



SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW
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Scott Wiener, Chair

2025-26 Budget: Implementation Updates

January 8, 2025

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Scott Wiener, Chair

January 8, 2025

Dear Colleagues:

I am pleased to provide you with a copy of *The 2025-26 Budget: Program Implementation Update*, which has been prepared by the staff of the Senate Committee on Budget and Fiscal Review. This document is intended to provide a snapshot of the implementation of major programs and Senate priorities. This report will provide members with an overview of how funds are being used across multiple years to support programs and a tool for consideration of related budget proposals. This document, together with other materials, will provide the basis for budget hearings throughout the spring.

In the Appendix, we include a working timeline for completing the 2025-26 budget, a historical listing of adopted state budgets, and a schedule of budget committee consultants and their respective areas of responsibility.

If you have questions, please do not hesitate to contact me or the committee staff.

Sincerely,

A handwritten signature in cursive script that reads "Scott Wiener".

Scott Wiener
Chair, Senate Budget & Fiscal Review Committee

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Report Overview

INTRODUCTION

The Legislature and Administration reached an agreement for the 2024-25 budget that authorized General Fund expenditures of \$211.5 billion and assumed \$225.6 billion in total General Fund resources. The budget agreement included a variety of actions to cover a projected shortfall of close to \$47 billion, including early actions taken that reduced the shortfall by \$17.3 billion, in comparison to what was estimated in June 2023. As part of the final agreement, the state withdrew approximately \$6 billion from the Budget Stabilization Account (BSA) and ended with combined budget reserves in the BSA (\$17.6 billion), the Special Fund for Economic Uncertainties (SFEU), and the Safety Net Reserve of approximately \$21.1 billion. The budget agreement used the entire Public School System Stabilization Account (PSSSA) balance in 2023-24 for K-14 education, but made an additional deposit in 2024-25, bringing the balance to \$1 billion.

On or before January 10, 2025, the Governor will release his plan for a balanced budget for the 2025-26 fiscal year. Based on the actions taken in the 2024-25 Budget Act, the 2025-26 fiscal year was already balanced as of June 2024 (with a planned reserve withdrawal of approximately \$7 billion in 2025-26). Since this time, according to Department of Finance, General Fund cash receipts are up a cumulative \$8.5 billion above the amount estimated for the 2023-24 and 2024-25 fiscal years. In addition, the Governor recently previewed updated revenue increases of \$16.9 billion across the budget forecast window. However, despite this increase in revenues, increased expenditures and fiscal challenges have also emerged since the passage of the budget act and the estimate for fiscal year 2025-26 remains in a roughly similar position as in June 2024 – balanced including a reserve withdrawal. The most recent Legislative Analyst’s Office (LAO) analysis, described in their recent report: *The 2025-26 Budget: California’s Fiscal Outlook*, assumes that the budget for 2025-26 is roughly balanced with a small deficit of approximately \$2 billion. Recent increased revenue projections are offset by a variety of adjustments to expenditure assumptions, including more required funding for schools through Proposition 98, overall increased caseload estimates and expenditure growth for health and human services programs, and the inclusion of the impact of a variety of recently approved ballot measures.

In the coming days, the Governor will release the Administration’s updated revenue estimate and the Legislature will begin review of the Governor’s plan for balancing the budget. In anticipation of the various budget changes likely to be proposed, this report is intended to serve as a resource for the Senate on the implementation of various program. Senate Budget Subcommittees will use these reports as the basis for hearings throughout the spring to inform decision-making on the 2025-26 budget.

OVERVIEW OF THE 2024-25 BUDGET

The 2024-25 Budget Act agreement focused on preserving investments in core social service and health programs while making reductions across many other program areas. The 2024-25 Budget Act authorized General Fund expenditures of \$211.5 billion and assumed \$225.6 billion in total General Fund resources. Under the budget act, after withdrawals, there were combined total reserves in the Budget Stabilization Account (BSA), the Special Fund for Economic Uncertainties (SFEU), the Public

School System Stabilization Account (PSSSA), and the Safety Net Reserve of approximately \$22.2 billion. This reserve total included approximately \$17.6 billion in the BSA.

In January 2024, the Governor’s Budget assumed a shortfall of \$37.9 billion. As a response to the significant shortfall, the Legislature passed an early action package that used a combination of tools to immediately reduce the shortfall by \$17.3 billion. At the 2024 May Revision, the Governor’s Budget estimates included an additional budget shortfall of \$7 billion. Together with the January estimate, and partially addressed by the Early Action Package, the total remaining 2024 shortfall to be addressed at the May Revision was estimated at \$27.6 billion.

The final 2024-25 Budget Act addressed the remaining 2024 shortfall (for a total of roughly \$46.8 billion in solutions) and also closed a 2025 shortfall of approximately \$30 billion. The budget agreement used a variety of tools to balance the budget, including the use of a portion of the state’s reserves, which reached record highs in 2023-24. The use of reserves was prudent to maintain the state’s fiscal stability while, at the same time, allowing the state to continue to fund priorities, such as addressing homelessness, combatting climate change, and maintaining programs that support the well-being of Californians. In addition, the use of the public school rainy day fund allowed for the stability of funding for K-14 education.

As described by the Department of Finance’s Final Budget Summary document, the \$46.8 billion in solutions for 2024-25 can be categorized as follows:

- Fund Shifts—\$6.0 billion from shifting expenditures from the General Fund to other funds.
- Reductions—\$16.0 billion in General Fund spending reductions.
- Delays and Pauses—\$3.1 billion in delayed spending – extending expenditure periods across multiple years.
- Revenue and Internal Borrowing—\$13.6 billion in revenue, primarily from an increased Managed Care Organization (MCO) tax and the suspension of Net Operating Loss and limitations on business tax credits.
- Reserves—\$6.0 billion in withdrawals from the BSA.
- Deferrals—\$2.1 billion in payments deferred to future years.

HIGHLIGHTS OF THE 2024-25 BUDGET

The 2024-25 Budget Act incorporated priorities of the Legislature and the Administration and included funding for various initiatives and programs. Some highlights included:

K-12 EDUCATION

- **Proposition 98.** The budget included Proposition 98 funding at \$97.5 billion, \$98.5 billion, and \$115.3 billion in 2022-23, 2023-24, and 2024-25, respectively. The budget included the use of

the entire Proposition 98 Reserve in 2023-24, but also included a deposit of \$1.1 billion into the reserve after 2024-25.

- **Inclusive Early Education Expansion Program.** The budget restored \$100 million Proposition 98 General Fund to the Inclusive Early Education Expansion Program.
- **Support for Educators.** The budget included a variety of investments in professional development related to mathematics, literacy, and student behavior.

HIGHER EDUCATION

- **University of California and California State University Compacts.** The budget provided a net increase in state support for the third year of the compacts with ongoing increases for the UC (\$258.8 million General Fund) and CSU (\$240.2 million General Fund) in 2024-25. The budget also included a one-time unallocated base reduction for UC (\$125 million) and CSU (\$75 million) in 2024-25. Finally, the budget included rolling deferrals of compact increases for two years starting in 2025-26, which are fully retired in 2027-28.
- **CCC Higher Education Student Housing Projects Construction.** The budget included the financing structure for a statewide lease revenue bond program to support the construction of 13 community college affordable student housing facilities selected in the 2022-23 and 2023-24 Budget Acts as a part of the Higher Education Student Housing Grant Program and funded three districts for housing projects that are not appropriate for bond funds

CLIMATE, ENVIRONMENT, AND ENERGY

- **Offshore Wind.** The budget preserved \$45 million for offshore wind port infrastructure at the California Energy Commission (CEC), and provided \$16 million for offshore wind permitting activities at the Ocean Protection Council, Coastal Commission, and State Lands Commission.
- **Energy Reliability.** The budget provided CEC flexibility to allocate \$75 million between the Demand Side Grid Support program and Distributed Electricity Backup Assets program.
- **Loan Loss Reserve.** The budget included \$50 million for the Loan Loss Reserve program at the California Public Utilities Commission (CPUC).

HEALTH

- **MCO Health Investments.** The budget provided for targeted new health investments starting January 1, 2025, while others will start one year later on January 1, 2026.
- **Public Health.** The budget maintained most funding increases for Public Health programs, with a modest cut of just under eight percent.

- **Specialty Dental Clinics.** The budget restored infrastructure grants to dental clinics to improve access to dental care for children with special health care needs.
- **Maintains State Commitments in Workforce Programs.** The budget maintained \$108.9 million for workforce programs to ensure the state keeps its promise to those already awarded funding for residencies, nursing training, and other pipeline programs.

