may augment this item by an amount sufficient to fund the difference. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee.

3720 CALIFORNIA COASTAL COMMISSION

3820 SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

- **Coastal Adaptation.** The budget appropriates \$3.3 million GGRF to assist local governments in their sea-level rise adaptation efforts.

3760 STATE COASTAL CONSERVANCY (SCC)

- **Reserve for Grant Acceptance.** The budget includes a one-time transfer of \$10 million from the General Fund into the SCC Fund and ongoing reimbursement authority to provide a balance in the fund to pay upfront costs for various reimbursable grants that SCC receives every year from state, local, and federal agencies, as well as private entities. The funds will provide a source of upfront cash for reimbursable expenditures.
- **Appropriation from the California Sea Otter Fund for Support and Local Assistance.** The budget includes an increase of \$52,000 to the amount appropriated annually from the California Sea Otter Fund over the next five years for support and local assistance.
- **Appropriation from Violation Remediation Account for Local Assistance.** The budget appropriates \$2 million Violation Remediation Account one-time to fund coastal resource enhancement and public access projects statewide.

- **Proposition 68 Lower-Cost Coastal Accommodation Program.** The budget appropriates \$5.4 million Proposition 68 one-time for implementation of SCC's Lower-Cost Coastal Accommodation Program for grants and support.
- **Proposition 68 West Coyote Hills Conservancy Program.** The budget appropriates \$4 million Proposition 68 one-time for local assistance and support to implement the Conservancy's West Coyote Hills Conservation Program.
- **State Operations Funding.** The budget appropriates \$400,000 ELPF and \$1.1 million Proposition 1 for SCC's state operations budget.
- **Capitola Wharf in the City of Capitola.** The budget appropriates \$2 million General Fund one-time for local assistance.

3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)

- **Oceano Dunes Environmental Compliance.** The budget makes permanent \$815,000 spending authority from the Off-Highway Vehicle Trust Fund. This amount was originally approved in the Budget Act of 2017 on a one-time basis. The ongoing funding will support four positions and equipment for the environmental conservation programs and regulatory compliance mandates at Oceano Dunes State Vehicular Recreation Area in San Luis Obispo County.
- **Local Assistance, Off-Highway Vehicle Trust Fund.** The budget appropriates \$35 million in 2019-20 and 2020-21 from the Off-Highway Vehicle Trust Fund for local assistance program compliance.
- **Proposition 68.** The budget includes \$70 million Proposition 68 and fourteen new positions ongoing for improving and expanding state (\$16 million) and local parks (\$54 million). More specifically, this item includes:
 - *Positions.* Of the 14 positions for 2019-20, 13 are continuing positions that were requested and approved for 2018-19. 11 positions are under the Office of Grants and Local Services to develop the grant programs and administer funding under Proposition 68. The other two positions are administrative positions, one in the Budget Sections and the other in Accounting Services. The one "new" position is an accounting position in the payables unit; funded solely from grant allocations.
 - *Program Delivery.* Of Parks' \$70.1 million Proposition 68 items, \$3.8 million is related to program delivery. The majority of that is for OGALS program delivery and State Park System administration costs. There are small allocations for program delivery in the Nature Resources Division and Deferred Maintenance Program (DMP).
 - *Projects.* \$4 million for Enterprise Projects. Projects funded under this allocation will add revenue generating infrastructure enhancements within the identified Park Units. \$11.5 million for DMP projects. These DMP projects will come directly from Parks' list of backlogged deferred maintenance.

- *Local Assistance.* \$13.9 million in local assistance for smaller entities per capita grants, a continuing program outlined in Public Resources Code §80061(b).

This issue was approved as part of a larger BCP, “Proposition 68 Implementation” for the California Natural Resources Agency.

- **Administrative Support Staffing.** The budget appropriates \$1.7 million General Fund one-time, and \$1.6 million General Fund ongoing beginning in 2020-21, and includes 12 positions to support the increasing fiscal demands, address control agency audits, reduce backlogs, and support new and ongoing departmental operations in the Accounting Services and Business Management Services Sections.
- **California Indian Heritage Center Staffing.** The budget appropriates \$428,000 General Fund ongoing and includes three positions to patrol, maintain, and develop the California Indian Heritage Center property.
- **California Museum.** The budget appropriates \$1 million General Fund ongoing for local assistance funding to the California Museum to support the museum's mission to engage and educate the public on California history.
- **Replacement of Emergency Fleet.** The budget includes a one-time increase in spending authority of \$1.8 million General Fund in 2019-20 and \$1.7 million General Fund in 2020-21 to replace aging motorized equipment.
- **Various Capital Outlay Projects.** The budget includes \$19 million from various funds for several capital outlay projects, specified as follows:

Parks Capital Outlay Projects

Project Title	Description
Calaveras Big Trees SP: Campsite Relocation <i>(continuing project)</i>	\$1.8 million reimbursement authority for the construction phase of the Calaveras Big Trees State Park (SP): Campsite Relocation project in Calaveras County. This project includes relocation of approximately five existing campsites to a new location within the Calaveras Big Trees State Park. Estimated total project cost: \$2 million.
Colusa-Sacramento River SRA: Boat Launching Facility <i>(new project)</i>	\$397,000 Harbors and Watercraft Revolving Fund one-time for the preliminary plans phase of the Colusa-Sacramento River State Recreation Area (SRA): Boat Launching Facility project in Colusa County. This project will redesign and improve the existing boating support facilities in anticipation of the completion of a new boat ramp. The project includes replacement, relocation, and improvements to the existing boating support facilities, camping facilities, and day-use area as well as installation of utility systems and construction of road and multi-use paths. Estimated total project cost: \$6.5 million.
El Capitan SB: Entrance Improvements <i>(continuing project)</i>	\$2.6 million Proposition 84 bond funds and \$1 million in reimbursement authority for the construction phase of the El Capitan State Beach (SB): Entrance Improvements project in Santa Barbara County. This continuing project addresses safety and operational issues by including construction of an alternate safe route for pedestrians and bicyclists, increased space for today's larger vehicles on the park road and entrance area, replacement of a culvert with a bridge to allow the endangered steelhead trout a barrier free passage, and replacement of the aging and damaged entrance kiosk. Estimated total project cost: \$4.4 million.
Fort Ross SHP: Cultural Trail <i>(continuing project)</i>	\$2.5 million Proposition 40 bond funds one-time for the construction phase of the Fort Ross State Historic Park (SHP): Cultural Trail project in Sonoma County. This project includes construction of the Fort Ross Cultural Trail, adding a new trail segment to the California Coastal Trail. Estimated total project cost: \$3.4 million.
Fort Ross SHP: Visitor and Educational Improvements <i>(new project)</i>	\$3.9 million General Fund one-time for the preliminary plans phase of the Fort Ross State Historic Park (SHP): Visitor and Educational Improvements project in Sonoma County. This project includes construction of new cabin accommodations, replacement of the water treatment system, accessibility upgrades for the existing kitchen and restroom, demolition of existing cabins for tent camping, stabilization of the historic Lambing Barn, and adaptive rehabilitation of ranch era historic structures for classrooms and interpretive areas. Estimated total project cost: \$29.5 million.
Hungry Valley SVRA: 4x4 Obstacle Course Improvements <i>(continuing project)</i>	\$451,000 Off-Highway Vehicle Trust Fund for the Hungry Valley State Vehicular Recreation Area (SVRA): 4x4 Obstacle Course Improvement project in Los Angeles County. This project includes upgrade and enhancement of an existing 4x4 obstacle course at Hungry Valley SVRA. Estimated total project cost: \$567,000.
Lake Del Valle SRA: Boat Ramp Replacement <i>(continuing project)</i>	\$940,000 Harbors and Watercraft Revolving Fund for the construction phase of the Lake Del Valle State Recreation Area (SRA): Boat Ramp Replacement project in Alameda County. This project will replace an existing boat ramp, which is over 40 years old, deteriorating, and a public safety risk due to its extremely slippery surface. Estimated total project cost: \$1.2 million.

Lake Oroville SRA: Gold Flat Campground Upgrades <i>(continuing project)</i>	\$1.3 million Proposition 84 bond funds for the construction phase of the Lake Oroville State Recreation Area (SRA): Gold Flat Campground Upgrades project in Butte County. This continuing project will upgrade aged and failing infrastructure, by including replacement of the outdated electrical and water distribution systems, installation of data conduit for future use, and overlay of campground roads and campsite spurs. The project will also construct accessible campsites and accessible paths of travel and accessibility upgrades to the existing combination building. Estimated total project cost: \$1.6 million.
Oceano Dunes SVRA: Le Sage Bridge Replacement <i>(continuing project)</i>	\$97,000 Off Highway Vehicle Trust Fund for the working drawings phase of the Oceano Dunes State Vehicle Recreation Area (SVRA): Le Sage Bridge Replacement project located in San Luis Obispo County. This project includes rehabilitation of the Le Sage Bridge to provide critical structural improvements and enhanced design features for combined vehicle and pedestrian use. Estimated total project cost: \$1.2 million.
Oceano Dunes SVRA: Pismo SB Sediment Track-Out Prevention <i>(continuing project)</i>	\$95,000 Off Highway Vehicle Trust Fund for the working drawings phase of the Oceano Dunes State Vehicle Recreation Area (SVRA): Pismo State Beach (SB) Sediment Track Out Prevention project in San Luis Obispo County. This project includes construction of several dirt track-out prevention measures at park exits to help ensure that dirt from vehicles does not track-out from Oceano Dunes SVRA and Pismo SB onto public roads. Estimated total project cost: \$1.1 million.
Ocotillo Wells SVRA: Auto Shop Addition <i>(continuing project)</i>	\$1.3 million Off-Highway Vehicle Trust Fund for the construction phase of the Ocotillo Wells State Vehicle Recreation Area: Auto Shop Addition project located in San Diego County. This project will expand the existing auto shop repair facilities by including construction of an additional and larger repair bay and storage space immediately adjacent to the existing building to accommodate items in the current fleet. Estimated total project cost: \$1.5 million.
Ocotillo Wells SVRA: Holmes Camp Water System Upgrade <i>(continuing project)</i>	\$1.2 million Off-Highway Vehicle Trust Fund for the construction phase of the Ocotillo Wells State Vehicular Recreation Area (SVRA): Holmes Camp Water System Upgrade project in San Diego County. This project includes construction of a new water treatment and distribution system to meet current demand and health department standards, comply with the California Department of Health Services-Drinking Water Field Operations Branch Check List of Security Measures for Water Utilities, and provide storage and protection from the desert environment. Estimated total project cost: \$1.40 million.
Old Sacramento SHP: Boiler Shop Renovation <i>(continuing project)</i>	\$423,000 Proposition 84 bond funds for the working drawings phase of the Old Sacramento State Historical Park (SHP): Boiler Shop Renovation project located in Sacramento County. This project includes critical improvements to the historic Boiler Shop in the Downtown Sacramento Railyards. The project will address hazardous material abatement, structural seismic stabilization, and improvements to the building exterior shell, interior core improvements, and related utilities to ensure Boiler Shop is clean and safe. Estimated total project cost: \$13 million.
Pfeiffer Big Sur SP: Low-Cost Alternative Coastal Lodging <i>(continuing project)</i>	\$178,000 State Park Contingent Funds for the working drawings phase of the Pfeiffer Big Sur State Park (SP): Low-Cost Alternative Coastal Lodging project in Monterey County. This project includes construction of up to 15 new, lower-cost alternative lodging cabins along the coast to enhance visitor experience and increase visitation by non-traditional users within Pfeiffer Big Sur SP. Funds for this project will come from the California Coastal Commission (Commission) as a donation of in-lieu mitigation fees totaling \$3.5 million over the next several years. Estimated total project cost: \$3.5 million.
R.H. Meyer Memorial SB: El Matador Parking Lot	\$181,000 Proposition 40 bond funds for the working drawings phase of the R.H. Meyer Memorial State Beach (SB): El Matador Parking Lot Grading and Expansion project in Los Angeles County. This project includes increasing available parking to help reduce pedestrian and vehicle accidents, installing permanent vault toilets, repairing the beach trail, and reducing

Grading and Expansion (<i>continuing project</i>)	beach trail erosion through parking lot grading and the use of more durable yet permeable surfaces. Estimated total project cost: \$3.6 million.
San Luis Reservoir SRA: San Luis Creek Ramp Replacement and Parking Improvements (<i>continuing project</i>)	\$1.7 million Harbors and Watercraft Revolving Fund for the construction phase of the San Luis Reservoir State Recreation Area (SRA): San Luis Creek Ramp Replacement and Parking Improvements project in Merced County. This project is intended to improve visitor throughput by widening the existing two-lane boat ramp by two lanes, adding a third boarding float, and reconfiguring the parking lot. The project is also intended to upgrade outdated fish cleaning and parking lot lighting systems. Estimated total project cost: \$2 million.

- **Various Projects – Technical Adjustments.** The budget reverts unencumbered balances of existing capital outlay appropriations expiring June 30, 2019. In addition, the budget reappropriates existing capital outlay appropriations to allow for availability of funds as a contingency in case of project delays to allow for the completion of projects currently in process.
- **Project Schedule Updates.** The budget includes the withdrawal of three capital outlay projects. The following projects are delayed and do not require the originally requested funding in 2019-20: (1) Ocotillo Wells State Vehicle Recreation Area: Auto Shop Addition, (2) San Luis Reservoir State Recreation Area: San Luis Creek Ramp Replacement and Parking Improvements, and (3) Pfeiffer Big Sur State Park: Low-Cost Alternative Coastal Lodging.
- **Local Park Projects: Extensions of Liquidation and Reappropriations.** The budget includes extensions of liquidation and reappropriations of state funding for various local park projects.
- **Community Engagement Pilot Programs.** The budget appropriates \$519,000 State Parks Protection Fund annually for two years beginning 2019-20 and includes four positions to continue efforts of the Community Outreach and California Relevancy and History Pilot Programs.
- **Data Tickets Fund Shift.** The budget includes an appropriation of \$3 million State Parks and Recreation Fund ongoing, and an ongoing decrease of \$1.9 million in support reimbursement authority, starting in 2019-20 to support operating expenses associated with the parking citation processing and collection services contract from an appropriation rather than through reimbursements and a deduction of services costs from collected revenues.
- **Credit Card Processing Contract.** The budget appropriates \$4 million State Parks and Recreation Fund ongoing to support operating expenses associated with the department's credit card processing service contract.
- **Public Beach Restoration Projects.** The budget includes the following:
 - **City of San Clemente.** Appropriation of \$231,000 Public Beach Restoration Fund one-time for a local assistance grant to the City of San Clemente. This grant will fund preconstruction, engineering, and design activities for the U.S. Army Corps of Engineers' Beach Sand Replenishment Project.

- **Reimbursement Authority.** \$500,000 in reimbursement authority for contributions toward public beach restoration projects by local governments.
- **Reappropriation of Deferred Maintenance and 2017 Public Beach Restoration Funding.** Reappropriates the unencumbered balance of Control Section 6.10 deferred maintenance funding and local assistance grant funding from the Public Beach Restoration Fund.
- **Programmatic Adjustment.** A net-zero programmatic adjustment for local assistance from the Harbors and Watercraft Revolving Fund.
- **Public Safety Emergency Response.** The budget appropriates \$3.9 million General Fund one-time to enhance emergency response efforts. This funding will provide multi-band portable radios, two incident command trailers with tow-vehicles, two inflatable rescue boats and rescue paddleboards with a cargo trailer, and flame-retardant clothing.
- **Wildfire Repair and Reimbursement.** The budget includes an appropriation of \$7.9 million General Fund one-time and \$2.8 million in reimbursement authority from the State Parks and Recreation Fund to address wildlife repair costs due to the severe fire damage incurred over the last year.
- **Harbors and Watercraft Revolving Fund and State Parks and Recreation Fund Stabilization.** The budget appropriates \$35.8 million General Fund one-time and \$9.8 million ongoing in General Fund to offset the below estimate Motor Vehicle Fuel Account (MVFA) transfers to the State Parks and Recreation Fund. The budget reverts \$16.4 million from the unencumbered balance of Harbors and Watercrafts Revolving Fund (HWRF) local assistance appropriations and the transfer of \$6 million from the Public Beach Restoration Fund to HWRF to offset the reduced MVFA transfers.
- **Various Appropriations.** The 2019 Budget Act includes the following General Fund one-time appropriations:
 - **Parks and Recreation Facilities in Pico Rivera.** \$370,000 to replace a playground (\$200,000), replace the Veterans and Ladies Auxiliary Park playground (\$70,000), and replace the Smith Park Pool expansion joint and heater (\$95,000).
 - **Glassell Park Bowtie Parcel.** \$500,000 to create a conceptual plan for the Bowtie parcel, which is adjacent to the Los Angeles River, including a dedicated project manager position at Parks to coordinate the planning process.
 - **Lesbian Gay Bisexual Transgender Queer (LGBTQ) Public Spaces.** A total of \$1.1 million to support construction of two LGBTQ public spaces in San Francisco, as follows: \$1 million for renovation of Harvey Milk Plaza and \$100,000 for renovation of Eagle Plaza.
 - **Department of Parks and Recreation, Oceanography Program.** \$1.5 million for program support.

- **A.J. Padelford Park Expansion.** \$5 million to acquire 10 parcels within the vicinity of the park and demolish structures located on the properties in the City of Artesia.
- **City of San Diego, Balboa Parks Projects.** \$8.7 million, as follows: \$8.3 million for the Botanical Building renovation and \$0.4 million to complete the International Cottages.
- **Santa Paula Boys and Girls Club.** \$150,000 to improve the club.
- **Jackie Robinson Family YMCA Aquatic Center in San Diego.** \$5 million for construction of a pool and splash pad, and mechanical needs.
- **Boys and Girls Club of Stanislaus.** \$500,000 for local assistance.
- **Boys and Girls Club of Marin.** \$500,000 for local assistance.
- **Terasaki Budoken Recreation Center and Park.** \$1 million for local assistance.
- **Brook Street Park in the City of Lafayette.** \$300,000 for local assistance.
- **Dublin Sports Grounds All-Abilities Playground in the City of Dublin.** \$1.4 million for local assistance.
- **McCosker Creek Restoration and Public Access in East Bay Regional Park District.** \$4 million for local assistance.
- **Galt Walker Park Phase 2 in the City of Galt.** \$1.7 million for local assistance.
- **Liberty Station Performing Arts Building in the City of San Diego.** \$5 million for local assistance.
- **Rancho Bernardo Dog Park in the City of San Diego.** \$500,000 for local assistance.
- **Jerebek Neighborhood Park Americans with Disabilities Act Upgrades.** \$4 million for local assistance.
- **Rhodes Park in the City of Los Angeles.** \$500,000 for local assistance.
- **Costa Mesa Lions Park in the City of Costa Mesa.** \$1 million for local assistance.
- **Huntington Beach Blufftop Path.** \$1.7 million for local assistance.
- **Newport Beach Sculpture Garden.** \$500,000 for local assistance.
- **Crystal Cove Cottage Restoration in the City of Newport Beach.** \$2.9 million for local assistance.
- **Buena Park Historic Housing in the City of Buena Park.** \$500,000 for local assistance.

- **City of Rancho Cucamonga Community Dog Park.** \$3 million for local assistance.
- **Colton Area Museum in the City of Colton.** \$900,000 for local assistance.
- **Grand Terrace Playground in the City of Grand Terrace.** \$20,000 for local assistance.
- **Colton Playground in the City of Colton.** \$500,000 for local assistance.
- **Discovery Cube LA Sustainable Park in the City of Los Angeles.** \$5 million for local assistance.
- **Salinas Soccer Complex in the City of Salinas.** \$5 million for local assistance.
- **West Portal Playground in the City and County of San Francisco.** \$400,000 for local assistance.
- **Merced Heights Park in the City and County of San Francisco.** \$1.4 million for local assistance.

3810 SANTA MONICA MOUNTAINS CONSERVANCY

- **Increase in Reimbursement Authority to Accommodate a Grant from the Regional Forest and Fire Capacity Program.** The budget includes \$1.5 million in increased reimbursement authority for the conservancy to receive and award grants in accordance with the Regional Forest and Fire Capacity Program.
- **Woolsey Fire and Restoration and Recovery.** The budget appropriates \$15 million General Fund one-time and includes two positions (five-year limited-term) to cover the costs of the Woolsey Fire. The requested funding would allow the Conservancy to address safety concerns, assess the damage, and implement a restoration and recovery plan. The positions will be abolished at the end of the five-year period.
- **Tujunga Greenbelt Park in the City of Los Angeles.** The budget appropriates \$300,000 General Fund one-time for local assistance.
- **Sycamore Pocket Park.** The budget appropriates \$50,000 General Fund one-time for local assistance.

3820 SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

- **Relocation to Bay Area Metro Center.** The budget appropriates \$127,000 General Fund in 2019-20 for increased leasing costs, which increase annually thereafter, to move to the San Francisco Bay Area Metro Center Regional Headquarters building to co-locate with its regional planning partners. The budget appropriates an additional \$32,000 General Fund in 2019-20 for increased leasing costs, which increase annually thereafter, to move to the Metro Center. The budget reappropriates \$3 million General Fund, which was appropriated in the 2018 Budget Act to pay for tenant improvements and moving costs.

3825 SAN GABRIEL AND LOWER LOS ANGELES RIVER AND MOUNTAINS CONSERVANCY

- **Position to Support Lower Los Angeles River Recreation and Park District Implementation.** The budget provides authority for one additional position for the next three years to implement the Lower Los Angeles River Recreation and Park District as authorized by SB 1374 (Lara), Chapter 486, Statutes of 2016.

3840 DELTA PROTECTION COMMISSION

- **National Heritage Area Management Plan.** The budget appropriates \$200,000 ELPF one-time for consultant work to prepare several full Project Management Plans that will facilitate a Delta National Heritage Area Management Plan in support of the Delta Plan.
- **Federal Fund Item Establishment.** The budget appropriates \$1,000 to establish a federal fund item to facilitate potential receipt of future federal funds. In order to make adjustments to accommodate potential future federal funds, a federal fund item is needed in the Budget Act.

3855 SIERRA NEVADA CONSERVANCY (SNC)

- **Sierra Nevada Conservancy Fund Authority and Cash Flow Transfer.** The budget includes the following:
 - Authority of \$180,000 and reimbursement authority of \$8.3 million for the Sierra Nevada Conservancy Fund (Conservancy Fund), and two positions.
 - A reduction in its current reimbursement line item under ELPF from \$1.5 million to \$1,000 and a reduction of two positions, which functionally reflects a shift of reimbursement authority and positions from ELPF to the Conservancy Fund.
 - Initiation of a one-time cash transfer of \$1.5 million from ELPF to the Conservancy Fund, which is intended to enable SNC to cover the initial costs for projects that will ultimately be reimbursed by the grant-making entities.
 - Budget bill language enabling the Conservancy Fund authority to be used for support or local assistance.

3860 DEPARTMENT OF WATER RESOURCES (DWR)

- **Joint Operations Center Relocation.** The budget appropriates \$266,000 General Fund one-time for Department of General Services expenses related to the relocation of the state/federal Joint Operations Center to a new facility. In addition, \$256,000 State Water Project funds will be used for this purpose.
- **Central Valley Flood Protection Board (CVFPB) – Permitting and Enforcement Branch Support.** The budget includes five permanent positions and two-year limited-term reimbursable

authority of \$1.1 million, which will be reimbursed by the Sacramento Area Flood Control Agency (SAFCA). The intent is to allow the CVFPB to add a section in its Operations Branch dedicated to enforcing encroachments in conjunction with SAFCA and the US Army Corps of Engineers.

- **Continuation of California Statewide Groundwater Elevation Monitoring (CASGEM).** The budget appropriates \$2.2 million General Fund one-time and \$2 million annually thereafter to fund 6.1 existing positions and consulting costs to continue implementation of the CASGEM program, maintain and enhance the CASGEM operating system and the online system for well completion reports.
- **Perris Dam Remediation Plan.** The budget appropriates \$5 million Proposition 84 to support 7.2 existing positions to provide public access to recreation and fish and wildlife enhancement resources at Perris Dam. The total project cost is \$227.19 million. This project will also be supported by approximately \$10 million in State Water Project funds.
- **Statewide Flood Improvement Projects.** The budget appropriates \$92 million one-time (\$73 million Proposition 68 and \$19 million Proposition 1) to implement multi-benefit flood improvement projects.
- **Urban Flood Risk Reduction.** The budget appropriates \$25 million Proposition 68 one-time to implement multi-benefit urban flood risk reduction improvement projects and support existing staff and contract work needed to carry out the projects.
- **Salton Sea Reappropriation.** The budget reappropriates Proposition 1 funding for Salton Sea Management Plan state operations and capital outlay. Specifically, the reappropriation of approximately \$12.5 million from Proposition 1 will continue to support CNRA's efforts to complete programmatic permitting and planning for the Salton Sea Management Plan. The funds to be reappropriated have not been fully expended or committed due to continued efforts to receive land access rights and other delays. It is estimated that the land access will be granted to DWR in 2019. DWR is anticipating giving the order to proceed to its contractor for design and construction in May 2020. Projected completion of fund liquidation is June 2022.

This item also includes the reappropriation of \$60 million from Proposition 1 to continue support of CNRA's process to design and build projects included in the Salton Sea Management Plan. DWR will support construction of ongoing and new restoration projects included in the plan. The funds to be reappropriated have not yet been committed due to project delays and land access efforts needed for construction. A Request for Qualifications was submitted in December 2018. Land access is expected to be granted to DWR in 2019 allowing the construction process to proceed. Commitment and liquidation of funds is predicted to be complete by June 2022.

- **Dam Safety Risk Management.** The budget appropriates \$1.6 million Dam Safety Fund ongoing and six positions to incorporate Risk Informed Decision Making into the California Dam Safety Program. The budget appropriates the remaining three years of \$1.6 million annual payback of the General Fund loan made in 2017-18 (total balance of \$4.9 million from the original \$6.5 million loan) be forgiven to offset dam safety fee impacts to dam owners.

- **Open and Transparent Water Data Act (AB 1755).** The budget appropriates \$1.1 million ELPF annually for four years to implement the Open and Transparent Water Data Act (AB 1755 (Dodd), Chapter 506, Statutes of 2016). The funding will support collaboration on and periodic update of protocols for data sharing, documentation, quality control, and public access; coordinated operation, maintenance, and federation of existing portals and addition of new portals; and work with stakeholders to produce usable and useful data to inform water management decisions.
- **Urban Flood Risk Reduction (Project Adjustment).** The budget redirects \$25 million from Proposition 68 (Public Resources Code §80145 (a)(1)(A)) for a number of multi-benefit urban flood risk reduction improvement projects to instead fund the weir improvements and associated ecosystem restoration for the Oroville Wildlife Area Project. The various multi-benefit urban flood risk reduction improvement projects will be instead funded by other available bond funds.
- **Atmospheric Rivers Research.** The budget appropriates \$9.3 million General Fund one-time for the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program at DWR for research to improve observations, forecasts, and decisions support of atmospheric river precipitation events.
- **Agoura Hills Stormwater Treatment in the City of Agoura Hills.** The budget appropriates \$1 million General Fund one-time for local assistance.
- **Water System Needs Assessment Program.** The budget appropriates \$800,000 General Fund one-time for the Water Replenishment District of Southern California.

3860 DEPARTMENT OF WATER RESOURCES (DWR)**3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)**

- **Making Water Conservation a California Way of Life (AB 1668 and SB 606).** The budget appropriates the following resources to implement AB 1668 (Friedman), Chapter 15, Statutes of 2018, and SB 606 (Hertzberg), Chapter 14, Statutes of 2018. Specifically, this appropriation includes:
 - DWR: \$5.1 million General Fund in 2019-20, \$2 million in 2020-21 and 2021-22, \$1.7 million in 2022-23, and \$1.5 million annually thereafter to support six existing positions (three positions in the first year) and contract funds.
 - SWRCB: \$2.7 million General Fund in 2019-20 and \$717,000 annually thereafter to support four permanent positions and one-time contracts.

3885 DELTA STEWARDSHIP COUNCIL (DSC)

- **Technical Change – Extension of Liquidation.** The budget includes an extension of liquidation to June 30, 2021, for \$1.1 million General Fund (approved as a part of the 2016 Budget Act) to review the Delta Plan and develop high-priority Delta Plan amendments, where necessary. The funds have been encumbered but not expended due to the DSC's reprioritization of workload resulting from unanticipated covered action appellate proceedings.

Supplemental Reporting**3540 CalFire**

- **Item 3540-001-0001: CalFire Assessment.** By April 1, 2020, CalFire, in coordination with the Governor's Office of Emergency Services, shall submit to the fiscal committees of the Legislature and the Legislative Analyst's Office an assessment of existing state, mutual aid, and federal fire response capacity; gaps in capacity; and where additional resources would be most beneficial.

3790 Parks

- **Item 3790-001-0001: Parks Wildfire Repair.** By April 1, 2020, Parks shall submit to the budget committees of both houses of the Legislature and to the Legislative Analyst's Office a report on the use of funds provided for the repair of damage at Leo Carillo State Park and Malibu State Beach from the Woolsey Wildfire.

Natural Resources Budget Bill and Trailer Bills

1. *Budget Act of 2019 – AB 74 (Ting), Chapter 23, Statutes of 2019.*
2. *Budget Act of 2019 – SB 109 (Committee on Budget and Fiscal Review), Chapter 363, Statutes of 2019.*
3. *Wildfire Agencies: Public Utilities: Safety and Insurance – AB 111 (Committee on Budget), Chapter 81, Statutes of 2019.*
4. *Resources – SB 85 (Committee on Budget and Fiscal Review), Chapter 31, Statutes of 2019.*

ENVIRONMENTAL PROTECTION

0555 SECRETARY FOR ENVIRONMENTAL PROTECTION (CalEPA) AND VARIOUS DEPARTMENTS

- **Various Technical Adjustments.** The budget includes various technical adjustments, reappropriations, and baseline appropriation adjustments to continue implementation of previously authorized programs. This includes 22 positions for AB 617 (C. Garcia), Chapter 136, Statutes of 2017, implementation at the Air Resources Board for a two-year limited-term basis.
- **Aligning Expenditures with Revenues.** The budget decreases Item 0555-001-0028 by \$1 million to reflect updated revenue projections for the Unified Program Account. This one-time reduction in expenditure authority is necessary given a delay in the collection of planned fee increased. Once fees are fully implemented, revenues are expected to cover the cost of the program by 2020-21.
- **Process Improvement Positions.** The budget appropriates \$985,000 General Fund ongoing and six positions to provide a wide variety of process improvements that will benefit the CalEPA boards, departments, and offices. These positions are intended to provide strategic planning leadership, improve internal and external communications, and enhance the coordination of departmental policies at the Agency level.

3900 AIR RESOURCES BOARD (ARB)

- **Wildfire Prevention and Recovery Legislation: Prescribed Fire Monitoring Program (SB 1260).** The budget appropriates \$3.4 million Greenhouse Gas Reduction Fund (GGRF) and includes five positions to address workload associated with implementation of SB 1260 (Jackson), Chapter 624, Statutes of 2018, including smoke monitoring, forecasting, reporting, and modeling capabilities to support a significant increase in prescribed burn projects. These funds include \$595,000 in one-time equipment costs and \$2 million for three years in local assistance funding.
- **California Clean Miles Standard and Incentive Program (SB 1014).** The budget adds one permanent position, and appropriates \$91,000 Air Pollution Control Fund (APCF) in 2019-20 and \$181,000 in 2020-21, to develop and implement the requirements of SB 1014 (Skinner), Chapter 369, Statutes of 2018.
- **Increase Grants for Truck Loan Program.** The budget appropriates \$19.4 million Air Quality Improvement Fund one-time for the Air Quality Improvement Program grant program. This adjustment increases total local assistance authority for the truck loan program to \$48 million in 2019-20.
- **Truck and Bus Regulation Compliance Certification (SB 1).** The budget appropriates \$1.9 million from various state transportation-related funds (State Transportation Fund: (1) State Highway Account, (2) Road Maintenance and Rehabilitation Account, and (3) Trade Corridor

Enhancement Account) and includes 15 positions for three years, and \$195,000 and one position ongoing thereafter to implement SB 1 (Beall), Chapter 5, Statutes of 2017.

- **Reappropriation.** The budget reappropriates the unexpended balance in Item 3900-101-3228, Budget Act of 2017. This funding supports existing zero-emission off-road freight projects.
- **Extension of Liquidation.** The budget includes Item 3900-491 to extend the period to liquidate encumbrances in Item 3900-101-3228, Budget Act of 2014 and Item 3900-101-3228, Budget Act of 2016 to June 30, 2022. This funding supports existing advanced technology freight demonstration projects.
- **Increased Litigation Costs.** The budget appropriates \$1 million APCF to reimburse the Attorney General's Office for the defense of civil lawsuits brought against ARB and for the enforcement cases brought by ARB to address statutory and regulatory violations.
- **Evaluation and Approval of Innovative Freight Technologies.** The budget appropriates \$1.3 million APCF for three years and seven permanent full-time positions to meet existing regulatory, planning, and incentive commitments for innovative technologies to cut emissions from freight equipment such as ships, locomotives, harbor craft, cargo-handling equipment, and transport refrigeration units.
- **Heavy-Duty Phase 2 Greenhouse Gas Implementation and Audit Program.** The budget appropriates \$1.9 million APCF and includes 10 positions phased in over three years to review and certify medium and heavy-duty engines, vehicles, and trailers to the newly adopted California Phase 2 Greenhouse Gas Regulations. Associated trailer bill language expands ARB's authority to collect certification fees.
- **Community Emission Reduction Program.** The budget includes trailer bill language, which specifies that GGRF resources appropriated for projects to reduce mobile and stationary sources of criteria air pollutants are consistent with the community emissions reductions programs. In addition, the budget requires these resources complement and further the rules and regulatory requirements established by ARB and local air districts.
- **Independent Emissions Market Advisory Committee (IEMAC): Bagley-Keene Act.** The budget includes trailer bill language, which exempts the members of the IEMAC from the Bagley-Keene Act prohibition on serial conversations in order to provide them greater flexibility to communicate with each other when analyzing the effectiveness of the Cap-and-Trade program.
- **IEMAC Legislative Analyst's Office: Nonvoting Member.** The budget includes trailer bill language, which specifies that the IEMAC member representing the Legislative Analyst's Office is a nonvoting member.

3930 DEPARTMENT OF PESTICIDE REGULATION (DPR)

- **Pesticides: School sites (AB 2816).** The budget adds one permanent Environmental Scientist position and appropriates \$136,000 DPR Fund annually for two years to implement AB 2816

(Muratsuchi), Chapter 720, Statutes of 2018. AB 2816 requires DPR to submit a report to the Legislature, by January 1, 2021, to evaluate the implementation and the effect of the implementation of the Healthy Schools Act (HSA) and provide recommendations to improve the implementation and efficacy of the HSA.

- **Information Security Team.** The budget appropriates \$446,000 DPR Fund and includes three positions in 2019-20 and \$646,000 for ongoing costs annually thereafter. These resources will support additional information technology security and administrative needs.

3930 DEPARTMENT OF PESTICIDE REGULATION (DPR)

8570 CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

- **Transitioning to Safer, More Sustainable Pest Management Solutions (Pest Management Research Grants).** The budget appropriates the following to assist with the transition to safer, more sustainable pest management solutions:
 - \$2.3 million General Fund one-time to DPR to contribute additional resources to the Pest Management Research Grant Program and facilitate a cross-sector work group that will identify, evaluate, and develop safer practical, and more sustainable alternative pest management tools for California growers.
 - \$3.5 million General Fund one-time to CDFA to supplement CDFA's Pesticide Alternatives Grant program and to revitalize the Biologically Integrated Farming Systems Program to provide training and demonstration projects for Integrated Pest Management.

The funds are available for encumbrance or expenditure until June 30, 2022, in recognition of the long-term nature of research grant projects and to accommodate terms of the Model Contract Language between the state and the University of California.

3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

- **Safe and Affordable Drinking Water.** The budget includes the following:
 - \$100 million GGRF and \$30 million General Fund to the Safe and Affordable Drinking Water Fund as established in SB 200 (Monning), Chapter 120, Statutes of 2019, which provides funding for local water systems to ensure an adequate and affordable supply of safe drinking water in both the near and long-term; and \$3.4 million General Fund to SWRCB for administrative costs.
 - Trailer bill language dedicates five percent of the GGRF annual appropriation (with a cap of \$130 million), which begins in 2020-21 and sunsets in 2030, for safe drinking water and provides a General Fund backstop for the Safe Drinking Water Fund should the five percent of GGRF fall below \$130 million beginning in 2023-24.
- **Lead Exposure: Child Day Care Facilities (AB 2370).** The budget adds one permanent full-time position, and appropriates \$350,000 General Fund to do the following: (1) collaborate with the Department of Social Services in the development of lead regulations for day care facilities, develop and implement guidance documents for day care facilities, parents and staff for sampling

protocol, create means for the electronic submittal of lead data and provide a response to lead level exceedances, (2) create a database for day care facilities, review facilities that have not reported lead levels to the SWRCB database or that have elevated lead levels and convey said information to the Department of Social Services, and (3) ensure compliance for all day care facilities and respond appropriately for facilities that exceed appropriate lead standards. AB 2370 (Holden), Chapter 676, Statutes of 2018, requires licensed child day care facilities to, upon enrolling any child, provide parents or guardians with certain written information related to the risks and effects of lead exposure and blood lead testing recommendations and requirements, and subjects certain child day care centers to specified requirements related to testing drinking water for lead contamination levels.

