

**Legislative Version
2021-22 State Budget**

Senate Subcommittee Highlights



Senator Skinner, Chair

Committee on Budget and Fiscal Review

Senator Laird, Chair

Subcommittee #1, Education Finance

Senator Wieckowski, Chair

Subcommittee #2, Resources, Environmental Protection, and Energy

Senator Eggman, Chair

Subcommittee #3, Health and Human Services

Senator Caballero, Chair

Subcommittee #4, State Administration and General Government

Senator Durazo, Chair

*Subcommittee #5, Corrections, Public Safety, Labor, and
Transportation*

Subcommittee 1: Education Finance



K-12 Highlights

- Includes a total Proposition 98 Guarantee level of \$96.1 billion in 2021-22, \$93.1 billion in 2020-21, and \$79.2 billion in 2019-20.
- For K-12 education this includes significant investments:
 - Provides a cost-of-living-adjustment for the Local Control Funding Formula of 5.07 percent, a \$3.2 billion ongoing increase in Proposition 98 funding in the 2021-22 fiscal year.
 - Provides a total of \$11 billion in one-time Proposition 98 funding to fully pay off K-12 deferrals.
 - Increases the Local Control Funding Formula supplemental grant percentage from 20 percent to 23.3 percent of the base grant, providing an addition \$1.1 billion in ongoing Proposition 98 funds to local educational agencies serving low income, English learner, and foster youth students. Funds are to be used for increasing staffing at school sites to provide additional direct services to students, including custodial services.
 - Creates an Expanded Learning program to provide funding for afterschool and summer school enrichment programming targeted at low-income students. In 2021-22, the budget provides \$1 billion ongoing Proposition 98, and \$1.5 billion one-time federal stimulus funds, growing to \$5 billion ongoing Proposition 98 funding in three fiscal years at full implementation for all classroom-based local educational agencies. Funds would be provided on a per average daily attendance (ADA) count of low-income, English learner and foster youth students in grades TK-6.
 - Expands the California Community Schools Partnership Program with \$2 billion in one-time Proposition 98 funding through 2028, and aligns program requirements to Healthy Start program best practices, with planning, launch, and ongoing coordination grant types.

- Increases special education funding by \$885 million ongoing Proposition 98 funding, increasing the per ADA statewide base rate for the special education formula. In addition, increases the special education funding formula by \$260 million ongoing Proposition 98 funding to include funding for services for children aged 3-5 years old in the formula. Also applies a COLA of 4.05 percent to the special education formula.
 - Provides over \$500 million in one-time Proposition 98 funds and \$500 million in one-time federal American Recovery Plan Act funding to invest in increased support for special education learning loss and increasing support for inclusive practices.
 - Provides \$1 billion one-time Proposition 98 funds for a new Educator Effectiveness Block Grant available over five years to provide professional development for teachers, administrators, and other in-person staff.
 - Provides \$770 million in one-time Proposition 98 funding for various teacher recruitment and retention programs.
 - Provides \$700 million in one-time Proposition 98 funding for the A-G Completion Grant Program, which includes funding to all LEAs to improve A-G completion rates through staff development, pupil supports, additional A-G access, high school learning loss, credit recovery, and covering AP fees for students.
 - Increases the Career Technical Education Incentive Grant by \$150 million ongoing Proposition 98 General Fund and increases the positive consideration for existing high-quality regional-based career technical education programs.
 - Launches the Universal School Meals Program, with an increase in state meal reimbursements by \$54 million in the 2021-22 fiscal year and \$650 million ongoing Proposition 98 funding beginning in 2022-23, to cover the costs of offering breakfast and lunch for all students.
 - Provides an additional \$534 million ongoing Proposition 98 funding for the Local Educational Agency-based State Preschool Program. Of this, approximately \$234 million is for increasing provider rates and \$300 million is for over 18,000 additional preschool slots.
- Adopts universal Transitional Kindergarten (TK) as part of a mixed delivery system for early education, phasing in expanded age eligibility to full implementation in

2025-26 and rebenching the Proposition 98 Guarantee to provide ongoing funding for the TK expansion of approximately \$2.7 billion at full implementation.