HUMAN SERVICES

- **Developmental Services Rates.** The budget included a six month delay of Developmental Services rate increases (less than the originally proposed 12-month delay), resulting in the rate increase starting in January 1, 2025.
- **Child Care Slots.** The budget restored funds for all Child Care slots that have been recently offered, maintaining an increase of more than 11,000 funded slots and codified the plan to create over 200,000 new subsidized child care slots by 2028-29.
- **Foster Care.** The budget maintains funding for foster care programs, including Family Urgent Response System (FURS) and funding for caregiver approvals and implements the permanent foster care rate structure, to take effect July 1, 2027.
- **CalWORKs.** The budget temporarily reduced program funding to match recent expenditures in CalWORKs Expanded Subsidized Employment, CalWORKs Home Visiting, and CalWORKs Mental Health, avoiding permanent cuts.
- **CalFresh and Food Programs.** The budget added \$10 million to continue the CalFresh Fruits and Vegetables EBT program and maintained funding for senior nutrition, the CalFresh Minimum Benefit pilot program, and the Work Incentive Nutrition Supplement program.

GENERAL GOVERNMENT

- **NOL Suspension / Credit Cap.** The budget suspended the Net Operating Loss Credit and limits business tax credits at \$5 million for tax years 2024, 2025, and 2026. In addition, the budget specified that business tax credits that are not able to be applied during the limitation period are made refundable for use in future years and included a trigger to end the suspension and limitation period early if the Director of Finance determines that revenues are sufficient and if adopted as part of the budget act.
- **Reorganization of OPR.** The budget renamed and refocused the Governor's Office of Planning and Research as the Governor's Office of Land Use and Climate Innovation. The budget created California Volunteers as a separate department; reassigned ZEV and the California Jobs First programs to GO-Biz; and transferred the Initiative to Advance Precision Medicine to Health and Human Services Agency.

- **Middle Mile Broadband Initiative (MMBI).** The budget maintained the current level of investment in the statewide Middle Mile Broadband network and included \$250 million in flexible funding and trailer bill language for the MMBI to prioritize construction of network segments in unserved and underserved locations.

HOUSING & HOMELESSNESS

- **HHAP.** The budget provided \$1 billion to Homeless Housing, Assistance and Prevention (HHAP) Round 6 to provide local governments continued funding to combat the homelessness crisis and strengthened program oversight, transparency, and performance accountability.
- **Low Income Housing Tax Credits.** The budget approved an additional \$500 million for the Low Income Housing Tax Credit program to help finance affordable housing development projects, as proposed by the Governor.
- **Encampment Resolution Funds.** The budget included \$150 million in new resources for dismantling homeless encampments and providing encampment residents with a pathway to stable housing.

PUBLIC SAFETY, CORRECTIONS, AND JUDICIAL

- **Corrections Reductions.** The budget included \$750 million in various reductions to the Department of Corrections and Rehabilitation.
- **Services for Survivors of Crime.** The budget provided \$103 million to backfill lost federal funds for the Victims of Crime Act program and restores complete funding (\$50 million) for the Flexible Assistance for Survivors of Crime grant program.
- **Non-Profit Security Grants.** The budget provided \$80 million for grants to help nonprofit organizations that are targets of hate-motivated violence and hate crimes.

LABOR

- **SB 525 Implementation.** The budget implemented health care minimum wage law subject to two potential triggers. The first trigger is related to the Administration submitting a new federal waiver for an additional Quality Assurance Fee, which will generate billions for hospitals. The second being whether revenues out-perform projections by more than three percent. In October, the Department of Health Care Services announced that these two triggers had been met, and as of October 16, 2025, the health care minimum wage was increased pursuant to SB 525 (Durazo), Chapter 890, Statutes of 2023.

TRANSPORTATION

- **Active Transportation.** The budget amended the Active Transportation program to provide \$600 million over six years, subject to appropriation after two years.
- **Grade Separations.** The budget preserved \$150 million for targeted grade separation projects, and prioritized funding for other grade separations projects in existing programs through trailer bill language.
- **Highways to Boulevards.** The budget provided \$75 million for the Highways to Boulevards program at the California Department of Transportation.

**SUBCOMMITTEES
IMPLEMENTATION SNAPSHOT**

Sub. 1 on Education

Sub. 2 on Resources, Environmental Protection and Energy

Sub. 3 on Health and Human Services

Sub. 4 on State Administration and General Government

Sub. 5 on Corrections, Public Safety, Judiciary, Labor and Transportation

PreK-12 Education Implementation Snapshot

IMPLEMENTATION UPDATES:

- **Golden State Pathways Program.** The 2022 Budget Act included one-time \$500 million Proposition 98 General Fund for the Golden State Pathways Program, which promotes pathways in high-wage, high-skill, high-growth areas, including technology, health care, education, and climate-related fields. The Department announced the planning, implementation and consortia awards in May 2024, and rescinded the awards in July 2024. The awards were again released in September 2024, and rescinded again in October. They were finally posted in October 2024. As of mid-December 2024, the Department of Education has not yet disbursed funds from the Golden State Pathways Grant program. The funds are available for encumbrance until June 30, 2029.
- **Expanded Learning Opportunities Program (ELOP).** ELOP allocates \$4 billion annually to school districts and charter schools through two rates that are based on a local educational agency's unduplicated pupil percentage. For local educational agencies whose unduplicated pupil percentage is at or exceeds 75 percent, they receive a flat rate of \$2,750 per pupil. All other local educational agencies will divide the remaining funds, otherwise known as Rate 2, which leads to fluctuating rates year to year. The 2024 Budget Act included language that sweeps prior unused allocated funds to supplement Rate 2 funds for the 2024-25 fiscal year, and allows local educational agencies to opt-in in future years so that unused funds can supplement Rate 2 funds. In 2022, the Rate 2 rate was \$2,054. In 2023, the Rate 2 was \$1,803. For 2024, the preliminary rate under Rate 2 is estimated to be \$1,579, and will be finalized in February 2025.
- **Kitchen Infrastructure Grant Program, 2022 Budget Act.** The 2022 Budget Act included \$600 million Proposition 98 General Fund for the Kitchen Infrastructure and Training Grant Program to assist local educational agencies upgrade kitchens and provide training to school nutrition staff, aligned with the implementation of universal school meals. \$585 million was distributed in April 2023 and is available until June 30, 2025.

Overview of federal COVID-19 relief funds that expired in September 2024:

Funding Source	Timeline	Eligible Use of Funds	California Allocation Amount
ESSER III SEA Reserve – Emergency Needs <i>ARP Act</i> (Federal Funds) Used for ELO-G	March 13, 2020 – September 30, 2024	As part of a learning recovery program, funds are to be used for supplemental instruction and support, including: <ul style="list-style-type: none"> Expanded learning – extending the school year or day, or otherwise generally increasing the amount of instructional time/services provided. Learning supports – tutoring or similar small group instruction, learning recovery programs, training on accelerated learning strategies. Integrated pupil supports – health, counseling, mental health services, social and emotional learning. Community learning hubs – includes access to technology and connectivity. Support to help credit deficient pupils graduate. Additional academic services – diagnostic assessments, progress monitoring. Training for school staff – social-emotional health, academic needs. 	\$437,390,000
ESSER III SEA Reserve – Learning Loss <i>ARP Act</i> (Federal Funds) Used for ELO-G	March 13, 2020 – September 30, 2024	As part of a learning recovery program, funds are to be used for supplemental instruction and support, including: <ul style="list-style-type: none"> Expanded learning – extending the school year or day, or otherwise generally increasing the amount of instructional time/services provided. Learning supports – tutoring or similar small group instruction, learning recovery programs, training on accelerated learning strategies. Integrated pupil supports – health, counseling, mental health services, social and emotional learning. Community learning hubs – includes access to technology and connectivity. Support to help credit deficient pupils graduate. Additional academic services – diagnostic assessments, progress monitoring. Training for school staff – social-emotional health, academic needs. 	\$753,985,000
ESSER III <i>ARP Act</i> (Federal Funds)	March 13, 2020 – September 30, 2024	Same as ESSER I and II Funds. Calls out an “additional” LEA allowable use of funds: <ul style="list-style-type: none"> Developing strategies and implementing public health protocols, including, to the greatest extent practicable, policies in line with guidance from the CDC for the reopening and operation of school facilities to maintain the health and safety of students, educators, and other staff. An LEA must reserve at least 20% of its total ESSER III allocation to address learning loss through intentions such as summer learning, extended school day/year, or afterschool programs. Any such intervention must respond to students’ academic, social, and emotional needs and address the disproportionate impact of COVID-19 on underrepresented student groups.	\$13,571,726,487