- **Timber Regulation and Forest Restoration Local Assistance Program.** The budget includes continued spending authority of \$1 million from the Timber Regulation and Forest Restoration Fund for 2019-20 for local assistance grants to implement forest restoration as provided for in AB 1492 (Blumenfield), Chapter 289, Statutes of 2012.
- **Administrative Hearings Office (AHO) (AB 747).** The budget appropriates a total of \$2.2 million ongoing from the Water Rights Fund (\$1.7 million) and the General Fund (\$572,000) to support nine permanent positions to establish an AHO, which will provide administrative hearing officers and support staff to preside over administrative hearings in water right enforcement actions and prepare proposed decisions, pursuant to AB 747 (Caballero), Chapter 668, Statutes of 2018.
- **Drinking Water System Sanitary Survey.** The budget includes six additional permanent positions and appropriates \$1.1 million from the Safe Drinking Water Account (SDWA) to increase staffing in the Northern and Southern California Field Operations Branches to resolve the backlog of sanitary surveys (i.e. water system inspections). Though the Division of Drinking Water (DDW) has continued to improve its rate of sanitary survey completion, it continues to have a backlog in federally mandated water system sanitary surveys, including small water systems in severely disadvantaged communities. These six positions are intended to increase the number of federally mandated sanitary surveys completed annually.
- **Microplastics in Drinking Water: Testing in Drinking Water (SB 1422).** The budget appropriates \$1.1 million Environmental License Plate Fund (ELPF) in 2019-20, followed by \$175,000 SDWA for three years, to implement SB 1422 (Portantino), Chapter 902, Statutes of 2018, which among other things, requires SWRCB to define microplastics in drinking water and develop testing protocol for microplastics in drinking water.
- **Nonpotable Reuse Water Systems (SB 966).** The budget appropriates \$924,000 General Fund, as follows:
 - \$500,000 General Fund one-time in contracting costs to form an expert panel to develop risk-based log reduction targets for removal of pathogens to protect public health.
 - \$424,000 ongoing to fund one Senior Water Resources Control Engineer (WRCE) position and one WRCE position to do the following: administer and supervise the expert panel, consult with other agencies and states on a technical risk-based framework development, develop and adopt detailed regulations required per SB 966 (Wiener), Chapter 810, Statutes

of 2018, develop and implement the new program statewide, and provide technical assistance to local jurisdictions across the state. After the program is developed, the two positions are intended to review monitoring reports, assist local jurisdictions with highly technical issues, and conduct enforcement actions needed statewide.

- **Sewer Service Provision for Disadvantaged Communities (SB 1215).** The budget adds three initial permanent positions and includes \$525,000 Waste Discharge Permit Fund (WDPF) spending authority annually in 2019-20, six additional permanent positions and \$1.61 million WDPF spending authority ongoing to implement SB 1215 (Hertzberg), Chapter 982, Statutes of 2018.
- **State Administrators Consolidation (AB 2501).** The budget appropriates \$730,000 General Fund to support four permanent positions to address the greatly expanded number of potential consolidation cases that will occur. This includes \$419,000 ongoing to support two permanent positions for DDW to conduct necessary review and casework for each new consolidation or administrator appointment, and \$311,000 ongoing to support two permanent positions for the Office of Public Participation to coordinate associated public outreach efforts.
- **Wildfire Prevention and Recovery Legislation: Review of Timber Harvest Plan Exemptions and Utility Corridor Vegetation Management Permitting (SB 901).** The budget adds 22 permanent positions and \$4.4 million (\$2.6 million General Fund and \$1.8 million Waste Discharge Permit Fund) in 2019-20, \$4.1 million in 2020-21, \$3.5 million annually through 2023-24, and \$1.8 million annually thereafter to address workload associated with implementation of SB 901 (Dodd), Chapter 626, Statutes of 2018, including:
 - Field inspections and enforcement due to the newly authorized road building activities without prior regulatory review or oversight under the newly revised Forest Fire Prevention Exemption.
 - New workload associated with conducting inspections and enforcement of timberlands harvested under the Small Timberland Owner exemption.
 - Creation or modification and enforcement of various timber, fire, and vegetation management plans.
 - Increased engagement in revised Board of Forestry rulemaking proceedings that may now occur continually throughout the year.
 - Development, implementation, and enforcement of a statewide utility corridor vegetation management permit.

The budget includes trailer bill language to require SWRCB, DFW, and CalFire to collaborate on fuel reduction project selection, and the design of project activities to ensure protection of water and wildlife habitat values while addressing fire behavior and public safety.

- **Orphan Site Cleanup Fund Grants.** The budget appropriates \$10 million Petroleum Contamination Orphan Site Cleanup Fund one-time for orphan site cleanup grants.

- **Technical Adjustment: Safe Drinking Water Acceleration.** The budget decreases Item 3940-101-0001 by \$20 million to reflect the changes made in AB 72 (Committee on Budget), Chapter 1, Statutes of 2019, which accelerated local assistance funding into the current year to address emergency drinking water needs.
- **Emergency Response Program.** The budget appropriates \$1.1 million General Fund ongoing and adds six permanent positions to establish an emergency preparedness and response unit needed to improve the capabilities of SWRCB and the nine regional water quality control boards to prepare for and respond to disasters.
- **Inyo County Primacy Delegation Revocation.** The budget appropriates \$386,000 SDWA ongoing and adds two permanent positions for SWRCB to assume regulatory responsibility for federal Safe Drinking Water Act requirements in Inyo County. This funding enables the state to provide regulatory oversight of public small water systems in Inyo County.
- **Drinking Water Drought Relief.** The budget appropriates \$2.5 million General Fund one-time to continue funding for the placement and filling of temporary water tanks for households that have lost their water supply because of a dry well.
- **Safe and Clean Drinking Water for the Southern Central Valley.** The budget appropriates a total of \$12.5 million General Fund one-time, as follows:
 - \$3 million for the City of Sanger to repair a water tank and Well 16.
 - \$1 million to connect Tombstone to Sanger’s centralized water system.
 - \$2.5 million for a new water and tertiary treatment plant for Tulare County.
 - \$1 million to repair water systems in Fresno and Tulare Counties to improve access to water in cities like Oroshi and Del Rey.
 - \$1.5 million for the Selma Storm Drain (storage and recharge) Project, Selma Rockwell Pond Groundwater Recharge Project, and the Selma Branch Canal Multi-Use Trail.
 - \$1 million to replace Water Well #21 in the City of Dinuba.
 - \$2.5 million to bring communities into compliance with safe drinking water standards and remove arsenic from water in communities like Alpaugh in Tulare County and Arvin in Kern County.
- **Emergency Drinking Water.** The budget appropriates \$13 million General Fund one-time for interim water storage provisions, planning costs for recovery due to wildfires, and emergency funding to water and wastewater treatment service providers serving disadvantaged communities.
- **Well No. 2 and Manganese Treatment in County of Ventura District No. 19.** The budget appropriates \$2.65 million General Fund one-time for local assistance.

- **City of Avalon Fuel Tank Replacement.** The budget appropriates \$500,000 General Fund one-time for local assistance.
- **Bond Technical Adjustments.** The budget includes technical bond adjustments, such as new appropriations, re-appropriations, reversions, and re-directions for various bond-funded programs.

3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)

- **Increased Exide Residential Cleanup Costs.** The budget provides a loan of \$24.5 million from the General Fund to the Toxic Substances Control Account (TSCA) to complete cleanup activities at residences, schools, parks, day care centers, and child care facilities near the Exide Technologies, Inc. lead-acid battery recycling facility in the City of Vernon.
- **Acceleration of Additional Cleanup from Exide Technologies Facility.** The budget provides a loan of \$50 million from the General Fund one-time to TSCA to accelerate the cleanup of additional properties within 1.7 miles of the Exide Technologies facility in Vernon by June 30, 2021. The budget includes trailer bill language that specifies purposes for which the loan may be used, including cleanup and investigation of properties contaminated with lead, job-training activities related to the cleanup and investigation, and actions to pursue all available remedies against potential responsible parties.
- **Argonaut Dam Phase II Stormwater Upgrade Project.** The budget appropriates \$750,000 General Fund one-time to complete the design of a stormwater system upgrade project in the City of Jackson in Amador County.
- **Information Technology Security Software.** The budget appropriates \$452,000 (\$226,000 Hazardous Waste Control Account [HWCA] and \$226,000 TSCA) in 2019-20 and \$555,000 HWCA and TSCA (\$277,500 each) ongoing thereafter to purchase and install security software to remain compliant with the Department of Technology and state regulations and remediate information security risks.
- **Cost Recovery Management System Information Technology Project.** The budget appropriates \$2.6 million one-time split evenly between HWCA and TSCA (\$1.3 million each) in 2019-20 and four positions, including funding for two positions for two years, for the planning and project implementation phases of the Cost Recovery Management System information technology platform upgrade project. The budget includes budget bill language that releases \$2.3 million of the funding contingent on: (1) Project Approval Lifecycle documents by the California Department of Technology and the Department of Finance, and (2) written notification to the Joint Legislative Budget Committee that the project received these approvals.
- **Base Funding to Maintain Operations.** The budget appropriates \$27.5 million General Fund in 2019-20 and \$18.5 million General Fund in 2020-21 to backfill HWCA.
- **Reappropriation.** The budget reappropriates \$2 million General Fund to provide a local assistance grant to convert the Laguna Nueva School site into a park. The reappropriation enables the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy to purchase land

owned by Montebello Unified School District in the City of Commerce for the purposes of creating a new public park. The original appropriation was included in the 2017 Budget Act.

3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CaIRECYCLE)

- **Information Security Office Staffing.** The budget appropriates \$304,000 from various special funds and adds two permanent, full-time positions to respond to increasing state information security mandates and to address the increased workload of security audits.
- **2020 Statewide Waste Characterization Study.** The budget appropriates \$985,000 Integrated Waste Management Account one-time for a waste characterization study during calendar year 2020. Of the total, \$715,000 is allocated to characterize and quantify the types and amounts of materials disposed in processing, transfer, and disposal facilities statewide, and \$270,000 is allocated to characterize and quantify the types and amounts of targeted materials generated by targeted sectors.
- **Administrative Support Workload.** The budget appropriates \$241,000 from various special funds and adds two permanent positions to meet increased workload in the Human Resource Program to administer the hiring and recruitment program for increased staffing needs and to ensure fair and equal hiring.
- **Food Service Packaging (SB 1335).** The budget appropriates \$152,000 Integrated Waste Management Fund and adds one permanent full-time position to implement the Sustainable Packaging for the State of California Act of 2018 (SB 1335 (Allen), Chapter 6, Statutes of 2018).
- **Pharmaceutical and Sharps Waste Stewardship Program.** The budget appropriates \$1.4 million, and \$1.2 million ongoing beginning in 2022-23, from the Pharmaceutical and Sharps Stewardship Fund, and adds 10 positions to implement SB 212 (Jackson), Chapter 1004, Statutes of 2018.
- **Reappropriation.** The budget reappropriates up to \$4.2 million and provides an extended encumbrance and liquidation period for funding that was originally approved in the 2017 Budget Act and reappropriated in the 2018 Budget Act to implement the requirements for the closure and post-closure maintenance of the inactive Bonzi Landfill.
- **Emergency Debris Cleanup and Recovery.** The budget appropriates \$2.8 million 2019-20 and \$3.4 million ongoing thereafter to support 21.5 permanent positions for dedicated staffing resources and department infrastructure to provide emergency debris removal services upon request from the Governor's Office of Emergency Services.
- **Temporary Assistance for Certified Recycling Centers.** The budget includes trailer bill language, which authorizes CalRecycle to expend up to \$5 million from the Penalty Account in the Beverage Container Recycling Fund in order to provide temporary assistance to certified recycling centers. Specifically, the language authorizes the department to pay a monthly supplemental payment of \$1,000 per month to each low-volume recycler from July 1, 2019 through June 30, 2020.

3980 OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT (OEHHA)

- **Environmental Health Support for Communities (AB 617).** The budget appropriates \$982,000 GGRF (including \$350,000 for contracts) and adds four permanent positions to support ARB, local air districts, and impacted communities to implement AB 617 (C. Garcia), Chapter 136, Statutes of 2017. AB 617 specifies several requirements for ARB related to the reporting of criteria air pollutants emissions and toxic air contaminants, air pollutant monitoring, a statewide strategy to reduce emissions, as well as related requirements for air quality control districts.
- **Litigation Costs (Proposition 65).** The budget appropriates an additional \$500,000 General Fund ongoing to pay for defense of civil lawsuits brought against OEHHA, primarily but not limited to its actions as lead agency for purposes of the Safe Drinking Water and Toxics Enforcement Act of 1986 (commonly referred as Proposition 65).

3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)**4265 DEPARTMENT OF PUBLIC HEALTH (DPH)**

- **Increased Drinking Water Laboratory Services.** The budget appropriates \$837,000 in 2019-20 and \$782,000 ongoing thereafter from the SDWA to fund four positions and laboratory equipment under an interagency agreement between SWRCB and DPH to meet the primacy agreement with the US Environmental Protection Agency and, in support of those activities, meet new laboratory standards.

GREENHOUSE GAS REDUCTION FUND (GGRF): CAP-AND-TRADE SPENDING PLAN

- The budget includes \$1.4 billion GGRF discretionary funding (also known as the Cap-and-Trade Spending Plan) in 2019-20 as follows:
 - Low carbon transportation \$485 million
 - Air toxic and criteria air pollutants \$275 million
 - Healthy forests \$220 million
 - Climate smart agriculture \$127 million
 - Integrated climate action: Mitigation & resilience \$109 million
 - Safe drinking water \$100 million
 - Workforce training \$35 million
 - Short-lived climate pollutants \$26 million
 - Climate and clean energy research \$10 million

More specifically, the discretionary spending plan is as follows:

2019-20 GGRF Discretionary Spending Plan

Investment Category	Program	Department	Conference Compromise (in millions)
Air Toxic and Criteria Air Pollutants	AB 617 - Community Air Protection	ARB	245
	AB 617 State and Local Implementation Costs	ARB	20
	Technical Assistance to Community Groups	ARB	10
Low Carbon Transportation	Clean Vehicle Rebate Project	ARB	238
	Clean Trucks, Buses & Off-Road Freight Equipment	ARB	182
	Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	ARB	65
Healthy Forests	Healthy & Resilient Forests (SB 901)	CalFire	165
	Prescribed Fires & Fuel Reduction (SB 901)	CalFire	35
	Wildland-Urban Interface (WUI) and Other Fire Prevention Activities	CalFire	10
	Urban Forestry	CalFire	10
Climate Smart Agriculture	Agricultural Diesel Engine Replacement & Upgrades	ARB	65
	Healthy Soils	Food & Agriculture	28
	Methane Reduction	Food & Agriculture	34
Short-Lived Climate Pollutants	Waste Diversion/Recycling Infrastructure	CalRecycle	25
	HFC Refrigerants	ARB	1
Climate Mitigation & Resilience	Coastal Resilience/Adaptation	Various	3
	Transformative Climate Communities	Strategic Growth Council	60
	Urban Greening	Natural Resources Agency	30
	Energy Corps	Conservation Corps	6
	Low-Income Weatherization	Community Services and	10
Climate & Clean Energy Research and technical assistance to disadvantaged communities	Climate and Energy Research	Strategic Growth Council	5
	A study on the Transition to a Carbon-Neutral Economy Study and a study on identifying top strategies to reduce emissions from the transportation sector.	CalEPA	3
	Technical Assistance to Disadvantaged Communities	Strategic Growth Council	2
Workforce Training	Apprenticeships for a Green Economy	Workforce Development	35
Safe Drinking Water	Safe Drinking Water	Resources Control Board	100
TOTAL			\$1,387

- **Provisional Language.** The budget includes budget bill language related to GGRF, as follows:
 - **Low Carbon Transportation.**
 - Pilot projects, demonstration projects, commercial projects and ports are eligible for low carbon transportation funding;
 - \$1.5 million is allocated for a study to identify strategies to significantly reduce emissions from vehicles and to achieve carbon neutrality in the sector;

- \$1.5 million is allocated for a study to identify strategies to decrease demand and supply of fossil fuels, while managing the decline of fossil fuel use in a way that is economically responsible and sustainable;
- **Fully Automated Handling Equipment.** Certain funding shall not be allocated for the purchase of fully automated cargo handling equipment; and,
- **AB 617.** The 2019 Budget Act adopts trailer bill language that codifies AB 617 provisions previously in budget bill language and requires ARB to report annually on the projects funded.
- **Wildland-Urban Interface (WUI) and Other Fire Prevention Activities.** A total of \$10 million for WUI and other fire prevention activities, as follows:
 - **Fire Outreach and Extension Program.** \$1 million to create a new fire outreach and extension program that would consist of 17 fire extension advisors located in selected counties.
 - **Training to Local Planners.** \$300,000 to reimburse counties for providing training to local planners on land use planning issues in the wildland urban interface.
 - **Best Practices Reflected in Local Planning.** \$250,000 to the Office of Planning and Research to inventory and publish on its website best practices reflected in local planning ordinances and enforcement practices undertaken at the local level in the wildland urban interface.
 - **Fire Prevention and Preparedness Community Action.** \$6 million for a block grant to county groups to support implementation of fire prevention and preparedness community action in collaboration with University of California fire advisors, resource conservation districts, and others.
 - **Evacuation Routes.** \$2.5 million to reimburse counties for maintenance of evacuation routes during emergencies. It is the intent of the Legislature that counties should develop standards for these evacuation routes as well as create and maintain signage and other necessities.
- **Authority to Reduce Allocations.** Department of Finance has the authority to reduce allocations for certain programs, while maintaining budgeted funding levels for other programs to ensure that funding for certain programs is prioritized and would be cut last in a shortfall scenario.

Supplemental Reporting

3900 Air Resources Board

- **Item 3900: Forest Offset Protocol.** On or before January 10, 2020, ARB shall report to the Legislature on how it estimates greenhouse gas reductions for the purposes of determining the number of offset credits issued under the U.S. Forest Offset Protocol.

- **Item 3900-001-3228: AB 617 Implementation.** On or before April 1, 2021, ARB, in consultation with the Department of Finance, shall report to the fiscal committees of both houses and the Legislative Analyst's Office on its costs to implement AB 617 (C. Garcia), Chapter 136, Statutes of 2017. This report may be submitted as part of a Budget Change Proposal or Spring Finance Letter, if ARB is requesting to extend funding for staff.

Environmental protection budget bill and trailer bills

1. *Budget Act of 2019 – AB 74 (Ting), Chapter 23, Statutes of 2019.*
2. *Budget Act of 2019 – SB 109 (Committee on Budget and Fiscal Review), Chapter 363, Statutes of 2019.*
3. *Wildfire Agencies: Public Utilities: Safety and Insurance – AB 111 (Committee on Budget), Chapter 81, Statutes of 2019.*
4. *Resources – SB 85 (Committee on Budget and Fiscal Review), Chapter 31, Statutes of 2019.*

ENERGY AND UTILITIES

3360 CALIFORNIA ENERGY COMMISSION (CEC)

The budget provides the CEC with \$399.6 million, for 659 positions, from a variety of special funds. This includes:

- **Energy Resources Program Account (ERPA).** The budget includes a series of actions to reduce the ERPA structural deficit by \$8.5 million in 2019-20, \$9.4 million in 2020-21, and a \$10.5 million in 2021-22. These actions are:
 - Shifting 11 positions from ERPA to the Alternative and Renewable Fuel and Vehicle Technology Fund (ARFVTF) for a reduction of \$1.65 million.
 - Shifting seven enforcement and compliance positions from ERPA to the Appliance Efficiency Enforcement Subaccount (AEES) for a reduction of \$1.05 million.
 - Shifting seven existing ERPA staff supporting the renewables program to the Renewable Resource Trust Fund (RRTF) for a reduction of \$1.05 million.
 - Phasing out the Proposition 39 Program. Eliminating nine positions and reducing contract authority by \$0.7 million for a total reduction of \$2.08 million in 2019-20, six positions and \$1 million in 2020-21, and seven positions and \$0.3 million in contract authority for a total of \$1 million in 2021-22. This reduction is consistent with existing law and workload related to Proposition 39.
 - Eliminating 15 ERPA-funded positions supporting thermal power plant siting and transmission planning for a reduction of \$2.25 million.
 - Shifting 14 staff and \$0.2 million in contract funding from the RRTF and ERPA to PUCURA for a reduction of \$2 million. These resources will support the administration of the New Solar Homes Partnership program through 2021-22. Thereafter, one position will be needed for 2022-23.
 - Shifting seven staff responsible for administration of the Solar Equipment Listing from the RRTF to PUCURA and Reimbursements, shifting \$0.1 million in ERPA contract dollars, for an RRTF and ERPA reduction of \$1 million and a PUCURA cost of \$1 million. Funding for the Solar Equipment Lists will be provided through an interagency agreement between the CEC and CPUC, funded with PUCURA at the CPUC and as reimbursements to CEC.
 - Authorizing one new position and \$0.2 million from PUCURA and reimbursements via an interagency agreement with CPUC.
 - Approving Supplemental Reporting Language requiring the CEC to develop options to fully address ERPA's structural deficit.

- **AB 2127.** The budget provides \$283,000 ongoing for two positions from the Alternative and Renewable Fuel and Vehicle Technology Fund to implement AB 2127 (Ting), Chapter 365, Statutes of 2018.
- **SB 100.** The budget provides five permanent positions and \$739,000 from the Cost of Implementation Account (COIA) to implement the provisions of SB 100 (De León), Chapter 312, Statutes of 2018.
- **SB 1000.** The budget provides one position and \$150,000 from the Alternative and Renewable Fuel and Vehicle Technology Fund (ARFVTF) to implement SB 1000 (Lara), Chapter 368, Statutes of 2018.
- **AB 3232.** The budget provides one permanent position and \$220,000 from the COIA to implement provisions in AB 3232 (Friedman), Chapter 373, Statutes of 2018.
- **Commercial Energy Use Surveys.** The budget provides \$529,000 from the Petroleum Violation Escrow Account. This is an augmentation to the \$13 million provided last year to conduct the commercial energy use surveys that are required to be completed every four years.
- **AB 109.** The budget includes budget bill language to reappropriate the unencumbered balance (approximately \$10 million) of \$64 million in Greenhouse Gas Reduction Fund funding appropriated pursuant to AB 109 (Ting), Chapter 249, Statutes of 2017. The language would make the funds available for encumbrance or expenditure until June 30, 2020 and available for liquidation until June 30, 2024.

8660 CALIFORNIA PUBLIC UTILITIES COMMISSION (PUC)

The 2019-20 budget provides \$1.7 billion for the PUC from a variety of special funds. This includes funding for:

- **California LifeLine.** The budget includes \$426.1 million for local assistance and \$27.9 million for state operations for the California LifeLine Program.
- **Utility Bankruptcy.** The budget includes \$28 million from the PUCURA for a legal services contract to represent ratepayers' interests as PG&E goes through bankruptcy proceeding. Also, the budget adopts budget bill language to make this appropriation available for encumbrance until June 30, 2022, and liquidation until June 30, 2024.
- **California's Energy Future.** The budget provides eight positions in the Safety and Enforcement Division, four attorney positions, four positions for policy work, and \$38 million for contracting for utility safety, wildfire preparedness, and policy development.
- **SB 901.** To implement SB 901 (Dodd), Chapter 626, Statutes of 2018, the budget provides 11 positions for the Safety and Enforcement Division and four positions for the Office of the Safety Advocate. The budget also provides ongoing funding for two positions in the Enforcement Division, 11 positions in the Administrative Law Judge Division, and six positions for Legal, as well as \$125,000 in contract funding.

- **AB 3232.** The budget provides \$1.2 million (\$3.2 million beginning in 2020-21) from the PUCURA to implement AB 3232 (Friedman), Chapter 373, Statutes of 2018 and SB 1477 (Stern), Chapter 378, Statutes of 2018. The request includes funding for 5.5 permanent positions; one limited-term Administrative Law Judge II position for two years; and \$2.0 million annually for four years (beginning in 2020-21) for consulting services to measure the effectiveness of building electrification technologies.
- **SB 1339.** The budget provides 10.5 three-year limited-term positions, and nearly \$2.0 million from the PUCURA, to implement SB 1339 (Stern), Chapter 566, Statutes of 2018.
- **SB 237.** The budget provides one permanent position, one-year limited-term funding for one position, and \$200,000 for one-time consulting services for a total of \$545,000 PUCURA to address the requirements of SB 237 (Hertzberg), Chapter 600, Statutes of 2018.
- **SB 1131.** The budget provides one permanent position, three-year limited-term funding for three positions, and \$789,000 from the PUCURA to revise and implement changes to the energy efficiency custom project program as directed by SB 1131 (Hertzberg), Chapter 562, Statutes of 2018.
- **SB 1376.** The budget provides \$987,000 from the Public Utilities Commission Transportation Reimbursement Account to implement SB 1376 (Hill), Chapter 701, Statutes of 2018. The request includes funding for three positions for two years and \$400,000 ongoing to fund intervenor compensation.
- **SB 1013.** The budget provides \$1.2 million PUCURA to implement SB 1013 (Lara), Chapter 375, Statutes of 2018. This includes \$153,000 annually for two years for one position, and \$1 million annually for two years to contract for technical expertise on low-global-warming-potential refrigerants and their availability in the markets.
- **AB 2127 and SB 1000.** The budget provides one permanent position and \$180,000 PUCURA to implement AB 2127 (Ting), Chapter 365, Statutes of 2018 and SB 1000 (Lara), Chapter 368, Statutes of 2018.
- **SB 100.** The budget provides 2.5 permanent positions and \$1.5 million from the PUCURA to implement SB 100 (de León), Chapter 312, Statutes of 2018. This includes \$1.1 million annually through 2021 for expert consultants.
- **AB 3187 and SB 1440.** The budget provides limited-term funding for five positions for three years and \$966,000 from the PUCURA to implement AB 3187 (Grayson), Chapter 598, Statutes of 2018 and SB 1440 (Hueso), Chapter 739, Statutes of 2018.
- **California Clean Miles Standard and Incentive Program.** The budget provides one permanent position and \$180,000 from the CPUC Transportation Reimbursement Account (PUCTRA) to implement SB 1014 (Skinner), Chapter 369, Statutes of 2018, the California Clean Miles Standard

and Incentive Program, as well as two permanent positions and \$379,000 from the PUCURA to provide expanded ongoing support for the Commission's transportation electrification initiatives.

- **Electricity Market Fragmentation.** The budget provides three permanent positions and \$495,000 from the PUCURA to address emerging regulatory needs for an evolving electricity market experiencing an unprecedented level of market fragmentation.
- **Enforcement Resources.** The budget provides one permanent Administrative Law Judge II position and \$203,000 PUCURA for enforcement activities.
- **Forest Safety and Greenhouse Gas Reduction.** The budget provides \$1.1 million PUCURA to extend funding for six positions for an additional three years, including software costs to continue implementing a number of recently enacted statutes concerning multiple elements of California's forest safety and greenhouse gas reduction efforts.
- **Office Space.** The budget provides \$2.4 million in various special funds for additional office space and relocation costs.
- **Rent Increases.** The budget provides a revised request of \$595,000 annually beginning in 2019-20 for increased rental costs for the CPUC's state office leases for offices located at 505 Van Ness Avenue, San Francisco.
- **Automatic Door Openers.** The budget provides \$358,000 from various funds to transfer to the Architecture Revolving Fund at the Department of General Services to complete an automatic door opener project at the 505 Van Ness Avenue, San Francisco office.
- **State Safety Oversight.** The budget provides \$937,000 in increased Federal Transportation Agency expenditure authority to fully utilize State Safety Oversight Agency Formula Grant Fund Program funding.
- **Gas Section Workload.** The budget provides one permanent Program and Project Supervisor and \$227,000 PUCURA for increased workload in the Gas Section.
- **Utility Audits.** The budget provides seven permanent positions for the Utility Audit, Finance, and Compliance Branch and \$830,000 from the PUCURA for additional audits of utility finances.
- **Business Services.** The budget provides funding for nine positions for the business services functions that support the CPUC. This does not include two positions proposed by the Administration for the Budget Unit due to lack of justification.
- **IT Support.** The budget provides five permanent positions and \$706,000 from various special funds to provide Information Technology support for 91 permanent and 33.5 limited-term positions proposed by the CPUC and the Public Advocate's Office (formerly known as the Office of the Ratepayer Advocate) in the 2019-20 Governor's Budget and recently enacted bills.

- **Wildfire Safety and Insurance.** The budget includes trailer bill language to require the PUC to, on or before January 1, 2020, establish the Wildfire Safety Division, and require the Division to take specified actions to improve wildfire safety at regulated utilities. The language also requires the responsibilities and work of the Division to be transferred to the Office of Energy Infrastructure Safety within the Natural Resources Agency, under the supervision of a director appointed by the Governor after July 1, 2021.
- **Office of the Safety Advocate (OSA).** The budget does not include the trailer bill language proposed by the Administration to eliminate the sunset date of January 1, 2020 for the OSA. The issue was considered through the policy process.

8660 CPUC PUBLIC ADVOCATE'S OFFICE (PAO)

The 2019-20 budget provides \$46 million for the PAO. This includes funding for:

- **IT Support.** The budget provides five permanent positions and \$706,000 from various special funds to provide IT support for 91 permanent and 33.5 limited-term positions proposed by the CPUC and the PAO in the 2019-20 Governor's Budget and recently enacted bills.
- **Water Utility Acquisitions.** The budget provides one permanent position and \$178,000 in funding from the Public Utilities Commission Public Advocates Office Account to support its advocacy in Class A water utility acquisition proceedings.
- **Distribution Infrastructure.** The budget provides \$566,000 and three positions in 2019-20 and \$563,000 and three positions ongoing to address increased workload in the areas of distribution infrastructure programs and transmission infrastructure projects.
- **SB 901.** To implement SB 901, the budget provides seven positions for the new Wildfire Safety Section and four Public Utilities Counsel, as well as five positions in the new Securitization and Financial Impacts Section.

Energy Budget Trailer Bill

1. *Public Utilities, Safety, and Insurance – AB 111 (Committee on Budget), Chapter 81, Statutes of 2019.*

FOOD AND AGRICULTURE

8570 DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

- **Turlock North Valley Animal Health Laboratory Replacement.** The budget appropriates \$4 million General Fund one-time for the Performance Criteria Phase of the design-build 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.
- **California Biodiversity Initiative.** The budget appropriates \$4.22 million General Fund one-time, \$3.9 million General Fund in 2020-21 and ongoing and eight positions to initiate the planning and coordination of the workload associated with the California Biodiversity Initiative-A Roadmap for Protecting the State's Natural Heritage. This item also includes funding to restart CDFA's noxious weed management program, as well as provisional language to make this funding available for encumbrance or expenditure over a two-year period. In addition, the budget includes a conference committee compromise to appropriate \$600,000 Environmental License Plate Fund (\$200,000 per year for three years) to CDFA for the collection of rare plants through contracts or grants with the California Plant Rescue Program and includes budget bill language requiring collaboration between CDFA and the Department of Fish and Wildlife on the implementation of those contracts or grants.
- **Citrus Pest and Disease Prevention Program Resources.** The budget appropriates \$5 million ongoing (\$2.5 million General Fund and \$2.5 million Department of Food and Agriculture Fund) and 65 positions to build a dedicated Citrus Pest and Disease Prevention Division (CPDPD) within CDFA to enhance Asian Citrus Psyllid and Huanglongbing detection, suppression and eradication activities throughout the state.
- **Various Technical Adjustments.** The budget provides technical baseline appropriation adjustments to continue implementation of previously authorized programs and chaptered legislation proposals without an appropriation. Adjustments include:
 - **Technical Adjustment to Convert Blanket Positions to Authorized Positions.** Conversion of six blanket positions to permanent authorized positions pursuant to Budget Letter 18-16. This item is for position authority only with no increase in expenditure authority.
 - **Federal Milk Marketing Order and Quota Implementation Program Establishment.** A reduction of 34 positions to close the Dairy Marketing Branch and the Milk Pooling Branch in 2019-20 and ongoing due to the establishment of the Federal Milk Marketing Order, which was effective November 2018. The budget also includes \$799,000 in Department of Food and Agriculture Fund authority for 2019-20 and

- ongoing to support five positions that were reclassified to comply with the request from the dairy industry to create a stand-alone Quota Implementation Program.
- **Mountain Pass Border Protection Station Operations Expansion.** An appropriation of \$724,000 General Fund and eight positions in 2019-20 and ongoing to operate additional lanes at the new Border Protection Station in Mountain Pass based on expanded design capacity.
 - **Office of Information Technology Services Infrastructure.** An appropriation of \$930,000 in distributed administration and one position in 2019-20 and \$142,000 and one position in 2020-21 and ongoing to (1) operate and monitor CDFA's network and security infrastructure; (2) migrate to the California Department of Technology's Tenant Managed Services Data Center environment; and (3) replace critical equipment that has reached the end of its useful life.
 - **Development of Pesticide Alternatives.** An appropriation of \$671,000 Department of Food and Agriculture Fund authority in 2019-20 and ongoing for the Office of Pesticide Consultation and Analysis to support the scientific development of biological control efforts and testing of alternatives for pesticides being considered for deregistration in California.
 - **Industrial Hemp Positions.** An additional six positions in 2019-20 and ongoing for the development, enforcement, and administration of the Industrial Hemp Program in accordance with Food and Agricultural Code Division 24, which pertains to industrial hemp.
 - **Organic Waste Management.** Appropriation of \$140,000 General Fund and addition of one position in 2019-20 through 2025-26 to administer CDFA functions specified in AB 1981 (Limón), Chapter 633, Statutes of 2018.
- **Deferred Maintenance.** The budget appropriates \$3 million General Fund one-time to address critical structural deficiencies at the Hawaii Fruit Fly Rearing Facility and the Plant Pest Diagnostic Center in Sacramento.
 - **Greenhouse Gas Reduction Fund (GGRF) Reappropriation.** The budget extends the allocation and liquidation periods of funding for Climate Smart Agricultural programs in CDFA's 2016 Budget Act GGRF appropriation. The liquidation period for this funding expires on June 30, 2020. The need for a reappropriation is due to project delays and cancellations, and the reappropriated funding will be allocated to new project applications received in 2019-20.
 - **Technical Adjustment: Reappropriation.** The budget reappropriates funding included in the 2018 Budget Act to suppress diseases associated with the Shot Hole Borer Invasive Beetle.
 - **Farm Animal Confinement (Proposition 12).** The budget appropriates \$4.51 million General Fund in 2019-20, \$2.02 million General Fund in 2020-21 ongoing, and includes 14 permanent positions for the Animal Health and Food Safety Services Division within CDFA to establish an Animal Care Program in order to implement the Farm Animal Confinement Initiative of 2018

(Proposition 12). Proposition 12 established new standards for confinement space for specified classes of food-producing livestock including calves raised for veal, breeding pigs, and egg-laying hens. These resources will support registration and certification activities, compliance activities, program administration, and information technology consultant services for project planning and system development.

- **Catastrophic Livestock Disease Prevention and Emergency Response – Virulent Newcastle Disease and Natural Disasters Impacting Animals.** The budget appropriates \$3.34 million General Fund and includes 23 permanent positions in 2019-20 and \$3.28 million General Fund ongoing thereafter to address current and continued threats to animal health, food supply, and the economy posed by the virulent Newcastle Disease and other diseases or natural disaster threats to animals.
- **Product Safety Technical Assistance.** The budget appropriates \$700,000 General Fund ongoing and includes one position for the development of produce safety technical expertise and education to assist California produce farmers in complying with the Food Safety Modernization Act. The resources will establish the Produce Safety Technical Assistance Program to provide technical expertise in produce safety and allow for contracting with food safety experts at University of California Cooperative Extension.
- **State-Designated Fairs Revenue.** The budget includes Item 8570-011-0001 to reflect a transfer of \$18.6 million General Fund to the Fair and Exposition Fund. AB 1499 (Gray), Chapter 798, Statutes of 2017, requires a portion of gross receipts from the sales and use tax received within the property of a state-designated fair to be transferred to the Fair and Exposition Fund beginning in 2019-20. This item establishes the budgetary mechanism necessary to effectuate the annual transfer.
- **Unclaimed Gas Tax (UGT).** The budget includes trailer bill language to amend Food and Agriculture Code §224(g) authorizing CDFA to retain a portion of the remaining UGT funding, upon agreement by the agricultural commissioners and the Secretary, for purposes of implementing jointly developed priority agricultural program spending.
- **Healthy Stores Refrigeration and Grant Program.** The budget includes trailer bill language to define “low-access area” and requires a grant recipient to be located in a low-income area or a low-access area. The trailer bill language revises the criteria required for a nonprofit entity to qualify to apply for a grant and authorizes a nonprofit entity to use grant funds to sell California-grown fresh fruits, nuts, vegetables, and minimally processed prepared foods directly in low-income areas or low-access areas.

Supplemental Reporting

8570 California Department of Food and Agriculture

- **Item 8570-001-0001: Biodiversity Initiative.** By April 1, 2020, CDFA shall submit to the fiscal committees of the Legislature and the Legislative Analyst’s Office a report on the progress of the biodiversity initiative.

- **Item 8570-001-0001: Deferred Maintenance.** No later than January 1, 2023, CDFA shall submit to the fiscal committees of the Legislature and the Legislative Analyst’s Office a report identifying the total size of its deferred maintenance backlog as of the 2018-19 fiscal year and as of September 2022.

Food and Agriculture Budget Bill and Trailer Bill

1. *Budget Act of 2019 – AB 74 (Ting), Chapter 23, Statutes of 2019.*
2. *Resources – SB 85 (Committee on Budget and Fiscal Review), Chapter 31, Statutes of 2019.*

TRANSPORTATION

0521 CALIFORNIA STATE TRANSPORTATION AGENCY (CALSTA)

The budget provides roughly \$431 million for the California State Transportation agency, including \$226 million from the Greenhouse Gas Reduction Fund.