Higher Education Highlights

- Provides \$50 million one-time to support local library infrastructure, \$35 million to support local projects to expand broadband access and upgrade equipment to access high speed connectivity, and \$389 million to support library facilities, technology infrastructure upgrades and devices for loaning and lending.
- Provides \$259 million ongoing to restore base funding to UC, and provides an increase of \$173.2 million ongoing (five percent) to UC's base.
- Provides \$68 million to increase resident undergraduate enrollment by 6,230 students at UC, and \$31 million to begin a five year process to reduce non-resident enrollment at UC Berkeley, UC Los Angeles, and UC San Diego to 18 percent.
- Provides \$30 million to fund the UC San Diego Hillcrest Medical Center facility, \$15 million for UC Riverside's Center for Environmental Research and Technology, \$25 million for UC Riverside's School of Medicine clinical facilities, \$15 million for the UCLA Labor Center, \$50 million for the Charles Drew University of Medicine and Science facilities, and \$325 million to support deferred maintenance.
- Provides a \$32.1 million ongoing increase to UC Agriculture and Natural Resources Division.
- Provides \$15 million ongoing to support student mental health and \$22.5 million one-time to support the Student Academic Preparation and Educational Partnerships (SAPEP).
- Provides \$299 million ongoing to restore base funding at CSU, and provides a \$185 million ongoing General Fund (five percent) increase for CSU.
- Provides \$81 million ongoing General Fund to increase CSU undergraduate enrollment by 9,434 slots, and \$1 million ongoing to increase enrollment at Stanislaus State, Stockton Center.
- Provides \$15 million ongoing to support CSU student mental health, \$15 million ongoing to support student basic needs, and \$30 million one-time for emergency financial aid.

- Provides \$25 million to establish the Center for Equity in Innovation and Technology at CSU Northridge, \$313 million one-time and \$25 million ongoing to support Humboldt state's transition to a polytechnic university, \$54 million to fund the replacement of the Acacia building at Stanislaus State Stockton Center, \$60 million one-time to address CSU Dominguez Hills infrastructure needs, and \$325 million to address deferred maintenance.
- Provides \$50 million one-time to expand teacher preparation pathways and enrollment slots at CSU.
- Increases financial aid awards to students, as follows:
 - Provides \$15 million ongoing to create the Foster Youth Cal Grant Access Award, which provides foster youth Cal Grant recipients an access award of up to \$6,000.
 - Eliminates the age and time out of high school eligibility requirements for Cal Grant, starting in 2021-22 for CCC students and 2022-23 for all students. This would provide 130,000 more CCC students, and 50,000 more students in other segments access to Cal Grant.
 - Increases the Cal Grant B Access Award from \$1,548 to \$1,876 for CCC students in 2021-22, and to \$2,000 to all students in 2022-23.
 - Provides a cost-of-living adjustment to the private non-profit tuition award of \$9,084.
 - Provides \$542 million to reboot the Middle-Class Scholarship to expand to low-income and middle income students to help address the total cost of attendance. This is funded at 33 percent, and will phase in to 100 percent overtime.
- Provides \$4 billion one-time to create the Capacity and Affordable Student Housing Fund to be used over four years to support higher education capital outlay facilities at UC and CSU for capacity expansion and acquisition, and funding to support the public segments in developing affordable student housing.
- Provides \$1.45 billion to fully pay-down the CCC deferrals.
- Provides \$371.2 million ongoing Proposition 98 to provide a five percent cost-of-living adjustment to CCC apportionments, and extends the hold harmless provision of the Student Centered Funding Formula by one year to 2024-25.

- Provides \$30 million ongoing Proposition 98 to support basic needs centers and coordinators, \$30 million ongoing Proposition 98 to support student mental health programs, \$100 million one-time Proposition 98 to support student basic needs, and \$250 million one-time in emergency financial aid.
- Provides an increase of \$40 million ongoing Proposition 98 for the Strong Workforce Program, \$15 million ongoing increase to support the California Apprenticeship Initiative, \$12.5 million ongoing for a COLA on adult education.
- Provides various investments for student support services: \$4.9 million ongoing for Umoja, \$8 million ongoing for MESA, \$7 million ongoing for Puente Program, \$20 million ongoing for EOPS, \$10 million ongoing to support the Rising Scholars, \$1.3 million ongoing for Historically Black Colleges and Universities Transfer Pathways, and \$24 million ongoing for the Student Equity and Achievement Program.
- Provides \$170 million ongoing to increase the number of full-time faculty at CCCs and \$75 million ongoing to increase part-time faculty office hours.
- Eliminates Calbright College.
- Provides \$539 million one-time Proposition 98 General Fund to address deferred maintenance needs.