EANS II (ARP EANS) ARP Act (Federal Funds)	March 13, 2020 – September 30, 2024	Provides emergency assistance to non-public schools that only provide services to schools that enroll a significant percentage of low-income students and are most impacted by the COVID-19 emergency.	\$181,312,003
HCY I ARP Act – Homeless Children and Youth (HCY) (Federal Funds)	March 13, 2020 – September 30, 2024	HCY funding is available in two rounds. HCY I is 25% of the total allocation (\$24,677,307), and is available to existing McKinney-Vento grantees.	\$24,677,307
HCY II ARP Act – Homeless Children and Youth (Federal Funds) Resource Code 5634	March 13, 2020 – September 30, 2024	HCY funding is available in two rounds. HCY II covers the remaining 75% (\$74,080,388), and is to be distributed on a formula based on both an LEA’s share of Title 1, Part A, and its enrollment of homeless children and youth in the 2018–19 and 2019–20 school years, whichever is greater.	\$74,080,388

Acronyms: Assembly Bill (AB); American Rescue Plan Act (ARP Act); Coronavirus Aid, Relief, and Economic Security Act (CARES Act); California Department of Education (CDE); Coronavirus Relief Funds (CRF); Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act); Education Code (EC); Elementary and Secondary School Emergency Relief (ESSER); Emergency Assistance for Non-public Schools (EANS); Expanded Learning Opportunities Grant (ELO-G); Governor’s Emergency Education Relief (GEER); Homeless Children and Youth (HCY); Learning Loss Mitigation Funding (LLMF); local educational agency (LEA); personal protective equipment (PPE); State Education Agency (SEA); Senate Bill (SB); to be determined (TBD)

Source: California Department of Education

Higher Education Implementation Snapshot

IMPLEMENTATION UPDATES:

Student Housing

Revolving Loan Fund Program (Program). The 2023-24 Budget Act included \$200 million General Fund in 2023-24 and \$300 million in each fiscal year thereafter from 2024-25 to 2028-29 for the Program. The California School Finance Authority (CSFA) and the California Educational Facilities Authority (CEFA) administered the Program, which provided zero-interest loans to qualifying University of California (UC), California State University (CSU), and California Community College (CCC) applicants for campus-based affordable student, faculty, and staff housing. The 2024-25 Budget Act suspended funding for the Program, reverting \$194 million General Fund in 2023-24 and cuts \$300 million General Fund annually for fiscal years 2024-25 through 2028-29.

Higher Education Student Housing Grant Program. The 2023-24 Budget Act shifted the prior and planned limited-term General Fund support for UC, CSU, and CCC affordable student housing grants to UC-, CSU-, and CCC-issued bonds respectively. The 2023-24 budget also included \$164 million General Fund in 2023-24 and ongoing to support the affordable student housing projects. Campus awardees were named in the 2022 and 2023 Budget Acts, resulting in the program authority for UC and CSU being exhausted. The 2024-25 budget included trailer bill language that establishes the financing structure for a statewide lease revenue bond program to support the construction of 13 community college affordable housing facilities selected in the 2022 and 2023 Budget Acts as part of the Higher Education Student Housing Grant Program.

Financial Aid

Middle Class Scholarships (MCS). The Middle Class Scholarship program provides financial aid to students based on the total cost of attendance. Awards are calculated by taking a student's total cost of attendance, subtracting from that amount available resources (gift aid, student part-time earnings and parent contributions, etc.) and covering a percentage of that unmet need based on the annual state appropriation for MCS. The 2024-25 Budget Act maintains baseline funding at \$637 million and includes a one-year baseline augmentation of \$289 million General Fund in 2024-25 to increase total funding for the program to \$926 million General Fund in 2024-25 – with awards amounts covering roughly 35 percent of a student's unmet need. The budget also includes a \$110 million General Fund ongoing reduction starting in 2025-26 subject to final budget decisions. The budget agreement also establishes a Joint Legislative Budget Committee notification process to assist the Student Aid Commission with planning each budget year's award amounts.

Cal Grant Reform. The 2022-23 Budget Act adopted potential new rules for the Cal Grant program – known as Cal Grant reform. Implementation of Cal Grant Reform was subject to the sufficient availability of General Fund in 2024-25. Given the significant structural imbalance the state budget faced in the 2024-25 budget year, Cal Grant Reform was not implemented. If implemented, Cal Grant Reform would have included:

- Creating the Cal Grant 2 program for community college students, to provide non-tuition support that grows annually with inflation.
- Creating the Cal Grant 4 program for students at UC, CSU and other institutions.
- Changing eligibility to remove restrictions related to age or time out of high school
- Removing GPA requirements for CCC students and include a minimum GPA of 2.0 for university students.
- Aligning income ceilings with federal Pell Grant program (generally lower than current ceilings).
- Providing full tuition coverage at public universities and fixed amount of tuition coverage at private universities.
- Adjusting awards to \$1,648 at community colleges, adjusted annually for inflation – and generally no nontuition awards for university students, except for students with dependent children and foster youth.

Workforce Development

Golden State Teacher Grant Program (GTSG). The GTSG is a grant program that awards up to \$20,000 to students currently enrolled in a professional preparation program approved by the Commission on Teacher Credentialing (CTC) and working towards earning their preliminary teaching or pupil personnel services credential. The 2024-25 Budget Act did not include additional funding for the program, but instead modified the program to prioritize remaining grant funding, as follows:

- For the 2024-25 fiscal year only, reduces award amounts to \$10,000 and \$5,000 with a reduced service requirement, as specified, and excludes intern credential program participants.
- Limits the California Student Aid Commission to award no more than \$50 million for applicants that submitted applications in 2023.
- Requires the Commission to prioritize awards for applicants based on the federal Student Aid Index, beginning on July 1, 2024.
- Requires the Commission to establish up to three application periods each year.

Additionally, the California Student Aid Commission (CSAC) has launched an “interest form” on their website for the 2025-26 academic year to provide students with notifications and updates on future grant application periods, subject to additional appropriation in the 2025-26 Budget Act.

Compacts

University of California (UC) and California State University (CSU) Compacts. In May 2022, the UC and CSU finalized a five-year compact with the Governor’s Office to provide for increased investment in the segments intended to close equity gaps and promote student success, increase affordability, and promote workforce preparedness and intersegmental partnerships, among other key

priorities. This investment included annual baseline increases from 2022-23 through 2026-27. Due to significant budget constraints, the 2024-25 Budget Act included the following adjustment to these investments:

- A baseline increase of \$228 million to the UC in 2024-25 and a one-time unallocated baseline reduction of \$125 million in 2024-25.
- \$31 million in 2024-25 and ongoing to the UC to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of resident undergraduate students.
- Defers the 2025-26 baseline increase to the UC of \$240.8 million from 2025-26 to 2026-27. In 2026-27, it is the intent of the Legislature to provide a one-time back payment of this amount, along with an ongoing base increase of this amount.
- Defers the 2026-27 baseline increase to the UC of \$240.8 million General Fund from 2026-27 to 2027-28. In 2027-28, it is the intent of the Legislature to provide a one-time back payment of this amount, along with an ongoing base increase of this amount.
- A baseline increase of \$240.2 million baseline increase to the CSU in 2024-25 and ongoing and a one-time unallocated baseline reduction of \$75 million.
- Defers the 2025-26 baseline increase to the CSU of \$252.2 million General Fund from 2025-26 to 2026-27. In 2026-27, it is the intent of the Legislature to provide a one-time back payment of this amount, along with an ongoing base increase of this amount.
- Defers the 2026-27 base increase of \$252.2 million General Fund from 2026-27 to 2027-28. In 2027-28, it is the intent of the Legislature to provide a one-time back payment of this amount, along with an ongoing base increase of this amount.

Enrollment

UC Resident Undergraduate Enrollment Growth. In 2023–24, UC enrollment of resident first-year students increased by 6,538 full-time equivalent (FTE) resident undergraduates compared to the previous year. This marks a total increase of 7,788 California resident FTE over two years, aligned with the goal of growing California resident undergraduate FTE by one percent each year over the life of the Governor’s Compact. Additionally, over 1,000 nonresident undergraduates were replaced with California resident students at UC Berkeley, UCLA, and UC San Diego as part of the University's commitment to prioritize resident enrollment.

University of California CA Resident Undergraduate FTE								Growth	Growth
	21-22	22-23	23-24	24-25	25-26	26-27	21-22 to	21-22 to	
	(actual)	(actual)	(actual)				23-24	26-27	
UC system total	195,861	197,111	203,649	206,588	209,535	212,503	7,788	16,642	
Change over prior year:		1,250	6,538	2,939*	2,947	2,968			
							Goal 21-22 to 23-24:	7,800	
							Difference from goal:	(12)	

Source: UC Multi-Year Compact Annual Report, November 2024

CSU Resident Undergraduate Enrollment Growth. In 2023-24, CSU enrollment of California resident undergraduates increased by 7,652 FTEs. With the 2022-23 academic year serving as the baseline, the CSU projects that it will add more than 14,000 full-time equivalent resident undergraduates over four years (one percent annual undergraduate enrollment growth each year between 2023-24 and 2026-27), per the Governor’s Compact.