- **Office of Traffic Safety (OTS).** The budget provides an increase to the Office of Traffic Safety's (OTS) federal budget authority, to align budget authority with the amount of funding OTS expects to receive from the National Highway Traffic Safety Administration over the next five years. The budget provides a total of \$34.7 million for 2019-20.
- **North Coast Railroad Authority (NCRA).** The budget provides \$3 million from the Public Transportation Account to fulfill the requirements of SB 1029 (McGuire), Chapter 934, Statutes of 2018, which requires CalSTA to conduct an assessment of the NCRA to determine the most appropriate way to dissolve the authority and dispense with its assets and liabilities. The budget also provides an additional \$10.8 million for the dissolution of the NCRA, including for operations, maintenance, and the retirement of outstanding debt. This amount includes \$2 million for Sonoma-Marín Area Rail Transit for safety upgrades and maintenance on the affected right-of-way.

2600 CALIFORNIA TRANSPORTATION COMMISSION (CTC)

The budget provides \$8.8 million (mostly from the State Highway Account and Public Transportation Account) for 2019-20, including:

- **Road Repair and Accountability Act of 2017.** The budget provides \$551,000 for three permanent positions and \$1.1 million for eight two-year limited-term positions for increased workload associated with the Road Repair and Accountability Act of 2017 (SB 1), SB 103 (Beall,) Chapter 95, Statutes of 2017, and SB 1328 (Beall), Chapter 698, Statutes of 2018.
- **Technical Adjustments.** The budget converts \$122,000 of The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) funding in the CTC's budget to State Highway Account (SHA) and Public Transportation Account (PTA) funding, and reduces the CTC's reimbursement authority by \$276,000.
- **California Short Line Rail Infrastructure Improvement Act.** The budget adopts trailer bill language to provide up to \$7.2 million from the Trade Corridors Improvement Fund for the California Short Line Rail Infrastructure Improvement Act of 2019.

2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)

The budget provide \$14.7 billion for Caltrans, including \$5.5 billion in federal funds, to support 20,758.9 positions.

- **Road Maintenance and Rehabilitation Act of 2017.** The budget includes \$2.0 billion in RMRA funding for local and capital funding for transportation projects consistent with SB 1. This includes position authority for 333 Maintenance and 13 new permanent Equipment Program positions, as well as \$28.8 million ongoing support resources and \$26.8 million limited-term support.
- **Capital Outlay Support.** The budget includes a Capital Outlay Support program budget of \$1.9 billion. This includes funding for the full-time equivalent of 10,353.8 positions. Of this amount, 8,886.6 are Caltrans full-time equivalent positions (\$1.5 billion), 441.4 full-time equivalent positions for cash overtime (\$53 million), and 1,031.8 full-time equivalent positions for contracting out for Architectural and Engineering services (\$266.2 million).
- **Project Initiation Documents.** The budget includes \$85.5 million for 429.4 positions related to Project Initiation Documents positions and the equivalent of 20 full time positions for 5 percent of funding for contracting out for Architectural and Engineering services.
- **Budgetary Loan Repayments.** The budget includes trailer bill language to approve the repayment of:
 - \$236 million in budgetary loans that, as structured in the budget, do not count towards Proposition 2 requirements.
 - \$873 million in loaned weight fees to be repaid in 2019-20 instead of in 2020-21 as required by prior statute.
- **Technical Adjustments.** The budget includes the technical closure of seven transportation-related funds and intra-schedule transfers of resources and staff to continue the implementation of previously authorized programs. In addition, it adopts trailer bill language to abolish the Local Transportation Loan Account and the Transportation Deferred Investment Fund.
- **Office of the Inspector General (OIG).** The budget includes \$828,000 State Highway Account funds and an overall increase of 10 positions for the OIG. The budget also transfers resources from existing Caltrans' audit programs to the OIG. Finally, the budget adopts trailer bill language that clarifies the OIG's authority.
- **Additional Transportation Investments.** The budget included the following funds for additional transportation investments:
 - \$5 million General Fund for suicide prevention measures on the San Diego-Coronado Bridge.
 - \$5.5 million General Fund for sound wall construction along the Foothill freeway.
 - \$1 million General Fund for the Alameda Contra Cost Transit District (AC Transit) to provide bus service to Oakland Unified School District.

2665 CALIFORNIA HIGH SPEED RAIL AUTHORITY (HSRA)

The budget includes \$736 million for the High-Speed Rail Authority (\$56 million in administration and \$680 million in capital funding).

- **Shift from Contracted to State Staff.** The budget provides 35 permanent positions and \$4.5 million in bond funds to shift certain administrative and contract management responsibilities from HSRA's Rail Delivery Partner to state staffing resources.
- **Information Technology (IT) Program.** The budget provides five permanent positions and \$2.2 million in 2019-20 and \$1.5 million from the High-Speed Passenger Train Bond Fund (Proposition 1A) on an ongoing basis to improve the HSRA IT security program.
- **Cloud Infrastructure and Capabilities.** The budget provides five permanent positions and \$2.2 million from Proposition 1A to enhance IT operational capabilities and acquire licensing and maintenance agreements required to support the cloud infrastructure.

2670 BOARD OF PILOT COMMISSIONERS

The budget includes a total of \$2.8 million to support four positions.

- **Baseline Funding Increase.** The budget includes a baseline funding increase of \$286,000 from the Board of Pilot Commissioners' Special Fund to cover increased support and training costs, as follows:
 - \$100,000 for increased California Highway Patrol administrative support costs.
 - \$15,000 for the State Controller's Office to audit their services.
 - \$10,000 for a contract investigator.

2720 CALIFORNIA HIGHWAY PATROL (CHP)

The budget includes \$2.8 billion (including \$2.3 billion from the Motor Vehicle Account) to support 10,885.2 positions at CHP.

- **Radio Communication Systems.** The budget provides \$62.5 million (\$44.5 million General Fund and \$18 million from the Special Deposit Fund Asset Forfeiture Accounts) to replace 3,600 Consolidated Patrol Vehicle Environment radio communication systems.
- **Multi-Function Tables.** The budget provides \$15 million General Fund for the purchase of 3,075 multi-function rugged tablets to replace single-use handheld citation devices, aging laptops, and 262 printers.
- **IT Infrastructure.** The budget provides \$9.6 million General Fund for the replacement of outdated information technology infrastructure that has reached its end of life and is near full capacity.

- **Deferred Maintenance.** The budget provides \$5 million General Fund for a prioritized subset of projects from CHP's \$44 million deferred maintenance project list. The proposed projects would make improvements various area offices statewide and the types of projects range from repairing security cameras to fixing fences and replacing roofs.
- **Designated Driver Program (DDP).** The budget provides for the DDP to increase total funding from \$350,000 to \$900,000 to expand education and outreach efforts, and to fund cost increases associated with the efforts of the DDP in, and adjacent to, individual events and venues.
- **Public Records Act.** The budget provides \$576,000 for 2019-20 and 2020-21 from the Motor Vehicle Account for five positions to comply with AB 748 (Ting), Chapter 960, Statutes of 2018, and SB 1421 (Skinner), Chapter 988, Statutes of 2018, regarding resources for updated California Public Records Act requirements.
- **Keller Peak Tower Replacement.** The budget provides \$1.8 million from the Motor Vehicle Account for the construction phase of the Keller Peak Tower Replacement project.
- **Organized Retail Crime Task Force.** The budget provides \$5.8 million General Fund in 2019-20 and 2020-21 to fund 16 positions and associated costs, to comply with the requirements of AB 1065 (Jones-Sawyer), Chapter 803, Statutes of 2018. The budget also adopts trailer bill language to extend the program's sunset date by six months, to July 1, 2021.
- **The California Highway Patrol Enhanced Radio Systems (CHPERS).** The budget provides for the reappropriation of \$320,000 from the Motor Vehicle Account for the acquisition phase of the Sawtooth Ridge site for the CHPERS project.
- **Impact Teen Drivers Program.** The budget provides \$1 million General Fund for the Impact Teen Drivers program at the California Highway Patrol.
- **Capital Outlay Projects.** The budget provides \$132.7 million in lease revenue bond authority from the Public Buildings Construction Fund to continue construction of El Centro (\$41.9 million), Hayward (\$48.7 million), and San Bernardino (\$42.0 million) area offices.
- **Supplemental Pension Payments.** The budget defers the 2019-20 Supplemental Pension Payments to 2020-21.

2740 DEPARTMENT OF MOTOR VEHICLES (DMV)

The budget includes \$1.37 billion (\$1.32 billion in Motor Vehicle Account) to support 8,501 positions at the DMV in 2019-20.

- **Operational Improvements.** The budget provides an augmentation of \$242.1 million in 2019-20 and \$199.8 million in 2020-21, and provides DMV with the authority to pass credit card fees on to DMV customers. The budget also adopts provisional language allowing for augmentation of the budget if required, requiring monthly reporting of certain key performance metrics, and requiring quarterly reporting of progress on implementing certain organizational and performance improvement efforts.

- **Deferred Maintenance.** The budget provides \$3 million General Fund for the highest priority deferred maintenance projects at the DMV. DMV has a total deferred maintenance backlog of \$17.7 million. This request would fund roof replacements at 16 field offices and HVAC replacements at two facilities.
- **Capital Outlay Projects.** The budget provides the following funding for DMV’s capital outlay proposals:
 - Inglewood Field Office Replacement Reversion (-\$15.1 million)
 - Perimeter Security Fences Reversion (-\$9.9 million)
 - Reedley Field Office Replacement (\$1.2 million)
 - Walnut Creek Field Office Relocation (lease) (\$1.0 million)
- **Delano Field Office.** The budget provides for the reappropriation of the balances of the appropriations for the working drawings phase of the Delano Field Office replacement. The funds would be available for encumbrance or expenditure until June 30, 2020.
- **High-Occupancy Vehicle Lanes.** The budget provides the following from the Motor Vehicle Account to implement SB 957 (Lara), Chapter 367, Statutes of 2018, regarding high-occupancy vehicle lanes and adopts provisional language:
 - \$3 million for 8.3 positions and \$2 million for a contractor to perform income verification in 2019-20.
 - \$3.5 million for 10.0 positions and \$2.3 million for a contractor to perform income verification in 2020-21.
 - \$3.5 million for 9.9 positions and \$2.3 million for a contractor to perform income verification in 2021-22.
 - \$4.5 million for 12.8 positions and \$3 million for a contractor to perform income verification in 2022-23.
 - \$461,440 for 4.5 positions in 2023-24.

Transportation Budget Trailer Bills

1. *Transportation – SB 87 (Committee on Budget and Fiscal Review), Chapter 32, Statutes of 2019.*
2. *General Government – SB 112 (Committee on Budget and Fiscal Review), Chapter 364, Statutes of 2019.*

SUBCOMMITTEE 3
ON
HEALTH
AND
HUMAN SERVICES

Senate Committee on Budget and Fiscal Review

Members

Richard Pan, Chair
Melissa Hurtado
Jeff Stone

Consultants

Scott Ogus
Renita Polk

SUBCOMMITTEE No. 3

HEALTH and HUMAN SERVICES

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HEALTH

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

- **Healthy California for All Commission.** The budget includes trailer bill language to establish the Healthy California for All Commission, which will analyze California's existing health care delivery system and design options for a unified health care financing system, including but not limited to a single payer system. The budget includes General Fund expenditure authority of \$5 million in 2019-20 to support the commission's activities and the reversion of \$5 million General Fund expenditure authority approved in the 2018 Budget Act for the Council on Health Care Delivery Systems.
- **Staffing Resources for Governor's Appointments.** The budget includes nine positions and General Fund expenditure authority of \$2.6 million annually to support the Office of the Surgeon General and appointment of a Deputy Secretary for Early Childhood Initiatives and a Deputy Secretary for Behavioral Health. The budget also includes trailer bill language establishing the authority and responsibilities of the Office of the Surgeon General and, effective July 1, 2019, requiring Surgeon General appointees be confirmed by the Senate.
- **Staffing Resources for the Reorganization of the Office of the Secretary.** The budget includes five positions and General Fund expenditure authority of \$640,000 in 2019-20 and \$603,000 annually thereafter for reorganization of the Office of the Secretary.
- **Office of Systems Integration (OSI): MEDS Modernization.** The budget includes combined expenditure authority of \$21.2 million in 2019-20 and \$4.6 million in 2020-21 through 2022-23 to continue the multi-departmental planning effort to replace the Medi-Cal Eligibility Data System (MEDS) and support completion of the next phase of activities required by the Department of Technology's Project Approval Lifecycle Stage Gate requirements.
- **Office of Systems Integration (OSI): CalHEERS System Integrator Contract Transition Activities.** The budget includes expenditure authority from the California Health and Human Services (CHHS) Automation Fund of \$17.6 million in 2019-20 to fund anticipated contract costs for transition to a new system integrator for the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) project. Funding for the CHHS Automation Fund will be provided by increased expenditure authority for DHCS of \$15.4 million (\$3.7 million General Fund and \$11.7 million federal funds) and budget bill language that would provide for the funds to be transferred upon finalization of the vendor selection, as determined by the Department of Finance. The remaining \$2.2 million for the project will be provided from the California Health Trust Fund by Covered California.

0977 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA)

- **Alignment of Expenditure Authority for Children's Mental Health Crisis Services.** The budget includes reappropriation budget bill language to align the encumbrance and expenditure periods for children's mental health crisis funds, approved in the 2016 Budget Act, until June 30,

2024, to improve operation of the children's crisis funding under the Investment in Mental Health Wellness program.

4120 EMERGENCY MEDICAL SERVICES AUTHORITY (EMSA)

- **Emergency Medical Technician (EMT) Certification Denial Reporting (AB 2293).** The budget includes one position and General Fund expenditure authority of \$159,000 in 2019-20 and \$152,000 annually thereafter to receive and compile data from local EMS agencies regarding approval or denial of EMT applicants and report on the extent to which prior criminal history may be an obstacle to EMT certification, pursuant to the requirements of AB 2293 (Reyes), Chapter 342, Statutes of 2018.
- **Ambulance Patient Offload Time Reporting (AB 2961).** The budget includes one position and General Fund expenditure authority of \$189,000 in 2019-20 and \$141,000 annually thereafter to analyze ambulance patient offload time data reported by local EMS agencies and report to the Legislature and the EMS Commission, pursuant to the requirements of AB 2961 (O'Donnell), Chapter 656, Statutes of 2018.
- **Child Care Provider Lead Poisoning Training (AB 2370).** The budget includes General Fund expenditure authority of \$177,000 in 2019-20 to add the topic of lead poisoning prevention to the preventive health practices course for child care providers, pursuant to AB 2370 (Holden), Chapter 676, Statutes of 2018.
- **Individual Tax ID Number for Emergency Medical Technician Certification (SB 695).** The budget includes General Fund expenditure authority of \$100,000 in 2019-20 to conduct outreach and assistance to local EMS agencies to implement acceptance of Individual Taxpayer Identification Numbers and prohibit requiring disclosure of citizenship or immigration status for the purpose of EMT certification, pursuant to the requirements of SB 695 (Lara), Chapter 838, Statutes of 2018.
- **Administrative Support Costs.** The budget includes expenditure authority of \$186,000 (\$98,000 General Fund and \$88,000 special funds) in 2019-20 and 2020-21, and \$190,000 (\$98,000 General Fund and \$92,000 special funds) annually thereafter to support increased costs associated with contracted fiscal and personnel services, facilities, and utilities.
- **Disaster Preparedness, Response, and Recovery.** The budget includes two positions and General Fund expenditure authority of \$979,000 in 2019-20 and \$303,000 annually thereafter to increase disaster medical services capacity, including coordination of medical assets during emergency response efforts and one-time purchases of medical treatment and communications equipment.
- **Conversion of Blanket Positions to Permanent.** The budget includes establishment of four positions funded by existing appropriation authority to address ongoing Emergency Medical Services Division workload.
- **Continued Appropriation for Paramedic Discipline Case Workload.** The budget includes expenditure authority from the Emergency Medical Services Personnel Fund of \$309,000 annually

to provide permanent funding for two positions authorized in the 2017 Budget Act to address the workload associated with prosecution of Emergency Medical Technician-Paramedic (EMT-P) license violations.

4140 OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT (OSHPD)

- **Investment in Workforce Education and Training (WET) Five-Year Plan.** The budget includes expenditure authority of \$60 million (\$35 million General Fund and \$25 million Mental Health Services Fund) to implement the 2020-25 Five-Year WET Plan which addresses workforce shortages in the state's public mental health system. The budget also includes budget bill language requiring regional partnerships to provide a 33 percent match of local funds to be eligible for funding through the plan.
- **Mental Health Workforce Development.** The budget includes General Fund expenditure authority of \$47.4 million in 2019-20 to fund scholarships and loan repayment awards for mental health workforce programs. Of these resources, \$1 million will be available specifically for former foster youth in certain mental health professions committed to provide direct patient care in a publicly funded facility or mental health professional shortage area for at least 24 months.
- **Psychiatry Fellowship Augmentation.** The budget includes General Fund expenditure authority of \$2.7 million in 2019-20 to fund scholarships for primary care and emergency providers receiving Primary Care Clinician Psychiatry Fellowships from either the University of California at Davis Medical School or the University of California at Irvine Medical School.
- **Pediatric Residency Program Augmentation.** The budget includes General Fund expenditure authority of \$2 million, available until June 30, 2025, to support pediatric primary care residency slots at children's hospitals.
- **Increased Expenditure Authority for Mental Health Practitioner Education Fund.** The budget includes expenditure authority from the Mental Health Practitioner Education Fund of \$425,000 to increase the grant awards provided through the Licensed Mental Health Service Provider Education Program. These resources will be funded from increased licensure fee revenue approved pursuant to AB 1188 (Nazarian), Chapter 557, Statutes of 2017.
- **Skilled Nursing Facilities: Disclosure of Interest in Businesses Providing Services (AB 1953).** The budget includes one position and expenditure authority from the California Health Data and Planning Fund of \$369,000 in 2019-20 and \$119,000 annually thereafter to collect data and report on disclosures by skilled nursing facilities regarding ownership interests in related parties that provide services to the facility, pursuant to the requirements of AB 1953 (Wood), Chapter 383, Statutes of 2018.
- **Seismic Safety.** The budget includes trailer bill language to extend the filing deadline for seismic safety compliance documents for Providence Tarzana Medical Center in the City of Los Angeles and UCSF Benioff Children's Hospital in the City of Oakland.

4150 DEPARTMENT OF MANAGED HEALTH CARE (DMHC)

- **Division of Plan Surveys Workload.** The budget includes four positions and expenditure authority from the Managed Care Fund of \$2.1 million in 2019-20 and \$2 million annually thereafter to manage increased workload from a higher number of licensed health plans and increased expenditures from higher rates for clinical consultants.
- **Conversion of Blanket Positions to Permanent.** The budget includes establishment of 16 positions, funded by existing Managed Care Fund expenditure authority, to allow DMHC to convert temporary help positions to permanent to more accurately reflect the department's current workload needs.
- **Health Care Service Plan Mergers and Acquisitions (AB 595).** The budget includes expenditure authority from the Managed Care Fund of \$1 million annually to analyze and assess the impact of mergers and other transactions on subscribers, enrollees, provider networks, the overall stability of the health care delivery system, and anti-competitive impacts, pursuant to the requirements of AB 595 (Wood), Chapter 292, Statutes of 2018.
- **Pharmacy Benefit Management (AB 315).** The budget includes two positions and expenditure authority from the Managed Care Fund of \$2.2 million in 2019-20, \$904,000 in 2020-21 and 2021-22, and \$775,000 annually thereafter to conduct registration and other oversight of pharmacy benefit managers, pursuant to the provisions of AB 315 (Wood), Chapter 905, Statutes of 2018.
- **Health Care Service Plan Disciplinary Actions (AB 2674).** The budget includes nine positions and expenditure authority from the Managed Care Fund of \$2.1 million in 2019-20 and \$1.7 million annually thereafter to process provider complaints alleging unfair payment patterns by health plans, as required by the provisions of AB 2674 (Aguiar-Curry), Chapter 303, Statutes of 2018.

4260 DEPARTMENT OF HEALTH CARE SERVICES (DHCS)

- **Medi-Cal Local Assistance Funding.** The budget includes \$93.5 billion (\$19.7 billion General Fund, \$59.8 billion federal funds, and \$13.9 billion special funds and reimbursements) in 2018-19 and \$102.2 billion (\$23 billion General Fund, \$66 billion federal funds, and \$13.1 billion special funds and reimbursements) in 2019-20 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: \$88.6 billion (\$18.8 billion General Fund, \$55.9 billion federal funds, and \$13.9 billion special funds and reimbursements) in 2018-19 and \$97.2 billion (\$22 billion, \$62.1 billion federal funds, and \$13.1 billion special funds and reimbursements) in 2019-20 for the provision of health care benefits to Medi-Cal beneficiaries.
 - County Administration and Eligibility: \$4.5 billion (\$745.1 million General Fund, \$3.8 billion federal funds, and \$5.7 million special funds and reimbursements) in 2018-19 and \$4.6 billion (\$898.5 million General Fund, \$3.7 billion federal funds, and \$5.9 million

special funds and reimbursements) in 2019-20 for eligibility determinations and other administrative activities performed by counties.

- Fiscal Intermediary: \$342.5 million (\$166 million General Fund and \$176.5 million federal funds) in 2018-19 and \$357 million (\$120.6 million General Fund and \$236.5 million federal funds) in 2019-20 for claims processing and related activities performed by the Medi-Cal fiscal intermediary.
- **Family Health Programs Local Assistance Funding.** The budget includes \$250.1 million (\$205.5 million General Fund, \$5.1 million federal funds, and \$39.4 million special funds and reimbursements) in 2018-19 and \$252.7 million (\$208.4 million General Fund, \$5.1 million federal funds, and \$39.2 million special funds and reimbursements) in 2019-20 for state-only health care programs, as follows:
 - California Children’s Services (CCS) Program: \$86.4 million (\$80.9 million General Fund and \$5.5 million reimbursements) in 2018-19 and \$86.6 million (\$81.1 million General Fund and \$5.5 million reimbursements) in 2019-20. Counties will contribute an additional \$86.4 million in 2018-19 and \$86.6 million in 2019-20 for state-only services in the CCS Program.
 - Child Health and Disability Prevention Program: \$3,000 General Fund in 2018-19 and no expenditures in 2019-20.
 - Genetically Handicapped Persons Program: \$123.8 million (\$112.3 million General Fund and \$11.5 million special funds and reimbursements) in 2018-19 and \$125.5 million (\$114.3 million General Fund and \$11.2 million special funds and reimbursements) in 2019-20.
 - Every Woman Counts Program: \$39.9 million (\$12.3 million General Fund, \$5.1 million federal funds, \$22.5 million special funds) in 2018-19 and \$40.5 million (\$12.9 million General Fund, \$5.1 million federal funds and \$22.5 million special funds) in 2019-20.
- **Full-Scope Medi-Cal Expansion to Undocumented Young Adults.** The budget includes expenditure authority of \$98 million (\$74.4 million General Fund and \$23.3 million federal funds) for expansion of full-scope Medi-Cal coverage to undocumented young adults age 19 to 25. Of this expenditure authority, \$2.2 million General Fund is provided to the Department of Social Services for the costs of In-Home Supportive Services for this newly eligible population. The budget also includes two positions and expenditure authority of \$624,000 (\$237,000 General Fund and \$387,000 federal funds) in 2019-20 and \$306,000 (\$153,000 General Fund and \$153,000 federal funds) annually thereafter to support planning activities for implementation of expanding Medi-Cal eligibility to undocumented young adults. The Legislature also approved trailer bill language implementing the change in eligibility after DHCS communicates that systems have been appropriately programmed, but no sooner than July 1, 2019.
- **Redirection of County Medical Services Program (CMSP) 1991 Realignment Funds.** The budget includes trailer bill language to withhold 100 percent of 1991 Realignment revenue from CMSP counties until the CMSP reserve is reduced to the equivalent of two years of expenditures.

After the CMSP reserve reaches this level, the state would withhold 75 percent of 1991 Realignment revenue from these counties annually thereafter.

- **Managed Care Organization Provider Tax.** The budget includes trailer bill language to assess an enrollment-based tax on all full-service health plans licensed by the Department of Managed Health Care or contracted with DHCS to provide services to Medi-Cal beneficiaries. The tax will be assessed on a per enrollee basis for each month of enrollment in a plan, based on cumulative enrollment between January 1, 2018, and December 31, 2018. The tax rates are tiered based on the level of plan enrollment, with one set of enrollment tiers applied to Medi-Cal enrollees and one set applied to all other enrollees. Revenue from the tax, which would sunset on January 1, 2023, will be deposited in the Health Care Services Special Fund and continuously appropriated to DHCS to support the nonfederal share of Medi-Cal managed care rates for the delivery of health care services to beneficiaries of the Medi-Cal program. Once federal approval is received, the net revenue to the Health Care Services Special Fund is estimated to be \$1.7 billion in 2019-20, \$1.9 billion in 2020-21, \$2.1 billion in 2021-22, and \$1.2 billion for the first six months of 2022-23. As federal approval is still pending, the budget does not currently reflect this estimated revenue.

- **Proposition 56 Medi-Cal Provider Reimbursement Augmentations.** The budget includes budget bill language and expenditure authority of \$2.1 billion (\$694.6 million Proposition 56 tobacco tax funds and \$1.4 billion federal funds) in 2018-19 and \$3.5 billion (\$1.3 billion Proposition 56 tobacco tax funds and \$2.3 billion federal funds) for supplemental payments and rate increases for the provision of Medi-Cal services, loan repayments for physicians and dentists that serve at least 30 percent Medi-Cal beneficiaries, value-based payments for providers that meet certain quality metrics, and provider training and reimbursement for trauma and developmental screenings. The 2019-20 allocations for supplemental provider payments is as follows:
 - \$1.4 billion (\$454.2 million Proposition 56 tobacco tax funds and \$933 million federal funds) for supplemental payments for physician services.
 - \$518.3 million (\$195.7 million Proposition 56 tobacco tax funds and \$322.6 million federal funds) for supplemental payments for dental services.
 - \$143.3 million (\$43.5 million Proposition 56 tobacco tax funds and \$99.8 million federal funds) for supplemental payments for women’s health services.
 - \$64.8 million (\$31.2 million Proposition 56 tobacco tax funds and \$33.6 million federal funds) for increased reimbursement rates for home health providers.
 - \$27.8 million (\$13 million Proposition 56 tobacco tax funds and \$14.8 million federal funds) for supplemental payments to eliminate the rate freeze for intermediate care facilities-developmental disabilities (ICF-DDs).
 - \$26.4 million (\$13.7 million Proposition 56 tobacco tax funds and \$12.7 million federal funds) for supplemental payments to Community-Based Adult Services programs.
 - \$14.2 million (\$6.9 million Proposition 56 tobacco tax funds and \$7.4 million federal funds) for increased reimbursement rates for pediatric day health care facilities.

- \$11.2 million (\$5.6 million Proposition 56 tobacco tax funds and \$5.6 million federal funds) for supplemental payments to non-emergency medical transportation providers.
- \$9.8 million (\$4.9 million Proposition 56 tobacco tax funds and \$4.9 million federal funds) for supplemental payments for free-standing pediatric sub-acute facilities. Of these funds, \$8 million (\$4 million Proposition 56 tobacco tax funds and \$4 million federal funds) are ongoing.
- \$6.8 million (\$3.4 million Proposition 56 tobacco tax funds and \$3.4 million federal funds) for supplemental payments for AIDS Waiver service providers.
- \$4 million (\$2 million Proposition 56 tobacco tax funds and \$2 million federal funds) for supplemental payments to hospital-based pediatric physicians.

The 2019-20 allocations for other investments in Medi-Cal are as follows:

- \$544.2 million (\$250 million Proposition 56 tobacco tax funds and \$294.2 million federal funds) to provide value-based payments to providers that meet certain quality metrics in areas such as chronic disease management and behavioral health integration.
- \$500 million (\$50 million Proposition 56 tobacco tax funds and \$450 million federal funds) for family planning services.
- \$120 million Proposition 56 tobacco tax funds one-time for loan assistance payments to recent graduate physicians and dentists. These funds will supplement the \$220 million Proposition 56 tobacco tax funds made available in the 2018 Budget Act for this purpose.
- \$94.7 million (\$36.7 million Proposition 56 tobacco tax funds and \$58 million federal funds) to provide early developmental screenings for all children and adverse childhood experiences screenings for all children and adults enrolled in Medi-Cal.
- \$50 million (\$25 million Proposition 56 tobacco tax funds and \$25 million federal funds) to train providers to deliver adverse childhood experiences screenings for children and adults enrolled in Medi-Cal.

The budget also includes reappropriation of remaining expenditure authority from the initial allocation of \$220 million Proposition 56 funds in the 2018 Budget Act for the Medi-Cal Physician and Loan Repayment Program, available for encumbrance or expenditure until June 30, 2029. The budget includes trailer bill language to implement the value-based payments program for providers that meet certain quality metrics. The trailer bill language also suspends the program on December 31, 2021, if certain conditions are met. (see also *Various Departments – Health and Human Services Program Suspensions*)

- **Proposition 56 Staffing.** The budget includes 18 positions and expenditure authority of \$3 million (\$1.5 million Proposition 56 tobacco tax funds and \$1.5 million federal funds) annually to support implementation of the new Value-Based Payments program.

- **Elimination of the Senior Penalty – Medi-Cal Aged and Disabled to 138 Percent FPL.** The budget includes expenditure authority of \$63 million (\$31.5 million General Fund and \$31.5 million federal funds) to eliminate the senior penalty and expand eligibility for Medi-Cal’s aged and disabled program up to 138 percent of the federal poverty level. The budget also includes trailer bill language implementing the change in eligibility after DHCS communicates that systems have been appropriately programmed, but no sooner than January 1, 2020.
- **Medi-Cal Pharmacy Services.** The budget includes trailer bill language requiring DHCA to convene an advisory group to receive feedback on the changes, modifications, and operational timeframes regarding the transition of pharmacy benefits offered in the Medi-Cal program from the managed care to the fee-for-service delivery system.
- **Whole Person Care Housing Services.** The budget includes General Fund expenditure authority of \$100 million, available until June 30, 2025, to provide funding for supportive housing services for individuals who are homeless or are at risk of becoming homeless, with a focus on individuals with mental illness.
- **Non-Whole Person Care Counties.** The budget includes General Fund expenditure authority of \$20 million, available until June 30, 2025, to provide funding to counties for their development and implementation of programs to focus on coordinating health, behavioral health, and social services such as housing with a priority to individuals with mental illness who are also homeless or at risk of becoming homeless.
- **Cybersecurity Program Augmentation.** The budget includes three positions and expenditure authority of \$1.2 million (\$591,000 General Fund and \$591,000 federal funds) in 2019-20 and \$1.2 million (\$578,000 General Fund and \$577,000 federal funds) annually thereafter to address cybersecurity risks identified by independent security assessments conducted by the California Military Department and the Office of Health Information Integrity. Of these resources, \$575,000 (\$288,000 General Fund and \$287,000 federal funds) is allocated annually for the costs of additional enterprise security infrastructure tools.
- **Electronic Health Records Incentive Program Audits.** The budget includes expenditure authority of \$294,000 (\$29,000 General Fund and \$265,000 federal funds) in 2019-20, 2020-21, and 2021-22 to support program and audit close outs associated with the Medi-Cal Electronic Health Record Program.
- **Office of Legislative and Governmental Affairs Staffing.** The budget includes two positions and expenditure authority of \$247,000 (\$124,000 General Fund and \$123,000 federal funds) annually to support workload in the Office of Legislative and Governmental Affairs, which responds to external inquiries and prepares fiscal and programmatic analyses of pending legislation or budget proposals.
- **Whole Child Model Evaluation Contract Funding.** The budget includes expenditure authority of \$1.6 million (\$800,000 General Fund and \$800,000 federal funds), available for expenditure or encumbrance until June 30, 2021, to secure a contractor to perform an independent evaluation of the Whole Child Model implementation. An identical level of one-time resources was previously approved, but unspent, in the 2018 Budget Act.

- **California Dental Medicaid Management Information System Contract Management Staffing.** The budget includes four positions and expenditure authority of \$700,000 (\$175,000 General Fund and \$526,000 federal funds) annually to support the transition to two new vendors for the California Dental Medicaid Management Information System.
- **Childhood Lead Poisoning Prevention (SB 1041).** The budget includes one position and expenditure authority of \$144,000 (\$72,000 General Fund and \$72,000 federal funds) annually to provide Medi-Cal data to the Department of Public Health for additional blood lead level reporting pursuant to SB 1041 (Leyva), Chapter 690, Statutes of 2018.
- **Strengthening Fiscal Estimates and Cash Flow Monitoring.** The budget includes 25 positions and expenditure authority of \$3.8 million (\$1.8 million General Fund and \$2 million federal funds) in 2019-20 and \$3.6 million (\$1.7 million General Fund and \$1.9 million federal funds) annually thereafter to improve the accuracy of the Medi-Cal and Family Health Local Assistance Estimates and provide additional oversight and monitoring of the department's cash flow. The Legislature also adopted supplemental reporting language to initiate a fiscal stakeholder workgroup including the California Health and Human Services Agency, Department of Finance, legislative fiscal and policy staff, and the Legislative Analyst's Office to identify enhancements to DHCS' budgeting, accounting, and information technology systems to promote sound Medi-Cal Estimates and budget transparency.
- **Medi-Cal Drug Rebate Fund.** The budget includes trailer bill language to establish the Medi-Cal Drug Rebate Fund to deposit the proceeds of rebates on prescription drugs purchased on behalf of Medi-Cal beneficiaries. DHCS estimates \$1.4 billion will be deposited in the fund in 2019-20, which would offset General Fund expenditures in the Medi-Cal program. The budget also includes a \$172 million reserve in the fund to smooth fluctuations in rebate revenue receipts.
- **Medi-Cal Checkwrite Contingency Payments.** The budget includes trailer bill language trailer bill language to authorize contingency payments to Medi-Cal providers during periods of delay, non-functionality, or system errors in the Medi-Cal Checkwrite Schedule provider claims processing system.
- **Health Homes Program Funding Extension.** The budget includes trailer bill language to extend the period of availability of funding for implementation of the Health Homes Program from June 30, 2020, to June 30, 2024. The extension is intended to align the availability of funding with the revised program implementation timeline.
- **Restoration of Optional Medi-Cal Benefits.** The budget includes \$56.3 million (\$17.4 million General Fund and \$38.9 million federal funds) in 2019-20 and \$131 million (\$40.5 million General Fund and \$90.5 million federal funds) annually thereafter to restore the following optional benefits in the Medi-Cal program: audiology, incontinence creams/washes, optical, podiatry, speech therapy. These benefits will be restored effective January 1, 2020.
- **Unusual Occurrences-Complaint Investigations and Disaster Response.** The budget includes eight positions and expenditure authority of \$1.6 million (\$858,000 General Fund and \$719,000 federal funds) in 2019-20, \$1.5 million (\$809,000 General Fund and \$678,000 federal funds) in

2020-21, and \$1.1 million (\$595,000 General Fund and \$464,000 federal funds) annually thereafter to manage investigations of violations and unusual occurrences in licensed facilities, as well as supporting behavioral health resources during natural disasters or other emergencies.

- **Drug Medi-Cal Chaptered Legislation (SB 823, SB 1228, AB 2861).** The budget includes 16 positions and expenditure authority of \$1.9 million (\$1.7 million General Fund and \$135,000 federal funds) in 2019-20 and \$2.2 million (\$2 million General Fund and \$135,000 federal funds) annually thereafter to implement new requirements for substance use disorder treatment programs regarding clinical assessment and treatment planning, patient brokering, and telehealth. These requirements were implemented pursuant to SB 823 (Hill), Chapter 781, Statutes of 2018, SB 1228 (Lara), Chapter 792, Statutes of 2018, and AB 2861 (Salas), Chapter 500, Statutes of 2018.
- **SAPT Block Grant Compliance and Audit Enhancement.** The budget includes 14 positions and federal fund expenditure authority of \$1.9 million in 2019-20 and \$2.1 million ongoing thereafter to correct audit findings and comply with a corrective action plan related to deficiencies in administration of the federal Substance Abuse Prevention and Treatment Block Grant.
- **Mental Health Services Act Oversight and Policy Development.** The budget includes 13 positions and Mental Health Services Fund expenditure authority of \$1.9 million in 2019-20 and \$1.8 million annually thereafter to provide oversight and monitoring of the use of Mental Health Services Act funds, in response to a series of audits by the California State Auditor and hearings by the Little Hoover Commission.
- **Foster Youth: Trauma-Informed Systems of Care (AB 2083).** The budget includes three positions and expenditure authority of \$438,000 (\$219,000 General Fund and \$219,000 federal funds) in 2019-20 and \$411,000 (\$206,000 General Fund and \$205,000 federal funds) annually thereafter to allow DHCS to participate on an interagency team and provide recommendations to the Legislature for increasing capacity and delivery of trauma-informed care to foster children and youth with intensive needs, pursuant to the requirements of AB 2083 (Cooley), Chapter 815, Statutes of 2018.
- **Private Hospital Directed Payment and Quality Incentive Pool.** The budget includes four positions and expenditure authority of \$1.7 million (\$595,000 General Fund, \$864,000 federal funds, and \$270,000 Hospital Quality Assurance Revenue Fund) in 2019-20 and \$1.6 million (\$568,000 General Fund, \$819,000 federal funds, and \$252,000 Hospital Quality Assurance Revenue Fund) annually thereafter to implement the Private Hospital Directed Payment program, and support the Quality Incentive Pool program.
- **Statewide Transition Plan Extension.** The budget includes expenditure authority of \$575,000 (\$288,000 General Fund and \$287,000 federal funds) annually until 2021-22 to support implementation, ongoing monitoring, and oversight of the Statewide Transition Plan for Home- and Community-Based Services.
- **Program for All-Inclusive Care for the Elderly (PACE) Expansion.** The budget includes two positions and expenditure authority of \$279,000 (\$140,000 General Fund and \$139,000 federal funds) in 2019-20 and \$261,000 (\$131,000 General Fund and \$131,000 federal funds) annually thereafter to manage the expansion of PACE programs operating in California. The budget also

includes trailer bill language to require PACE rate methodology to be developed in accordance with generally accepted actuarial rate development principles and to require rates during a PACE organization's first three years to reflect lower enrollment and higher operating costs associated with opening a new PACE organization.