Subcommittee 2: Resources, Environmental Protection and Energy



Highlights

- **Climate Resiliency.** At least \$3.7 billion Climate Resiliency Package, which includes the following categories of spending:
 - Regional Climate Resilience (e.g., regional climate resilience projects).
 - Urban Climate Resilience (e.g. urban greening, cooling/resilience centers, Transformative Climate Communities).
 - Watershed Protection (e.g., multibenefit flood protection, urban streams and rivers).
 - Fish and Wildlife Protection.
 - Agriculture and Food Supply Resilience (e.g., Farmland Protection Program, research on GHG reduction of agriculture).
 - Coastal Protection (e.g., wetlands restoration and sea-level rise projects).
- **Wildfire Package.** \$1 billion Wildfire Prevention and Resilience Package, which includes the following categories of spending:
 - Resilient Wildlands (e.g., forest health and stewardship of state-owned lands).
 - Wildfire Fuel Breaks (e.g., fire prevention grants and prescribed fire & hand crews).
 - Community Hardening (e.g., defensible space inspectors).

- Science-Based Management (e.g., research and adaptive management).
- Forestry Sector Economic Stimulus (e.g., workforce and market development).
- **Water and Drought Package.** Approximately \$3.5 billion for Water and Drought Package, which includes the following categories of spending:
 - Immediate Community Assistance for Water and Drought Relief.
 - Emergency Drought Water-Use Efficiency.
 - Sustainable Groundwater Management.
 - Resilient Water Infrastructure Projects.
 - Recycled Water.
 - Stormwater Management.
 - Protecting Fish & Wildlife from Drought Impacts.
 - Water Quality.
 - Water Data and Forecast Improvements.
 - Helping Ratepayers, Community Water Systems, Waste Water Treatment Works, and Public Utilities Recover from COVID-19 Economic Impacts.
- **Ag Package.** \$776 million for a Sustainable Agriculture Budget Plan, which includes the following categories of spending:
 - Transition to Safer, Sustainable Pest Management (in lieu of increase in mill assessment, provide two years of bridge funding).
 - Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program.
 - Agricultural Burning.
 - Alternative Manure Management Program.

➤ ***Other Key Highlights:***

- \$493 million for deferred maintenance projects for Parks, CalFire, Department of Water Resources, Exposition Park, and the California Conservation Corps.
- \$500 million for cleanup of brownfields.
- \$143 million and a total of 617 positions ongoing to add 30 new hand crews to provide vegetation management, hazardous fuel reduction projects, and wildland fire suppression.
- \$3.9 billion over three years for Zero Emission Vehicles and associated infrastructure projects. This includes significant investment in light-duty vehicles and infrastructure, as well as investments in drayage trucks, transit busses, and school busses, among other investments.
- \$835 million for a variety of investments to help the state meet its clean energy goals.

Subcommittee 3: Health and Human Services



Health Highlights

- More than \$4 billion dollars over five years to create a new, modern, and innovative behavioral health system for youth, including \$250 million for the Mental Health Student Services Act to fund school and county mental health partnerships to support the mental health and emotional needs of children and youth as they return to schools and everyday life.
- Builds a 21st century public health system with \$200 million annually for Local Health Jurisdictions, \$40 million annually for state public health functions, \$35 million annually for public health workforce development, and \$13 million ongoing for the prevention of HIV/AIDS, hepatitis and sexually transmitted infections.
- Invests \$115 million annually in community-based health equity and racial justice efforts, and \$63.1 million one-time for the California Reducing Disparities Project.
- \$48 million in the first year, growing to \$1.3 billion, to expand eligibility for full-scope Medi-Cal coverage to older adults 50 and older, regardless of immigration status.
- Nearly \$2.5 billion over three years to support building a full continuum of behavioral health infrastructure to address the deficit in available psychiatric beds and community-based treatment options for behavioral health. This investment includes \$255 million allocated specifically to support children and youth, and \$250 million allocated to support treatment of individuals determined incompetent to stand trial.
- Of the \$2.5 billion in behavioral health infrastructure funding, \$150 million would be specifically allocated to support deployment of mobile crisis support teams, which would be eligible for an 85 percent federal match in the Medi-Cal program for three years beginning April 2022. \$100 million would be allocated for youth and prioritized for immediate deployment to support children returning to in-person instruction in the fall. \$50 million would be allocated for adults to address behavioral health crises that would ordinarily result in an encounter with law enforcement.