TABLE 1. FULL-TIME EQUIVALENT STUDENTS (FTES), ACADEMIC YEARS 2021-22 TO 2026-27

	2021-22	2022-23	2023-24	2024-25*	2025-26*	2026-27*
California Resident FTES Target	374,972	383,680	387,114	390,598	394,085	397,623
Planned FTES Target Increase (New undergraduate growth)	--	2.5%	1.0%	1.0%	1.0%	1.0%
California Resident FTES Actual (Numbers for 2024-25 and later are estimated)	375,152	362,254	369,906	377,025	387,091	397,823
Planned Annual FTES Change	--	--	--	1.9%	2.7%	2.8%

*Projected

Source: Multiyear Compact Progress Report of the CSU, November 2024

California Community Colleges (CCC)

Student Centered Funding Formula (SCFF). In 2018-19 the state adopted the SCFF apportionment funding formula for the CCC which focuses on student success and equity. SCFF bases general apportionments for districts on three calculations, 1) a base allocation, largely reflecting enrollment, 2) a supplemental allocation based on the numbers of students receiving a College Promise Grant, a Pell Grant and students covered by AB 540, or 3) a student success allocation based on various student outcomes.

Prior to 2025-26, statute includes several funding protections for community college districts:

- An “Emergency Conditions Allowance,” which allows all districts to use pre-pandemic enrollment data to calculate their SCFF allowance – with 2022-23 being the last year that pre-pandemic enrollment data can be used.
- A “Hold Harmless” funding protection which allows districts to receive funding based on the old formula in 2017-18, plus subsequent annualized cost of living adjustments (COLAs) through 2024-25.
- “Stability” funding which allows a district to receive, in a given year, the greater of the amount generated by the SCFF formula in that year or the prior year – intended as a one-year protection against enrollment decline.

The 2022-23 Budget Act adopted provisions that will take effect in 2025-26 to address concerns that districts will experience fiscal declines when the current provision expires at the end of 2024-25. Beginning in 2025-26, districts will be funded at their SCFF generated amount that year or their hold harmless amount in 2024-25, whichever is higher. Whereas SCFF rates would continue to receive a COLA in subsequent years, a district’s “Hold Harmless” amount would remain static, not receiving

additional COLAs. These modifications to funding protections are intended to eventually transition all districts to SCFF rates, with SCFF generated funding levels over time surpassing “Hold Harmless” funding amounts.

Natural Resources and Environmental Protection Implementation Snapshot

IMPLEMENTATION UPDATES:

Wildfire-Related Programs

- **Forest Health Grants.** The Department of Forestry and Fire Protection (CalFire) manages the Forest Health Program, which funds landscape-scale, regionally based land management projects to restore health and resilience to existing and recently burned forests while enhancing long-term carbon storage. These grants are awarded for projects on state, local, tribal, federal, and private lands in California. Fuels reduction, forest health, and prescribed fire treatment projects funded with these grants are intended to reduce excess vegetation and return forest and oak woodlands to more fire- and drought-resilient, and pest resistant conditions. Recent budgets included the following for Forest Health grants:
 - 2022-23: A total appropriation of \$120 million Greenhouse Gas Reduction Fund (GGRF). Of this amount, \$113.67 million has been encumbered/expended and the remaining balance is \$6.33 million. Current grant agreements have until March 31, 2029, to spend their awarded funds. \$2.93 million of the total appropriation is projected to be expended on Forest Health Program personnel/administrative costs for 2024-25.
 - 2023-24: A total appropriation of \$116.8 million GGRF. Of this amount, \$30.38 million has been encumbered/expended and the remaining balance is \$86.42 million. The January 1, 2025 grant agreements have been signed and these grantees have until March 31, 2030 to spend their awarded funds. \$4.3 million of the total appropriation is allocated for Forest Health personnel/administrative costs.
- **Wildfire Prevention Grants.** CalFire's Wildfire Prevention (WP) Grants Program provides funding for WP projects and activities in and near wildfire threatened areas and focuses on increasing protection of people, structures, and communities. Funded activities include hazardous fuels reduction, WP planning, and WP education — with an emphasis on improving public health and safety while reducing greenhouse gas emissions. Recent budgets included the following for WP grants:
 - 2022-23: A total appropriation of \$115 million (\$80 million General Fund and \$35 million GGRF). Of the General Fund amount, \$78 million went to 35 awards and \$1.23 million to administrative costs. Of the GGRF appropriation, all \$35 million was awarded to 63 projects.
 - 2023-24: A total appropriation of \$35 million GGRF, of which \$28 million was awarded for 51 grants, \$5 million was provided as a southern region block grant, and \$511,445 for a contract.
 - 2024-25: A total appropriation of \$40 million GGRF, of which \$2 million has been expended for administrative costs and \$24 million has been awarded for grants and

contracts. \$14 million GGRF remains in the balance — GGRF is subject to Control Section 15.14(b), which restricts appropriation of the fourth quarter of Cap-and-Trade auctions. \$10 million has been withheld to be potentially released in the spring of 2025 after the Department of Finance makes the final determination on any modifications. An additional \$4 million has been withheld for potential Control Section 4.05 in the Budget Act of 2024.

Fine-Scale Vegetation Mapping

- The 2022-23 and 2023-24 budgets included a total of \$40 million (\$20 million annually) for fine-scale vegetation mapping. The California Department of Fish and Wildlife (CDFW) is engaged in an ongoing effort to complete the biological mapping of the state’s native vegetation. The map will serve as a critical dataset for planning the “30 by 30” goal. Coastal vegetation communities, such as the iconic coastal redwoods, are vulnerable to the reduction in summer fog due to climate change, and the estuaries and wetlands on the low plains along the coast are at risk to sea level rise. The map can assist in planning for areas of refuge for both species and habitats. Additionally, the fine scale mapping will aid CDFW in cannabis permitting in determining cannabis grow cumulative impacts to watersheds. The funding has been fully encumbered and is expected to be completely expended by June 30, 2026.

Ocean Protection and Resilience

- **Strategic Plan to Protect California’s Coast and Ocean.** The Ocean Protection Council’s (OPC’s) strategic plan is intended to build coastal resilience to climate change. Among the types of projects funded to meet the goals of the plan, include the following: wetland and dune habitat restoration projects, advance equity with tribes and underserved communities, including an environmental small grants program, pilot Ocean Corps program in partnership with the California Conservation Corps for workforce development in ocean and coastal restoration, projects that advance ecosystem resilience and pollution prevention to conserve marine biodiversity, including research and projects to address plastic and microplastic pollution, kelp ecosystem research and restoration, fisheries monitoring, and management of marine protect areas.

The Budget Act of 2023 appropriated \$50 million General Fund for ocean protection/resilience purposes. The Budget Act of 2024 reduced this amount by \$15 million to \$35 million and added \$27.5 million GGRF for this purpose.

- 2024-25: For the adjusted amount of \$35 million General Fund, \$34.9 million has been committed — OPC has identified immediate, priority projects that advance ocean and coastal adaptation and resilience, with specific focus on tribal and priority communities, to advance interagency priorities. OPC anticipates bringing the entirety of this funding allocation to the Council for approval of projects by the end of 2025.
- **Offshore Wind Energy**
 - 2021-22: \$2 million was appropriated to OPC for projects that advance environmental and port analyses related to offshore wind. OPC funded 12 projects statewide, totaling \$2 million, to support the development of offshore wind environmental monitoring

guidance, collection of environmental data, cultural resources inventory, siting models, fishery grounds mapping, and industry to industry coordination on community benefit agreements related to offshore wind development.

According to the California Coastal Commission, an appropriation of \$875,000 General Fund has been committed to the commission's staff costs, and of that amount, \$476,777 has been expended as of June 2024 relating to its work on offshore wind projects. The remaining funds will be expended through June 30, 2026.

There has been a multi-agency joint effort to plan for and implement offshore wind energy development in federal waters off the coast of California based on the recommendations from the Draft AB 525 Offshore Wind Strategic Plan, and to support compliance with AB 1373 (Garcia), Chapter 367, Statutes of 2023, and SB 286 (McGuire), Chapter 386, Statutes of 2023.

- 2024-25: \$3.6 million General Fund has been appropriated to OPC for the purpose of supporting the development of an offshore wind monitoring and research program. OPC is actively identifying priority investments to advance offshore wind monitoring and research and in the process of hiring to support the offshore wind programmatic needs. As of November 2024, \$600,000 has been committed for support and \$3 million remains unspent. However, OPC anticipates bringing the entirety of this funding allocation for priority investments to the Council for approval in mid-2025.

\$6.8 million General Fund has been appropriated to the California Coastal Commission and is committed to staff costs. Of that amount, \$157,628 has been expended as of October 2024. The remaining funds will be expended through June 30, 2027.