- **Provider Enrollment Workload Increase.** The budget includes expenditure authority of \$3.1 million (\$795,000 General Fund and \$2.4 million federal funds) in 2019-20 and \$3 million (\$744,000 General Fund and \$2.2 million federal funds) in 2020-21 to process an increase in provider enrollment applications from Drug Medi-Cal and Medi-Cal managed care plans resulting from new federal requirements.
- **Office of Civil Rights Increased Workload.** The budget includes two positions and expenditure authority of \$296,000 (\$148,000 General Fund and \$148,000 federal funds) in 2019-20 and \$278,000 (\$139,000 General Fund and \$139,000 federal funds) annually thereafter to address workload increases in DHCS' equal employment opportunity, reasonable accommodations, and civil rights compliance programs.
- **Federally Qualified Health Centers Drug Medi-Cal Providers.** The budget includes one position and expenditure authority of \$139,000 (\$70,000 General Fund and \$69,000 federal funds) in 2019-20 and \$130,000 (\$65,000 General Fund and \$65,000 federal funds) annually thereafter to support workload to allow federally qualified health centers and rural health clinics to participate in the Drug Medi-Cal program, pursuant to the requirements of SB 323 (Mitchell), Chapter 540, Statutes of 2017.
- **Reappropriation: Behavioral Health Modernization Resources.** The budget includes reappropriation of expenditure authority of \$2.1 million (\$808,000 General Fund and \$1.2 million federal funds) in 2019-20 to cover planning costs of the department's Comprehensive Behavioral Health Data Systems Modernization Project.
- **Strengthening Preventive Services for Children in Medi-Cal.** The budget includes 12 positions and expenditure authority of \$22.7 million (\$11.1 million General Fund and \$11.6 million federal funds) in 2019-20, \$7.5 million (\$3.5 million General Fund and \$4 million federal funds) in 2020-21 through 2022-23, and \$6 million (\$2.8 million General Fund and \$3.1 million federal funds) annually thereafter to improve delivery of preventive services for children in Medi-Cal in response to findings of a state audit.
- **Peer-Run Mental Health Crisis Lines.** The budget includes expenditure authority from the Mental Health Services Fund of \$3.6 million for three years to create a statewide peer-run mental health crisis line offering information, referrals, emotional support, and non-judgmental peer support to those living with mental illness.
- **Medi-Cal Eligibility Systems Staffing.** The budget includes conversion of 13 limited-term resources to permanent, a two-year extension of resources equivalent to seven positions, and expenditure authority of \$3 million (\$910,000 General Fund and \$2.1 million federal funds) in 2019-20 and 2020-21, and \$1.8 million (\$626,000 General Fund and \$1.2 million federal funds) annually thereafter to allow DHCS to oversee, govern, support, and implement the new and

continuing policy-driven and infrastructure stabilization initiatives of the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS).

- **CA-MMIS Oversight to Ownership and Modernization Projects.** The budget includes 11 positions and expenditure authority of \$49.7 million (\$15.3 million General Fund and \$34.4 million federal funds) in 2019-20 and \$1.7 million (\$614,000 General Fund and \$1.1 million federal funds) annually thereafter to fund transitional efforts for turnover and takeover of the fiscal intermediary, continuation of the oversight to ownership strategy, and continuation of procurements for design, development, and implementation of systems modules. The budget also includes a reappropriation of \$22.9 million (\$7.4 million General Fund and \$15.5 million federal funds) previously approved in the 2018 Budget Act for this purpose.
- **Substance Use Disorder Emerging Epidemics, Disaster Response, and Licensing Workload.** The budget includes seven positions and expenditure authority of \$1.2 million (\$100,000 General Fund and \$1.1 million Residential and Outpatient Program Licensing Fund) in 2019-20 and \$1 million Residential and Outpatient Program Licensing Fund annually thereafter to address the increased workload of responding to natural disasters and other emergencies, the opioid epidemic, the resurgence of methamphetamine abuse, and the rise in the number of substance use disorder treatment facilities. Of these resources, \$100,000 General Fund will be allocated to migrate the DHCS disaster collection and reporting process into the web-based reporting platform, NC4, through an interagency agreement with the Department of Public Health.
- **Long-Term Services and Supports Actuarial Study.** The budget includes General Fund expenditure authority of \$1 million in 2019-20 to fund a feasibility study and actuarial analysis of long-term services and supports (LTSS) financing and benefit options to meet the growing need for these services in California. The study and analysis will provide guidance on the following: the scope of services for such a benefit; eligibility criteria; projected cost estimates and financing options; and projected savings to state funded programs and services associated with each option, including, but not limited to, Medi-Cal and the In-Home Supportive Services (IHSS) program.
- **Expand Screening, Brief Intervention, Referral to Treatment to Opioids and Other Drugs.** The budget includes trailer bill language to direct DHCS to seek federal approval to expand the Medi-Cal benefit for screening, brief intervention, referral and treatment (SBIRT) to include screening for overuse of opioids and other illicit drugs such as heroin and methamphetamine. The trailer bill language also suspends the program on December 31, 2021, if certain conditions are met. (see also *Various Departments – Health and Human Services Program Suspensions*)
- **Behavioral Health Counselors in Emergency Departments.** The budget includes General Fund expenditure authority of \$20 million in 2019-20 to support the hiring of trained substance use disorder peer navigators and behavioral health peer navigators in emergency departments of acute care hospitals.
- **Extension of Medi-Cal for Post-Partum Mental Health.** The budget includes General Fund expenditure authority of \$8.6 million annually to extend Medi-Cal eligibility for pregnancy-only programs from 60 days to one year after delivery if the beneficiary is diagnosed with a maternal mental health disorder. The budget also includes trailer bill language implementing the program

requirements and to suspend the program on December 31, 2021, if certain conditions are met. (see also *Various Departments – Health and Human Services Program Suspensions*)

- **Medical Interpreters Pilot Project.** The budget includes General Fund expenditure authority of \$5 million in 2019-20 to implement a pilot project for medical interpreters previously approved by the Legislature in AB 635 (Atkins), Chapter 600, Statutes of 2016.
- **Every Woman Counts Program Staffing.** The budget includes conversion of one expiring, limited-term position to permanent and expenditure authority of \$175,000 from the Breast Cancer Control Account annually to continue ongoing data management, programming, and data analysis requirements for the Every Woman Counts program.
- **Health Enrollment Navigators.** The budget includes expenditure authority of \$30.4 million (\$15.2 million General Fund and \$15.2 million federal funds) in 2019-20 to support health enrollment navigators for two years to provide outreach, enrollment, retention, and utilization assistance in Medi-Cal.
- **Caregiver Resource Centers Expansion.** The budget includes General Fund expenditure authority of \$10 million in 2019-20, 2020-21, and 2021-22 to expand technology systems and service delivery to caregiver resource centers, which provide support to family caregivers of adults needing assistance to allow them to remain in the community.
- **Asthma Prevention Services.** The budget includes General Fund expenditure authority of \$15 million in 2019-20 to fund asthma prevention and environmental remediation services.
- **Free Clinic of Simi Valley.** The budget includes General Fund expenditure authority of \$700,000 in 2019-20 to support the Free Clinic of Simi Valley.

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- **AIDS Drug Assistance Program (ADAP).** The budget includes \$407.5 million (\$278.4 million ADAP Rebate Fund and \$129.1 million federal funds) in 2018-19 and \$449.5 million (\$314.3 million ADAP Rebate Fund and \$135.1 million federal funds) for expenditures in the ADAP, which provides access to life-saving medications for Californians living with HIV and assistance with costs related to PrEP for Californians at risk of acquiring HIV.
- **HIV Care Program Financial Eligibility.** The budget includes trailer bill language to adopt the financial eligibility requirement used by the ADAP for the HIV Care Program. Alignment of these programs' financial eligibility requirements will address a finding from the federal Health Resources and Services Administration (HRSA) that the HIV Care Program does not have consistent, statewide financial eligibility standards, as required by the federal Ryan White HIV/AIDS program.
- **Infectious Disease Prevention and Control.** The budget includes four positions and General Fund expenditure authority of \$40 million, available until June 30, 2023, to provide one-time grants to local health jurisdictions and tribal communities for infectious disease prevention, testing, and treatment. Of these resources, \$32 million would be provided to local health jurisdictions and

\$8 million would support state administration costs. The budget also includes budget bill language to allocate up to \$1 million to tribal communities and to consult with the County Health Executives Association of California, the California Conference of Local Health Officers, community-based organizations, and other stakeholders to determine a funding allocation methodology based on factors such as disease burden, population impact, and geographical area.

- **Comprehensive HIV Prevention.** The budget includes General Fund expenditure authority of \$5 million annually to support grants to local health jurisdictions and community-based organizations to provide comprehensive HIV prevention services. The budget also includes trailer bill language to implement the requirements of the grant program and to suspend the program on December 31, 2021, if certain conditions are met. (see also *Various Departments – Health and Human Services Program Suspensions*)
- **Sexually Transmitted Disease Prevention.** The budget includes General Fund expenditure authority of \$7 million annually to support grants to local health jurisdictions and community-based organizations for the prevention of sexually transmitted diseases. The budget also includes trailer bill language to implement the requirements of the grant program and to suspend the program on December 31, 2021, if certain conditions are met. (see also *Various Departments – Health and Human Services Program Suspensions*)
- **Hepatitis C Prevention.** The budget includes General Fund expenditure authority of \$5 million annually to support grants to local health jurisdictions and community-based organizations for the prevention and control of Hepatitis C. The budget also includes trailer bill language to implement the requirements of the grant program and to suspend the program on December 31, 2021, if certain conditions are met. (see also *Various Departments – Health and Human Services Program Suspensions*)
- **Richmond Lab: Viral Rickettsial Disease Lab Enhanced Upgrade.** The budget includes additional General Fund expenditure authority of \$1.1 million for its project to upgrade the Richmond Campus Viral Rickettsial Disease Laboratory to meet Bio-Safety Level-3 requirements established by the Centers for Disease Control and the National Institute of Health. These additional resources are due to increased contract costs related to the upgrade project.
- **Peer Navigators in Harm Reduction Programs.** The budget includes General Fund expenditure authority of \$15.2 million, available until June 30, 2023, for Substance Use Disorder Response Navigator related activities. Of these General Fund resources, \$2.6 million will support technical assistance activities and \$12.6 million will support grants to local health jurisdictions and community-based organizations for the purpose of supporting syringe exchange and disposal program activities, including treatment navigators.
- **International AIDS Conference.** The budget includes General Fund expenditure authority of \$2 million, available until June 30, 2022, to support the City and County of San Francisco and the City of Oakland as these two cities host the 23rd Biennial International AIDS Conference.
- **Valley Fever Institute.** The budget includes General Fund expenditure authority of \$2 million, available until June 30, 2021, and to support valley fever research at the Valley Fever Institute at Kern Medical.

- **Infant Botulism Treatment and Prevention Program Compliance Costs for BabyBIG.** The budget includes expenditure authority from the Infant Botulism Treatment and Prevention Fund of \$7.8 million in 2019-20, \$3.9 million in 2020-21, and \$2.6 million in 2021-22 to support contract costs for the next production cycle of Human Botulism Immune Globulin (BabyBIG).
- **Genetic Disease Screening Program (GDSP).** The budget includes expenditure authority from the Genetic Disease Testing Fund of \$133.8 million (\$30.6 million state operations and \$103.2 million local assistance) in 2018-19, and \$143 million (\$31.4 million state operations and \$111.6 million local assistance) in 2019-20 to fund the Genetic Disease Screening Program, which screens newborns and pregnant women for genetic and congenital disorders.
- **Newborn Screening Program Implementation of Spinal Muscular Atrophy Screening.** The budget includes 5.8 positions and expenditure authority from the Genetic Disease Testing Fund (GDTF) of \$4.3 million (\$907,000 state operations and \$3.4 million local assistance) in 2019-20, and eight positions and expenditure authority from the GDTF of \$2.6 million (\$1.2 million state operations and \$1.4 million local assistance) annually thereafter to comply with expanded testing requirements for spinal muscular atrophy (SMA), pursuant to the requirements of SB 1095 (Pan), Chapter 363, Statutes of 2016.
- **Women, Infants, and Children (WIC) Program.** The budget includes expenditure authority of \$1.1 billion (\$902.2 million federal funds and \$226.2 million WIC manufacturer rebate funds) in 2018-19 and \$1.1 billion (\$880.7 million federal funds and \$213.7 million WIC manufacturer rebate funds) in 2019-20 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.
- **California Home Visiting Program.** The budget includes 13 positions and annual expenditure authority of \$45.9 million (\$23 million General Fund and \$22.9 million reimbursements from federal Medicaid funds) to expand participation in current and new sites for the California Home Visiting Program, and to include new, evidence-based home visiting models, with a focus on low-income, young mothers. Of these resources, \$4 million (\$2 million General Fund and \$2 million reimbursements from federal Medicaid funds) are allocated for administration of the program.
- **Black Infant Health Program and California Perinatal Equity Initiative.** The budget includes four positions and annual expenditure authority of \$19.5 million (\$7.5 million General Fund and \$12 million reimbursements from federal Medicaid funds) to expand the Black Infant Health Program and California Perinatal Equity Initiative to improve black infant and maternal health outcomes. Of these resources, \$1.8 million (\$500,000 General Fund and \$1.3 million reimbursements from federal Medicaid funds) are allocated for administration of the program.
- **Maternal, Child, and Adolescent Health – Medi-Cal Oversight Activities.** The budget includes five positions and expenditure authority of \$656,000 (\$328,000 General Fund and \$328,000 reimbursements) annually to allow DPH to comply with federal claiming and oversight requirements for federal Medicaid funds.

- **Alzheimer’s Grant Awards and Governor’s Task Force on Alzheimer’s Prevention and Preparedness.** The budget includes two positions and General Fund expenditure authority of \$3 million annually to expand research grants in the Alzheimer’s Disease Program focused on the prevalence of the disease among women and communities of color and to support the creation and implementation of the Governor’s Task Force on Alzheimer’s Prevention and Preparedness.
- **Alzheimer’s Early Detection and Diagnosis Infrastructure.** The budget includes General Fund expenditure authority of \$5 million in 2019-20 to support grants to build statewide public health infrastructure to support early detection and timely diagnosis of Alzheimer’s disease.
- **Behavioral Risk Factor Surveillance System.** The budget includes the transfer of existing expenditure authority from the Alzheimer’s Disease and Related Disorders Research Fund of \$45,000 from local assistance to state operations to allow DPH to participate in the 2020 Behavioral Risk Factor Surveillance System (BRFSS) survey on subjective cognitive decline. The BRFSS survey is a system of health-related telephone surveys that collect state data about U.S. residents regarding their health-related risk behaviors, chronic health conditions, and use of preventive services.
- **Safe Cosmetics Program Funding.** The budget includes General Fund expenditure authority of \$1.5 million in 2019-20 and \$500,000 annually thereafter to increase staffing for enforcement and program improvement activities in the Safe Cosmetics Program, which provides information to consumers and other users of cosmetics regarding the presence of certain toxic ingredients.
- **Lesbian, Bisexual, and Queer (LBQ) Women’s Health.** The budget includes General Fund expenditure authority of \$17.5 million in 2019-20 to support a local comprehensive grant program to address LBQ women’s health disparities and fund research targeting LBQ women’s health needs and inventory of existing programs.
- **Mental Health Disparities Reduction.** The budget includes General Fund expenditure authority of \$8 million in 2019-20 to reduce mental health disparities. Of these General Fund resources, \$5 million will support a competitive grant program for innovation projects on reducing disparities and \$3 million will support technical assistance to counties on reducing disparities.
- **Sickle Cell Disease Treatment Infrastructure.** The budget includes General Fund expenditure authority of \$15 million, available until June 30, 2022, to establish a network of sickle cell disease centers in Alameda, Fresno, Kern, Los Angeles, Sacramento, San Bernardino, and San Diego counties to: 1) provide access to specialty care and improve quality of care for adults with sickle cell disease; 2) support workforce expansion for coordinated health services; 3) conduct surveillance to monitor disease incidence, prevalence, and other metrics; 4) create a public awareness campaign; and 5) provide fiscal oversight of the resources.
- **Farmworker Health Study.** The budget includes General Fund expenditure authority of \$1.5 million, available until June 30, 2022, to support a study of farmworker health.
- **Childhood Lead Poisoning Prevention Program Reporting (SB 1097 and SB 1041).** The budget includes six positions and expenditure authority from the Childhood Lead Poisoning Prevention Fund of \$769,000 annually to carry out blood lead screening data collection, analysis,

and reporting pursuant to the requirements of SB 1097 (Hueso), Chapter 691, Statutes of 2018, and SB 1041 (Leyva), Chapter 690, Statutes of 2018.

- **Childhood Lead Poisoning Prevention IT Project.** The budget includes eight positions and expenditure authority of \$8 million from the Childhood Lead Poisoning Prevention Fund to support development and implementation of the Surveillance, Health, Intervention, and Environmental Lead Database Information Technology Project. The budget also includes budget bill language requiring the Department of Finance to notify the Legislature when the project is approved by the California Department of Technology, as well as the total cost and schedule of the project.
- **Oral Health Program Additional Positions.** The budget includes establishment of seven positions funded by Proposition 56 tobacco tax revenue to continue implementation of the California Oral Health Plan.
- **Center for Healthcare Quality (CHCQ).** The budget includes expenditure authority of \$291.4 million (\$3.7 million General Fund, \$104.5 million federal funds, and \$183.1 million special funds and reimbursements) in 2018-19 and \$309.6 million (\$3.7 million General Fund, \$99.3 million federal funds, and \$206.5 million special funds and reimbursements) in 2019-20 for the CHCQ, which is responsible for administering the licensure, regulation, inspection, and certification of health care facilities and certain health care professionals in California.
- **Licensing and Certification: Los Angeles County Contract.** The budget includes expenditure authority from the Licensing and Certification Program Fund of \$17.2 million in 2019-20, \$38.2 million in 2020-21, and \$57.3 million annually thereafter to implement a new three-year contract with the Los Angeles County Department of Public Health to transition workload related to federal certification, state licensing, and investigation of complaints and reported incidents in facilities located in Los Angeles County effective July 1, 2019.
- **Licensing and Certification: Creation of a Centralized Program Flex Unit.** The budget includes six positions and expenditure authority from the Licensing and Certification Program Fund of \$973,000 annually to shift health facility program flexibility application workload from district offices to a new centralized headquarters unit.
- **Licensing and Certification: Increased IT Customer Support.** The budget includes six positions and expenditure authority from the Licensing and Certification Program Fund of \$911,000 annually to increase information technology services associated with a new federally required health facility survey automation system.
- **Online and Distance-Learning Nurse Assistant Training Programs (AB 2850).** The budget includes nine positions and expenditure authority from the Licensing and Certification Program Fund of \$1.2 million annually to review, approve, and monitor applications from new online and distance learning nurse assistant training programs and instructors, pursuant to the provisions of AB 2850 (Rubio), Chapter 769, Statutes of 2018.
- **Timelines for Hospital Licensing Applications (AB 2798).** The budget includes 21 positions and expenditure authority from the Licensing and Certification Program Fund of \$3.4 million annually to comply with new health facility licensing application processing timelines, pursuant to the

requirements of AB 2798 (Maienschein), Chapter 922, Statutes of 2018. The budget also includes trailer bill language to amend a provision of AB 2798 to allow the Licensing and Certification Program Fund to support the required workload.

- **Soliciting and Implementation of Projects to Benefit Nursing Home Residents.** The budget includes one position and expenditure authority from the Federal Health Facilities Citation Penalties Account of \$680,000 in 2019-20, \$431,000 in 2020-21, and \$149,000 annually thereafter to implement a federally approved Nurse Leadership project and solicit future projects to benefit skilled nursing facility residents. The budget also includes budget bill language to augment expenditure authority from the Federal Health Facilities Citation Penalties Account upon federal approval of project planning funded by the account and after legislative notification.
- **Improving Vital Records Interoperability and Data Quality.** The budget includes three positions and expenditure authority from the Health Statistics Special Fund of \$1.2 million in 2019-20 and 2020-21, \$1.3 million in 2021-22 and 2022-23, \$1.4 million in 2023-24, and \$21,000 annually thereafter to renew and modify an agreement with the University of California, Davis for vital records system enhancements and operations, and to shift activities performed by the University of California, Santa Barbara to department staff.
- **Gambling Disorder Training and Education Services.** The budget includes establishment of three positions funded by redirection of expenditure authority from the Indian Gaming Special Distribution Fund of \$451,000 to conduct public outreach for gambling disorder prevention.
- **Increased Drinking Water Laboratory Services.** The budget includes four positions and expenditure authority from the Safe Drinking Water Account of \$837,000 in 2019-20 and \$782,000 annually thereafter to support workload and equipment under an interagency agreement between the State Water Resources Control Board and the California Department of Public Health to meet the primacy agreement with the United States Environmental Protection Agency and, in support of those activities, meet new laboratory standards.
- **Public Health Crisis Response Grant.** The budget includes budget bill language to allow augmentation of appropriation authority for federal funds to quickly accept public health emergency funding pursuant to a new Centers for Disease Control and Prevention Public Health Crisis Response Grant.
- **Disaster Preparedness, Response, and Recovery.** The budget includes six positions and expenditure authority of \$959,000 (\$569,000 General Fund and \$390,000 Licensing and Certification Fund) annually to support health care facilities and mass care shelters during emergencies as well as disaster preparedness, response, and recovery efforts. Activities will include deployment of infection control teams and continuous updates to an existing health facility mapping application used during disasters.
- **Proposition 99 Adjustments – Health Education, Research, and Unallocated Accounts.** The budget includes the following technical corrections reflecting changes in Proposition 99 revenues: 1) in the Health Education Account, an increase of \$950,000 for Item 4265-001-0231 and an increase of \$500,000 for Item 4265-111-0231; 2) in the Research Account, an increase of \$521,000

for Item 4265-001-0234; and 3) in the Unallocated Account, an increase of \$29,000 for Item 4265-001-0236.

4440 DEPARTMENT OF STATE HOSPITALS (DSH)

- **Mental Health Diversion Reporting.** The budget includes supplemental reporting language requiring trial courts and the Judicial Council to provide data to DSH and the Legislature regarding mental health diversion programs authorized by AB 1810 (Committee on Budget), Chapter 34, Statutes of 2018, as part of the 2018 Budget Act. The data will include the number of petitions for diversion that were granted and, when possible, the number of petitions that were denied, the number of petitions denied because the defendant did not meet the statutory requirements for eligibility, the number of individuals who successfully completed the diversion program, and the number of individuals that were terminated from the program. DSH will include this report in the data elements it receives from counties that have contracted with the department for mental health diversion programs funded in the 2018 Budget Act.
- **Metropolitan State Hospital: Bed Expansion.** The budget includes a reduction of 22.5 positions and General Fund savings of \$3.5 million in 2018-19, 99.2 positions and General Fund expenditure authority of \$15.5 million in 2019-20, and 1.5 positions and General Fund expenditure authority of \$267,000 in 2020-21 to activate newly secured units at Metropolitan State Hospital to provide increased capacity for the treatment of patients referred to the State Hospital system as incompetent to stand trial (IST).
- **Patient-Driven Operating Expense and Equipment.** The budget includes General Fund savings of \$2.2 million in 2018-19 and General Fund expenditure authority of \$11.1 million in 2019-20 and annually thereafter to fund increased patient-driven operational expenses and equipment resulting from higher projected census figures. These operational expenses and equipment include pharmaceuticals, outside medical costs, and food.
- **Jail-Based Competency Treatment Program Expansion.** The budget reflects General Fund savings of \$787,000 in 2018-19, includes General Fund expenditure authority of \$6.2 million in 2019-20 and \$12.9 million annually thereafter to activate new and existing jail-based competency treatment beds for the treatment of IST patients in county jails, pursuant to approval of program expansions in previous budget requests. DSH contracts with counties to provide restoration of competency services in jails, treating IST patients with lower acuity that are likely to be quickly restored to competency.
- **Conditional Release Program (CONREP): Sexually Violent Predator Caseload Adjustment.** The budget reflects General Fund savings of \$245,000 in 2018-19 and includes General Fund expenditure authority of \$1.1 million in 2019-20 and annually thereafter for the CONREP Sexually Violent Predator program based on adjustments to projected program caseload.
- **CONREP: Non-Sexually Violent Predator Caseload Adjustment.** The budget includes General Fund expenditure authority of \$1 million in 2019-20 and annually thereafter to support the contracted CONREP caseload of 666 clients. Due to rising housing costs, DSH was required to reduce its CONREP caseload to 621 clients to remain within its budgeted authority. These

additional resources will allow DSH to cover cost increases for each of the housing types in the program.

- **CONREP: Step-Down Transition Program.** The budget includes General Fund expenditure authority of \$5.7 million in 2019-20 and \$11.5 million annually to allow DSH to expand its continuum of care for CONREP patients by establishing a step-down program. These resources support a contract for a 78-bed vendor operated community step-down program for mentally disordered offender and not guilty by reason of insanity patients preparing for conditional release from state hospitals within 18 and 24 months. The requested resources will also allow DSH to expand an existing contract with Sylmar Health and Rehabilitation Center by four beds for a total of 24 beds.
- **Contracted Services and Patient Management Support.** The budget includes eight positions and General Fund expenditure authority of \$1.1 million annually to manage the development and ongoing support of the expansion of competency restoration programs, an increasing caseload of patients determined incompetent to stand trial, and to provide essential data and analysis for effective and efficient management of DSH patient management programs.
- **Lanterman-Petris-Short (LPS) Population and Personal Services Adjustment.** The budget includes additional reimbursement expenditure authority of \$3.3 million in 2019-20 and annually thereafter to allow DSH to receive reimbursements from counties for the care and treatment of LPS patients. LPS patients are individuals that require physically secure 24-hour care and are committed through civil court proceedings that determine the individual is a danger to themselves or others or suffers from a grave disability.
- **Enhanced Treatment Program Implementation.** The budget includes a reduction of 7.1 positions and General Fund savings of \$2.6 million in 2018-19 and net reduction of 2.3 positions and General Fund expenditure authority of \$2.3 million in 2019-20 due to delayed implementation for enhanced treatment program (ETP) due to unforeseen electrical and ducting work. The 2019-20 reduction in 2019-20 expenditure authority is net of redirection of \$139,000 for critical needs at the Patton ETP unit.
- **Vocational Services and Patient Minimum Wage.** The budget includes one position and General Fund expenditure authority of \$3.2 million annually to standardize the patient-worker wage structure across commitment types and residency hospitals, and to continue patient vocational treatment and sheltered workshop programs. The budget also includes trailer bill language to exempt DSH patient-workers from state minimum wage requirements and prohibit DSH from confiscating patient-worker wages to support housing and treatment costs.
- **Workforce Development.** The budget includes eight positions and General Fund expenditure authority of \$1.8 million in 2019-20, \$2.2 million in 2020-21, \$2.4 million in 2021-22 and 2022-23, and \$2.6 million annually thereafter. These positions and resources will support implementation of a Psychiatric Residency Program to recruit and train psychiatrists within the state hospitals, and to expand resources for nursing recruitment to meet the mission of providing mental health services to patients and reduce vacancy rates for mental health providers.

- **Court Evaluations and Reports.** The budget includes 43 positions and General Fund expenditure authority of \$8.1 million in 2019-20, an additional 34.5 positions and General Fund expenditure authority of \$5.9 million in 2020-21, an additional 17.1 positions and General Fund expenditure authority of \$4.2 million in 2021-22 and General Fund expenditure authority of \$18.1 million annually thereafter. These positions and resources will support implementation of forensic services staffing standards to support court-directed treatment of state hospital patients.
- **Direct Care Nursing.** The budget includes 379.5 positions and General Fund expenditure authority of \$46 million phased in across a three-year period to support the workload of providing 24-hour care nursing services in state hospitals. These positions and resources reflect a reorganization of clinical functions based on a comprehensive effort to evaluate staffing practices at the five state hospitals and result in standardized nurse-to-patient ratios, reduction in required overtime or temporary help, and additional psychiatric technicians for medication pass responsibilities.
- **Pharmacy Modernization.** The budget includes General Fund expenditure authority of \$2.2 million in 2019-20 to support project planning for the department's Pharmacy Modernization project. Project components include improved inventory control, unit repackaging, automated dispensing, standardized patient specific medication data improvements, and pharmacy data integration.
- **Disaster Preparedness, Response, and Recovery.** The budget includes six positions and General Fund expenditure authority of \$996,000 annually to improve emergency coordination and preparedness, and business continuity planning at five state hospitals and the DSH headquarters. These additional positions and resources will enhance the department's ability and capacity to more effectively care for patients and coordinate staff in the event of a disaster.
- **Increased Court Appearances and Public Records Act Requests.** The budget includes 5.5 two-year limited-term positions and General Fund expenditure authority of \$767,000 in 2019-20 and 2020-21 to address increases in court hearings at which DSH attorneys are required to appear, as well as increases in requests pursuant to the Public Records Act.
- **Privacy Protection Program.** The budget includes nine positions and General Fund expenditure authority of \$1.3 million annually to establish a system-wide Privacy Protection Program in accordance with a recent audit by the California Office of Health Information Integrity.
- **Telepsychiatry Resources.** The budget includes 11 positions and General Fund expenditure authority of \$2.2 million in 2019-20, and 21 positions and General Fund expenditure authority of \$3.7 million annually thereafter to allow DSH to expand its use of telepsychiatry as an alternative to providing in-person psychiatric treatment to patients and ensure appropriate delivery of care. Specifically, these resources will add clinical oversight and supervision, telepsychiatry coordinators, as well as information technology equipment and resources.
- **Hospital Police Officer (HPO) Academy.** The budget includes conversion of three limited-term positions to permanent and General Fund expenditure authority of \$5.8 million in 2019-20 and annually to continue its specialized, expanded HPO Academy. New HPO cadets are required to attend the DSH HPO Academy, a 14-week program to ensure proper training on requirements and

standards of the HPO classification. The budget also includes budget bill language requiring DSH to provide a status update on the recruitment and retention of HPOs, to be included in the department's 2020–21 Governor's budget estimate and subsequent May Revision estimate. The status update must include the number of authorized and vacant positions for each hospital, HPO attrition rates, and the rate of success of retention of HPO Academy graduates.

- **Interagency Agreement with Health and Human Services Agency.** The budget includes a reduction of General Fund expenditure authority of \$222,000 annually to reflect an adjustment to an interagency agreement between DSH and the California Health and Human Services Agency. This adjustment is related to a commensurate increase in positions and General Fund expenditure authority included in the budget for the agency to replace funding for one position provided by DSH under the previous agreement.
- **California State Lottery Fund Adjustment.** The budget includes expenditure authority from the California State Lottery Education Fund of \$6,000 annually. This technical adjustment reflects updated funding derived from the sale of lottery tickets to fund DSH programs.
- **Enhanced Treatment Units.** The budget includes General Fund expenditure authority of \$2.4 million in 2019-20 to allow DSH to complete construction of Enhanced Treatment Units at Atascadero and Patton State Hospitals.
- **Atascadero: Potable Water Booster Pump System.** The budget includes General Fund expenditure authority of \$113,000 in 2019-20 to support preliminary plans for a project to install a potable water booster pump system to serve Atascadero State Hospital's main water system.
- **Metropolitan State Hospital: Consolidation of Police Operations - Reappropriation.** The budget includes reappropriation of General Fund expenditure authority of \$1.5 million approved in the 2018 Budget Act to support completion of the design phase for construction of a new building for the Department of Police Services, Office of Special Investigation, and Emergency Dispatch Center at Metropolitan State Hospital.
- **Patton State Hospital: Fire Alarm System Upgrade - Reappropriation.** The budget includes reappropriation of General Fund expenditure authority of \$9.4 million approved in the 2018 Budget Act to support removal and replacement of deficient fire alarm control panels and associated components in four patient-occupied buildings at Patton State Hospital.
- **Metropolitan and Patton State Hospitals: Kitchen Projects – Liquidation Period.** The budget includes extension of the liquidation period for expenditure authority from the Public Buildings Construction Fund for construction closeout activities for two previously approved projects: 1) Metropolitan: Construct New Main Kitchen and Remodel Satellite Serving Kitchens; and 2) Napa: Construct New Main Kitchen.
- **2014 South Napa Earthquake Repairs.** The budget includes General Fund savings of \$1.1 million in 2018-19 and reduction of General Fund expenditure authority of \$608,479 in 2019-20 as the department will not be proceeding with the completion of primarily minor, cosmetic repairs at Napa State Hospital related to the 2014 South Napa Earthquake. According to DSH, the decision not to proceed with these repairs is due to ongoing challenges and delays in the availability and

hiring of labor for this project and the need for swing space to complete the project that is currently unavailable.

- **Relocation to the Clifford L. Allenby Building.** The budget includes two limited-term positions and General Fund expenditure authority of \$4.9 million in 2019-20, \$1.8 million in 2020-21, and \$2.8 million annually thereafter to support the services and equipment necessary to relocate DSH to the new Clifford L. Allenby Building in January 2021. The Legislature also approved budget bill language to exempt certain specific services from the Public Contract Code, the State Contracting Manual, and oversight by the Department of General Services.
- **Various Technical Adjustments.** The budget includes a net-zero realignment of existing expenditure authority in 2019-20 to properly align budget and position authority with existing expenditures.

4560 MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION (MHSOAC)

- **Mental Health School Services Act.** The budget includes expenditure authority from the Mental Health Services Fund of \$50 million in 2019-20 and \$10 million annually thereafter for the Mental Health School Services Act, a competitive grant program to establish mental health partnerships between county mental health or behavioral health departments and school districts, charter schools, and county offices of education. These partnerships will support: (1) services provided on school campuses; (2) suicide prevention; (3) drop-out prevention; (4) outreach to high-risk youth and young adults, including, but not limited to, foster youth, youth who identify as lesbian, gay, bisexual, transgender, or queer (LGBTQ), and youth who have been expelled or suspended from school; (5) placement assistance and development of a service plan that can be sustained over time for students in need of ongoing services; and (6) other prevention, early intervention, and direct services, including, but not limited to, hiring qualified mental health personnel, professional development for school staff on trauma-informed and evidence-based mental health practices, and other strategies that respond to the mental health needs of children and youth.
- **Early Psychosis Research and Treatment.** The budget includes expenditure authority from the Mental Health Services Fund of \$20 million in 2019-20 to support the Early Psychosis Intervention (EPI) Plus program, established by AB 1315 (Mullin), Chapter 414, Statutes of 2017, but never previously funded. With this funding, the EPI Plus program will develop a competitive grant program for counties to expand access to evidence-based early psychosis and mood disorder detection and intervention services for transition-aged youth and young adults at high risk for, or experiencing, psychotic symptoms.
- **Youth Mental Health Drop-In Centers.** The budget includes expenditure authority from the Mental Health Services Fund of \$15 million in 2019-20 for a grant program to establish youth drop-in centers that provide integrated mental health services for individuals between 12 and 25 years of age and their families, with a focus on vulnerable and marginalized youth and disparity populations including, but not limited to, LGBTQ, homeless, and indigenous youth.
- **Innovation Incubator Implementation.** The budget includes expenditure authority from the Mental Health Services Fund of \$285,000 in 2019-20 and 2020-21 to support implementation of

innovation strategies targeted toward criminal justice-involved persons deemed incompetent to stand trial.

- **Transition Staff from Temporary to Permanent.** The budget includes transition of one position, funded by existing expenditure authority from the Mental Health Services Fund to provide administrative support to commission members and staff for commission meetings, from temporary to permanent status.

4800 CALIFORNIA HEALTH BENEFIT EXCHANGE

- **Health Insurance Premium Affordability Assistance.** The budget includes General Fund expenditure authority of \$428.6 million in 2019-20, \$479.8 million in 2020-21, and \$547.2 million in 2021-22 to provide premium subsidies for individuals up to 600 percent of the federal poverty level purchasing health insurance in the California Health Benefit Exchange. Approximately 17 percent of the funds will be used to supplement federal affordability assistance for individuals with incomes between 200 and 400 percent of the federal poverty level (between \$51,500 and \$103,000 for a family of four) and approximately 83 percent will be used to provide new, state-funded affordability assistance for individuals with incomes between 400 and 600 percent of the federal poverty level (between \$103,000 and \$154,500 for a family of four). The funding will also be used to fully cover premium costs for individuals below 138 percent of the federal poverty level (\$35,500 for a family of four).
- **Individual Mandate Penalty.** The budget includes trailer bill language to implement a penalty on individuals that fail to maintain minimum essential coverage during a coverage year. The mandate penalty will apply to the 2020 coverage year and will be paid when an individual files tax returns in 2021. The minimum penalty is \$695 for adults in the household and \$347.50 for children in the household. The Administration estimates the individual mandate penalty will result in revenue of \$317.2 million in 2020-21, \$335.9 million in 2021-22, and \$352.8 million in 2022-23. This revenue will offset General Fund expenditures for health insurance premium affordability assistance for individuals purchasing coverage in the exchange.
- **Covered California Health Benefit Exchange.** The budget includes \$344.2 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.