Human Services Highlights

- The elimination of funding suspensions across an array of essential health and human services programs, including the permanent elimination of the 7 percent reduction in IHSS service hours.
- Over \$800 million in investments above what is proposed in the Governor's May Revision to protect and aid older, vulnerable adults, including a roughly 28 percent increase to all State Supplemental Payment (SSP) grants. Other investments include increased access to food and technology to combat hunger and isolation among seniors.
- Close to \$900 million across various programs to address food insecurity, including an expansion of the California Food Assistance Program to all regardless of immigration status and over \$200 million in aid to California food banks.
- A commitment of over \$800 million to fund increased rates within the developmental services system with a multi-year implementation plan.
- Ongoing investments that total more than \$500 million within the CalWORKs program to fight poverty and racial injustice, including grant increases and the aligning of income standards for applicants and recipients.
- Over \$1 billion for various housing and homelessness program administered by the Department of Social Services aimed at the most vulnerable California residents, including seniors and children living in poverty.
- Initiates rate reform for the early care and education system, investing over \$1 billion in increasing the reimbursement rates for child care and state preschool programs.
- Increases child care access by 206,500 slots in Alternative Payment, General Child Care, Migrant Child Care, bridge program for foster children, and prioritizes ongoing vouchers for essential workers currently receiving short-term child care. The package provides a total of \$1.469 billion (\$1.026 billion General Fund) in 2021-22 and \$2.724 billion (\$1.809 billion General Fund) in 2022-23 for new child care slots.
- Provides a variety of one-time investments to stabilize providers growing out of the pandemic, including stipends, hold harmless policies. Makes additional investments in child care facilities (\$250 million one-time General Fund and \$205 million one-time federal stimulus funds) and the early care and education workforce (\$250 million one-time federal stimulus funds).

Subcommittee 4: State Administration and General Government



Highlights

➤ ***Supporting our Veterans.***

- Includes an increase of \$5.4 million General Fund ongoing to support County Veteran Service Officers.
- Includes \$25 million to support aging veterans and veterans with disabilities who have experienced chronic homelessness.
- Provides \$20 million to help fund 1,200 permanent supportive housing units for homeless and at-risk veterans at the West Los Angeles VA Medical Center Campus.

➤ ***Investments in Arts and Culture.***

- Increasing grants to arts organizations by \$100 million, of which \$40 million is dedicated to Creative Youth Development Programs, and targets programs in underserved communities.
- In addition to investing in the arts, the Legislative Budget includes \$50 million to provide arts organizations with technical assistance to comply with AB 5.
- Includes additional relief for museums, independent venues, and other live events who have been impacted by the pandemic.

➤ ***Enhancing our Economic Recovery.***

- The Golden State Stimulus II provides \$8.1 billion in tax rebates to Californians making under \$75,000. This includes additional stimulus for ITIN filers with dependents and brings the state's total Golden State Stimulus payments to \$11.9 billion.