For 2024-25 through 2026-27, \$6.8 million (total for three years) is dedicated to commission staff costs for planning, review, and permitting efforts associated with offshore wind energy facilities and associated transmission and port infrastructure.

As of November 2024, the California Coastal Commission has filled five of the planned positions with new permanent staff, promoted two existing staff to fill more senior positions, and is accepting applications for an additional three positions for an anticipated staff cost of approximately \$5.3 million over three years. The remaining positions have been identified and will be filled in early 2025. The commission is on track to expend the full \$6.8 million over the three-year period.

The California Coastal Commission is reviewing and processing permits for initial lease area and cable route seafloor surveys; and is coordinating with all five offshore lease holders on the development of additional survey plans, construction, and operations proposals, as well as plans for the development of staging, integration, and heavy lift facilities within several California ports, including the Port of Long Beach and Humboldt Bay. In addition, the commission is leading a fisheries working group focused on industry-to-industry negotiations to avoid, minimize, and mitigate adverse impacts to commercial fisheries from offshore wind energy development. The commission is working with other agencies and entities to develop an environmental monitoring and adaptive management framework.

Sea Level Rise (SLR) Adaptation

- **SB 1 (Atkins), Chapter 236, Statutes of 2021.** SB 1 established the California SLR Mitigation and Adaptation Act of 2021 and created the California SLR State and Regional Support Collaborative at OPC to help coordinate and fund state efforts to prepare for SLR associated with climate change. OPC developed and launched the SB 1 Grant Program in December 2023 to provide funding to local, regional, and tribal governments for the development of SLR adaptation plans and projects. Project proposals are accepted and awarded on a quarterly rolling basis.
 - 2022-23: \$37.5 million GGRF was appropriated to OPC for SB 1 implementation. OPC has invested in 12 projects totaling \$14 million, with an additional five projects scheduled to be brought before the Council for consideration of approval. Following approval of these projects, this program will have invested \$18.5 million in 2024. These projects range in funding between \$250,000-\$2.96 million. Projects are scheduled to be completed in 2026-27. Disbursement of the entirety of this funding and an additional SB 1 appropriation in 2023-24 to advance this program was approved in August 2023.
 - 2023-24: The 2024 Budget Act reduced the 2023-24 original appropriation of \$54.5 million General Fund to OPC for implementation of SB 1; and shifted \$36.8 million from the General Fund to GGRF for this purpose. This change has resulted in a delay of these funds to 2026-27.

OPC launched a Technical Assistance (TA) program in Spring 2024 to provide application support and services to prospective applicants. OPC anticipates applications to substantially increase in the coming year, due to the establishment of the TA program and planned release of a competitive solicitation for on-the-ground implementation projects.

Water Recycling

- **Water Recycling Funding Program (WRFP).** This program provides grant assistance for the planning and construction of water recycling projects that offset fresh and potable water supplies. These projects include recycled water landscape irrigation, agricultural irrigation, groundwater recharge, and indirect potable reuse projects. SWRCB's Division of Financial Assistance (DFA) commits and executes funds to projects as they are ready to proceed. Since July 1, 2021, the WRFP has had approximately 40 applications eligible for WRFP grant funds.

Between 2021-22 and 2024-25, \$301.74 million General Fund has been allocated for water recycling projects (including program support). Of this amount, \$220.9 million has been spent and \$77.09 million remains unspent. The 2024-25 Clean State Water Revolving Fund (CWSRF) Intended Use Plan (IUP) includes tables of remaining water recycling funding and DFA's plan to commit those funds. SWRCB plans to commit the available water recycling funds in 2024-25. Next year, SWRCB will prepare and adopt the 2025-26 CWSRF IUP.

High Priority Stream Gages (SB 19)

SB 19 (Dodd), Chapter 361, Statutes of 2019, directed the Department of Water Resources (DWR) and SWRCB to develop a plan that identifies locations and priorities for a network of stream gages, in

consultation with CDFW, the Department of Conservation (DOC), Central Valley Flood Control Board (CVFCB), and interested stakeholders. The SB 19 Stream Gaging Prioritization Plan (Plan) was completed in 2022.

The 2023 Budget Act included a total of \$23.9 million General Fund to multiple agencies (DWR, SWRCB, DFW, and DOC) to be spent over two years and to support reactivation and deployment of priority stream gages consistent with the Plan.

- **SWRCB.** SWRCB coordinates with DWR, CDFW, DOC, and CVFCB for purposes of implementing the Plan's recommendations to upgrade existing stream gages, install new stream gages, reactivate historical stream gages, and add water temperature sensors to existing stream gages.
 - 2023-24: \$2.7 million General Fund was allocated for contracts and procurements related to implementation of the Plan. SWRCB encumbered/expended \$206,000 General Fund on personnel services and related efforts and \$74,000 General Fund for procurement, for a total of \$280,000.
 - 2024-25: SWRCB has encumbered/expended a total of \$280,000 General Fund for implementation purposes. Of this amount, \$206,000 General Fund has been allocated for personnel services and \$74,000 General Fund for related procurement. SWRCB has encumbered \$909,000 in contracts to augment an existing United States Geological Survey (USGS) contract and to add new gages to the Bay-Delta low salinity zone, which will enable simultaneous measurement of biological and physical data streams to evaluate outflow and its effects on key Delta species. Approximately \$1.8 million remains unencumbered for contract funds.

In addition, SWRCB developed the California Stream Gage Analysis Priority Watersheds tool, which is available on the SB 19 Stream Gaging website.

- **DWR.** A total of \$20.7 million General Fund was appropriated to DWR for 2023-24 and 2024-25. As of October 31, 2024, \$6.73 million has been spent on the following:
 - Installation or reactivation of stream gages statewide. DWR is the operating entity responsible for the operation and maintenance of these stations.
 - Improvements to the California Data Exchange Center to accommodate additional stream gage data.
 - USGS installation or reactivation of stream gages statewide. USGS is the operating entity responsible for the operation and maintenance of these stations. DWR is funding the gage costs through June 30, 2027.
 - Improvements to the stream gage network through interagency agreements with public entities. DWR will fund the cost for the gages through June 30, 2027. DWR is asking each public entity to take the cost of the stream gages after that date and through the useful life of the equipment purchased with state funding.

The unspent funding of \$13.9 million General Fund is planned across multiple implementation areas, such as DWR regional projects and implementation, the California Data Exchange Center, USGS Interagency Agreement, and the California Stream Gage Improvement Program (CalSIP).

- **DOC.** This department’s funding for SB 19 provides partial staff time of one Senior Engineering Geologist to provide technical support and consultation, including providing advice to the project team on sedimentation mapping from the USGS and technical advice on stream gage location based on historical factors and the watershed geology to determine gaps in the gage network. For 2023-24 and 2024-25, DOC has been appropriated \$150,000 General Fund annually for this staff time.
- **CDFW.** This department’s funding for SB 19 supports the redistribution of workload of one existing Environmental Scientist for consultation with DWR and SWRCB to reactivate historical stream gages. This funding supports partial work time for an Environmental Scientist.
 - 2023-24: A total of \$1.03 million General Fund, of which \$118,000 has been spent. CDFW is in the process of entering into an interagency agreement for the remaining \$934,000 of the 2023-24 funding.
 - 2024-25: A total of \$99,000 General Fund, of which \$25,000 has been spent. The remaining \$74,000 supports a part-time Environmental Scientist to do the following: act as a primary coordinator within CDFW and in consultation with DWR, SWRCB, DOC, and others; provide technical expertise for CDFW in the identification and assessment of significant gaps in information; and analyze data and assist with prioritization as necessary.