0000 VARIOUS DEPARTMENTS

- **Health and Human Services Program Suspensions.** The budget includes trailer bill language to suspend several health and human services programs on December 31, 2021. The trailer bill language also provides that, if the 2021 May Revision contains projected annual General Fund revenues that exceed projected annual General Fund expenditures sufficient to fund all suspended programs, then the suspensions shall not take effect. The health-related departmental programs subject to suspension are as follows:
 - DHCS – Proposition 56 Value-Based Payments Program

- DHCS – Restoration of Optional Medi-Cal Benefits
- DHCS – Expand Screening, Brief Intervention, Referral to Treatment to Opioids and Other Drugs
- DHCS – Extension of Medi-Cal for Post-partum Mental Health
- DPH – Comprehensive HIV Prevention
- DPH – Sexually Transmitted Disease Prevention
- DPH – Hepatitis C Prevention

Health Budget Trailer Bills and Budget Bill

1. *Health Omnibus – SB 78 (Committee on Budget and Fiscal Review), Chapter 38, Statutes of 2019.*
2. *Mental Health – SB 79 (Committee on Budget and Fiscal Review), Chapter 26, Statutes of 2019.*
3. *Medi-Cal: Managed Care Organization Provider Tax – AB 115 (Committee on Budget), Chapter 348, Statutes of 2019.*
4. *Budget Bill– SB 106 (Committee on Budget and Fiscal Review), Chapter 55, Statutes of 2019.*
5. *Budget Bill– SB 109 (Committee on Budget and Fiscal Review), Chapter 363, Statutes of 2019.*

HUMAN SERVICES

0530 HEALTH AND HUMAN SERVICES AGENCY, OFFICE OF SYSTEMS INTEGRATION (OSI)

- **State Verification Hub.** The budget includes an additional \$115,000 (\$78,000 General Fund) on a two-year limited-term basis to begin planning activities for a State Verification Hub. See corresponding increase in Department of Social Services.
- **Electronic Visit Verification (EVV) for the In-Home Supportive Services Program.** The budget includes an increase of \$22.2 million for the implementation of the EVV solution. See corresponding increase in Department of Social Services.
- **EVV Phase II Planning.** The budget includes \$3.5 million (\$351,000 General Fund) one-time to support Phase II planning activities across multiple departments.
- **California Statewide Automated Welfare System (CalSAWS).** The budget provides \$1.3 million (\$393,000 General Fund) on a four-year limited-term basis to support implementation of a single SAWS. See corresponding increase in Department of Social Services.
- **Various Technical Adjustments.** The budget includes of total of \$11.4 million (\$5.7 million General Fund) for various technical adjustments across all departments within the Agency.

4100 STATE COUNCIL ON DEVELOPMENTAL DISABILITIES (SCDD)

The budget provided \$12.6 million (\$7.5 million federal funds; \$5.1 million reimbursements) for 2019-20, as budgeted by the Governor. The SCDD is responsible for developing and implementing a State Plan containing goals, objectives, activities, and projected outcomes designed to improve and enhance the availability and quality of services and support to individuals with developmental disabilities and their families.

4170 CALIFORNIA DEPARTMENT OF AGING (CDA)

The budget includes \$206.3 million (\$41.5 million General Fund) for CDA, including:

- **Long-Term Care Ombudsman.** The budget increases funding for local Long-Term Care Ombudsman offices by \$5.2 million annually. Additionally, the budget includes trailer bill language requiring quarterly visits to Skilled Nursing Facilities and Residential Care Facilities for the Elderly by Long-Term Care Ombudsman staff.
- **Senior Nutrition.** The budget increases funding for senior nutrition programs by \$17.5 million General Fund annually. This funding will be suspended on December 31, 2021, unless there is sufficient General Fund revenue to support all programs proposed for suspension in the subsequent two fiscal years, as determined by the Department of Finance.

- **Multipurpose Senior Services Program (MSSP).** The budget includes a one-time increase of \$29.6 million (\$14.8 million General Fund) to be expended over three years to provide supplemental payments to MSSP providers.
- **“No Wrong Door” Model.** The budget includes \$5 million General Fund annually to provide grants to local Area Agencies on Aging and Independent Living Centers to utilize the “No Wrong Door” model. This funding will be suspended on December 31, 2021, unless there is sufficient General Fund revenue to support all programs proposed for suspension in the subsequent two fiscal years, as determined by the Department of Finance.
- **Dignity at Home Fall Prevention Program.** The budget includes \$5 million General Fund one-time to provide grants to local Area Agencies on Aging for injury prevention education and home modifications for seniors at risk of falling or institutionalization.
- **Adult Protective Services Training.** The budget includes \$5.8 million General Fund one-time, to be distributed over three years, to support training for county Adult Protective Services staff and public guardians.
- **Community Based Adult Services Staffing (CBAS).** The budget includes an increase in spending authority of \$751,000 (\$324,000 General Fund) for additional staffing to ensure CBAS service providers are certified within the statutorily required timeframe.
- **Federal Title III Funding.** The budget increases federal fund authority by \$17.5 million due to an increase in federal Title III funding. This authority will allow expenditure of additional federal funds for the Nutrition, Long-Term Care Ombudsman, and Supportive Services programs.
- **CalFresh Expansion.** The budget includes \$1.7 million General Fund reimbursement authority to provide outreach and application assistance to older adults newly eligible for CalFresh benefits.
- **Medicare Improvements for Patients and Providers Act (MIPPA).** The budget includes budget bill language to allow for the timely expenditure of one-time federal MIPPA grant funding.
- **Poway and Santa Clarita Valley Senior Centers.** The budget includes \$500,000 General Fund one-time for the Poway Senior Center and \$450,000 General Fund one-time for the Santa Clarita Valley Senior Center.

4185 CALIFORNIA SENIOR LEGISLATURE (CSL)

The budget includes \$615,000 (\$300,000 General Fund and \$315,000 Senior Citizen Advocacy Voluntary Tax Contribution Fund) for support of the CSL. The ongoing General Fund augmentation is intended to support CSL staffing, office equipment, and other administrative expenses.

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES (DDS)

The budget includes a total of \$8.2 billion (\$5 billion General Fund) to support the department and its activities, including:

- **Provider Rate Increase.** The budget includes an increase of \$206.7 million (\$125 million General Fund) in 2019-20 to provide rate increases of up to 8.2 percent for specified service providers. This funding will be suspended on December 31, 2021, unless there is sufficient General Fund revenue to support all programs proposed for suspension in the subsequent two fiscal years, as determined by the Department of Finance.
- **Headquarters Restructure and Reorganization.** The budget includes \$8.1 million (\$6.5 million General Fund) ongoing for a reorganization of the departmental headquarters. This funding will increase oversight and monitoring of the regional center service delivery system.
- **Uniform Holiday Schedule Suspension.** The budget includes \$50.3 million (\$30.1 million General Fund) to support the delayed implementation of the 14 day Uniform Holiday Schedule. This funding will be suspended on December 31, 2021, unless there is sufficient General Fund revenue to support all programs proposed for suspension in the subsequent two fiscal years.
- **Additional Transparency and Accountability Measures.** The budget includes trailer bill language that provides additional measures to enhance regional center and provider oversight. Additionally, trailer bill language requires the department to identify key indicators to track the regional center system's delivery of services, and to report that information to the Legislature no later than January 10, 2021. Trailer bill language also requires the department to annually update the Legislature on specified data regarding complaints filed at each regional center.
- **Canyon Springs Admissions.** The budget provides trailer bill language regarding restricted and temporary admissions to the Canyon Springs facility for specified individuals.
- **Safety Net and Acute Crisis Services.** The budget includes \$5.3 million (\$4.8 million General Fund) in 2019-20 and \$7.9 million (\$4.7 million General Fund) annually thereafter to expand crisis services into the Central Valley. Additionally, the budget includes \$6.4 million (\$5.6 million General Fund) to operate a new crisis home and provide oversight to department operated safety net homes and mobile crisis services. The budget also includes trailer bill language requiring the department to update its safety net plan and to submit that update to the Legislature by January 10, 2020.
- **Porterville Stabilization Training Assistance and Reintegration (STAR) Facilities.** The budget includes \$4.7 million General Fund one-time to provide interim acute crisis stabilization services.
- **Fairview Developmental Center Population and Staffing Adjustment.** The budget includes \$11.7 million General Fund for the operation of an additional intermediate care facility at Fairview Developmental Center until December 31, 2019.

- **Community Crisis Homes for Children.** The budget includes \$4.5 million General Fund one-time and trailer bill language to support the development of community crisis homes specifically for children.
- **Enhanced Behavioral Supports Homes (EBSH) Sunset Extension.** The budget includes trailer bill language to extend the EBSH program sunset from January 1, 2020 to January 1, 2021.
- **Specialized Home Monitoring.** The budget includes \$6 million (\$5 million General Fund) ongoing to increase oversight of Enhanced Behavioral Support Homes and Community Crisis Homes.
- **Specialized Caseload Ratios.** The budget includes \$3.8 million (\$2.6 million General Fund) and trailer bill language to establish a reduced service coordinator caseload ratio for consumers with specialized behavioral needs.
- **Federal Claims Reimbursement System.** The budget includes \$3.2 million (\$3 million General Fund) in 2019-20, and \$12 million (\$11.8 million General Fund) in 2020-21 and 2021-22 for the planning and implementation of an information technology system to replace the federal billing system.
- **Trauma-Informed Systems of Care (AB 2083).** The budget includes \$158,000 (\$134,000 General Fund) ongoing to implement the requirements of AB 2083 (Cooley), Chapter 815, Statutes of 2018. This piece of legislation requires the development of a coordinated, timely, and trauma-informed system of care approach for foster children and youth.
- **Home and Community-Based Services (HCBS) Final Rule Site Assessments.** The budget includes \$3 million (\$1.8 million General Fund) one-time to contract for on-site visits and assessments of providers and programs as required by the federal HCBS final rules. The budget includes budget bill language to ensure HCBS rules are implemented consistent with federal requirements, and trailer bill language requiring regional centers to post specified data on provider compliance with HCBS rules.
- **Early Start Co-Payments.** The budget includes \$1 million General Fund and trailer bill language to ensure that insured families are not charged disproportionately more than uninsured families for early intervention services.
- **Family Home Agency Oversight.** The budget provides an additional \$1.1 million to expand the Family Home Agency monitoring of individuals who transition out of high-cost models of care into more cost-effective, less restrictive settings.
- **Quarterly Briefings.** The budget includes trailer bill language codifying departmental quarterly briefings for the Legislature, and specifies what information should be covered during those briefings.
- **Best Buddies.** The budget includes \$2 million General Fund for support of the Best Buddies program.

- **Clifford L. Allenby Building Relocation.** The budget includes \$3.4 million General Fund to fund the department's relocation to the Clifford L. Allenby building. The budget also includes language exempting the department from specific requirements relating to document imaging or archival services for the move.
- **Additional Trailer Bill Language.** The budget includes trailer bill language requiring the following:
 - Identification of key indicators to track the regional center system's delivery of services by the department.
 - Additional oversight of admissions to Institutions for Mental Disease.
 - The internet posting of guidelines, protocols, and assessment tools used by regional centers.
 - Enhanced consumer access to Clients' Rights Advocates.
 - Minimizing the use of restraints in Community Crisis Homes.

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT (CSD)

The budget includes \$302.5 million (\$287.4 million federal funds, \$10 million Greenhouse Gas Reduction Fund, and \$5.1 million reimbursements) for CSD.

5160 DEPARTMENT OF REHABILITATION (DOR)

The budget includes \$479.1 million (\$72.9 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:

- **Vocational Rehabilitation Program.** The budget includes \$5 million General Fund for a ten percent increase to Community Rehabilitation program provider rates and information technology infrastructure updates.
- **Traumatic Brain Injury (TBI) Program.** The budget includes \$1.2 million General Fund for the TBI program, and eliminates the program sunset date, making the program permanent.
- **CalFresh Outreach.** The budget includes \$2.5 million in reimbursement authority to allow Independent Living Centers to assist with implementation and outreach of the expansion of CalFresh.

5175 DEPARTMENT OF CHILD SUPPORT SERVICES

The budget includes \$1.1 billion (\$339.3 million General Fund) for child support services to establish parentage and collect child support. The department's budget includes the following:

- **Local Child Support Agency (LCSA) Funding Methodology.** The budget includes \$19.1 million General Fund in 2019-20 and \$57.2 million General Fund in 2021-22 to implement an interim funding methodology for LCSA administrative costs. The budget also includes trailer bill language requiring the department to convene a series of stakeholder working sessions to develop an ongoing funding methodology and to provide a written update to the Legislature describing recommended changes to the funding methodology by February 1, 2020.
- **Voluntary Parentage Establishment Program.** The budget provides \$596,000 (\$199,000 General Fund) to revise procedures for establishing and challenging parentage.
- **Additional Trailer Bill Language.** The budget includes trailer bill language that does the following:
 - Continues the suspension of child support performance incentives for LCSAs.
 - Aligns state statute with federal law, increasing the annual Federal Deficit Reduction Act fee.

5180 DEPARTMENT OF SOCIAL SERVICES (DSS)

Overall, the budget approves \$27 billion (\$9.9 billion General Fund) for the department. Notable program funding and investments include:

California Work Opportunity and Responsibility to Kids (CalWORKs). The budget for the CalWORKs program, including assistance payments, services, administration, and child care, is \$6.6 billion (\$726.4 million General Fund). Specifically, the CalWORKs budget includes:

- **Ending Childhood Deep Poverty.** The budget provides \$331.5 million in 2019-20 and \$441.8 million annually thereafter to increase Maximum Aid Payments (MAP) so grants for assistance units (AUs) of one are at 50 percent of the federal poverty level. Grants for all other AU sizes will be increased to no less than 47 percent of the federal poverty level. This increase is effective October 1, 2019. The budget also includes trailer bill language to effect this change.
- **Earned Income Disregard (EID) and Income Report Threshold (IRT).** The budget includes \$6.8 million General Fund in 2019-20, growing to \$99 million in 2022-23 to increase the CalWORKs EID to \$600 per month and to align the CalWORKs IRT with the CalFresh program.
- **CalWORKs Asset Test.** The budget includes \$7.5 million General Fund in 2019-20, and \$30 million annually thereafter to increase the CalWORKs eligibility limit on cash assets to \$10,000 and the vehicle limit to \$25,000, effective June 1, 2020. The budget also allows these limits to be adjusted annually for inflation.

- **Homeless Assistance Program.** The budget includes \$14.7 million General Fund in 2019-20 and \$27.6 million ongoing to eliminate the requirement that allowable days of CalWORKs homeless assistance be used consecutively within a 12-month period.
- **Safety Net Reserve.** The budget adds \$700 million General Fund to the Safety Net Reserve, bringing the total reserve amount to \$900 million.
- **Home Visiting Program.** The budget provides \$89.6 million in 2019-20, and \$167 million ongoing for the CalWORKs Home Visiting Program. The budget also includes trailer bill language that expands the program to all eligible children ages 0-2. Supplemental report language, requiring the department to update the Legislature and stakeholders on implementation of the program no later than December 31, 2019, is also included in the budget.
- **Single Allocation.** The budget provides \$41.4 million General Fund to reflect the adoption of a revised budgeting methodology for the employment services component of the CalWORKs Single Allocation to counties. The budget includes trailer bill language requiring the tracking and evaluation of costs per case and casework metrics. The budget also includes budget bill language separating the child care component from the Single Allocation, beginning in 2020-21.
- **CalWORKs Outcome and Accountability Review (Cal-OAR).** The budget includes \$13.2 million to perform continuous quality improvement activities consistent with Cal-OAR implementation. The budget also includes trailer bill language that codifies the intent of Cal-OAR. The budget also includes an additional \$887,000 General Fund and \$12.3 million federal funds to support county activities related to Cal-OAR.
- **Stage One Child Care.** The budget includes \$56.4 million General Fund in 2019-20 and \$70.5 million ongoing to provide 12-month continuous eligibility for Stage One child care.
- **Cal-Learn Program.** The budget includes an additional \$5.9 million (\$230,000 General Fund) to reflect adherence to new case management standards in the program.
- **Housing Support Program.** The budget includes budget bill language allowing the reappropriation of unexpended funds appropriated in the 2018 Budget Act for the program.

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

- **Continuum of Care Reform (CCR).** The budget includes trailer bill language that would exempt the department from specified requirements related to CCR contracts.
- **Emergency Assistance and Resource Family Approval (RFA).** The budget includes funding and trailer bill language regarding emergency assistance and an RFA application backlog. The budget includes \$4.2 million one-time to provide caregivers with up to twelve months of assistance payments pending resource family approval for cases that meet good cause criteria. The budget also provides \$14.4 million General Fund one-time to counties to help eliminate the backlog of RFA applications that are pending review and approval.

- **Foster Parent Recruitment, Retention, and Support.** The budget includes \$21.6 million General Fund one-time for activities and services to recruit, retain, and support foster parents, relative caregivers, and resource families.
- **Family Urgent Response System (FURS).** The budget includes \$15 million General Fund in 2019-20 and \$30 million General Fund annually thereafter to implement FURS. This funding will be suspended on December 31, 2021, unless there is sufficient General Fund revenue to support all programs proposed for suspension in the subsequent two fiscal years, as determined by the Department of Finance.
- **Group Home Extensions.** The budget approves trailer bill languages to establish a contingency plan regarding the CCR and placements, permitting an exception process for group homes caring for foster youth after December 31, 2019 on a case-by-case basis with specified conditions.
- **Child and Adolescent Needs and Strengths (CANS) Assessment Implementation.** The budget adopts trailer bill language that requires the tracking of actual expenditures associated with the CANS assessment.
- **Bringing Families Home.** The budget includes \$25 million General Fund one-time, to be distributed over three years, for the program. Additionally, the budget includes budget bill language allow the reappropriation of unexpended funds appropriated in the 2017 Budget Act.
- **Emergency Child Care Bridge.** The budget includes a \$10 million General Fund increase for the Emergency Child Care Bridge program.
- **Reducing Homelessness for Former Foster Youth.** The budget provides \$8 million General Fund ongoing and trailer bill language to reduce homelessness among former foster youth. This funding will be suspended on December 31, 2021, unless there is sufficient General Fund revenue to support all programs proposed for suspension in the subsequent two fiscal years, as determined by the Department of Finance.
- **Foster Family Agency Rate Cost of Living Adjustment (COLA).** The budget includes \$6.5 million General Fund for a COLA for the rates paid to foster family agencies. This funding will be suspended on December 31, 2021, unless there is sufficient General Fund revenue to support all programs proposed for suspension in the subsequent two fiscal years, as determined by the Department of Finance.
- **Kinship Guardianship Assistance Payment (Kin-GAP) Program.** The budget includes trailer bill language relating to the date on which a child can begin receiving assistance through the program.
- **Foster Child Complaint Investigations.** The budget includes \$894,000 (\$407,000 General Fund) for two-year limited-term resources to address a caseload backlog associated with child welfare and foster care complaints.

- **State-Tribal-County Engagement.** The budget includes \$797,000 (\$392,000 General Fund) to address workload associated with new state and federal regulations related to tribal engagement and the federal Indian Child Welfare Act.
- **Reducing Law Enforcement Contacts in Children’s Residential Facilities.** The budget provides \$341,000 special funds to fund two-year limited-term positions to reduce the use of law enforcement in youth residential facilities.
- **Dependency Counsel Title IV-E Funding.** The budget includes \$34 million federal funds to provide the judicial branch with federal Title IV-E reimbursements. See related issue in Public Safety and the Judiciary section.

Community Care Licensing. The budget approves permanent position authority for 207 positions to increase the frequency of inspections for licensed child care facilities, and trailer bill language stating the intent of the Legislature that inspections occur annually. The budget also includes \$2.7 million General Fund to support data migration from the legacy information technology systems used by the division.

CalFood Program. The budget provides \$20 million General Fund one-time for the CalFood program, and trailer bill language that raises the storage and transportation rate for local food banks to 15 percent.

CalFresh. The budget includes \$928,000 federal funds in 2019-20, and \$820,000 annually thereafter to form a new CalFresh Employment and Training unit.

Supplemental Security Income/State Supplemental Payment (SSI/SSP). The budget includes \$9.9 billion (\$2.8 billion General Fund) for SSI/SSP. Specifically, the budget includes:

- **CalFresh Expansion (Elimination of SSI Cash-out Policy) County Administration and Hold Harmless Programs.** The budget approves the Governor’s proposal for one-time county administration funding for the CalFresh expansion and trailer bill language requiring the state to track county costs and workload associated with the initiative. The budget includes trailer bill language making the CalFresh expansion Hold Harmless programs entitlements. Supplemental report language requiring the department to provide regular updates on implementation, outreach, and county costs of the CalFresh expansion and associated “hold harmless” programs is also included in the 2019-20 budget.
- **Housing and Disability Advocacy Program (HDAP).** The budget includes \$25 million General Fund for the program, and related trailer bill language.

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

- **Maintenance-of-Effort (MOE).** The budget approves \$1.7 billion for increased state MOE costs and associated trailer bill language.

- **Restoration of Seven Percent Cut in IHSS Hours.** The budget includes \$342.3 million General Fund to temporarily restore the seven percent reduction. This funding will be suspended on December 31, 2021, unless there is sufficient General Fund revenue to support all programs proposed for suspension in the subsequent two fiscal years, as determined by the Department of Finance.
- **Electronic Visit Verification (EVV).** The budget provides \$25.8 million (\$2.9 million General Fund), with a corresponding increase of \$22.2 million in the Office of Systems Integration, for implementation of the federally required EVV system. The budget provides an increase of \$1.5 million General Fund for additional funding to address county administrative workload associated with EVV implementation, and trailer bill language requiring the tracking of actual county costs and workload. The budget approves trailer bill language to codify 2018-19 budget bill language regarding EVV consumer protections.
- **Public Authority Administration.** The budget provides an increase of \$1.8 million for additional funding for IHSS Public Authority administration.
- **State Administrative Review (SAR) and Data Analysis.** The budget includes \$235,000 for the extension of positions to support workload for the SAR process and data analysis.

Adult Protective Services. The budget approves \$5.8 million General Fund one-time to provide additional APS and Public Administrator/Guardian/Conservator training.

Immigration Services. The budget includes the following augmentations related to immigration services:

- **Rapid Response Program.** The budget includes \$25 million for Rapid Response, and moves authority over the funds from the Department of Finance to the Department of Social Services.
- **Increased State Support for Immigration Initiatives and Legal Services.** The budget includes \$885,000 to support the increase in capacity to provide immigration services, and support interdepartmental immigrant integration efforts.
- **Expansion of Immigration-Related Services.** The budget includes budget bill language allowing for the provision of legal services to provide mental health screenings and evaluations, and to develop a family reunification navigator pilot for unaccompanied undocumented minors and temporary protected status beneficiaries.
- **California Newcomer Education and Well-Being Project (CalNEW).** The budget includes trailer bill language to reduce barriers for school districts implementing the CalNEW program.
- **California Immigrant Justice Fellowship.** The budget provides \$4.7 million General Fund one-time for the program, and budget bill language regarding allowable uses of the funds.

Automation Projects.

- **CalSAWS.** The budget provides an additional \$657,000 (\$164,000 General Fund) to support implementation of CalSAWS, and budget bill language authorizing an increase in expenditures related to mid-year changes in the project schedule and cost. Additionally, the budget includes \$900,000 General Fund one-time for CalFresh disaster functionality automation in CalSAWS. No-cost trailer bill language relating to quality applicant and client experiences within CalSAWS is also included in the budget.
- **State Verification Hub.** The budget includes an additional \$293,000 (\$149,000 General Fund) for planning activities. The budget also includes supplemental report language to request that the major automation projects summarize and communicate to the Legislature, beginning March 1, 2020, and semiannually thereafter, how current project developments are meeting the technical and non-technical recommendations of the State Hub Roadmap.
- **Statewide Fingerprint Imaging System (SFIS).** The budget approves trailer bill language eliminating references to the decommissioned SFIS.
- **CWS-California Automated Response and Engagement System (CARES) Project.** The budget provides an increase of \$1.1 million (\$539,000 General Fund) for two years for the continuing development and implementation of the project.
- **Medi-Cal Eligibility Data System (MEDS) Modernization.** The budget includes an increase of \$615,000 (\$60,000 General Fund) on a four-year limited-term basis to support a multi-departmental effort to modernize the MEDS.

Miscellaneous. The budget approves various other augmentations, including:

- **Disaster Services.** The budget includes \$2.9 million General Fund to support disaster preparedness, response, and recovery operations related to the department.
- **Housing and Homelessness Programs.** The budget provides an increase of \$590,000 (\$297,000 General Fund) to support various housing support programs and analyze their outcomes.
- **Fiscal Monitoring and Oversight of County Operations.** The budget includes \$694,000 (\$272,000 General Fund) to perform on-site county fiscal monitoring to comply with federal requirements.
- **Cash Disbursement Authority.** The budget includes budget bill language allowing the department to ensure county cash disbursements are met when federal funds and the Local Revenue Fund are insufficient to cover county expenditures.
- **Inland Congregations United for Change (ICUC).** The budget includes \$2 million General Fund one-time for the ICUC. Budget bill language is also included to regulate use of the funds.
- **Orange County Diaper Bank.** The budget approves \$1.7 million General Fund one-time for the Orange County Diaper Bank.

- **Elk Grove Food Bank.** The budget includes \$4 million General Fund one-time for relocations costs of the Elk Grove Food Bank.
- **Youth and Family Civic Engagement.** The budget approves \$12 million General Fund one-time, to be expended over three years, to provide funding for a Youth and Family Civic Engagement Initiative to be facilitated through specified non-profits.
- **Special Olympics.** The budget provides \$2 million General Fund one-time for the Special Olympics.
- **SB 726 Terminology Change.** The budget approves the Governor’s proposal for trailer bill language related to the SB 726 (Wiener), Chapter 930, Statutes of 2018.
- **RAND Evaluation of the Effects of SB 1041.** The budget includes supplemental report language asking the administration to make public the final version of the RAND Corporations Year Three evaluation of SB 1041, Chapter 47, Statutes of 2012, no later than January 10, 2020.
- **Cost Estimate of Restoring the CalWORKs 60-Month Time Limit.** The budget includes supplemental report language requiring the department to submit to the Legislature a cost estimate for restoring the CALWORKs 60-month eligibility time limit. The submission shall include information on assumptions used to develop the cost estimate, including, but not limited to, cost per case, caseload, and economic conditions. Subsequent to the sharing of the estimate developed pursuant to the above, the Legislative Analyst’s Office shall assess the administration’s cost estimate and report its findings to the Legislature on or before January 10, 2020.

Human Services Budget Trailer Bills

1. *Human Services – SB 80 (Committee on Budget and Fiscal Review), Chapter 27, Statutes of 2019.*
2. *Developmental Services – SB 81 (Committee on Budget and Fiscal Review), Chapter 28, Statutes of 2019.*
3. *Human Services Cleanup – AB 121 (Committee on Budget), Chapter 414, Statutes of 2019.*

SUBCOMMITTEE 4
ON
STATE ADMINISTRATION
AND
GENERAL GOVERNMENT

Senate Committee on Budget and Fiscal Review

Members

Maria Elena Durazo and Anna Caballero, Chairs

Jim Nielson

Thomas J. Umberg

Consultants

James Hacker

Anita Lee

Yong Salas

Joe Stephenshaw

SUBCOMMITTEE No. 4

STATE ADMINISTRATION and GENERAL GOVERNMENT

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STATE ADMINISTRATION AND GENERAL GOVERNMENT

The budget includes changes to increase transparency and governmental efficiency, capital outlay and infrastructure development projects, and augmentations in key areas, as described below.

INFRASTRUCTURE AND DEFERRED MAINTENANCE

The budget includes \$100 million General Fund for deferred maintenance projects across various state agencies:

BU	Department	Allocation
0250	Judicial Branch	\$ 15,000,000
3790	Department of Parks and Recreation	\$ 13,000,000
4440	Department of State Hospitals	\$ 15,000,000
5225	Department of Corrections and Rehabilitation	\$ 25,000,000
7760	Department of General Services	\$ 8,000,000
3540	Department of Forestry and Fire	\$ 3,000,000
4300	Department of Developmental Services	\$ 2,500,000
8940	California Military Department	\$ 2,500,000
2720	California Highway Patrol	\$ 2,500,000
8955	Department of Veterans Affairs	\$ 2,500,000
6100	State Special Schools	\$ 2,500,000
2740	Department of Motor Vehicles	\$ 1,000,000
3100	Exposition Park	\$ 1,000,000
8570	Department of Food and Agriculture	\$ 1,500,000
2240	Housing and Community Development	\$ 1,500,000
7100	Employment Development Department	\$ 1,000,000
0690	Office of Emergency Services	\$ 1,000,000
3340	California Conservation Corps	\$ 500,000
6600	Hastings College of the Law	\$ 500,000
3125	Tahoe Conservancy	\$ 500,000

The budget also includes trailer bill language to ensure that the Annex and New State Office Building projects are not subject to the Essential Services Building Seismic Safety Act of 1986 or other requirements as a result of including California Highway Patrol (CHP) functions or facilities. The budget also includes language to allow for monies transferred pursuant to the State Capitol Building Annex Act of 2016 to be deposited in interest bearing accounts.

CANNABIS REGULATION AND TAX REVENUES¹

The budget includes the following adjustments at the Bureau of Cannabis Control:

- The budget re-appropriates a one-time \$10 million General Fund augmentation for the Bureau of Cannabis Control to provide grants to local equity programs from the 2018 Budget Act. Funding to recipients has been delayed, and the re-appropriation is needed to ensure grants are distributed as intended.
- The budget includes \$15 million General Fund for cannabis equity programs, which will be administered by the Governor's Office of Economic Development.
- The budget includes budget bill language that requires the Business, Consumer Services, and Housing Agency to consider moving cannabis enforcement resources from the Division of Investigation under the Department of Consumer Affairs to the Bureau of Cannabis Control.

In addition, a total of \$278.3 million in cannabis tax revenue expenditures for cannabis-related activities was included across several departments. Details are below.

¹ For more information on cannabis related activities see individual department sections.

Department of Finance				
California Cannabis Tax Fund (\$314)				
Estimated Revenues & Expenditure Allocations				
2019-20 May Revision (Draft)				
(Dollars in Thousands)				
	2017-18	2018-19	2019-20	2020-21
REVENUES:				
Beginning Balance		83,869	198,808	*
Cannabis Tax	83,869	287,971	358,770	
General Fund Loan Repayment		-120,000	-59,300	
Total Revenues	83,869	251,840	498,278	
Allocation 1: Regulatory and Administrative				
Bureau of Cannabis Control (Equity Program)		-	15,590	
Department of Fish and Wildlife		9,189	9,207	
Department of Pesticide Regulation		2,282	2,282	
State Water Resources Control Board		7,577	7,395	
Employment Development Department		3,707	2,520	
Department of Tax and Fee Administration		4,837	7,319	
Department of Finance		440	-	
Statewide General Administration		-	182	
Total Allocation 1	-	28,032	44,495	
Allocation 2: Specified Allocations for Research and Other Programs				
Public university/ University in California		10,000	10,000	
California Highway Patrol		3,000	3,000	
Governor's Office of Business & Economic Development		10,000	20,000	
University of San Diego Center for Medicinal Cannabis Research		2,000	2,000	
Total Allocation 2	-	25,000	35,000	
Allocation 3: Percentage of Remaining Revenue Collection				
Youth Education Prevention, Early Intervention & Treatment Account		-	119,285	131,985
Environmental Restoration and Protection Account		-	39,762	43,995
State and Local Government Law Enforcement Account		-	39,762	43,995
Total Allocation 3	-	-	198,808	219,975 **
Based on prior year actual tax collection				
Total Expenditures	-	53,032	278,303	
Balance of Tax receipts	83,869	198,808	219,975	
* Balance available for Allocation 3				
** Total subject to change. For additional 2019-20 expenditures and/or changes to revenue.				

0511 SECRETARY FOR GOVERNMENT OPERATIONS AGENCY

The Government Operations Agency is responsible for coordinating state operations, including procurement, information technology, and human resources.

- The budget provides \$241,000 General Fund one-time to administer the provisions of AB 2658 (Calderon), Chapter 875, Statutes of 2018, which established the blockchain working group.
- The budget provides \$200,000 ongoing General Fund for one position to continue the Performance Improvement and Data-Driven Management Initiatives.

- The budget provides a total of \$26.2 million, of which \$2.5 million is comprised of reimbursements, to establish the Office of Digital Innovation. This funding also includes \$10 million to initiate the Digital Innovation Services Revolving Fund. The Office will have 50 positions, of which 20 are exempt.
- The budget provides \$87 million General Fund one-time in 2019-20 for outreach efforts related to the 2020 Census.

0515 BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY

The budget provides \$655 million General Fund in 2019-20, including \$650 million in homelessness funding detailed as part of the Statewide Housing and Homelessness Package. The total budget also includes:

- **Homeless Youth.** The budget provides \$389,000 in 2019-20 and \$359,000 ongoing for two positions to expand the Homeless Coordinating and Financing Council and implement SB 918, (Weiner), Chapter 841, Statutes of 2018, the Homeless Youth Act of 2018.
- **Homeless Emergency Aid Program.** The budget increases funding for the Business, Consumer Services and Housing Agency by \$981,000 and six positions to provide resources to the Council to continue work related to the Homeless Emergency Aid Program.

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

The budget provides \$617 million to support 56.5 positions at OPR in 2019-20. This includes:

- **AmeriCorps Expansion.** The budget provides \$20 million General Fund to expand the AmeriCorps program to 10,000 individuals and increase the educational awards from \$6,095 to \$10,000.
- **Health in All Policies.** The budget provides \$430,000 General Fund and three positions for the Health in All Policies program at the Strategic Growth Council. This was previously funded with outside grants.
- **SB 1072.** The budget provides \$392,000 General Fund and three positions for two years to implement SB 1072 (Leyva), Chapter 377, Statutes of 2018, which requires the Strategic Growth Council to establish regional climate collaborative programs to assist under-resourced communities in accessing public and grant funds.
- **Administrative Workload.** The budget provides \$334,000 General Fund in 2019-20 and three positions to assist with additional administrative workload for OPR.
- **SB 961.** The budget provides \$190,000 in one-time General Fund to implement SB 961 (Allen), Chapter 559, Statutes of 2018. SB 961 requires OPR to complete a study on the effectiveness of tax increment financing tools for increasing housing production.

- **Emergency Preparedness Campaign.** The budget provides \$387,000 from the General Fund to support the California for All Emergency Preparedness Campaign. This compliments the early budget action with AB 72 (Committee on Budget), Chapter 1, Statutes of 2019, which included \$30 million of funding for this effort.
- **Administrative Expenses.** The budget includes provisional language to allow the Office to collect up to five percent of local assistance grant funding for administrative expenses.

0845 DEPARTMENT OF INSURANCE (CDI)

The CDI regulates the California insurance market, conducts examinations and investigations of insurance companies and producers, and responds to consumer inquiries.

- The budget provides \$756,000 Insurance Fund in 2019-20 and \$720,000 ongoing Insurance Fund thereafter to support three permanent positions to evaluate reports required by AB 2395 (Calderon), Chapter 651, Statutes of 2018, regarding the California Life and Health Insurance Guarantee.
- The budget provides \$2.8 million Insurance Fund for local assistance to fund workers' compensation fraud investigation and prosecution workload increases.
- The budget provides \$404,000 Insurance Fund in 2019-20 and \$384,000 Insurance Fund ongoing thereafter to support two positions to address climate impacts on insurance.

0855 GAMBLING CONTROL COMMISSION

The California Gambling Control Commission is the regulatory body that oversees gambling establishments, third party providers of proposition players services, and tribal casinos.

- The budget includes \$237,000 Indian Gaming Special Distribution Fund and one position to support the implementation of AB 880 (Gray), Chapter 801, Statutes of 2018.
- The budget provides the authority to transfer excess revenues from the Revenue Sharing Trust Fund to the Tribal Nation Grant Fund, and provides \$39.3 million Tribal Nation Grant Fund to eligible tribes.

0890 SECRETARY OF STATE (SOS)

The SOS is the state's chief election office, and administers and enforces elections laws. The budget provides the following resources for the Secretary of State:

- The budget provides \$165,000 General Fund in 2019-20 and \$160,000 General Fund ongoing thereafter for a lead technology specialist in the Office of Voting Systems Technology Assessment Unit.
- The budget includes trailer bill language that requires the full text of measures related to debts and liabilities to be printed in the state voter information guide, consistent with the State Constitution.

- The budget provides \$305,000 General Fund one-time to assist with the implementation of AB 2125 (Quirk), Chapter 913, Statutes of 2018, which authorizes the use of risk-limiting audits.
- The budget provides \$660,000 General Fund in 2019-20 and \$630,000 ongoing General Fund thereafter to support six positions for the State Archives' California Records and Information Management unit.
- The budget includes \$10.8 million one-time federal funds to cover the maintenance and operations and support for security enhancements for the VoteCal statewide voter registration system.
- The budget includes \$19.6 million one-time federal funds to continue implementation of the statewide mandates of the Help America Vote Act of 2002.
- The budget includes \$535,000 General Fund in 2019-20 and \$520,000 General Fund in 2020-21 to support three positions and the translation of educational and training materials for entities designated as voter registration agencies.
- The budget provides \$1.4 million (\$1 million Business Fees Fund and \$395,000 General Fund) for a two-year, limited-term for 11 positions to support FI\$Cal implementation.
- The budget includes \$7.7 million one-time funding (\$7 million General Fund and \$700,000 Political Disclosure, Accountability, Transparency, and Access Fund) in 2019-20 to meet the mandates of SB 1349 (Hertzberg), Chapter 845, Statutes of 2016, and replace the current CAL-ACCESS system. Trailer bill language also delays the implementation of the Cal-Access Project, an online database that provides financial information supplied by state candidates, donors, lobbyists, and others, from December 2019 to February 2021.
- The budget includes \$12.6 million (\$10.6 million Business Fees Fund and \$2 million Business Programs Modernization Fund) to continue implementation of the California Business Connect Project. The project is intended to standardize and simplify the processing of business, trademark and security interest filings, and to provide public access to business information at all times.
- The budget includes \$2.8 million (\$742,000 General Fund and \$2 million Business Fees Fund) in 2019-20 and \$1.7 million (\$453,000 General Fund and \$1.2 million Business Fees Fund) ongoing thereafter for four positions to provide additional resources to the cybersecurity program.
- The budget provides \$250,000 General Fund, of which \$150,000 will be ongoing, to provide voters access to information regarding their elected federal, state, local, and special district officials as required by AB 2707 (Mullin), Chapter 920, Statutes of 2018.
- The budget includes \$87.3 million one-time General Fund to cover the costs for the replacement of voting systems for counties.
- The budget includes \$3 million one-time General Fund to allow the Secretary of State to continue to provide accurate voter registration data to counties.
- The budget includes trailer bill language that provides technical changes to AB 801 (Weber),

Chapter 711, Statutes of 2017, to assign the redistricting role to the County Clerk of the Board of Supervisors.