- Includes additional \$1.5 billion in small businesses and non-profit grants, bringing the total investment in the Small Business COVID-19 Relief Grant Program to \$4 billion.
 - Provides \$2 billion in tax credits over 10 years from 2023 to 2033 to mitigate the impacts of UI repayments for small businesses and non-profits.
 - Provides \$50 million for grants to micro-businesses.
 - Provides tax credits that support small business hiring and the hiring of homeless individuals, encourage the rehabilitation of historic buildings, and support the donations of fresh fruit or vegetables to food banks.
 - Supports Community Development Financial Institutions through \$70 million in grants.
 - Expands the Film and Television Tax Credit to encourage production in California.
 - Includes \$95 million one-time federal ARPA funds for the California Office of Tourism, within GO-Biz, which works closely with Visit California.
- **Affordable Housing.** Provides significant investment in developing, constructing, and preserving affordable and livable housing, including:
- \$1.75 billion to alleviate the backlog in affordable housing construction.
 - \$300 million for the preservation of existing affordable housing.
 - \$500 million for the creation of a Foreclosure Intervention Housing Preservation program.
 - \$130 million for the development, maintenance, and preservation of farmworker housing.
 - \$750 million for planning and implementation grants to help local governments plan for and meet their goals under their Sustainable Community Strategies.
- **Homeownership.** Provides \$100 million in 2021-22 to expand CalHFA's homebuyer assistance program and begins the process of developing the California Dream for All First Time Homebuyer Program.

Subcommittee 5: Corrections, Public Safety, Labor and Transportation



Public Safety, Corrections, and the Judiciary Highlights

- Reduces debt on low income Californians through the elimination of criminal administrative fees and the civil assessment. Includes \$151 million General Fund in 2021-22, \$151 million in 2022-23, \$130 million in 2023-24, and \$120 million in 2024-25 and ongoing to backfill the revenue associated with the eliminated fees.
- Restores \$200 million ongoing General Fund (\$176.9 million for the trial courts and \$23.1 million for the state-level judiciary) to allow courts to re-open temporarily closed courtrooms and process case backlogs which have accumulated during the pandemic.
- Expands essential legal service resources through a \$200+ million “Access to Justice” package in 2021-22 for legal aid, collaborative courts, county law libraries, dependency counsel, court interpreters, and court reporters.
- Includes an additional \$72 million General Fund ongoing to support trial court operations.
- Delivers \$120 million ARPA funds over three years to fund legal aid services for renters and homeowners to avoid eviction and foreclosure.
- Provides \$200+ million General Fund to reduce gun violence in the state.
- Creates a “Rehabilitation, Redemption, Re-entry, and Reunification” package of \$200+ million for career development, rehabilitative programming, local support for individuals to remain out of the criminal justice system, and removal of barriers to successful re-entry.
- Provides \$30 million ongoing General Fund for the new Office of Youth and Community Restoration under the Health and Human Services Agency to

support the continuum of youth justice in the state to improve youth outcomes, reduce and eliminate racial disparities, and enhance public safety.

- Includes a long-term prison infrastructure plan to limit unnecessary General Fund expenditures.
- Provides cost-free remote communications for the incarcerated during the pandemic.
- Gives the Inspector General resources necessary to increase oversight of the state prison system.
- Adds a third day of in-person visitation on Fridays at all institutions. In addition, provides visitors with free transportation on select days throughout the year to all prisons via chartered busses
- Combats Hate Crimes and Pursues a More Equitable Government.
 - The Legislative Budget sets aside \$200 million to help combat increasing incidents of hate crimes, including hate crimes against the Asian Pacific Islander American community, and support communities of color.
 - Establishes the Office of Racial Equity (SB 17, Pan), to work with the Governor’s Chief Equity Officer, to help agencies adopt equity plans so that the benefits of service delivery are equitable and that government is effective and inclusive.
- Invests in survivors.
 - Includes \$175 million General Fund for various programs to support survivors of domestic violence, sexual violence, human trafficking and forced sterilization.
 - Includes \$50 million for homeless youth emergency services and housing programs.

Transportation Highlights

- Provides \$3 billion in funding for transportation infrastructure across the state, including for active transportation projects and projects identified for completion prior to 2028.

- Provides roughly \$2 billion in special funds and federal funds for streets, roads, and highway projects.
- Provides \$400 million for a State and Local Transportation Adaptation program.

Labor Highlights

- Provides \$330 million one-time for the Employment Development Department to address deferred workloads.
- Extends the sunset date for the Paid Family Leave Wage replacement rate by one additional year.
- Provides \$25 million to expand High Roads Training Partnerships.
- Provides up to \$14 million in special funds for the Department of Industrial Relations to hire up to 70 positions in the Cal/OSHA.
- Provides \$11.8 million one-time and \$6.8 million ongoing to increase language access services at the Employment Development Department.
- Provides \$11.8 million one-time General Fund to update and refocus the EDD's Business System Modernization project.