Energy, Utilities, and Air Quality Implementation Snapshot

IMPLEMENTATION UPDATES:

Energy Programs

- **Distributed Electricity Backup Assets Program (DEBA).** The California Energy Commission (CEC) has committed approximately \$148 million of the \$152 million appropriated for DEBA. The remaining funds are intended for administrative costs. Although none of these funds have been disbursed, funds are committed in a Notice of Proposed Awards, primarily for bulk grid efficiency upgrades and capacity additions. Projects are anticipated to be completed and come online throughout summer 2025 through summer 2027.
- **Demand Side Grid Support (DSGS).** The last several budgets have provided funding for DSGS, totaling \$127.5 million. Of that amount, roughly \$93 million remains. The 2024 program ended on October 31, 2024 and as of November 2024, the CEC is in the process of reviewing and validating claims from participants. The 2024 program had over 269,000 participants and over 500 megawatts enrolled. Based on current estimates, the total incentives for the 2024 program could be as high as \$26 million, but exact figures will not be finalized until early 2025.
- **Equitable Building Decarbonization (EBD).** The EBD program is comprised of three separate subprograms: the Statewide Direct Install Program, the Statewide Incentive Program, and the Tribal Direct Install Program.
 - **Statewide Direct Install Program.** This program provides no-cost decarbonization retrofits for low-income households. In November 2024, the CEC approved agreements with three regional administrators for the program: the Association for Energy Affordability for the northern region, the Center for Sustainable Energy for the central region, and the County of Los Angeles for the southern region. Thus far, the CEC has awarded \$567.2 million to these three administrators (\$154.3 million in federal funds and \$413 million in state funds). Projects to retrofit homes will begin in spring 2025.
 - **Statewide Incentive Program.** This program provides low-interest financing for decarbonization retrofits. In September 2024, the CEC entered into an agreement with the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to expand the GoGreen Financing Program statewide. The CEC provided \$30 million to CAEATFA. The funds will be used to buy down interest rates and provide a loan loss reserve to decrease the cost of loans for homeowners. As of November 2024, the first projects to be financed with these funds have begun.
 - **Tribal Direct Install Program.** This program provides direct installs of decarbonization retrofits to homes owned or managed by California Native American tribes, tribal organizations, and tribal members. The CEC has allocated \$30 million to this program. The CEC is currently developing guidelines for the program, and guidelines are expected to be adopted in 2025. Projects are estimated to begin in 2026.

Utilities Programs

- **Broadband.** The 2021 Budget Act provided \$2 billion for a grant program to fund last-mile broadband infrastructure projects at the California Public Utilities Commission (CPUC). As of November 2024, the CPUC has awarded \$804.5 million and recommended \$258.9 million (\$1.1 billion total) to 76 and 25 projects, respectively. These projects spanned across the state, with awards issued in 33 counties and recommended awards in 14 counties. In addition, the CPUC is implementing the Broadband Loan Loss Reserve Fund, which is a \$50 million fund that provides credit assistance to finance local broadband infrastructure. In November 2024, the CPUC approved a \$50 million grant from the Loan Loss Reserve Fund to the Golden State Connect Authority, to focus on broadband infrastructure projects in rural communities.
- **Intervener Compensation Program (ICOMP).** In November 2024, the CPUC approved four ICOMP claims to four unique interveners, totaling \$465,457. To date, the CPUC has resolved 157 claims awarding \$17.8 million to 26 unique intervenors in the past year. To date, there are 94 remaining pending claims, 74 of which are over the 75-day statutory deadline.

Air Quality Programs

- **Cap and Trade.** The November 2024 Joint Auction raised approximately \$990.2 million for the Greenhouse Gas Reduction Fund. The auction cleared at \$31.91, which is a slight increase from the previous quarter, at \$30.24. The California Air Resources Board (CARB) has postponed its release of proposed regulations to the cap and trade program until January 2025, at the earliest.
- **Clean Cars 4 All (CC4A).** All five regional, district-run CC4A programs are open and accepting applications. In total, the programs have \$99 million remaining, ranging from \$10 million at the program run by Sacramento Metropolitan Air Quality Management District (AQMD) to \$32 million at the program run by the South Coast AQMD. The Statewide CC4A program has \$106 million remaining, and is currently in the process of implementing the program across the state by region. CARB expects the program to be fully statewide in the first quarter of 2025.

Health Implementation Snapshot

IMPLEMENTATION UPDATES:

Multiple Departments

- **SB 525 – Health Care Minimum Wage Implementation.** SB 525 (Durazo), Chapter 890, Statutes of 2024, phases in increases to the minimum wage for certain covered health care employees to reach \$25 per hour. Since approval of SB 525, two statutory changes were made to the implementation of the first increase in the minimum wage, originally scheduled to occur on June 1, 2024. SB 828 (Durazo), Chapter 12, Statutes of 2024, delayed implementation dates for the minimum wage by one month. Then, as part of the 2024 Budget Act, SB 159 (Senate Committee on Budget and Fiscal Review), Chapter 40, Statutes of 2024, included language that delayed the implementation of health care minimum wage increases until one of the following conditions were met:
 - The Director of Finance notified the Joint Legislative Budget Committee (JLBC) that agency cash receipts from July 1, 2024, through September 30, 2024, were at least three percent higher than projected in the 2024 Budget Act.
 - The Department of Health Care Services (DHCS) notified JLBC that it initiated a data retrieval necessary to implement an increase in hospital quality assurance fee revenues for the program period beginning on January 1, 2025.

On October 1, 2024, DHCS submitted a letter to JLBC indicating it had initiated the data retrieval necessary to implement an increase in the hospital quality assurance fee. As a result, the first increases in the health care minimum wage, scheduled to occur 15 days after the date of the notification, began on October 16, 2024.

After these adjustments, the SB 525 health care minimum wage will phase in as follows:

Type of Covered Health Care Facility/Employer	Wage Phase-In Schedule
1) Employer with 10,000 or more full-time equivalent employees 2) Employer that is part of an integrated health care delivery system 3) A county health care system with 10,000 or more full-time equivalent employees 4) A dialysis clinic 5) A health care facility owned, affiliated, or operated by a county with a population of more than 5 million	1) \$23 per hour (10/16/2024 to 6/30/2025) 2) \$24 per hour (7/1/2025 to 6/30/2026) 3) \$25 per hour (7/1/2026 and ongoing) After reaching \$25 per hour, the wage increases annually by the lesser of 3.5 percent or the change in the non-seasonally adjusted US Consumer Price Index.

<ol style="list-style-type: none"> 1) Hospital with a high governmental payor mix (greater than 90 percent Medicare/Medi-Cal) 2) Independent hospital with an elevated government payor mix (greater than 75 percent Medicare/Medi-Cal) 3) A rural independent health facility 4) A health care facility owned, affiliated, or operated by a county with a population of less than 250,000 	<ol style="list-style-type: none"> 1) \$18 per hour (10/16/2024 to 6/30/2033) 2) \$25 per hour (7/1/2033 and ongoing) <p>After reaching \$25 per hour, the wage increases annually by the lesser of 3.5 percent or the change in the non-seasonally adjusted US Consumer Price Index.</p>
<ol style="list-style-type: none"> 1) Primary care clinics 2) Community clinics 3) Rural health clinics 4) Urgent clinics owned and operated by primary care clinics 	<ol style="list-style-type: none"> 1) \$21 per hour (10/16/2024 to 6/30/2026) 2) \$22 per hour (7/1/2026 to 6/30/2027) 3) \$25 per hour (7/1/2027 and ongoing) <p>After reaching \$25 per hour, the wage increases annually by the lesser of 3.5 percent or the change in the non-seasonally adjusted US Consumer Price Index.</p>
<ol style="list-style-type: none"> 1) All other health care facility employers, including hospitals, skilled nursing facilities, integrated delivery systems, ambulatory surgical centers, urgent care clinics, medical groups, medical foundations, county mental health facilities, and county correctional health facilities 	<ol style="list-style-type: none"> 1) \$21 per hour (10/16/2024 to 6/30/2026) 2) \$22 per hour (7/1/2026 to 6/30/2028) 3) \$25 per hour (7/1/2028 and ongoing) <p>After reaching \$25 per hour, the wage increases annually by the lesser of 3.5 percent or the change in the non-seasonally adjusted US Consumer Price Index.</p>

- **Children and Youth Behavioral Health Initiative.** The 2021 Budget Act established the Children and Youth Behavioral Health Initiative, a multi-departmental, multi-billion dollar investment to improve access to behavioral health services for children and youth up to age 25. The 2022 Budget Act included additional resources to address the most urgent needs and emergent issues in children’s mental health. These initiatives included several components to foster partnerships between schools and behavioral health programs, clarify reimbursement relationships for behavioral health services provided to children and youth, implement new evidence-based treatment services, develop the behavioral health workforce necessary to provide access to services for children and youth, and establish information technology and other tools to make it easier to connect to providers and services. While some of the major components of the initiative have already been completed, many are still in progress, or have been adjusted due to budget constraints. The components of the initiative that have changed over the course of the last fiscal year are as follows:

Department of Health Care Services (DHCS)

- *Behavioral Health Services and Supports Platform.* \$696.6 million General Fund was allocated over six years for DHCS to support planning and implementation of a behavioral health services and supports platform to expand upon the existing CalHOPE system established during the COVID-19 pandemic. DHCS began planning and development activities for the Behavioral Health Services and Supports Platform in 2021-22 and released a Request for Information (RFI) in July 2022. DHCS selected Kooth and Brightline as the vendors for the platform to support the

delivery of equitable, appropriate, and timely behavioral health services to youth and young adults, and will be seeking an additional vendor to develop an eConsult capability. On January 1, 2024, DHCS launched two apps, Soluna (Kooth) for ages 13 to 25, and Brightlife Kids (Brightline) for ages 0 to 12. As of June 2024, CalHHS reported that approximately 14,000 California children and youth had registered for Soluna and approximately 21,000 children and their caregivers had registered for Brightlife Kids. Soluna had provided nearly 3,500 one-to-one coaching sessions and Brightlife Kids had delivered nearly 2,000 coaching sessions and 500 one-to-one care navigation sessions. As a result of this underutilization, the 2024 Budget Act included a one-time funding reduction of \$140 million for the platform.