- The budget includes \$3.8 million to the Secretary of State for outreach and education efforts in counties using the Vote Center election models in 2019-20 and 2020-21.

1111 DEPARTMENT OF CONSUMER AFFAIRS (DCA)

The DCA's boards and bureaus provide exams and licensing, enforcement, complaint mediation, and consumer education. DCA boards and bureaus establish minimal competency standards for more than three million professionals in over 250 professions.

- The budget includes \$499,000 ongoing Contingent Fund of the Medical Board of California to increase the hourly rate for trained Medical Expert Reviewers.
- The budget provides \$502,000 one-time and four positions to allow the Board of Pharmacy and the Board of Accountancy to implement their respective Business Modernization Plans.
- The budget includes an increase of \$2.8 million in 2019-20 and \$3.6 million in 2020-21 from various special funds to implement legislation chaptered in 2018.
- The budget includes \$7.1 million in 2019-20 and \$6.5 million in 2020-21 and 2021-22, and \$3.3 million ongoing from the Board of Registered Nursing Fund, Professions and Vocation Fund to fund 67 positions to address deficiencies within the Board's Licensing Division, Administration and Public Information Unit, and Enforcement Division.
- The budget includes provisional language to augment, after notification to the Legislature, the Department's budget resulting from potentially increased facilities costs in 2019-20.
- The budget includes trailer bill language to restore the fee authority for the Bureau of Household Goods and Services.
- The budget includes \$5 million one-time and five positions to allow the Acupuncture Board, Board of Chiropractic Examiners, Board for Professional Engineers Land Surveyors and Geologists, and the Bureau for Private Postsecondary Education to begin implementing their Business Modernization Plans.
- The budget includes \$5.1 million and 21 positions in 2019-20, \$4.5 million and 21 positions in 2020-21, and 6.5 positions and \$2.1 million ongoing thereafter. This action provides two-year, limited-term positions for Business Services and Fiscal Operations and the new Regulatory Unit, and provides ongoing resources for the Division of Investigation and the Office of Professional Examination Services.

2100 DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

The Department of Alcoholic Beverage Control licenses and regulates persons and businesses engaged in the manufacture, importation, distribution, and sale of alcoholic beverages in California.

- The budget provides \$2.9 million in 2019-20 for 5.5 positions and trailer bill language to provide capacity and resources to fulfill the requirements of the Responsible Beverage Service Training Program Act, and to allow for electronic services for the Department's licensees. Trailer bill language limits the exam fee for prospective servers to five dollars.
- The budget provides 34 positions and \$5.2 million Alcoholic Beverage Control Fund in 2019-20, and 51 positions and \$7.5 million Alcoholic Beverage Control Fund in 2022-23. The budget also provides trailer bill language recasting licensing fees.

2320 DEPARTMENT OF REAL ESTATE

The mission of the Department of Real Estate is to safeguard and promote public interests in real estate matters through licensure, regulation, education, and enforcement. The budget includes \$200,000 ongoing Education and Research Account funds for real-estate related research projects.

7502 DEPARTMENT OF TECHNOLOGY

The Department of Technology is responsible for the approval and oversight of statewide information technology (IT) projects and statewide IT professional development, and provides centralized IT services to state and local governments, as well as non-governmental entities. The budget provides nine permanent positions, with \$1.4 million internally redirected from the Technology Services Revolving Fund, to support the Security Operations Center.

7760 DEPARTMENT OF GENERAL SERVICES (DGS)

The Department of General Services provides centralized services to state agencies in the areas of: management of state-owned and leased real estate, printing services, management of the state's vehicle fleet, and procurement services.

- The budget establishes 40 positions at DGS, of which six were converted from blanket positions. Twenty-three of the positions are for Contracted Fiscal Services, and 11 are for the Administration Division. These positions were established with no additional funding authority.
- The budget includes statutory changes to the Golden State Financial Marketplace program (GS Smart) to reflect a more complex regulatory environment for public financing.
- The budget increases the expenditure authority of the Service Revolving Fund by \$1.5 million to offset transaction fees on behalf of the Statewide Travel Program client agencies.
- The budget includes a one-time augmentation of \$18.6 million (\$9.3 million General Fund and \$9.3 million Service Revolving Fund) to continue activities related to the installation of the Electric Vehicle Service Equipment at state facilities.

- The budget includes \$21.5 million General Fund for the final demolition phase of the State Printing Plant demolition project. This includes the demolition and hazardous materials mitigation of the property.
- The budget includes \$1 billion lease revenue bond financing for the design-build phase of the Richards Boulevard Office Complex, which will be built on the previous State Printing Plant site.
- The budget includes \$8.9 million General Fund for the performance criteria phase to renovate the Old Resources Building.
- The budget provides \$2 million ongoing Service Revolving Fund to support the Office of Sustainability Energy Resource Program.
- The budget provides a two-year budget authority increase of \$9.6 million (\$8.1 million Public School Planning, Design, and Construction Review Revolving Fund and \$1.5 million Disability Access Account) for the Division of the State Architect to support increased public school construction workload.
- The budget provides \$2.4 million ongoing in the Motor Vehicle Parking Facilities Account to support the transition of nine parking facilities from the Facilities Management Division to the Office of Fleet and Asset Management.
- The budget provides \$30.2 million ongoing Service Revolving Fund for increased operational costs in the Facilities Management Division.
- The budget includes \$43.7 million General Fund over three fiscal years for operations, maintenance, initial partial decommissioning, and land use planning costs related to the closure of the Sonoma Developmental Center.
- The budget includes \$1 million Central Service Cost Recovery Fund and eight positions to support increased workload for the Contracted Fiscal Services (CFS) unit.
- The budget includes \$2.2 million General Fund one-time to complete a site evaluation of disposition options for the Fairview Developmental Center located in Costa Mesa, California.
- The budget includes \$1.2 million and 10 positions for the Office of Public School Construction related to processing applications for funding in the School Facilities Grant Program made available through Proposition 51 bond funding.
- The budget includes \$10.7 million General Fund, \$354,000 Service Revolving Fund, and trailer bill language to acquire, design, and construct the R Street parking lot in downtown Sacramento.

7870 VICTIM COMPENSATION BOARD

The Victim Compensation Board provides responsive financial compensation to remedy the financial burdens of victims of crime through a stable Restitution Fund. All items proposed by the Governor were approved as budgeted. This includes \$121.7 million (\$134,000 General Fund), and funds the victim compensation program, the restitution program, and the Good Samaritan program.

8260 CALIFORNIA ARTS COUNCIL

- The budget includes \$10 million ongoing General Fund and 6.3 positions to expand and develop grant programs. Of the \$10 million provided, \$500,000 is transferred for operational support.
- The budget shifts \$1 million from the Natural Resources Agency to the California Arts Council, and augmented this amount for a total of \$5 million to support the development of the Armenian American Museum and Cultural Center of California.
- The budget includes \$6 million to support the expansion of the Los Angeles Museum of the Holocaust.
- The budget includes \$500,000 for the National LGBTQ Center for the Arts.
- The budget includes \$1 million for the Italian-American Museum.
- The budget includes \$2 million for the Latino Theater Company.
- The budget includes \$4 million for the Korean American National Museum.
- The budget includes \$9 million for the Navy Training Center Foundation for renovations to the Performing Arts Center.

8620 FAIR POLITICAL PRACTICES COMMISSION (FPPC)

The FPPC is an independent, non-partisan agency responsible for the impartial administration, implementation, and enforcement of the Political Reform Act of 1974.

- The budget includes \$200,000 General Fund in 2019-20 and \$193,000 ongoing General Fund thereafter for a Commission Counsel position to implement the provisions of AB 2188 (Mullin), Chapter 754, Statutes of 2018, related to disclosure requirements for political advertisements on social media platforms.

8820 COMMISSION ON THE STATUS OF WOMEN AND GIRLS

The California Commission on the Status of Women and Girls works to eliminate inequities in state laws, practices and conditions that affect California's women and girls. The budget includes \$269,000 ongoing General Fund and two positions to implement the Equal Pay California program.

8825 COMMISSION ON ASIAN PACIFIC ISLANDER AMERICAN AFFAIRS

The Commission on Asian and Pacific Islander Affairs works to elevate the issues impacting the Asian and Pacific Islander communities. The budget includes \$500,000 ongoing General Fund to fund staff and operations for the Commission on Asian Pacific Islander American Affairs, which were previously unfunded.

8850 STATE PUBLIC WORKS BOARD

- The budget includes trailer bill language that provides technical clean-up for a drafting error in legislation requiring state-owned buildings to provide baby diaper changing stations.

8880 FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA (FI\$CAL)

- The budget provides \$64.1 million (of which \$33.2 million is General Fund, and the remaining is from the Central Cost Services Recovery Fund) over the next three years to provide support for state departments utilizing FI\$Cal. The budget also provides \$6 million General Fund to implement the cash management and Consolidated Annual Financial Report reporting functionalities.
- The budget amends Control Section 8.88 to reduce the amount that would be transferred from General Fund to various special and nongovernmental funds from \$4.5 million to \$2.1 million. This would align the FI\$Cal project's funding with the project's Interim Cost Allocation Plan.

8885 COMMISSION ON STATE MANDATES

- The budget provides \$53,000 ongoing General Fund and half a position to the Commission on State Mandates for workload purposes.
- The budget approved the Administration's proposal to allocate \$39 million General Fund for funded and suspended mandates.
- The budget includes \$15.1 million to fund outstanding claims of expired and repealed mandates that are dated prior to 2004. This funding includes \$3.8 million in interest.

8940 MILITARY DEPARTMENT

The California Military Department is responsible for the command, leadership, and management of the California Army and Air National Guard. The budget includes several adjustments designed to

better equip the California Military Department with resources to address their mission, including:

- The budget includes eight permanent positions and \$1.7 million ongoing General Fund to maintain, improve, and expand the use of military air and ground administrative resources for response activities.
- The budget includes seven positions and \$1.2 million (\$594,000 General Fund and \$593,000 federal funds) in 2019-20, and \$826,000 (\$413,000 General Fund and \$413,000 federal funds) ongoing, to increase maintenance staffing to meet the higher demand for maintenance, repair, construction operations, and emergency events.
- The budget provides \$15.2 million (\$7.6 million General Fund and \$7.6 million federal funds) for four capital outlay projects listed below:
 - **Advance Plans and Studies.** \$300,000 (\$150,000 General Fund and \$150,000 federal matching funds) for architect-engineering services to conduct design studies and programming charrettes for future capital projects.
 - **Petaluma Armory Renovation.** \$4.3 million (\$2.14 million General Fund and \$2.14 federal matching funds) for the performance criteria and design-build phases of the Petaluma project.
 - **Redding Armory Renovation.** \$6.4 million (\$3.2 General Fund and \$3.2 federal matching funds) for the performance criteria and design-build phases of the Redding project.
 - **Visalia Armory Renovation.** \$4.2 million (\$2.1 million General Fund and \$2.1 million federal matching funds) for the performance criteria and design-build phases of the Visalia project.
- The budget re-appropriates \$7.7 million (\$3.8 million General Fund and \$3.8 million federal funds) for construction phases two and three of the San Diego Readiness Center Renovation project.
- The budget includes a reduction of \$82,000 (an increase of \$8,000 General Fund, reduction in \$87,000 federal funds, \$2,000 in reimbursements, and \$1,000 in Mental Health Services Fund) to align the pay of state active duty employees to the pay of service members in the United States Army, United States Air Force, and the United States Navy.
- The budget provides five positions and \$670,000 General Fund for the Work for Warriors employment assistance program.
- The budget re-appropriates \$1.7 million General Fund for the preliminary plans, working drawings, and construction phases of the Los Alamitos: STARBASE Classroom Building project.
- The budget includes \$200,000 General Fund for the acquisition phase of the Los Alamitos National Guard Readiness Center project, a re-appropriation of \$24.7 million General Fund for the construction phase of the project, and an augmentation of \$2.2 million General Fund for the construction phase.

- The budget includes \$1 million General Fund and \$3 million federal funds and 27 ongoing positions to establish the California Job ChalleNGe Academy at Joint Force Training Base, Los Alamitos.
- The budget includes \$2.2 million in 2019-20 (\$1.65 million federal funds and \$550,000 General Fund), \$2.2 million in 2020-21 and ongoing (\$1.6 million federal funds and \$545,000 General Fund), and 15 permanent positions to expand California's Discovery ChalleNGe Academy in Lathrop, California to serve an additional 50 students per class cycle and 100 students annually.
- The budget includes \$6.8 million one-time General Fund to connect and upgrade utility systems at the Lathrop-Roth Training Complex.

8955 DEPARTMENT OF VETERANS AFFAIRS (CALVET)

The California Department of Veterans Affairs is designed to support the efforts of the United States Department of Veterans Affairs (USDVA) in providing healthcare and a wide array of other benefits to eligible veterans, including educational benefits, disability compensation, pensions, and guarantees on home loans for eligible veterans.

- The budget includes \$1 million ongoing General Fund and eight permanent positions for the California Transition Assistance Program (CalTAP).
- The budget provides \$917,000 General Fund to complete the Northern California Veterans Cemetery, Igo water system upgrade project.
- The budget provides \$832,000 (\$749,000 General Fund and \$83,000 Farm and Home Building Fund of 1943) and six ongoing positions in 2019-20, and \$798,000 ongoing (\$718,000 General Fund and \$80,000 Farm and Home Building Fund of 1943), to establish a Program Review and Internal Audits Unit.
- The budget includes \$829,000 General Fund (of which \$21,000 General Fund is one-time) and four permanent positions to comply with new federal requirements for pharmacy services and compliance oversight.
- The budget includes \$6.3 million one-time General Fund to address challenges in the Veterans Homes of California, consisting of rising operational costs that directly impact the health and welfare of residents including maintenance, medical contracts, utilities, and dietary and pharmaceutical supplies.
- The budget re-appropriates \$238,000 General Fund for the construction phase of the California Central Coast Cemetery, City of Seaside project.
- The budget includes \$7.2 million (\$268,000 California Central Coast Cemetery at Fort Ord Operations Fund and \$6.9 million federal funds) for the construction phase of the California Central Coast Cemetery at Fort Ord project.

- The budget includes trailer bill language that updates statutory language to reflect current budgetary structures of the CalVet.
- The budget includes \$20 million to fund a veteran cemetery in Orange County.
- The budget includes \$328,000 General Fund in 2019-20 and \$311,000 ongoing General Fund for the positions in the Minority and Underrepresented Veterans Division within CalVet.
- The budget includes \$2.9 million to house Orange County's homeless veterans through the United to End Homelessness' Welcome Home OC program.

9210 LOCAL GOVERNMENT FINANCING

- The budget includes trailer bill language that modifies existing parameters for the Office of State Audits and Evaluations (OSAE) in the Department of Finance to conduct an audit instead of a review of the Community-Based Transitional Housing Program, and delays the deadline by which OSAE should provide the audit report to the Joint Legislative Budget Committee from May 1, 2019 to May 1, 2020.
- The budget provides \$518,000 one-time General Fund to reimburse the counties of Los Angeles, Mendocino, Napa, Orange, San Diego, Solano, Tuolumne, and Ventura for property tax losses incurred in the 2018-19 fiscal year as a result of 2018 wildfires. This augments funding provided in Chapter 1, Statutes of 2019 (AB 72), which included \$31.3 million to backfill property tax losses suffered by the counties of Butte, Lake, Orange, Riverside, Shasta, Siskiyou, and Los Angeles as a result of the 2018 wildfires.
- The budget includes \$10 million General Fund to support communities in their recovery from the 2018 Camp Fire.
- The budget includes \$15 million General Fund for disaster-impacted counties.
- The budget includes \$1.5 million General Fund for flood relief in the City of Sebastopol.
- The budget includes \$1.5 million General Fund for flood relief in the County of Sonoma.
- The budget includes \$800,000 General Fund for the Town of Paradise for environmental document preparation.
- The budget includes \$2 million General Fund for the Butte County Fire Department.
- The budget includes \$38 million General Fund for local entities, including:
 - \$10 million for the Destination Crenshaw Project
 - \$1.5 million for the Pacific Beach Boulevard Promenade in the City of Pacifica

- \$360,000 for the San Fernando Police Department
- \$21 million for the Park Boulevard At-Grade Crossing Project in the City of San Diego
- \$4 million for the India Basin remediation project in the City and County of San Francisco
- \$1.2 million for the South Bay Cities Council of Governments fiber optic network
- \$5 million for grants to limit barriers for homeless individuals with pets
- \$5 million to support housing navigators to help young adults aged 18 to 21 secure and maintain housing, with priority given to foster youth
- \$1 million to provide Encinitas, Carlsbad, Oceanside, and Vista with \$250,000 each for homelessness prevention and intervention services in partnership with the Community Resource Center
- Trailer bill language to extend the date by which the Department of Corrections and Rehabilitation must comply with Housing First principles, and require the department to work with stakeholders to identify ways to better provide housing services to impacted populations in the interim
- \$5.6 million for the San Gabriel Valley Council of Governments to combat homelessness.
- \$8 million General Fund annually, with a suspension on December 31, 2021, and placeholder trailer bill language to provider housing support for older foster youth
- \$1.5 million to fund a veterans housing project in Cathedral City
- \$3.5 million for the Mission Heritage Plaza Affordable Housing and Civil Rights Institute
- \$400,000 for the Boys and Girls Clubs of Los Angeles Harbor (L.A. Area) to pay for loan interest forgiveness
- \$1 million to be deposited in the Orange County Housing Finance Trust and utilized for the development of permanent supportive housing
- \$3 million to assist the City of San Bernardino to develop General Plan amendments
- \$5 million to City of Ontario for a Downtown Ontario Revitalization project featuring 65 units of low-to-moderate income housing, coupled with a Business Technology Incubator with a centrally located Workforce Development Center
- \$300,000 for the City and County of San Francisco for a planning grant to build capacity for Community Development on the West side of San Francisco

9860 CAPITAL OUTLAY

The budget includes trailer bill language to clean up outdated references to an abolished fund and remove duplicative and conflicting language related to the authority to revert unexpended capital appropriations.

State Administration Trailer Bills

1. *State Government – SB 82 (Committee on Budget and Fiscal Review), Chapter 29, Statutes of 2019.*
2. *Cannabis – AB 97 (Committee on Budget), Chapter 40, Statutes of 2019.*
3. *Political Reform Act – SB 84 (Committee on Budget and Fiscal Review), Chapter 30, Statutes of 2019.*
4. *Local Government – AB 116 (Ting), Chapter 656, Statutes of 2019.*

HOUSING AND HOMELESSNESS

STATEWIDE HOUSING AND HOMELESSNESS PACKAGE

The 2019-20 budget included \$2.4 billion in General Fund resources for housing and homelessness. This includes:

- \$250 million in one-time funds for planning grants to help local jurisdictions with the 6th cycle of the Regional Housing Needs Assessment. This funding is split 50/50 between regional bodies and local governments.
- \$500 million in one-time funds for housing-related infrastructure, provided through the Infill Infrastructure Grant Program at the Department of Housing and Community Development. Funding is divided as follows:
 - \$410 million in competitive funding available to all jurisdictions.
 - \$90 million available over-the-counter to small jurisdictions.
- \$650 million in one-time funds to help local jurisdictions to combat homelessness. Funding is divided as follows:
 - \$275 million for cities with populations larger than 300,000.
 - \$175 million for counties.
 - \$190 million to Continuums of Care.
 - \$10 million for the city of Palm Springs.
- \$500 million in one-time funds for loan programs through the California Housing Finance Agency (CalHFA) to support low, moderate, and mixed-income developments.
- \$500 million in one-time funds to expand the state's Low Income Housing Tax Credit program.

NATIONAL MORTGAGE SETTLEMENT

The budget provides for the transfer of \$331 million from the General Fund to the National Mortgage Settlement Special Deposit Fund, as required by recent court decisions, and states the Legislature's intent to create a trust to manage these funds to provide mortgage relief for borrowers and tenant legal aid to renters. It also provides \$100,000 to the Department of Finance to study best practices for the creation and management of such a trust.

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

The budget provides \$655 million from a variety of funds in 2019-20, including \$650 million from the General Fund as part of the Statewide Housing and Homelessness Package. The total budget also includes:

- **Homeless Youth.** The budget provides \$389,000 in 2019-20 and \$359,000 ongoing from the General Fund for two positions to expand the Homeless Coordinating and Financing Council and implement SB 918, (Weiner), Chapter 841, Statutes of 2018, the Homeless Youth Act of 2018.
- **Homeless Emergency Aid Program.** The budget provides \$981,000 from the General Fund for six positions to provide resources to the Homeless Coordinating and Financing Council to continue work related to the Homeless Emergency Aid Program.

1700 DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING

The budget provides \$32.3 million for 196 positions in 2019-20. This includes:

- **Harassment Training.** The budget provides \$255,000 from the General Fund in 2019-20 and \$20,000 ongoing for consultants to create online, interactive, sexual harassment and abusive conduct prevention training pursuant to SB 1343 (Mitchell), Chapter 956, Statutes of 2018.

2240 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

The budget provides \$2.68 billion in 2019-20 to support 927 positions at HCD. This includes:

- **AB 686.** The budget provides \$346,000 in 2019-20, and \$316,000 ongoing, from the General Fund for two positions to implement new requirements to further fair housing pursuant to AB 686 (Santiago), Chapter 958, Statutes of 2018.
- **AB 2562.** The budget provides \$985,000 in 2019-20, and \$940,000 ongoing, from the Housing Rehabilitation Loan Fund for five positions to restructure loans made under the Multifamily Housing Program (MHP) and all other multifamily housing loans funded or monitored by Department of Housing and Community Development pursuant to AB 2562 (Mullin), Chapter 765, Statutes of 2018.
- **AB 2056.** The budget provides \$935,000 for five positions in 2019-20, \$860,000 for five positions in 2020-21, and \$495,000 for three positions ongoing from the Mobilehome Park Purchase Fund for the Mobilehome Park Rehabilitation and Resident Ownership Program (MPRRP), pursuant to AB 2056 (E. Garcia), Chapter 750, Statutes of 2018.
- **AB 3066.** The budget provides \$1.1 million in 2019-20, and \$3.9 million ongoing, from the Mobilehome Dispute Resolution Fund for five positions in 2019-20, and seven positions ongoing, contracted legal services, and infrastructure upgrades to implement the Mobilehome Residency Law Protection Act (MRLPA) pursuant to AB 3066 (Stone), Chapter 774, Statutes of 2018.

- **Community Development Block Grants.** The budget provides \$108.8 million in Local Assistance funding 2019-20, and \$2.55 million ongoing in State Operations, from the Federal Trust Fund for 10 positions to design and implement the Community Development Block Grant (CDBG) Disaster Recovery Program focused on recovery from the 2017 Northern and Southern California wildfires.
- **Deferred Maintenance.** The budget provides \$3 million from the General Fund for deferred maintenance to address health and safety deficiencies at state-owned agricultural migrant housing centers.
- **Housing Element Compliance.** The budget provides \$1.4 million in 2019-20, and \$1.2 million ongoing, from the General Fund for eight positions to expand and enhance its housing element review and enforcement functions.
- **Organizational Development and Strategic Planning.** The budget provides \$565,000 in 2019-20, and \$505,000 per year through 2022-23 in administrative budget authority for four positions to permanently establish the Organizational Development and Strategic Planning (ODSP) unit.
- **No Place Like Home.** The budget provides a one-time \$7 million General Fund loan for cash flow needs of the No Place Like Home Program (NPLH), to be repaid once NPLH bonds are issued in late 2019.
- **Disaster Response and Recovery.** The budget provides \$2 million from the General Fund and four positions for a Disaster Response and Recovery Unit within HCD, including establishing a grants management system and a consultant contract to perform local needs assessment and data compilation related to the 2018 Camp and Woolsey wildfires.
- **Affordable Housing on State-Owned Land.** The budget provides \$3.4 million from the General Fund in 2019-20, to implement the development of affordable housing on state-owned land.
- **AB 72.** The budget provides \$1.4 million from the General Fund to compensate the Attorney General's (AG's) office for costs incurred as a result of additional workload created by operation of AB 72 (Santiago), Chapter 370, Statutes of 2017.
- **Regional Housing Needs Assessment.** The budget provides \$638,000 in 2019-20, and \$543,000 ongoing, from the General Fund for three positions to implement AB 1771 (Bloom), Chapter 989, Statutes of 2018, and SB 828 (Weiner), Chapter 974, Statutes of 2018, which added methodology review requirements for HCD in the Regional Housing Needs Allocations (RHNA) process.
- **Enhanced Infrastructure Financing Districts.** The budget adopts trailer bill language to allow Enhanced Infrastructure Financing Districts (EIFDs) to issue debt without seeking voter approval, provided the EIFD holds three public hearings on the matter and does not receive protests from the majority of residents and landowners within the district.
- **Housing Related Trailer Bills.** The budget includes trailer bill language to:

- Require the state Office of Audits and Evaluation to audit the Community-Based Transitional Housing Program, which provides grants to local jurisdictions to increase the supply of transitional housing available to recent parolees
- Provide for certain judicial remedies for violations of the Planning and Zoning Law. Current law authorizes the Department of Housing and Community Development (HCD) to refer violations of housing element law committed by a local jurisdiction to the Attorney General.
- Streamline approval of low-barrier navigation centers for homeless individuals.
- Clarify the requirements under which a development may qualify for certain streamlined review processes.
- Allow the Joe Serna Jr. Farmworker Housing Program to charge an annual monitoring fee, not to exceed 0.42 percent of annual loan payment amounts, to fund ongoing monitoring and compliance work, as well as making other conforming changes.
- Allow the CalHome program to include auxiliary dwelling units (ADUs) and junior accessory dwelling units, and to authorize the program to make grants for housing purposes in declared disaster areas.
- Allow the Local Housing Trust Fund to make matching grants to Native American Tribes, and to increase the minimum size of awards to various local trusts.
- Require programs that fund recovery housing to comply with Housing First principles by July 1, 2020 instead of July 1, 2019, and require departments that operate such facilities to consult with the Legislature, the Business, Consumer Services, and Housing Agency, and program stakeholders on ways to improve the provision of housing to program participants in the interim.

Housing Budget Trailer Bills

1. *Housing Development and Finance – AB 101 (Committee on Budget), Chapter 159, Statutes of 2019.*
2. *Housing – SB 113 (Committee on Budget and Fiscal Review), Chapter 668, Statutes of 2019.*
3. *Local Government – AB 116 (Ting), Chapter 656, Statutes of 2019.*

STATE FINANCE AND MANAGEMENT

0160 LEGISLATIVE COUNSEL BUREAU

- **Workplace Conduct Unit.** The budget includes \$1.7 million General Fund and four positions to continue operating the Workplace Conduct Unit mandated by SB 867 (Committee on Budget and Fiscal Review), Chapter 450, Statutes of 2018.

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

- **CA Infrastructure and Economic Development Bank (IBank) Credit Officer.** The budget includes \$263,000 General Fund and one position to establish a credit officer to manage, organize, and lead the efforts of all IBank programs within the Bond Financing Units.
- **Office of Small Business Advocate – Central Valley and Grant Programs.** The budget includes \$806,000 General Fund and three positions to provide resources to support the core duties of the Office of the Small Business Advocate, which serves as the lead office in providing small businesses in California with the information and resources necessary to operate and serve as the principal advocate in the state on behalf of small businesses.
- **International Trade Specialist Program.** The budget includes \$592,000 General Fund and three positions to support workload within the International Affairs and Business Unit.
- **Information Technology Infrastructure and Desktop Support Services.** The budget includes \$487,000 General Fund and three positions to meet the additional workload requirements associated with the transfer of infrastructure and desktop support responsibilities from the Governor's Office to GO-BIZ.
- **Zero Emission Vehicle Infrastructure Unit.** The budget includes \$767,000 from the Air Pollution Control Fund to provide permanent staff and a secure funding source for the GO-BIZ Zero Emission Vehicle Infrastructure Unit, as well to replace temporary inter-agency agreements.
- **Local Economic Development Liaison Services (SB 635).** The budget includes \$148,000 General Fund and a Staff Services Manager I position to address geographically targeted economic development areas, as required by SB 635 (Hueso), Chapter 888, Statutes of 2018.

0750 OFFICE OF THE LIEUTENANT GOVERNOR

- **Lieutenant Governor Support Staffing.** The budget includes \$500,000 and four positions to support the Office of the Lieutenant Governor. The positions are a Communications Director, Environmental Analyst, Higher Education Analyst, and Constituent Support Services Specialist.

0840 STATE CONTROLLER'S OFFICE (SCO)

- **Leasing Cost Adjustment.** The budget includes \$455,000 General Fund to fund leasing cost adjustments. The operating costs for SCO facilities increase by both step increases to the base fees, and adjustments for the Consumer Price Index, as outlined in the terms of the lease agreements.
- **CCURE Upgrade and ACA Reporting.** The budget includes \$835,000 (\$687,000 General Fund and \$148,000 Unclaimed Property Fund) in 2019-20, and \$169,000 (\$163,000 General Fund and \$6,000 Unclaimed Property Fund) in 2020-21 and ongoing for the replacement of the Computer Coordinated Universal Retrieval Entry (CCURE) security system. This request also includes one position for increased workload related to the development of the Personnel Payroll Services Division Affordable Care Act Reporting System.
- **Unclaimed Property Holder Compliance Audits.** The budget includes \$1.6 million from the Unclaimed Property Fund in 2019-20 and ongoing and 11 positions to perform audits of holders to ensure compliance with the California Unclaimed Property Law, reunite unclaimed property with its rightful owners or heirs, and provide administrative support.
- **Prompt Payment Act.** The budget includes trailer bill language to make the Department of FI\$Cal responsible for applicable penalties if the FI\$Cal system delays the delivery of a correct claim from a state agency to the Controller.
- **Unclaimed Property Fraudulent Claims Prevention and Detection Program.** The budget includes \$1.5 million from the Unclaimed Property Fund to support nine permanent positions for the Unclaimed Property Fraudulent Claims Prevention and Detection Program.
- **Unclaimed Property Holder Compliance Audits.** The budget includes \$1.6 million from the Unclaimed Property Fund and 11 positions to perform audits of holders to ensure compliance with the California Unclaimed Property Law, reunite unclaimed property with its rightful owners or heirs, and provide administrative support. In addition, the budget includes budget bill language requiring the SCO to report on plans to provide for a one-time amnesty or other options to increase compliance in lieu of an amnesty program.
- **Settlement Claims.** The budget includes \$9.5 million General Fund to pay the class action settlements of *Nancy Baird, et al. v. Betty T. Yee, et al (2016)* and *Janis McLean v. State of California (2016)*.
- **California Automated Travel Expense Reimbursement System (CalATERS).** The budget includes trailer bill language to delete an obsolete code section related to CalATERS reimbursements.
- **California State Payroll System Project.** The budget includes \$1.3 million General Fund (\$471,000 ongoing) and \$961,000 special funds (\$355,000 ongoing) to support six positions and contracted service costs during the Project Approval Lifecycle process.

0870 OFFICE OF TAX APPEALS

- **Small Business Tax Code Streamlining.** The budget includes trailer bill language to allow tax appeals to be decided by one judge, if the appellants opt-in. The appeals must involve franchise income tax matters of less than \$5,000, or business tax matters of less than \$50,000. The business tax appellant must also have less than \$20 million in gross annual sales.
- **Additional Staffing Resources.** The budget includes \$2.8 million General Fund and 13 positions to provide additional staffing to support appeals process workload.

0950 STATE TREASURER'S OFFICE (STO)

- **Funding Realignment.** The budget includes \$7 million General Fund and a decrease in reimbursements by a like amount. This adjustment realigns the funding structure of the STO to better reflect the services provided to state agencies.
- **Infrastructure Support and Sustainability.** The budget includes \$450,000 General Fund, on a one-time basis, to fund costs associated with providing IT support to STO and the various boards, commissions, and authorities.

0954-0989 STATE TREASURER'S BOARDS, COMMISSIONS AND AUTHORITIES**0981 CALIFORNIA ABLE ACT BOARD**

- **California Achieving a Better Life Experience (CalABLE) Contract Funding.** The budget includes a General Fund Loan of \$1.1 million in 2019-20 to provide the following resources: 1) \$820,000 to continue to support administrative costs and implementation of the CalABLE Program, including funding for staff, funding for external consultants and funding necessary for operating and overhead costs; and 2) \$250,000 to support the marketing and outreach activities of the program post launch, increasing awareness and participation in the program.

0984 SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

- **Program Implementation.** The budget includes trailer bill language to: 1) shift the responsibility for disseminating employee information packets for the CalSavers Retirement Savings Program (CalSavers) from the Employment Development Department (EDD) to CalSavers, 2) provide EDD with more flexibility in the timeline to begin enforcing employer compliance, 3) allow EDD to share data with CalSavers, and 4) eliminate obsolete statute.

0954 SCHOLARSHARE INVESTMENT BOARD

- **Memorial Scholarship Revenue Shift.** The budget includes trailer bill language to require all of the California License Plate Revenue be deposited into the Antiterrorism Fund.

1701 DEPARTMENT OF BUSINESS OVERSIGHT (DBO)

- **Internal Audit Unit Workload.** The budget includes \$149,000 in 2019-20 and \$140,000 ongoing for one Associate Management Auditor position to provide ongoing independent, objective

evaluation and assessment of operational effectiveness and program compliance.

- **Pilot Program for Increased Access to Responsible Small Dollar Loans (AB 237).** The budget includes \$340,000 State Corporations Fund in 2019-20 and \$320,000 ongoing for two Corporation Examiner positions to examine registered pilot program finders at least once every 24 months as required by AB 237 (Gonzalez-Fletcher), Chapter 1016, Statutes of 2018.
- **California Financing Law License Amendment Processing.** The budget includes \$330,000 from the State Corporation Fund in 2019-20 and \$311,000 ongoing for one Corporation Examiner and one Associate Government Program Analyst position to process California Financing Law license amendments.
- **California Residential Mortgage Lending Act – Examination Cycle.** The budget includes \$854,000 from the State Corporations Fund in 2019-20 and \$804,000 ongoing for five Corporation Examiner positions to carry out the regulatory requirement to examine California Residential Mortgage Lending Act licensees and California Financing Law licensees that conduct residential mortgage activities.

7600 DEPARTMENT OF TAX AND FEE ADMINISTRATION (CDTFA)

- **Accounting Branch Positions Augmentation.** The budget includes the redirection of five vacant Provision 1 positions to the Accounting Branch, and \$95,000 to fund the salary difference between the current and proposed classifications of redirected positions.
- **Prepaid Mobile Telephony Services (MTS) Surcharges.** The budget includes a reduction of \$1 million and 8.4 positions (growing to \$1.8 million and 14.6 positions) to conclude the Prepaid MTS Surcharge Collection Act program.
- **Technical Adjustments for Centralized Revenue Opportunity System.** The budget includes a decrease of \$17 million General Fund, \$9.6 million in Reimbursements, and \$3.4 million in special funds to reflect a technical correction to the Centralized Revenue Opportunity System.
- **Technical Adjustment to Proposition 56 Expenditures.** The budget includes \$6 million in expenditure authority for tobacco enforcement to reflect carryover amounts from previous fiscal years.
- **Technical Adjustment to the Cannabis Tax Fund.** The budget includes \$7.3 million and 29.6 positions from the Cannabis Tax Fund to the Cannabis Tax Fund – Department of Tax and Fee Administration to reflect a new method for tracking cannabis-related expenditures.
- **Wayfair Clean-Up TBL.** The budget includes trailer bill language to: 1) limit the CDTFA to a three-year look back for back taxes, 2) clarify provisions to state that newspapers, internet websites, and other entities that advertise tangible personal property for sale; that refer purchasers to the marketplace seller by telephone, internet link, or other similar means to complete the sale; and that do not participate further in the sale; are not facilitating a sale for purposes of the specified provisions, 3) direct CDTFA to allow a delivery network company to elect to become a marketplace facilitator in a form, manner, and duration determined by CDTFA, and require CDTFA to issue regulations

allowing for such an election, and 4) amend the district tax threshold effective date to April 25, 2019, to account for the retroactive effect of AB 147 (Burke), Chapter 5, Statutes of 2019.

- **Tax and Fee Program Bureau's Office of Tax Appeals Workload.** The budget includes \$1 million (\$896,000 ongoing) for six positions to ensure the CDTFA Legal Division's Tax and Fee Programs Bureau has resources to prepare for Office of Tax Appeals hearings.
- **Sales and Use Tax Exemptions: Menstrual Hygiene Products and Diapers.** The budget includes trailer bill language that, on and after January 1, 2020, and until January 1, 2022, would exempt from those taxes the gross receipts from the sale of, storage, use, or other consumption of, menstrual hygiene products and diapers for infants, toddlers, and children.