- *School-Linked Behavioral Health Partnerships.* \$550 million General Fund was allocated to DHCS to support school-linked behavioral health partnerships, with \$400 million to support county behavioral health department partnerships with schools and \$150 million to support behavioral health services in higher education. Due to the General Fund shortfall, the \$150 million allocated to support behavioral health services in higher education was eliminated in the 2024 Budget Act. According to CalHHS, DHCS has engaged with education and behavioral health partners to refine the grant design, which is meant to assist with implementation of the statewide fee schedule. However, as of December 2024, no grant funding for school-linked behavioral health partnerships has been awarded from the remaining \$400 million allocation for this purpose.

Department of Health Care Services (DHCS)

Mental Health Services Oversight Accountability Commission (MHSOAC)

- *Evidence-Based Practices and Community-Defined Evidence Practices Grant Program.* \$429 million General Fund was allocated for DHCS, in coordination with MHSOAC, to develop and expand evidence-based behavioral health programs addressing early psychosis, disproportionately impacted communities and communities of color, youth drop-in wellness centers, intensive outpatient programs for youth, and prevention and early intervention services for youth. In July 2023, DHCS announced \$30.5 million had been awarded to 63 entities for parent and caregiver support programs that include Positive Parenting Practices, Incredible Years, Healthy Steps, and other programs. In December 2023, DHCS announced that \$150 million had been awarded to 262 organizations to support wellness and build resilience of children, youth, and young adults. Of that amount, \$100 million will support trauma-informed practices and programs and \$50 million will support youth driven programs to provide safe spaces for youth and young adults. Due to the General Fund shortfall, the 2024 Budget Act reduced support for grants for evidence-based practices and community-defined evidence practices by \$47.1 million.

Department of Health Care Services (DHCS)

Department of Managed Health Care (DMHC)

- *Statewide Fee Schedule for Behavioral Health Services at School Sites.* AB 133 (Committee on Budget), Chapter 143, Statutes of 2021, requires DHCS, in collaboration with DMHC, to develop and maintain a school-linked statewide fee schedule for outpatient mental health or substance use disorder treatment provided to a student 25 years of age or younger at a school site. A health care service plan, including a Medi-Cal managed care plan, or an insurer, commencing January 1, 2024, is required to reimburse school-based services provided to one of its members according to the fee schedule, regardless of whether the provider is within the plan's or insurer's contracted

provider network. DHCS and DMHC are implementing the fee schedule in three cohorts. In December 2023, DHCS announced the first cohort of 47 local educational agencies (LEAs) approved to participate in the fee schedule beginning January 1, 2024. The first cohort is composed of early adopters determined to be operationally ready by DHCS and is meant to be a learning cohort. The second cohort expanded the number of participating LEAs and included California Community College campuses, beginning July 1, 2024. The third cohort, beginning January 1, 2025, will expand eligibility to all remaining LEAs, California Community College campuses, California State University campuses, and University of California campuses.

California Department of Public Health (CDPH)

- *Public Education and Change Campaign.* General Fund resources of \$5 million in 2021-22, \$50 million in 2022-23, \$40 million in 2024-25, and \$5 million in 2025-26 were allocated to CDPH to conduct a comprehensive and linguistically proficient public education and change campaign to raise behavioral health literacy to normalize and support the prevention and early intervention of mental health and substance use challenges. Due to the General Fund shortfall, the 2024 Budget Act reduced funding for this program by \$25.4 million, but maintains \$34.7 million in 2024-25 and \$13.7 million in 2025-26.

- *Youth Suicide Reporting and Crisis Response Pilot Program.* General Fund resources of \$25 million in 2022-23 and \$25 million in 2023-24 were allocated to develop and implement a three-year Youth Suicide Reporting and Crisis Response Pilot Program in at least four counties or regions to test models for making youth suicide and attempted suicide a reportable public health event and rapidly and comprehensively responding with crisis services and follow-up support. Due to the General Fund shortfall, the 2024 Budget Act reverted \$13.5 million of unspent General Fund resources for this program and reduced \$1.5 million of General Fund resources that would have been spent in 2024-25.

Department of Health Care Access and Information (HCAI)

- **Office of Health Care Affordability.** SB 184 (Committee on Budget and Fiscal Review), Chapter 47, Statutes of 2022, established within HCAI the Office of Health Care Affordability (OHCA) to analyze and help constrain the growth of the cost of health care in California. The Office is governed by an eight-member Health Care Affordability Board, with four members appointed by the Governor and confirmed by the Senate, one member each appointed by the Senate Committee on Rules and the Speaker of the Assembly, the Secretary of Health and Human Services, and the Chief Health Director of the California Public Employment Retirement System (CalPERS). OHCA’s primary responsibilities are to analyze the health care market for cost trends and drivers of spending, develop data-informed policies for lowering health care costs for consumers and purchasers, create a state strategy for controlling the cost of health care, ensure affordability for consumers and purchasers, and enforce cost targets. The first cost target must be developed for the 2025 calendar year, for reporting purposes only. The 2026 cost target will be the first in which enforcement action will be taken against providers that fail to meet the target. Enforcement actions will be progressive, beginning with technical assistance or corrective action plans, and could result in financial penalties.

In April 2024, the Health Care Affordability Board approved a statewide health care spending target of three percent, phased in over time. The target will be 3.5 percent for 2025 and 2026, 3.2 percent for 2027 and 2028, and three percent in 2029 and beyond. The target will apply to health care entities,

including health plans, provider organizations with at least 25 physicians, and hospitals. The Board is in the process of engaging with stakeholders as it determines the criteria, metrics, and levels for sector-specific cost growth targets.

Department of Health Care Services (DHCS)

- **Managed Care Organization Tax and Provider Rate Increases.** AB 119 (Committee on Budget), Chapter 13, Statutes of 2023, assessed a tax on managed care organizations operating in California to provide a stable funding source for the delivery of health care services in the Medi-Cal program, and support critical investments to ensure access, quality, and equity. The tiered, enrollment-based Managed Care Organization (MCO) tax is assessed from April 1, 2023, through December 31, 2026, on all full-service health plans licensed by the Department of Managed Health Care (DMHC) or contracted with the Department of Health Care Services (DHCS) to provide services to Medi-Cal beneficiaries. In addition, AB 119 established the Managed Care Enrollment Fund, into which the revenues from the tax would be deposited, and made those revenues available, upon appropriation by the Legislature, to DHCS for the purposes of funding: 1) the nonfederal share of increased capitation payments to Medi-Cal managed care plans to account for their projected tax obligation, 2) the nonfederal share of Medi-Cal managed care rates for the delivery of health care services to beneficiaries of the Medi-Cal program, and 3) transfers to the Medi-Cal Provider Payment Reserve Fund to support investments in the Medi-Cal program. The 2023 Budget Act included: 1) \$241 million to support reimbursement rate increases for primary care, obstetrics, doula services, and non-specialty mental health up to 87.5 percent of the Medicare rate, beginning in January 2024; 2) \$75 million for graduate medical education, beginning in January 2024; 3) \$150 million in additional funding to the Distressed Hospital Loan Program; and 4) \$50 million for small and rural hospital relief for seismic assessment and construction. On December 19, 2023, the federal Centers for Medicare and Medicaid Services (CMS) approved the tax and the reimbursement rate increases for 2024.

In early action in March 2024, and again in June 2024, the Legislature approved trailer bill language to increase the assessed tax on managed care organizations operating in California. The approved language increased the per enrollee tax for tier II of the Medi-Cal taxing tier, for Medi-Cal plans with annual enrollees between 1,250,001 and 4,000,000 to \$274 per enrollee for the 2024, 2025, and 2026 calendar years. As a result of this expansion of the tax, the budget includes General Fund savings of \$4.5 billion in 2023-24, \$7.1 billion in 2024-25, and \$6.6 billion in 2026-27. In addition, the budget includes expenditure authority from the Medi-Cal Provider Payment Reserve Fund of \$321 million in 2023-24, \$426 million in 2024-25, \$1 billion in 2025-26, and \$1.6 billion in 2026-27, to support provider rate increases and other investments in the Medi-Cal program, including the following:

- **Physician and Professional Services.** \$121 million in 2023-24, \$291 million in 2024-25, \$682 million in 2025-26, and \$1.1 billion in 2026-27 to support physician and professional services, beginning January 1, 2024.
- **Emergency Physician Services.** \$50 million in 2024-25, \$100 million in 2025-26, and \$100 million in 2026-27 to support emergency physician services, beginning January 1, 2025.
- **Abortion and Family Planning.** \$45 million in 2024-25, \$90 million in 2025-26, and \$90 million in 2026-27 to support abortion and family planning services, beginning January 1, 2025.
- **Ground Emergency Medical Transportation.** \$25 million in 2024-25, \$50 million in 2025-26, and \$50 million in 2026-27 to support ground emergency medical transportation services, beginning January 1, 2025.