7730 FRANCHISE TAX BOARD (FTB)

- **Earned Income Tax Credit (EITC).** The budget includes trailer bill language that makes changes to significantly expand the state EITC by: raising the annual income recomputation floor from 3.1 percent to 3.5 percent, revising the calculation factors to increase the credit amount for certain taxpayers, raising the maximum income to \$30,000, and providing a refundable young child tax credit not to exceed \$1,000 per qualified taxpayer per taxable year. These changes increase the estimated cost of the state EITC from approximately \$400 million to approximately \$1 billion.
- **Administrative Dissolution (AB 2503).** The budget includes \$330,000 General Fund (\$311,000 ongoing) and five positions to administer the provisions of AB 2503 (Irwin), Chapter 679, Statutes of 2018, which provides for administrative dissolution for certain domestic corporations and domestic limited liability companies.
- **Loophole Closure and Small Business Tax Relief.** The budget includes trailer bill language that closes certain tax loopholes and provides tax relief and streamlining for small businesses and individuals. These changes will result in a gain of approximately \$1.6 billion General Fund in 2019-20, and include: 1) discharging student loan debt on or after December 31, 2017, due to death or disability of the student, 2) limiting the amount banks may deduct for FDIC premiums, 3) closing a loophole related to excess employee compensation, 4) repealing the ability for taxpayers to carry back net operating loss (NOLs) to previous taxable years, 5) streamlining certain small business accounting requirements, 6) eliminating Like-Kind exchanges of personal property, and 7) disallowing deductions under the Personal Income Tax Law for excess business losses over \$250,000 for a single filer and \$500,000 for joint filers.
- **Technical Adjustment.** The budget includes \$378,000 General Fund and two new positions for the Tax Appeals Assistance Program responsibilities that are being transferred from CDTFA.
- **HR Discipline.** The budget includes \$1.4 million (\$1.3 million General Fund) and 14 positions in 2019-20 and ongoing to conduct human resource functions and serve as FTB's foundation to allow FTB to hire, train, and retain staff.

- **Local Area Network (LAN) Infrastructure Refresh Project.** The budget includes \$5.7 million General Fund and \$235,000 special funds in 2019-20 and \$12,000 General Fund ongoing to refresh aging equipment and software that is reaching End-of-Life and approaching End-of-Service within the LAN infrastructure. FTB is also proposing to upgrade throughput (speed) to and from the network core.
- **Unclaimed Property Holder Compliance Audits.** The budget includes budget bill language requiring the FTB to report on plans for including an unclaimed property question on business tax forms.
- **Mainframe Enterprise Tape Library Refresh.** The budget includes \$7.2 million (\$6.9 million General Fund and \$308,000 special funds) in 2019-20 to purchase the following information technology components: 1) Mainframe Enterprise Tape Library (MF ETL) and Direct Access Storage Device (DASD) for the central office, and 2) Mainframe Business Class Server MF ETL and DASD for a secondary off-site location.
- **Individual Health Mandate and Expanded Subsidies.** The budget includes \$8.2 million General Fund and 50 positions (\$8.1 million and 100 positions ongoing) to administer the penalty and subsidies associated with the proposed Minimum Essential Coverage Individual Mandate and the Affordable Care Access Plus Program.
- **Financial Information System for California (FI\$Cal).** The budget includes \$1.4 million from various funds for nine permanent positions and three permanent intermittent positions in 2019-20 and 2020-21. These resources will conduct accounting and procurement functions and serve as FTB's foundation to allow the department to fully adopt FI\$Cal implementation and comply with statewide accounting policies.

PROPOSITION 2 DEBT REPAYMENTS

- Using \$2.2 billion made available through the Proposition 2 mechanism, the budget incorporates a pay down of budgetary debt and other long-term liabilities. The budget includes a Proposition 98 settle-up payment of \$391 million. The plan also includes additional payments to state retirement obligations, including \$260 million for state retiree health, \$390 million for state employee pensions and \$1.1 billion for teachers' pensions.

STATE BUDGET RESERVES

- The budget devotes significant resources to budgetary reserves. \$2.2 billion is deposited to the Budget Stabilization Account as a mandatory payment, bringing the balance to \$16.5 billion. In addition, the state's general reserve, the Special Fund for Economic Uncertainties, is budgeted to be \$1.4 billion and the Safety Net Reserve will have a balance of \$900 million at the end of the 2019-20 fiscal year.
- **Budget Deficit Savings Account.** The budget includes trailer bill language clarifying the use of the Budget Deficit Savings Account as a supplementary savings account and authorizing the Legislature to transfer some or all of the balance of the Budget Deficit Savings Account to the General Fund or any other state fund.

State Finance and Management Budget Trailer Bills

1. *Taxation – AB 91 (Burke), Chapter 39, Statutes of 2019.*
2. *Taxation – SB 92 (Committee on Budget and Fiscal Review), Chapter 34, Statutes of 2019.*
3. *State Government – SB 112 (Committee on Budget and Fiscal Review), Chapter 364, Statutes of 2019.*

LABOR

0559 LABOR AND WORKFORCE DEVELOPMENT AGENCY

- **Future of Work Commission.** The budget establishes the Future of Work Commission to evaluate the state's economy to understand and forecast how technological and economic developments will impact workers, workforce needs, regional economies and industries within our state's economy. The budget provides \$2.5 million General Fund and nine position in 2019-20, \$2 million and nine positions in 2020-21 (of these positions, three positions are to support the Future of Work Commission), \$1.5 million and six positions ongoing to support the Labor Agency (\$36,000, of which, will annually be per diem payments for 18 board members).

7100 EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD)

- **Paid Family Leave (PFL).** The budget expands PFL from six to eight weeks and reduced the reserve requirement for the Disability Insurance Fund from 45 to 30 percent beginning July 1, 2019. SB 83 (Committee on Budget and Fiscal Review), Chapter 24, Statutes of 2019 also includes legislative intent language to establish a taskforce to develop a proposal by November 2019, to extend the duration of PFL to six months by 2021. The proposal will also address job protection and the goal of providing a 90 percent wage replacement rate for low wage workers.
- **Nonindustrial Disability Insurance.** The budget expands nonindustrial disability insurance benefits for excluded state employees who are enrolled in annual leave programs to also take paid time off to care for a seriously ill family member or bond with a new child, beginning July 1, 2019.
- **CalSavers.** The budget makes provisions that require the EDD to assess a penalty on any eligible employer that fails to make the CalSavers Retirement Savings Program available to employees, operative only when the board notifies the Director of EDD that enforcement should proceed and the board and the Director of EDD agree to a reasonable implementation timeline (rather than six months after the board notifies the Director of EDD that the act will be implemented).
- **Claimant Privacy.** The budget provides \$1.8 million and 9.3 positions in 2019-20, \$2.1 million and 10.5 positions in 2020-21, and \$0.1 million and 0.6 positions in 2021-22, funded equally by the General Fund and the Disability Insurance Fund to replace EDD social security numbers (SSN) with a modified unique identifier on the top 10 mailed documents with the highest volume that currently display an SSN.
- **Information Security Enforcement Team.** The budget provides \$2 million (\$996,000 in Contingent Fund and \$996,000 in Disability Insurance Fund) and five positions in 2019, and \$882,000 (\$441,000 in Contingent Fund and \$441,000 in Disability Insurance Fund) and five positions in 2020-21 and ongoing to establish a new Information Security Enforcement Team

(ISET). ISET will address critical functions of information security, including detection and remediation of system security issues, infrastructure improvements, and improved compliance with current state and federal security standards.

7120 CALIFORNIA WORKFORCE DEVELOPMENT BOARD

- **AB 2915 (Caballero), Chapter 722, Statutes of 2018.** The budget provides 0.6 positions and \$62,000 General Fund in 2019-20 and 2020-21 to implement AB 2915, which requires CWDB to develop a policy regarding mutual aid agreements among Local Workforce Development Boards to enable them to effectively respond to disasters.
- **YouthWORKS / Richmond Build Program.** The budget provides \$250,000 for the YouthWORKS / Richmond Build Program.
- **Workforce Innovation Opportunity Act Discretionary Federal Funds.** The budget provides \$57.2 million in state-level discretionary federal Workforce Innovation Opportunity Act (WIOA) funding in 2019-20, a \$4.1 million decrease relative to 2018-19.
- **Breaking Barriers to Employment.** The 2018-19 budget provided \$15 million one-time General Fund to implement the program. The budget amends the 2018-19 allocation and provides six positions and authorizes the department to use up to 22 percent of funds to implement the program and provide technical and programmatic support to grantees.

7300 AGRICULTURE LABOR RELATIONS BOARD

- **Assembly Bill 2751 (Stone), Chapter 718, Statutes of 2018.** The budget provides \$245,000 General Fund and two Field Examiner II positions to work exclusively on all tasks necessary to complete award calculations to meet the requirements of AB 2751.

7350 DEPARTMENT OF INDUSTRIAL RELATIONS (DIR)

- **Garment Manufacturers' Special Account.** The budget provides \$7.3 million General Fund to the Garment Manufacturer's Special Account to reduce the backlog on unpaid wages. The budget also includes supplemental reporting language requiring the department to evaluate and develop recommendations to address the solvency of the special account.
- **Sexual Harassment Training for Janitorial Industry.** The budget eliminates duplicative training requirements for employers who are subject to the mandates of both the Property Service Workers' Protection Act pursuant to AB 1978 (Gonzalez), Chapter 373, Statutes of 2016 and the Fair Employment and Housing Act requirements included in SB 1343 (Mitchell), Chapter 956, Statutes of 2018. The budget ensures that training is consistent with the Fair Employment and Housing Act and clarifies that janitorial contractors must comply with the provisions specified in AB 1978 and SB 1343.

- **Lead Exposure Limits.** The budget requires DIR's Division of Occupational Safety and Health to complete rulemaking to revise the lead standards of the general industry safety orders and the construction safety orders consistent with scientific research and findings, by September 30, 2020.
- **Domestic Workers Outreach and Education Program.** The budget provides \$5 million in one-time General Fund to create an outreach and education grant program for domestic workers. DIR will allocate grants to community based organizations to provide education and outreach services primarily focused on, but not limited to, domestic work employees and employers.
- **Subsequent Injury Benefit Trust Fund (SIBTF).** The budget provides 30 positions and \$4.8 million in 2019-20, 30 positions and \$4.4 million in 2020-21 and 2021-22, 23.0 positions and \$3.4 million in 2022-23, with 14 positions and \$2.0 million in 2023-24 and ongoing from the Workers' Compensation Administration Revolving Fund to: 1) reduce caseload per claims examiner to a manageable level; and 2) provide sufficient claims examiners and attorneys to perform due diligence investigations and reduce the State's long-term liability from SIBTF claims. The resources will reduce the caseload from 1,000 to 360 per examiner.
- **Private Attorney General Act (PAGA).** The budget provides 12 positions and \$2 million in 2019-20, and \$1.8 million ongoing from the Labor Workforce Development Fund to increase DIRs capacity to review PAGA cases.
- **Implements Various Legislation.** The budget provides 10 positions and \$1.6 million ongoing from the Labor Enforcement and Compliance Fund to provide permanent authority for proposals approved only for a limited-term basis in prior fiscal years to implement the following bills: (1) Senate Bill 588 (de León), Chapter 803, Statutes of 2015, (2) Senate Bill 1001 (Mitchell), Chapter 782, Statutes of 2016, (3) Senate Bill 1063 (Hall), Chapter 866, Statutes of 2016, and (4) Assembly Bill 97 (Committee on Budget), Chapter 14, Statutes of 2017.

The budget also provides 15.5 positions and \$3.1 million in 2019-20 and \$2.7 million ongoing to fulfill the provisions of recently chaptered legislation: (1) Assembly Bill 2358 (Carrillo), Chapter 675, Statutes of 2018, (2) Assembly Bill 3018 (Low), Chapter 882, Statutes of 2018, and (3) Senate Bill 1402 (Lara), Chapter 702, Statutes of 2018.

Labor Budget Trailer Bill

1. *Employment – SB 83 (Committee on Budget and Fiscal Review), Chapter 24, Statutes of 2019.*

PUBLIC EMPLOYMENT AND RETIREMENT

7320 PUBLIC EMPLOYMENT RELATIONS BOARD (PERB)

- **Base Augmentation.** The budget provides a \$2.5 million General Fund increase to PERB, to be suspended in 2021-22.

7501 CALIFORNIA DEPARTMENT OF HUMAN RESOURCES (CaIHR)

- **Statewide Human Resources Workload.** The budget provides \$1.3 million in 2019-20 and \$1.2 million in 2020-21 and ongoing to expand the access to the Limited Examination and Appointment Program, create an annual statewide workforce succession plan, implement focused recruitment strategies, and produce a streamlined competency and rank-and-file evaluation process.
- **Exempt and Excluded Employees' Other Post-Employment Benefits.** The budget clarifies that new excluded or exempt employees who are not related to a bargaining unit, or an officer or employee of the executive branch who is not a member of state civil service, who are hired after July 1, 2019, are subject to a lower employer contribution rate for future retiree health benefits under the 80/80 percent employer contribution formula.
- **Statewide Medical and Psychological Screening Policy.** The budget provides four positions and \$188,000 in 2019-20 and \$179,000 in 2020-21 and ongoing for a new division that provides statewide consultation and direction on medical and psychological pre-employment screening.

7900 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)

- **Administration of Social Security Benefits.** The budget brings the Old Age and Survivors' Insurance (OASI) Revolving Fund under the budget approval process to ensure administrative oversight and provide better insight and transparency into the State Social Security Administrator Program and OASI Fund reserves. Additionally, it increases the penalty for public agencies that fail to pay the social security administration assessment.
- **CalPERS Supplemental Pension Payments.** The budget appropriates \$2.5 billion General Fund in 2018-19 to make a supplemental pension payment to address the state's unfunded liability. Funds shall be apportioned based on the estimated amount of General Fund that each state plan contributes to CalPERS. AB 90 also makes additional payments of \$265 million General Fund, \$200 million General Fund, and \$35 million General Fund, in 2020-21, 2021-22, and 2022-23, respectively.

For the 2020-21 appropriation, AB 118 specifies that \$243 million of the appropriation above shall be redirected to make a supplemental pension payment to the Patrol Member Retirement Plan.

Additionally, AB 118 also specifies that the Motor Vehicle Account shall make a \$100 million supplemental pension payment to the Patrol Member Retirement Plan starting in 2019-20 and through June 30, 2023.

- **CalPERS Contribution Rates.** SB 90 also appropriates \$144 million General Fund in 2019-20 and \$100 million in 2020-21 to reduce the CalPERS school employer contribution rate by 1.012 percent and 0.7 percent, respectively.
- **Senate Sergeant Classification.** The budget specifies that the Senate Chief Sergeant at Arms is classified as a peace officer for the purpose of retirement, thereby providing parity with rank-and-file sergeants of the Senate and the Assembly, and the Assembly Chief Sergeant at Arms.

7920 CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM (CalSTRS)

- **CalSTRS Supplemental Pension Payments.** The budget appropriates a total of \$2.9 billion Proposition 2 Funds in 2019-20 through 2022-23 to pay down the state share of the CalSTRS unfunded liability. Additionally, SB 90 appropriates approximately \$1.6 billion General Fund to address the school employers' share of the CalSTRS unfunded liability.
- **CalSTRS Contribution Rates.** SB 90 also appropriates \$356 million in 2019-20 and \$250 million in 2020-21 to reduce the CalSTRS school employers' contribution rate by 1.03 percent and 0.7 percent, respectively.

9800 EMPLOYEE COMPENSATION

- **Memoranda of Understanding.** The budget provides for legislative ratification of the memorandum of understanding agreed to by the state and Bargaining Units (BU) 1, 2, 3, 4, 5, 6, 7, 11, 13, 14, 15, 17, 20 and 21. For 2019-20, these MOUs cost approximately \$255 million (\$159.7 million General Fund). The MOUs cover 147,200 full-time equivalent state employees represented by six 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)
 - BU 2: Attorneys and Hearing Officers
 - California Association of Highway Patrolmen (CAHP)
 - BU 5: Highway Patrol
 - Correctional Peace Officers Association
 - BU 6: Corrections

- California Statewide Law Enforcement Association (CSLEA)
 - BU 7: Protective Services and Public Safety
- International Union of Operating Engineer (IUOE)
 - BU 13: Stationary Engineers
- **Repeals the Payroll and CalPERS Deferral.** A budget trailer bill, Senate Bill 83 (Committee on Budget and Fiscal Review), Chapter 24, Statutes of 2019, repeals a provision in state law that requires that on or after January 1, 2010, payments to employees paid on June 30 of each year shall be issued on July 1. This action cost approximately \$973 million General Fund.

Additionally, the budget repeals the CalPERS deferral. Previously, the state paid the fourth-quarter contribution to CalPERS in the first quarter of the subsequent fiscal year. This change is reflected in the Department of Finance's summary schedules, and cost approximately \$707 million General Fund.

CONTROL SECTION 3.60

- **Judges' Retirement System II.** The budget adopts changes in state retirement contribution rates for state members of CalPERS and JRS II, which increases state costs by \$15.3 million.

Public Employment and Retirement Budget Trailer Bills

1. *Employment – SB 83 (Committee on Budget and Fiscal Review), Chapter 24, Statutes of 2019.*
2. *Supplemental Pension Payment – SB 90 (Committee on Budget and Fiscal Review), Chapter 33, Statutes of 2019.*
3. *General Government – AB 112 (Committee on Budget), Chapter 364, Statutes of 2019.*
4. *State Employment: Bargaining Units 1, 2, 3, 4, 5, 7, 11, 13, 14, 15, 17, 20, and 21 – AB 118 (Committee on Budget), Chapter 859, Statutes of 2019.*
5. *State Employees: Memorandum of Understanding – SB 103 (Committee on Budget and Fiscal Review), Chapter 118, Statutes of 2019.*

SUBCOMMITTEE 5
ON
CORRECTIONS,
PUBLIC SAFETY, AND THE
JUDICIARY

Senate Committee on Budget and Fiscal Review

Members

Nancy Skinner, Chair

Jim Beall

John M. W. Moorlach

Consultants

Christopher Francis

Yong Salas

SUBCOMMITTEE NO. 5

CORRECTIONS, PUBLIC SAFETY, AND THE JUDICIARY

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THE JUDICIARY

0250 JUDICIAL BRANCH

The budget includes \$4.1 billion (\$2.2 billion General Fund and \$1.9 billion other funds) in total 2019-20 funding for the Judicial Branch. Of note are the following:

- **Pre-Trial Decision-Making Pilot.** The budget includes budget bill language outlining a pre-trial decision-making pilot. The language includes a \$75 million allocation to the Judicial Council to fund the implementation, operation, or evaluation of programs or efforts in at least ten courts related to pretrial decision-making.
- **Judgeships.** The budget includes \$30.4 million General Fund in 2019-20 and \$36.5 million General Fund in 2020-21 and ongoing to allocate 25 of the 48 remaining trial court judgeships authorized by AB 159 (Jones), Chapter 722, Statutes of 2007.
- **Court Appointed Counsel in Juvenile Dependency Proceedings.** The budget includes \$20 million General Fund in 2019-20 and ongoing and federal reimbursements, which are estimated to be \$34 million, to supplement the amount of funding provided to support court-appointed dependency counsel workload. The total dependency counsel funding will therefore be brought up to \$190.7 million annually beginning in 2019-20.
- **Legal Aid for Renters in Landlord-Tenant Disputes.** The budget includes an additional \$20 million one-time General Fund for the Equal Access Fund. This is in addition to ongoing funding of \$20.4 million General Fund and \$5.5 million Trial Court Trust Fund for the Equal Access Fund to provide grants to over 100 nonprofit service organizations to provide legal assistance to low-income Californians, particularly the indigent, homeless, disabled, elderly, and victims of domestic violence. These services include, but are not limited to: legal technical assistance, training, advice and consultation, and representation.
- **Deferred Maintenance.** The budget approved a one-time General Fund augmentation of \$15 million to address the most vital deferred maintenance in trial courts and appellate courts. These funds will support fire alarm systems' repair and replacement, a small subset of the current deferred maintenance in the Judicial Branch portfolio. Fire alarm systems provide the essential first alarm in a fire/life/safety event to the building occupants and first responders, so that evacuation can be completed in an appropriate amount of time. System failures create a higher cost due to the urgent nature of the work, and the lack of time to plan the effort.
- **Various Capital Outlay Projects.** The budget includes funding for capital outlay projects for the Judicial Branch. These projects are as follows:

Project Title	Purpose of Request and Funding History
Riverside County- New Indio Juvenile and Family Courthouse	<p>The Judicial Council requested an additional appropriation of \$21.1 million (\$1.4 million Immediate and Critical Needs Account, \$19.8 million Public Building Construction Fund) for working drawings (\$1.4 million) and construction (\$19.8 million) for the New Indio Juvenile and Family Courthouse project located in Riverside County. This request addresses increased project costs. Total appropriated project costs are \$54 million and they are now projected to be \$75.1 million, a 28 percent increase. This project will consolidate court operations from two facilities.</p> <p>The subcontractor bids received were substantially over the appropriated budget. Several contributors to the funding increase include the remoteness of the project site, increases in material costs due to volatilities in the commodities market and lapses in time that have necessitated an update and re-review of the working drawings phase.</p>
Various Capital Outlay Project Reappropriations	<p>The Judicial Council requested a reappropriation to extend the liquidation period for the construction phase for the New San Diego Courthouse in San Diego County and for the New Yuba City Courthouse in Sutter County. This reappropriation will allow the Judicial Branch to make the final payments for these projects from the Public Buildings Construction Fund Subaccount. Construction of these projects has been completed. However, the New San Diego Courthouse has design and construction issues with the electrical system that requires engineering analysis and corrective actions.</p> <p>For the New Yuba City Courthouse project, the construction vendor was very late in submitting one large invoice, and since the Judicial Council has entered into a settlement agreement with this vendor, there is a legal obligation to pay this last invoice. The reappropriations will allow the Judicial Council sufficient time to research and resolve final expenditures for these projects.</p>
Imperial County- New El Centro Courthouse	<p>The Judicial Council requested an additional appropriation of \$17.1 million Public Building Construction Fund for the construction phase of the New El Centro Courthouse project located in Imperial County. Total appropriated project costs were \$49.9 million, and costs are now projected to be \$67 million. This request addresses increased project costs due to bids that were received at higher than anticipated costs. This project will consolidate court operations from two facilities.</p> <p>Several contributors to the funding increase include the remoteness of the project site that led to fewer subcontractor bids package than anticipated, and increases in material costs due to volatilities in the commodities market.</p>

- **Cannabis Convictions: Resentencing.** The budget includes an augmentation of \$13.9 million General Fund in 2019-20 and \$2.9 million in 2020-21 to support costs associated with increased workload for the trial courts as a result of the enactment of AB 1793 (Bonta), Chapter 993, Statutes of 2018 which requires sentence modification of past cannabis conviction cases pursuant to current law under the Control, Regulate, and Tax Adult Use of Marijuana Act. This is based on cost estimates of challenged and unchallenged petitions—each of which have unique time and financial costs. For clerks this time is comprised of acceptance, processing and preparation of the resentencing petition for review by a judicial officer. The courts have indicated that a judge would spend time reviewing the petition and any relevant information pertaining to the individual that may be in the court’s record, as well as potential communication with prosecutors. Additionally, for petitions challenged by the prosecution, the courts’ time includes assessing the merits of the prosecutor’s objection(s) and discussing the case with the prosecutor and public defender.
- **Case Management System Replacement.** The budget includes a General Fund augmentation of \$23.1 million in 2019-20, \$6.7 million in 2020-21, \$3.1 million in 2021-22, \$413,000 in 2022-23, and \$347,000 in 2023-24 to replace various outdated legacy case management systems used by ten trial courts (Amador, Colusa, Contra Costa, Lassen, Marin, Mariposa, Mono, Nevada, Shasta and Solano) with a new, commercial, off-the-shelf case management system. This request includes ongoing funding of \$347,000 to support 2.0 positions (Senior Business Systems Analysts) to provide support administering the multiple statewide master service agreements with case management system vendors (CMS), as well as provide technical guidance and support for trial courts using multiple CMS vendors. Most courts across the state have begun the process of migrating to a new technology platform for their CMS, but the ten courts that were included in this request had not been able to do so.
- **Data Analytics and Futures Commission IT Directives.** The budget includes a General Fund augmentation of \$7.8 million one-time in 2019-20, to be spent over two years, to provide funding for evaluating and implementing a pilot program for new technology solutions, including intelligent chat, video remote hearings, natural language voice-to-text translation services, and business intelligence/data analytics using identity management. The plan is to expand these programs for availability to all judicial branch entities. This program directly supports delivery of three of the Futures Commission recommendations, as directed by the Chief Justice, as well as Judicial Council Technology Committee work on data analytics and business intelligence. Funding includes \$4.2 million for software, equipment and consulting services, and \$3.6 million for maintenance and seven positions to enable Judicial Council Information Technology (JCIT) to implement, support and maintain the solutions.
- **Litigation Management Program.** The budget includes an ongoing augmentation of \$5.6 million General Fund, beginning in 2019-20, to support the defense and indemnity of all judicial branch entities. The amount consists of \$5.2 million to offset existing State Trial Court Improvement and Modernization Fund (IMF) support for the program and \$449,000 related to increased litigation costs. The Judicial Council manages litigation management services and provides for the defense and indemnification of all judicial branch entities, their bench officers, and employees.
- **Implementation of Phoenix Roadmap.** The budget includes \$7.7 million General Fund and four positions in 2019-20, \$4.4 million in 2020-21, and \$3.9 million in 2021-22 and ongoing to maintain/upgrade the Phoenix enterprise resource management system. This will shift \$3.2 million

from the improvement and Modernization Fund to the General Fund. The Phoenix Program manages the financial and procurement system and processes for the 58 trial courts and the payroll system and processes for 13 trial courts. A significant benefit to the courts that use the Phoenix payroll system is the inherent integration of the Phoenix Financial System, which allows for payroll results to be automatically posted to financial ledgers with internal references to the payroll system. This makes reconciliation analysis more efficient and accurate. Although a technical upgrade was performed in 2008-09, the current Phoenix user interface is based on 1997 technology which is not considered efficient due to the need for scrolling and extra keystrokes required in the older design, and does not provide a satisfactory user experience by today's standards.

- **FI\$Cal Staffing.** The budget includes six positions and \$952,000 General Fund in 2019-20 and \$887,000 General Fund in 2020-21 and ongoing to support the use and administration of the Financial Information System for California (FI\$Cal). These resources are essential for the Judicial Council to effectively manage the use of the FI\$Cal system, ensuring accuracy, integrity, and transparency of financial information. Previously, the Judicial Council used the Oracle financial system (Oracle) to perform accounting, budgeting, and procurement functions. Upon hearing the JCC Oracle system was in need of significant upgrades, the Executive Branch encouraged the Judicial Council to transition to FI\$Cal beginning in 2018-19. The JCC implemented FI\$Cal on July 1, 2018. Since the implementation of the FI\$Cal system, the JCC has discovered that many tasks require more time to perform than in the Oracle system. The JCC's Procurement Unit requires dedicated staff who are familiar with the judicial branch and its procurement business practices, and who have highly functional technical expertise with FI\$Cal. This expertise is needed to determine how JCC procurements function in a system that was designed to fit executive branch procurement functions, often with different legal requirements for procurements.
- **Digitizing Court Records.** The budget includes a one-time General Fund augmentation of \$5.6 million in 2019-20 and an ongoing augmentation of \$176,000 for a Senior Business Systems Analyst to conduct phase one of a multi-phase program, within six and eight courts, for digitizing mandatory court records, including paper and/or filmed case files for the Superior and Appellate Courts. The goal for phase one is to digitize the equivalent of 28,000 linear feet of paper case files. After this phase, the data, including digitization costs, timelines and business re-engineering effort, will be analyzed to refine the cost estimates, processes and techniques so that funding needed for remaining courts can be requested in the future, as appropriate for the remaining non-digitized courts.
- **Trial Court Security Systems and Equipment.** The budget includes an ongoing augmentation of \$6.0 million General Fund beginning in 2019-20, to refresh, maintain and replace security equipment and systems totaling 580 statewide in court facilities. \$4.8 million of the augmentation will be used each year to replace approximately 30 systems (surveillance, access, duress, and detention control). The average cost for a system replacement is \$159,000. Maintenance costs are based on actual expenditures (an average of \$2,000 per service call x 600 calls per year) and pricing identified in current master agreements with equipment and service vendors.
- **Trial Court Facility Maintenance and Operations.** The budget includes \$20.1 million General Fund ongoing for maintenance and operation of trial court facilities constructed since 2007. This gap resulted from a growth in portfolio square footage from court facility construction authorized by SB 1732 (Escutia), Chapter 1082, Statutes of 2002, the Trial Court Facilities Act of 2002 and

SB 1407 (Perata), Chapter 311, Statutes of 2008. The State Court Facilities Trust Fund was created to provide a source of funding for the ongoing operations, repair, and maintenance of court facilities by requiring each county to pay to the state the amount that county historically expended for operation and maintenance (O&M) of court facilities. SB 1407 created a revenue stream from court fees, penalties, and assessments to finance courthouse construction and renovations, ensuring that these projects would be paid for from within the judicial branch rather than drawing on the state's General Fund. Since passage of SB 1407, the Judicial Council of California has constructed 26 new trial court facilities, totaling over 3.6 million square feet of space. Ten more courthouses are underway that will add an additional 1.6 million square feet of space. There is currently no mechanism by which O&M is funded for these new facilities. The funding in this budget assists the Judicial Branch in their preventative maintenance funding as well as addressing utilities costs associated with the increase in responsible square footage.

- **Trial Court Reserves.** The budget includes trailer bill language to increase the cap on trial court reserves from one percent to three percent. Since 2014, trial courts have been restricted to only carrying over one percent or less in reserves from the prior year operating budget. In 2018-19, this equaled approximately \$27 million statewide. Increasing the cap enables courts to retain funding to cover immediate costs for budgeted expenses such as payroll and other ongoing operating expenses in the event of an unanticipated one-time disruption in funding, gives courts the flexibility to address local needs that are unique to certain jurisdictions, and allows courts to adjust to mid-year cost changes.
- **Trial Court Employee Benefits Adjustment.** The budget includes authorization for the budget to be decreased by \$3.4 million to reflect the updated health benefit and retirement rate changes for trial court employees.
- **Trial Court Trust Fund Revenue Shortfall Adjustment.** The budget reflects a reduction of \$11 million to the amount to backfill revenue shortfalls based on the most current estimates of Trial Court Trust Fund fee revenues for fiscal year 2019-20.
- **Dependency Counsel Title IV-E Funding.** The budget includes \$1.5 million ongoing General Fund for the Judicial Council to administer federal reimbursements for court-appointed dependency counsel costs.
- **Courts of Appeal Workload.** The budget includes \$5 million General Fund in 2019-20 and ongoing for the Courts of Appeal to address general operation cost increases, workload growth due to more complex litigation, new case duties related to recent law changes seeking retroactive decisions, and voter approved initiatives requiring Courts of Appeal review.
- **Language Access Expansion in Each California Court.** The budget includes \$9.6 million General Fund in 2019-20 and \$9.3 million General Fund in 2020-21 and ongoing for the expansion of interpreter services into all civil proceedings, the ability to cover the increased costs in criminal proceedings, and court interpreter salary & benefit increases.
- **Shriver Act Civil Counsel.** The budget includes a one-time allocation of \$2.5 million General Fund for the expansion of an existing program that represents low income families.
- **National Home Mortgage Settlement and Legal Aid.** The budget includes trailer bill language that states the Legislature's intent to establish a trust to manage \$331 million in state funds that are

court-ordered to be directed to provide borrower relief and legal aid to homeowners and renters. It provides for the transfer of the \$331 million to the National Mortgage Special Deposit Fund.

Judiciary Budget Trailer Bills

1. *Courts – SB 95 (Committee on Budget and Fiscal Review), Chapter 36, Statutes of 2019.*
2. *Public Safety – SB 94 (Committee on Budget and Fiscal Review), Chapter 25, Statutes of 2019.*
3. *Housing – SB 113 (Committee on Budget and Fiscal Review), Chapter 668, Statutes of 2019.*

CORRECTIONS AND REHABILITATION

0552 OFFICE OF INSPECTOR GENERAL (OIG)

- **Restoration of Discretionary Audits and Reviews.** The budget includes trailer bill language that restores the OIG's authority to initiate an audit or review of policies, practices, and procedures of the CDCR. Additionally, it provides authority for contemporaneous oversight specifically to the CDCR's revised process for handling incarcerated persons' complaints of prison employee misconduct. This oversight shall be provided with use of the OIG's budget, excluding resources that, beginning in the Budget Act of 2019, were provided to restore the Inspector General's ability to initiate an audit or review (Chiefly an ongoing augmentation of \$3.5 million General Fund and 21 positions for audit/review teams).

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR)

The budget provides approximately \$12.8 billion (\$12.5 billion General Fund and \$305 million other funds) in 2019-20. The budget includes the approval of a number of items intended to safely house and rehabilitate both adults and juveniles in the state's correctional system. More specifically, the budget includes the following:

Population Updates

- **Adult Inmate and Parole Population Adjustment.** The budget projects the average daily population of adult inmates to be 126,705 in the budget year. In addition, the budget projects the average daily population of parolees to be 50,442 in 2019-20. Final actions reflect elimination of out-of-state beds and removal of all inmates from Arizona as of June 2019.
- **Proposition 57.** Proposition 57, the Public Safety and Rehabilitation Act of 2016, is estimated to reduce the average adult daily inmate population by approximately 6,500 in 2019-20 and approximately 10,600 in 2021-22. As of May 2, 2019, the prison population was at 134.8 percent of design capacity, which is below the federal court-ordered population cap of 137.5 percent design capacity.

Health Care for the Incarcerated

- **Integrated Substance Use Disorder Treatment Program.** The budget appropriates \$71.3 million General Fund and 280.2 positions in 2019-20, growing to \$161.9 million General Fund with an additional 150.8 positions in 2020-21, and \$164.8 million General Fund in 2021-22 and ongoing for the Integrated Substance Use Disorder Treatment Program (making the totals \$165 million General Fund annually and 431 positions by 2021-22) to implement an integrated substance use disorder treatment program throughout all 35 CDCR institutions. The program includes three main components: (1) the use of medication-assisted treatment (MAT) to treat incarcerated people with opioid and alcohol use disorders; (2) a redesign of the current cognitive behavioral treatment curriculum; and (3) the development and management of treatment plans and substance disorder-specific pre-release transition planning. There are three target populations: (1) incarcerated people who were receiving MAT prior to entering prison; (2) incarcerated people already in CDCR with

high substance use disorder risk factors (such as a recent overdose); and (3) incarcerated persons scheduled for release within 15 to 18 months who have been assessed as having a high need for substance use disorder services.

- **Medical Classification Model Update.** The budget includes \$27.5 million General Fund in 2019-20 and ongoing for the Receiver's Medical Classification Model to provide increased staffing levels for health care operations throughout California's prison system. This includes the reclassification of certain populations based on medical acuity and revises staffing methodologies based on the Federal Receiver's update to the model.
- **Contract Medical Services.** The budget allocates \$61.9 million General Fund one-time for the California Correctional Health Care Services' contracted medical services.
- **Receiver-Telehealth Services.** The budget includes 17 positions and \$6 million in fiscal year 2019-20 and \$5.4 million in 2020-21 and ongoing to provide increased staffing, facilities, and information technology equipment for expanding utilization of telehealth.
- **Receiver-Education Partnership Program.** The budget includes 10 limited-term positions and \$1.8 million General Fund for three years beginning in 2019-20, and six additional limited-term positions and \$1.2 million General Fund for two years beginning in 2020-21, to expand the Educational Partnership Program that places students and recent graduates in temporary residency and internship positions within the state prisons.

Reentry and Rehabilitation

- **Prison to Community Pipeline Package.** The budget provides \$50 million in ongoing and new General Fund to reduce recidivism and improve successful reentry, including: \$5 million for rehabilitation programs offered by community based organizations within corrections settings with a new grant process that includes a steering committee; \$32.9 million to continue to support the warm hand-off and reentry of offenders transitioning from state prison to communities; \$8 million to support the establishment of therapeutic communities at the Division of Juvenile Justice (DJJ) facilities; \$4 million one-time for a parole preparation pilot in state facilities; and \$50,000 one-time to provide reentry support to exonerees.
- **Inmate Literacy Program.** The budget provides \$5.5 million General Fund in 2019-20 and ongoing for a package of programs aimed at improving literacy rates of incarcerated individuals, including diagnostic remedial reading programs, literacy coaches, computer-based learning, English as a second language courses, literacy mentor programs, and teacher mentor programs.
- **Victim Impact Services.** The budget includes \$2 million Inmate Welfare Fund in 2019-20 and ongoing for (1) the Victim Offender Dialogue program, which employs restorative justice principles to provide opportunities for offenders to understand the impacts their actions have had on victims, and (2) the Department's Division of Rehabilitative Programs to establish or expand Innovative Programming Grants targeting victim impact programs.
- **Tattoo Removal Program.** The budget includes \$1.1 million General Fund in 2019-20 and \$2.1 million ongoing General Fund beginning in 2020-21 to provide tattoo removal to approximately

3,000 incarcerated people annually. The focus is on those who are seeking to leave gangs or are within one to two years of release, on a voluntary basis.

- **Sign Language Interpreter Services.** The budget includes \$1.5 million General Fund in 2019-20 and ongoing to provide equal access to rehabilitation programs and services to the incarcerated for whom sign language is their primary method of communication.

Juvenile Justice

- **Juvenile Justice Reform.** The budget includes trailer bill language that renames the Division of Juvenile Justice (DJJ) to the Department of Youth and Community Restoration (DYCR) and shifts this department to the California Health and Human Services Agency. Moreover, the budget includes the convening, no later than October 1, 2019, of a committee of the Child Welfare Council to provide input and recommendations related to the DYCR's policies and programs that promote a commitment to improving youth outcomes, reducing youth detention, and reducing recidivism.
- **Staff for DJJ Transition.** The budget appropriates \$1.2 million General Fund and 8.8 positions in 2019-20, and \$1.8 million General Fund and 12.0 positions in 2020-2021 and ongoing for key staff to plan for the transition and launch of a new independent training institute that will train all staff on best practices to the DYCR's rehabilitative mission.
- **DJJ and California Conservation Corps Apprenticeship Program.** The budget appropriates \$1.4 million General Fund in 2019-20 and \$925,000 in 2020-21 and ongoing to create a partnership between DJJ and the California Conservation Corps to develop and implement an apprenticeship program. This program will provide skill building and job training opportunities to participating members and support them in accessing career pathways upon returning to their communities.
- **California Volunteers Program.** The budget allocates \$900,000 General Fund for three years, beginning in 2019-20, to provide matching funds for California Volunteers/AmeriCorps federal grant to support 40 half-time AmeriCorps members in organizations assisting youth released from DJJ.

Capital Outlay and Maintenance Projects

The budget does the following with respect to capital outlay and maintenance projects:

- Includes \$2 million General Fund in 2019-20 for the design phase of roof replacements at High Desert State Prison and California State Prison, Solano, and \$69.7 million General Fund in 2020-21 for the construction phase.
- Provides one-time General Fund of \$4.5 million in fiscal year 2019-20 and \$54.5 million in 2020-21 for fire alarm systems and to repair fire suppression systems at Mule Creek State Prison, R.J. Donovan Correctional Facility, and California State Prison, Sacramento.
- Provides \$27.3 million General Fund for a new boiler facility and \$484,000 General Fund for a cognitive behavioral treatment space at San Quentin State Prison.
- Provides \$25 million General Fund one-time for deferred maintenance needs.

- Replaces the methodology for funding prison maintenance from an existing methodology based on changes in prison population with a formula based on square footage. Increases funding for maintenance and plant operations by \$18.5 million General Fund in 2019-20, growing to \$37.1 million in 2020-21 and \$55.6 million in 2021-22 and ongoing.
- Provides \$15.7 million General Fund for the Correctional Training Facility for administrative segregated cell door retrofits.
- Provides \$9.6 million for water storage tanks at Folsom State Prison.
- Provides \$8.8 million General Fund in 2019-20 and ongoing to establish two new 60-bed female facilities in Los Angeles and Riverside, and expand an existing male facility in Los Angeles County by 10 beds.
- Includes \$8.4 million General Fund over two years to fund accessibility improvements at California Institution for Women and Mule Creek State Prison.
- Reappropriates \$4.0 million General Fund for the design and construction of a new central high-pressure steam boiler facility at the Deuel Vocational Institution.
- Provides \$3.9 million General Fund for the construction of a yard in Pelican Bay State Prison.
- Provides \$3.7 million General Fund for the design and construction for the second phase of medication distribution improvements in 13 prisons.
- Provides \$3.6 million General Fund to fund increases in lease costs for the California Correctional Health Care Services.
- Includes \$1.5 million General Fund in 2019-20 and ongoing to provide a five percent contract rate increase for Male Community Reentry Program providers.
- Provides \$491,000 General Fund to design and construct three classrooms in California State Prison, Sacramento.

Additional CDCR Budget Items

- **Staff Complaint Inquiry Unit.** The budget allocates \$9.8 million General Fund in 2019-20 and ongoing to implement a new regional model for reviewing and investigating incarcerated persons' complaints of staff misconduct and to revise CDCR's grievance review process.
- **Supplemental Reforms for Parole Consideration.** The budget provides \$4.7 million General Fund and 12.5 positions in 2019-20, \$6.1 million General Fund and 12.5 positions in 2020-21, and \$1.9 million General Fund and 12.5 positions in 2021-22 and ongoing for supplemental reforms to parole consideration to complete the workload related to a projected increase in parole hearings.
- **Fleet Asset Replacement.** The budget includes a one-time \$24 million General Fund allocation to establish a 7-year replacement schedule for fleet assets.
- **Consolidated Legislation-related Funding BCP.** The budget provides \$4.1 million General Fund in 2019-20, decreasing to \$2.2 million in 2021-22 and ongoing, to implement various legislative

bills signed into law, including Assembly Bill 2327 (Quirk), Chapter 966, Statutes of 2018; Assembly Bill 2845 (Bonta), Chapter 824, Statutes of 2018; Senate Bill 960 (Leyva), Chapter 782, Statutes of 2018; and Senate Bill 1421 (Skinner), Chapter 988, Statutes of 2018.

- **Janitorial Services.** The budget includes \$6.1 million General Fund in 2019-20 and ongoing to provide contractual janitorial services at the California Health Care Facility.
- **Parole Office Relocation for Chula Vista and Los Angeles.** The budget includes \$1.7 million General Fund in 2019-20 and ongoing to relocate parole offices in Chula Vista. Additionally, the budget provides \$1 million General Fund in 2019-20 and ongoing for the lease of three parole offices to replace the existing Alameda complex. In addition, the budget allocates \$6.8 million General Fund across 2019-20 through 2022-23 for tenant improvements at the L.A. complexes.
- **Council on Criminal Justice and Behavioral Health (CCJBH).** The budget allocates \$497,000 General Fund and four positions in fiscal year 2019-20 and ongoing, and \$300,000 General Fund in 2019-20 for one-time contract funding, to expand the research capacity of the Council on Criminal Justice and Behavioral Health.
- **Funding to address Department of General Services' (DGS) surcharge.** The budget provides an ongoing augmentation of \$2.3 million General Fund for increases related to the DGS statewide surcharge.
- **Rent Increases.** The budget includes an augmentation of \$1.8 million General Fund ongoing for rent increases in CDCR's central administration office buildings.

Public Safety Budget Trailer Bills

1. *Public Safety – SB 94 (Committee on Budget and Fiscal Review), Chapter 25, Statutes of 2019.*
2. *Corrections Facilities: Financing – SB 105 (Committee on Budget and Fiscal Review), Chapter 37, Statutes of 2019.*
3. *General Government – SB 112 (Committee on Budget and Fiscal Review), Chapter 364, Statutes of 2019.*

OTHER PUBLIC SAFETY AND CRIMINAL JUSTICE

0690 OFFICE OF EMERGENCY SERVICES (OES)

The OES coordinates with local, state, and federal agencies in planning, preparing for, and responding to, emergencies. The budget provides \$1.8 billion in General Fund, federal funds, and various special funds for OES. This includes the following:

- **Public Safety Power Shutdown.** The budget provides \$75 million one-time General Fund, available over three years, for activities to respond to investor-owned utility-led Public Safety Power Shutdown actions.
- **State Emergency Telephone Number Account (SETNA).** The budget transfers \$50 million General Fund to SETNA to support workload funded from SETNA. The budget also includes trailer bill language that recasts the fee structure funding SETNA.
- **Broadband Communication and 9-1-1 Integration.** The budget provides \$1 million SETNA funding and six positions to support the implementation and ongoing workload associated with emergency communications coordination and First Responder Network Authority broadband network services.
- **California Interoperable Public Safety Radio System.** The budget includes \$59.5 million one-time General Fund and eight positions in 2019-20, increasing to 13 positions in 2020-21, to build out the California Interoperable Public Safety Radio System. These funds will be available until 2023-24.
- **Prepositioning.** The budget includes \$25 million ongoing General Fund for prepositioning efforts, which occur in areas of identified potential fire threat, with reporting language.
- **California Disaster Assistance Act.** The budget includes \$28.8 million one-time General Fund to increase the amount of funding available through the California Disaster Assistance Act.
- **California Earthquake Early Warning System.** The budget provides \$16.3 million one-time General Fund to further build out the California Earthquake Early Warning System. Additionally, the budget extends the liquidation date from June 30, 2019 to June 30, 2020 for approximately \$3 million in funding from the 2016 Budget Act for the California Earthquake Early Warning Program, to complete the installation of seismic stations.
- **Disaster Readiness and Mission Tasking.** The budget provides \$6.6 million General Fund, \$874,000 federal funds, and 88 positions, along with \$20 million General Fund for mission tasking activities with related reporting language.

- **Various Grant Programs.** The budget includes funding for various grant programs administered by OES. These include the following:
 - The budget provides an increase of \$110 million federal fund authority to reflect federal grant increases in the Hazard Mitigation Grant Program and the Violence of Crime Act grants.
 - The budget includes \$10 million ongoing General Fund for the Human Trafficking Victim Assistance Program.
 - The budget provides \$1 million federal funds for the STOP School Violence Act, which supports efforts by state and local units of government and federally recognized tribal government to prevent and reduce school violence.
 - The budget provides \$15 million one-time General Fund for the California State Nonprofit Security Grant Program, which supports security efforts for nonprofit organizations that are at high risk of a terrorist attack.
 - The budget includes \$5 million one-time General Fund for the grants to K-12 schools, community colleges and California State Universities to acquire interoperable technology to respond to emergency events.
 - The budget includes \$6.7 million one-time General Fund to extend the Homeless Youth Emergency Services and Housing Program.
 - The budget includes \$250,000 one-time General Fund for district attorney training.
 - The budget includes \$10 million one-time General Fund for the Health Center Security Grant Program.
 - The budget includes \$5 million General Fund annually for three years for the Internet Crimes Against Children Task Force.
 - The budget includes \$5 million one-time General Fund to fund grants for efforts to prevent sexual and domestic violence.
- **Fire Apparatus Warehouse Acquisition.** The budget includes \$2.2 million one-time General Fund to exercise the lease purchase option to acquire an 18,000 square foot fire apparatus maintenance shop and general purpose warehouse in Sacramento.
- **Red Mountain Communications Site Project.** The budget provides \$1.5 million one-time General Fund for the acquisition phase of the Relocation of Red Mountain Communications Site project. The budget also re-appropriates \$1.26 million General Fund for the working drawings phase of the Relocation of Red Mountain Communications Site project.
- **Proposition 1B Funds Liquidation Extension.** The budget extends the liquidation period of Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of

2006, funds, from various prior fiscal years in order to enable cities, counties, and transit districts to continue to liquidate unexpended grant funds for transportation and security and improvement projects.

- **Firefighting Equipment Acquisition Liquidation Extension.** The budget extends the liquidation date of approximately \$6.9 million in funding from the 2016 Budget Act, from June 30, 2019 to June 30, 2020, to complete the acceptance and deployment of 12 fire engines and 2 incident support vehicles.
- **Local Disaster Efforts.** The budget includes \$33 million one-time General Fund in local disaster-preparedness efforts, including:
 - \$2.5 million for the City of San Jose’s Emergency Operations Center.
 - \$3 million for City of San Jose’s Fire Training Center.
 - \$500,000 for the City of Lodi’s cybersecurity upgrade.
 - \$5 million for the City of Los Banos’ Fire-Emergency Operations Center.
 - \$550,000 for the City of Campbell’s Emergency Operations Center.
 - \$4 million for the County of Santa Clara Fire Department Satellite Emergency Systems.
 - \$4.5 million for Orange County’s First Responder Pilot.
 - \$1 million for San Francisco Firefighting Equipment.
 - \$12 million for the County of Stanislaus for emergency communications equipment and infrastructure.

0820 DEPARTMENT OF JUSTICE (DOJ)

The budget provides \$1 billion (\$333.4 million General Fund) in total funding for support of the DOJ. This includes the following:

- **Armed Prohibited Persons System (APPS).** The budget includes 26.0 positions and \$17.5 million in 2019-20 and ongoing General Fund for APPS. Of this amount, \$11.9 million will be used to shift the existing APPS program to the General Fund and \$5.6 million will be used to support increased APPS workload.
- **Sex Offender Registry, SB 384 (Wiener), Chapter 541, Statutes of 2017.** The budget includes \$17.2 million General Fund in 2019-20, \$15.7 million in 2020-21, and \$13.2 million in 2021-22 to continue the state’s commitment to SB 384, which requires tiered registration of sex offenders.

- **DNA Identification Fund Revenue Backfill.** The budget includes a one-time allocation of \$15 million General Fund and \$10 million Fingerprint Fees Account to backfill the DNA Identification Fund.
- **Bureau of Firearms Workload.** The budget includes 43.0 new positions and a permanent Dealers' Record of Sale (DROS) budget augmentation of \$6.9 million in fiscal year 2019-20 and \$6.4 million in 2020-21 and ongoing to maintain critical time-sensitive firearms workloads.
- **Forensic Laboratory Equipment Refresh.** The budget includes \$2.6 million one-time General Fund to replace critical forensic laboratory equipment.
- **Cardroom and Third-Party Provider Workload.** The budget includes \$4.4 million Gambling Control Fund in 2019-20 and 2020-21 to continue funding 32 positions that process license applications, renewals, and background investigations for cardrooms and third-party providers to reduce the current backlog of license applications.
- **Human Trafficking/Sexual Predator Apprehension Teams.** The budget provides \$4.2 million General Fund and 15.0 permanent positions in Fiscal Year 2019-20 and \$3.4 million General Fund in 2020-21 and ongoing to establish two investigative teams focused on human trafficking and sexual predators.
- **Peace Officer Radio Replacement.** The budget includes \$2.9 million one-time General Fund to replace aging radios with new interoperable equipment that will improve communication between agencies in emergency situations.
- **Testing Sexual Assault Evidence Kits.** The budget includes \$2 million one-time General Fund for grants to local law enforcement agencies to submit sexual assault evidence kits to a crime lab for testing. The budget also includes \$854,000 one-time General Fund for the DOJ to test sexual assault evidence kits that are submitted by local law enforcement agencies.
- **Hate Crimes in California.** The budget includes \$797,000 General Fund in 2019-20 and \$693,000 annually thereafter to address audit findings identifying gaps in data collection and reporting on hate crimes.
- **Justice Human Resources.** The budget includes \$2.2 million (\$669,000 General Fund and \$1.5 million special fund) in 2019-20, \$2.3 million (\$713,000 General Fund and \$1.6 million special fund) in 2020-21, and \$659,000 (\$204,000 General Fund and \$455,000 special fund) in 2021-22 and ongoing for DOJ to develop/implement a cloud-based, secure software solution that will create a centralized employee information repository.
- **Payment of Settlements and Judgments.** The budget includes a one-time increase of \$2.1 million General Fund to pay for settlements related to the Reproductive Freedom, Accountability, Comprehensive Care, and Transparency Act.
- **Control Section 5 / Legal Billing Rates.** The budget includes budget bill language to require reporting to the Joint Legislative Budget Committee prior to making any adjustments to DOJ's billing structure.

- **Implementation of Various Legislative Bills.** The budget allocates the following resources to implement various pieces of legislation that were signed into law:
 - Provides a permanent augmentation of 10 positions and Dealers' Record of Sale Special Account spending authority of \$5.2 million in 2019-20; \$2.7 million in 2020-21; and \$1.7 million in 2021-22 and ongoing to meet the mandates of SB 1100 (Portantino), Chapter 894, Statutes of 2018, related to firearm transfers; AB 1968 (Low), Chapter 861, Statutes of 2018, related to firearms and mental health; SB 746 (Portantino), Chapter 780, Statutes of 2018, related to firearms and ammunition; and AB 1872 (Voepel), Chapter 56, Statutes of 2018, related to unsafe handguns.
 - Approves one position and \$155,000 General Fund in 2019-20 and ongoing with placeholder budget bill language specifying that expenditure of the allocation is contingent on the DOJ implementing SB 1421 (Skinner), Chapter 988, Statutes of 2018 on a pro rata basis.
 - Includes \$135,000 General Fund and one position in 2019-20 and \$126,000 General Fund in 2020-21 and ongoing for the DOJ to implement AB 2222 (Quirk), Chapter 864, Statutes of 2018. AB 2222 expands which law enforcement agencies are required to report information about firearms that are reported lost, stolen, or recovered.
 - Allocates \$135,000 General Fund in 2019-20 and ongoing to implement AB 748 (Ting), Chapter 960, Statutes of 2018. The bill establishes a standard for the release of body-worn camera footage by balancing privacy interests with the public's interest in the footage.
 - Includes \$327,000 General Fund in 2019-20 and \$149,000 General Fund in 2020-21 to implement the provisions of AB 1065 (Jones-Sawyer) Chapter 803, Statutes of 2018. AB 1065 creates, until January 2, 2021, the crime of organized retail theft, extends the county jurisdiction, and requires the California Highway Patrol, in coordination with DOJ to convene a regional property crimes task force.
 - Includes \$985,000 General Fund in 2019-20 and \$908,000 General Fund in 2020-21 to the DOJ to implement AB 1793 (Bonta), Chapter 993, Statutes of 2018, which requires DOJ to review records in the Automated Criminal History System and identify past cannabis related convictions that are eligible for recall, dismissal, sealing or re-designation pursuant to Proposition 64 (The Adult Use of Marijuana Act).
 - Provides \$667,000 Major League Sporting Event Raffle Fund to provide regulation of the Major League Sports Raffle Program as authorized by AB 888 (Low), Chapter 575, Statutes of 2018, which extends the sunset date of this program from December 31, 2018 to January 1, 2024, increases the fee amounts that can be assessed to registrants, and makes changes to the raffle reporting requirements for eligible organizations. Trailer bill language eliminates the authority of the Department of Justice to be reimbursed by the registrant for all actual, reasonable, and direct costs incurred in auditing, reviewing, and evaluating the raffle reports being audited.
 - Provides spending authority of \$365,000 Unfair Competition Law Fund and two positions in 2019-20, and \$352,000 in 2020-21 and ongoing, for the DOJ to implement AB 1919 (Wood),

- Chapter 631, Statutes of 2018, which expands the scope of laws related to enforcement against price gouging in times of disaster to include rental housing and resources.
- Allocates five positions, \$831,000 Fingerprint Fees Account in 2019-20 and \$742,000 Fingerprint Fees Account in 2020-21 and ongoing to implement AB 2461 (Flora), Chapter 300, Statutes of 2018, which makes it a requirement for DOJ to pass along all subsequent arrest and conviction information to the Department of Social Services (DSS), the Medical Board of California, and the Osteopathic Medical Board of California when they had lawfully requested and received such information.
 - **CA Consumer Privacy Act of 2018 (AB 375, SB 1121).** The budget proposes a permanent augmentation of 23.0 positions and \$1.8 million General Fund and \$2.9 million Unfair Competition Law Fund in 2019-20 and \$1.7 million General Fund and \$2.8 million Unfair Competition Law Fund in 2020-21 and ongoing, to implement and enforce the mandates of AB 375 (Chau), Chapter 55, Statutes of 2018, and SB 1121 (Dodd), Chapter 735, Statutes of 2018.
 - **California Internet Consumer Protection and Net Neutrality Act of 2018, SB 822 (Wiener), Chapter 976, Statutes of 2018.** The budget includes nine positions and an increase in spending authority of \$1.8 million Unfair Competition Law Fund for 2019-20, and \$1.8 million in 2020-21 and ongoing, to support the implementation of, and thereafter, to address the mandates associated with, SB 822.
 - **Controlled Substance Utilization Review and Evaluation System (CURES)-related bills.** The budget includes various proposals in relation to Controlled Substance Utilization Review and Evaluation System (CURES) program legislation:
 - A reimbursement authority of \$474,000 in 2019-20 and 2020-21 to meet mandates associated with SB 482 (Lara), Chapter 708, Statutes of 2016.
 - Permanent position authority for one position and reimbursement authority of \$1.1 million in 2019-20, \$200,000 in 2020-21, and \$191,000 in 2021-22 and ongoing to meet the mandates of AB 149 (Cooper), Chapter 4, Statutes of 2019 and AB 1753 (Low) Chapter 479, Statutes of 2018.
 - An increase in position authority of three positions and reimbursement authority of \$1 million in 2019-20 and \$402,000 in 2020-21 and ongoing to meet the mandates outlined in AB 1751(Low), Chapter 478, Statutes of 2018.
 - **Sex Trafficking Study in Sacramento.** The budget allocates \$1.5 million General Fund, to be used over three years, to determine the scope of sex trafficking in Sacramento.
 - **Asset Forfeiture.** The budget includes trailer bill language that shifts a reporting date for the DOJ under SB 443 (Mitchell), Chapter 831, Statutes of 2016, from March 1 to July 1 of each year.

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS (BSCC)

The budget provides a total of \$292 million (\$168 million General Fund) for BSCC. Of note, the budget includes:

- **California Violence Intervention and Prevention (CalVIP) Program.** The budget includes \$30 million General Fund in 2019-20 and \$9 million in 2020-21 and ongoing for CalVIP. These grants provide funding to support services such as community education, diversion programs, outreach to at-risk transitional age youth, and violence reduction models. Additionally, the following changes were made to budget bill language on CalVIP:
 - In 2019-20, \$3 million of the \$30 million will be used for competitive grants to cities with populations of 40,000 or less, defined as a “rural area” in subdivision (c) of Section 50199.21 of the Health and Safety Code.
 - Moreover, the cap on the maximum eligible grant was increased from \$500,000 to \$1.5 million in recognition of the tripling of the CalVIP funding in the 2019 Budget Act.
- **Community Corrections Performance Incentive Grant.** The budget includes \$112.8 million General Fund to continue the Community Corrections Performance Incentive Grant which was created by SB 678 (Chapter 608, Statutes of 2009). SB 678 was designed to alleviate state prison overcrowding and save state General Fund monies by reducing the number of adult felony probationers sent to state prison—and to meet these objectives without compromising public safety. The program allocates a portion of state savings from reduced prison costs to county probation departments that implement evidence-based supervision practices and achieve a reduction in the number of locally supervised felony offenders revoked to state prison.
- **Post Release Community Supervision funding.** The budget provides \$14.8 million General Fund for county probation departments to supervise the temporary increase in the average daily population of individuals on Post Release Community Supervision.
- **Standards and Training for Corrections.** The budget provides \$6.2 million General Fund in 2019-20 and ongoing to increase standards and training for corrections.

Other Budget Changes Through BSCC

The BSCC’s budget also includes the following on a one-time basis:

- \$10 million General Fund for tribal youth diversion programs.
- \$5 million General Fund to the Youth Reinvestment Grant.
- \$5 million General Fund for the Challenger Youth Memorial Center in Los Angeles to fund its transition into a residential vocational training center for young adults.
- \$5 million General Fund for a restorative justice pilot in San Joaquin County.

- \$3 million General Fund to establish a Gun Violence Reduction Pilot Program to support local law enforcement agencies in the counties of Ventura, San Diego, Alameda, and Santa Cruz in conducting activities related to seizing weapons and ammunitions from persons who are prohibited from possessing them.
- \$3.8 million total General Fund to the cities of Newark, Fremont, Milpitas, San Jose, and Santa Clara to address auto break-ins.
- \$1 million General Fund for the County of Imperial for the Valley College Medical Assistant and Correctional Academy.
- \$1.2 million General Fund for public safety mitigation efforts for the cities of Baldwin Park, Azusa, West Covina, and El Monte.
- \$750,000 General Fund for an Illegal Dumping Pilot in Alameda and Contra Costa counties to enforce dumping laws.
- \$250,000 General Fund to the San Diego City Attorney's office to enforce gun violence restraining orders statewide.

8120 COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING (POST)

- **Increased Peace Officer Training.** Provides \$34.9 million General Fund in 2019-20 and ongoing to restore funding levels and provide training for law enforcement. In 2019-20 and 2020-21, \$20 million of the funding will be used to fund Legislative priorities related to use of force and de-escalation training.

8830 CALIFORNIA LAW REVISION COMMISSION

- **Penal Code Revision.** The Budget includes \$576,000 ongoing General Fund to begin an effort under the California Law Revision Commission to simplify and rationalize criminal law and criminal procedures included in the Penal Code.

Public Safety Budget Trailer Bills

1. *Public Safety – SB 94 (Committee on Budget and Fiscal Review Committee), Chapter 25, Statutes of 2019.*
2. *Corrections Facilities: Financing – SB 105 (Committee on Budget and Fiscal Review Committee), Chapter 37, Statutes of 2019.*
3. *Emergency Telephone Users Surcharge Act – SB 96 (Committee on Budget and Fiscal Review Committee), Chapter 54, Statutes of 2019.*

APPENDIX

Budget and Trailer Bill List	i
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BUDGET and TRAILER BILLS

Bill Number	Chapter Number	Topic	Date Chaptered
AB 74	23	Budget Act of 2019	June 27, 2019
AB 72	1	Budget Act of 2018	February 13, 2019
AB 91	39	Budget Act of 2019	July 1, 2019
AB 110	80	Budget Act of 2019	July 12, 2019
SB 106	55	Budget Act of 2019	July 1, 2019
SB 109	363	Budget Act of 2019	September 27, 2019
SB 75	51	Education Finance: Education	July 1, 2019
SB 76	52	Education Finance: Constitutional Minimum Funding Obligation: Inflation and Cost-of-Living Adjustments	July 1, 2109
SB 77	53	Higher Education	July 1, 2019
SB 78	38	Health	June 27, 2019
SB 79	26	Mental Health	June 27, 2019
SB 80	27	Human Services	June 27, 2019
SB 81	28	Developmental Services	June 27, 2019
SB 82	29	State Government	June 27, 2019
SB 83	24	Employment	June 27, 2019
SB 84	30	Political Reform Act of 1974: Online Filing System	June 27, 2019
SB 85	31	Resources	June 27, 2019
SB 87	32	Transportation	June 27, 2019
SB 90	33	Public Employees' Retirement	June 27, 2019
SB 92	34	Taxation	June 27, 2019
SB 93	35	Budget Act of 2018: Augmentation	June 27, 2019
SB 94	25	Public Safety: Omnibus	June 27, 2019
SB 95	36	Courts	June 27, 2019
SB 96	54	Emergency Telephone Users Surcharge Act	July 1, 2019
SB 103	118	State Employees: Memorandum of Understanding	July 12, 2019
SB 104	67	Health	July 9, 2019
SB 105	37	Corrections Facilities: Financing	June 27, 2019
SB 112	364	State Government	September 29, 2019
SB 113	668	Housing	October 9, 2019
AB 73	2	Privacy: Lodging and Common Carriers: State Emergencies: Disaster Response-Emergency	February 13, 2019
AB 97	40	Cannabis	July 1, 2019
AB 101	159	Housing Development and Financing	July 31, 2019

AB 111	81	Wildfire Agencies: Public Utilities: Safety and Insurance	July 12, 2019
AB 114	413	Education Finance	October 2, 2019
AB 115	348	Medi-Cal: Managed Care Organization Provider Tax	September 27, 2019
AB 116	656	Local Government	October 9, 2019
AB 118	859	State Employment: Bargaining Units: 1, 2, 3, 4, 5, 7, 11, 13, 14, 15, 17, 20, and 21	October 13, 2019
AB 121	414	Social Services	October 2, 2019

**General Fund Multi-Year Forecast
2019 Budget Act**
(Dollars in Millions)

	2018-19	2019-20	2020-21	2021-22	2022-23
RESOURCES:					
Prior Year Balance	\$11,419	\$6,772	\$2,796	\$2,808	\$2,837
Revenues/Transfers	\$141,597	\$145,962	\$151,328	\$155,182	\$157,843
Transfer to Budget Stabilization Account	-\$3,551	-\$2,158	-\$1,581	-\$384	-\$265
Total Resources	\$149,466	\$150,577	\$152,543	\$157,606	\$160,416
EXPENDITURES:					
Proposition 98	\$54,445	\$55,891	\$57,053	\$58,513	\$59,520
Non-Proposition 98	\$88,249	\$91,890	\$92,407	\$95,102	\$96,918
Prop 2 Infrastructure/Deferred Maintenance	\$0	\$0	\$276	\$1,154	\$1,107
Total Expenditures	\$142,694	\$147,781	\$149,735	\$154,768	\$157,545
FUND BALANCES:					
Reserve for Encumbrances	\$6,772	\$2,796	\$2,808	\$2,837	\$2,870
SFEU	\$1,385	\$1,385	\$1,385	\$1,385	\$1,385
Safety Net Reserve	\$5,388	\$1,412	\$1,423	\$1,453	\$1,486
Budget Stabilization Account (Mandatory Deposits)	\$900	\$900	\$900	\$900	\$900
Budget Stabilization Account (Total Deposits)	\$11,264	\$13,422	\$15,003	\$15,387	\$15,652
Public School System Stabilization Account	\$14,358	\$16,516	\$18,097	\$18,481	\$18,746
BSA mandatory balance as a percentage of General Fund Tax Proceeds	\$0	\$377	\$377	\$377	\$377
	7.9%	9.1%	10.0%	10.0%	10.0%
SFEU/Safety Net/PSSSA/Total BSA as a percentage of Total Resources	13.8%	12.8%	13.6%	13.5%	13.4%
Operating Surplus/Deficit with BSA Transfer	-\$4,647	-\$3,976	\$12	\$29	\$33
One-Time Investments	\$8,552	\$9,001	\$0	\$0	\$0
Operating Surplus/Deficit--Excluding One-Time	\$3,905	\$5,025	\$12	\$29	\$33

Note: Totals may not add due to rounding

General Fund Revenues 2019 Budget Act

(Dollars in Millions)

	2018-19	2019-20	2020-21	2021-22	2022-23
1 Major Revenues					
2 Alcoholic Beverage Taxes and Fees	380	387	392	397	402
3 Cigarette Tax	63	62	60	58	57
4 Corporation Tax	13,774	13,133	13,599	14,104	14,600
5 Insurance Gross Premiums Tax	2,643	2,868	2,934	3,002	3,071
6 Personal Income Tax	98,304	102,413	103,922	106,364	107,673
7 Retail Sales and Use Tax	26,100	27,241	28,086	28,834	29,568
8 Total Major Revenues	\$141,264	\$146,104	\$148,993	\$152,759	\$155,371
9 Minor Revenues	1,648	1,709	2,082	2,147	2,184
10 Trailer Coach License (In Lieu) Fees	(30)	(33)	(35)	(37)	(40)
11 Local Agencies - Cost Recoveries	(25)	(27)	(27)	(27)	(27)
12 Local Agencies - Miscellaneous Revenue	(170)	(171)	(173)	(173)	(173)
13 Royalties - State Lands	(140)	(149)	(89)	(74)	(55)
14 Investment Income - Pooled Money Investments	(602)	(602)	(736)	(795)	(829)
15 Abandoned Property Revenue	(345)	(397)	(400)	(404)	(409)
16 Miscellaneous Revenue	(47)	(44)	(41)	(41)	(41)
17 Penalty Assessments - Other	(70)	(68)	(365)	(384)	(401)
18 Other Miscellaneous Minor Revenues	(219)	(218)	(216)	(212)	(209)
19 Revenue Transfers	-4,398	-2,122	-1,315	-109	12
20 Transfer to the BSA for Rainy Day Funds	(-3,551)	(-2,158)	(-1,581)	(-384)	(-265)
21 Transfer to the Safety Net Reserve	(-900)	(0)	(0)	(0)	(0)
22 All Other transfer	(53)	(36)	(266)	(275)	(277)
23 Loans	-468	-1,887	-13	1	11
24 Weight Fee Transfers	(-297)	(-886)	(0)	(0)	(0)
25 Loan Repayments to Other Funds	(-171)	(-942)	(0)	(0)	(0)
26 All Other Loans	(0)	(-59)	(-13)	1	11
27 Total Minor Revenues/Transfers/Loans	-\$3,218	-\$2,300	\$754	\$2,039	\$2,207
Total Revenues/Transfers/Loans	\$138,046	\$143,804	\$149,747	\$154,798	\$157,578

* Dollars may not add due to rounding

**Proposition 98
2019 Budget Act Multi-year**

(Dollars in Millions)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
General Fund	45,301	45,796	46,862	48,791	50,223	50,721
Education Protection Account GF (Less health care share)	7,651	8,649	9,029	8,262	8,290	8,799
Total Prop 98 General Fund	52,952	54,445	55,891	57,053	58,513	59,520
Local Property Tax	22,624	23,701	25,165	26,441	27,788	29,196
Total Prop 98	75,576	78,146	81,056	83,494	86,301	88,716
<i>Prop 98 Change to Prior-year</i>	3,933	2,570	2,910	2,438	2,807	2,415
<i>Percent Change to Prior-year</i>	5.49%	3.40%	3.72%	3.01%	3.36%	2.80%
<i>Prop 98 Operative Test</i>	2	2	1	1	1	1
<i>Maintenance Factor Balance</i>	0	0	0	0	0	0
Other Prop 98						
Settle-Up						
Amounts Applied from Over Appropriations	0	-369	0	0	0	0
General Fund Payments for Prior Fiscal Years	-603	-100	-318	0	0	0
Settle-Up Balance	787	318	0	0	0	0
Mandate Balance	1,475	1,118	1,118	1,118	1,118	1,118
Public School System Stabilization Account Balance			377	377	377	377

General Fund Multi-Year N98 Expenditures by Agency

2019 Budget Act

(Dollars in Millions)

N98 excludes Capital Outlay, Debt Service	2018-19	2019-20	2020-21	2021-22	2022-23
Legislative, Executive	\$2,278	\$2,635	\$1,294	\$1,293	\$1,296
Courts	2,207	2,546	2,367	2,390	2,413
Business, Consumer Services, and Housing	42	1,043	146	167	128
Transportation	3	94	9	3	3
Natural Resources	2,663	2,435	2,215	2,095	2,158
Environmental Protection	372	185	103	84	84
Health and Human Services	35,971	41,785	46,040	47,962	49,263
Corrections and Rehabilitation	12,005	12,128	12,263	12,222	12,375
Education	16,224	17,414	16,558	16,954	17,132
Labor and Workforce Development	160	137	106	103	102
Government Operations	4,631	1,256	1,313	1,192	993
General Government	5,159	4,378	4,466	4,295	4,819
Non-Agency Departments	(1,062)	(862)	(770)	(755)	(752)
Tax Relief/Local Government	(504)	(504)	(432)	(427)	(427)
Statewide Expenditures	(3,593)	(3,012)	(3,265)	(3,113)	(3,639)
Capital Outlay	1,099	354	82	92	10
Debt Service	5,435	5,500	5,444	6,251	6,142
Total N98 Expenditures	\$88,249	\$91,890	\$92,407	\$95,102	\$96,918

Note: Totals may not add due to rounding

Debts and Liabilities Eligible for Accelerated Payments Under Proposition 2

2019 Budget Act

(Dollars in Millions)

	Outstanding Amount at Start of 2019-20 ^{2/}	Use of 2019-20 Pay Down	Proposed Use of 2020-21 Pay Down	Proposed Use of 2021-22 Pay Down	Proposed Use of 2022-23 Pay Down
Budgetary Borrowing					
Underfunding of Proposition 98—Settle-Up	\$391	\$391	\$0	\$0	\$0
State Retirement Liabilities					
State Retiree Health	85,595	260	305	315	325
State Employee Pensions	59,714	390	750	608	702
Teachers' Pensions ^{1/}	101,992	1,117	802	615	345
Judges' Pensions	3,299	0	0	0	0
Total	\$250,991	\$2,158	\$1,857	\$1,538	\$1,372

^{1/} The state portion of the unfunded liability for teachers' pensions is \$33.4 billion.

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

Prop 2 Rainy Day Fund - 2019-20 and Out Years 2019 Budget Act

(Dollars in Millions)

	2019-20	2020-21	2021-22	2022-23	
<u>1.5% of General Fund Revenues & Transfers</u>					
1	General Fund Revenues and Transfers (before BSA transfer)	\$145,962	\$151,328	\$155,182	\$157,843
2	1.5% of General Fund Revenues & Transfers	\$2,189	\$2,270	\$2,328	\$2,368
<u>Capital Gain Revenues (Sec 20(b))</u>					
3	General Fund Tax Proceeds	\$147,003	\$150,029	\$153,867	\$156,517
4	Personal Income Taxes from Capital Gains	\$15,201	\$14,331	\$13,515	\$13,126
5	% of General Fund Tax Proceeds	10.3%	9.6%	8.8%	8.4%
6	8% of General Funds Tax Proceeds	\$11,760	\$12,002	\$12,309	\$12,521
7	Personal Income Taxes from Capital Gains in Excess of 8% General Fund Tax Proceeds	\$3,441	\$2,329	\$1,206	\$605
8	Prop 98 Share of Capital Gains Tax Revenue above 8%	\$1,315	\$886	\$459	\$230
9	Non 98 Share of Capital Gain Tax Revenue above 8%	\$2,126	\$1,443	\$747	\$375
10	Total Available (Lines 2 and 9)	\$4,315	\$3,713	\$3,075	\$2,743
11	Debt Repayment (50%)	\$2,158	\$1,857	\$1,538	\$1,372
12	Deposit to Rainy Day Fund (50%)	\$2,158	\$1,857	\$1,538	\$1,372
13	Cumulative Balance^{1/}	\$16,516	\$18,373	\$19,635	\$19,853
14	10 percent of GF Tax Proceeds	\$14,700	\$15,003	\$15,387	\$15,652
15	Discretionary Balance	\$3,094	\$3,094	\$3,094	\$3,094
16	<i>Mandatory Amount in Excess of 10 percent of General Fund Tax Proceeds - (for Infrastructure/Deferred Maintenance)</i>	<i>\$0</i>	<i>\$276</i>	<i>\$1,154</i>	<i>\$1,107</i>
17	Mandatory Balance	\$13,422	\$15,003	\$15,387	\$15,652
18	Mandatory Percentage	9.1%	10.0%	10.0%	10.0%
19	Adjusted Cumulative Balance in Rainy Day Fund^{1/}	\$16,516	\$18,097	\$18,481	\$18,746
20	Total Mandatory/Discretionary Balance as a Percentage of General Fund Tax Proceeds	11.2%	12.1%	12.0%	12.0%

^{1/} Includes balance of \$14.358b from 2018-19.

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