- **Air Ambulances.** \$4 million in 2024-25, \$8 million in 2025-26, and \$8 million in 2026-27 to support air ambulance services, beginning January 1, 2025.
- **Community-Based Adult Services.** \$4 million in 2024-25, \$8 million in 2025-26, and \$8 million in 2026-27 to support community-based adult services, beginning January 1, 2025.
- **Congregate Living Health Facilities.** \$4 million in 2024-25, \$8 million in 2025-26, and \$8 million in 2026-27 to support congregate living health facilities, beginning January 1, 2025.
- **Pediatric Day Health Centers.** \$2 million in 2024-25, \$3 million in 2025-26, and \$3 million in 2026-27 to support pediatric day health centers, beginning January 1, 2025.
- **Private Duty Nursing.** \$31 million in 2025-26 and \$62 million in 2026-27 to support private duty nursing services, beginning January 1, 2026.
- **Federally Qualified Health Centers and Rural Health Clinics.** \$25 million in 2025-26 and \$50 million in 2026-27 to support federally qualified health centers and rural health clinics, beginning January 1, 2026.
- **Continuous Medi-Cal Coverage for Children Ages 0 to 5.** \$17 million in 2025-26 and \$32 million in 2026-27 to support continuous Medi-Cal coverage for children ages 0 to 5, beginning January 1, 2026.
- **Non-Emergency Medical Transportation.** \$13 million in 2025-26 and \$25 million in 2026-27 to support non-emergency medical transportation, beginning January 1, 2026.
- **Hospital Relief Programs.** \$150 million in 2023-24 to support the Distressed Hospital Loan Program and \$50 million in 2023-24 to support the Small and Rural Hospital Relief Program for Seismic Assessment and Construction.
- **Medi-Cal Workforce Pool.** \$40 million in 2026-27 to support a Medi-Cal Workforce Pool.
- **Administration.** \$2 million annually, beginning in 2024-25, to support DHCS administration of these provider rate increases and investments.

MCO Tax Renewal – By Fiscal Year (2024 Budget Act – Prior to Prop. 35)					
<i>(dollars in millions)</i>	2023-24	2024-25	2025-26	2026-27	Total
Total Revenue¹	\$8,269	\$12,961	\$12,705	\$9,531	\$43,466
Medi-Cal Capitation Rates²	\$3,464	\$5,455	\$5,069	\$2,957	\$16,946
State’s Net Benefit³	\$4,805	\$7,506	\$7,636	\$6,574	\$26,520
General Fund Backfill⁴	\$4,484	\$6,934	\$6,600	\$5,016	\$23,034
Medi-Cal Rate Increases/Investments	\$321	\$571	\$1,036	\$1,558	\$3,486

1–Total Revenue is the total amount of revenue received by the state from the tax on managed care organizations.
 2–Medi-Cal Capitation Rates is the amount paid to Medi-Cal managed care plans in their capitation rates to account for the amount of tax paid to the state. Federal regulations require capitation payments to be actuarially sound and include the cost of taxes.
 3–State’s Net Benefit is the amount of revenue received by the state, net of capitation payments paid to managed care plans.
 4–General Fund Backfill is the amount that addresses the General Fund shortfall in 2023-24 and subsequent years.
 5–Medi-Cal Rate Increases/Investments reflects the funding available for Medi-Cal provider rate reimbursement increases and other investments in the Medi-Cal program.

The Legislature also approved trailer bill language providing that, if voters approve Proposition 35, the MCO Tax initiative, in November 2024, the package of Medi-Cal provider rate increases and investments in the budget will become inoperable, as the General Fund condition is insufficient to sustain both these increases and investments and those included in the initiative. In November 2024, the voters approved Proposition 35, making those previously approved investments inoperable, and instead providing for the following reimbursement rate increases in 2025 and 2026:

- Primary care, obstetrics and non-specialty mental health - \$691 million
- Specialty care - \$575 million

- Community and outpatient procedures - \$245 million
- Abortion and family planning services - \$90 million
- Services and supports for primary care - \$50 million
- Emergency room facilities and physicians - \$355 million
- Designated Public Hospitals - \$150 million
- Ground emergency medical transportation - \$50 million
- Behavioral health facility throughputs - \$300 million
- Graduate medical education - \$75 million
- Medi-Cal Workforce Pool - \$75 million

Proposition 35 also allows for \$2 billion of MCO revenue to be used for the non-federal share of Medi-Cal expenditures, resulting in a General Fund offset. This level of General Fund offset is lower than the amount provided by the MCO tax package included in the 2024 Budget Act, and will likely result in a deterioration of the General Fund budget condition in 2025-26 in the low billions of dollars.

Beginning in 2027, Proposition 35 requires the first \$4.3 billion of MCO tax revenue to be allocated to the following accounts:

- Primary Care Account (22 percent) – Reimbursement rate increases for primary care
- Specialty Care Account (22 percent) – Reimbursement rate increases for specialty care
- Emergency Department Physicians Account (2.5 percent) – Reimbursement rate increases for emergency department physicians
- Outpatient and Clinic Access Account (5.75 percent) – Reimbursement rate increases for outpatient facilities, such as ambulatory surgical centers and clinics
- Family Planning Account (5.5 percent) – Reimbursement rate increases and expansion of scope of benefits for family planning services
- Reproductive Health Account (1.25 percent) – Protecting, preserving, and expanding access to abortion and abortion-related services
- Emergency Medical Transportation Account (3 percent) – Reimbursement rate increases for private ground emergency medical transport providers and emergency air ambulance providers
- Emergency Department and Hospital Services Account (8.75 percent) – Reimbursement rate increases for eligible hospital services to improve quality and access to hospital care
- Designated Public Hospital Account (3.5 percent) – Reimbursement rate increases for Designated Public Hospitals
- Improving Mental Health Account (6.25 percent) – Expanding access to mental health programs and services
- Health Care Workers Account (6.25 percent) – Investments to attract, retain, and expand the pool of health care workers including graduate medical education and other workforce grant programs
- Clinic Quality Account (3.5 percent) – Providing incentives for clinics that demonstrate improved quality and increased access to care for Medi-Cal patients
- Improved Dental Services Account (3.5 percent) – Providing enhanced access to specialty and restorative dental care for Medi-Cal patients
- Medi-Cal Access and Support Account (8 percent) – Support the nonfederal share of Medi-Cal expenditures, resulting in a General Fund offset

After allocating the first \$4.3 billion, Proposition 35 requires the next \$400 million to be deposited into the Medi-Cal Access and Support Account (General Fund offset), and the next \$226 million after that as follows:

- Community Health Workers Account (\$32 million) – Increasing access to community health workers in the Medi-Cal program
- Health Care Workforce Loan Repayment Account (\$64 million) – Loan repayment programs for advanced practice clinicians, allied health care professionals, as well as physicians and dentists through the CalHealthCares Program
- Medi-Cal Workforce Subaccount (\$120 million) – Strengthening and supporting development and retention of the Medi-Cal workforce through labor-management cooperation committees
- Affordable Prescription Drugs Account (\$10 million) – Support for CalRx to increase competition, lower prices, and address shortages in the market for generic drugs

After these allocations, Proposition 35 requires 25 percent of the remaining revenue to be allocated to the same accounts as the first \$4.3 billion, and 75 percent to the Medi-Cal Access and Support Account (General Fund backfill).

California Health Benefit Exchange (Covered California)

- **State Cost-Sharing Reduction Subsidies.** The 2023 Budget Act included expenditure authority from the Health Care Affordability Reserve Fund of \$82.5 million in 2023-24 and \$165 million annually thereafter to support a program of financial assistance for individuals purchasing coverage in the Covered California health benefit exchange. For the 2024 coverage year, Covered California implemented state-supported cost-sharing reduction subsidies to reduce out-of-pocket health care costs for over 800,000 consumers. For the 2025 coverage year, Covered California reports that due to the increase in state support for the cost-sharing reduction subsidy program to \$165 million, all Californians with incomes over 200 percent of the federal poverty level are now eligible to enroll in an Enhanced Silver 73 plan with no deductibles and reduced out-of-pocket costs. Previously, these plans were only eligible to those under 200 percent of the federal poverty level.

Human Services Implementation Snapshot

IMPLEMENTATION UPDATES:

California Department of Aging (CDA)

- **Reduction to Older Adult Behavioral Health.** The 2023 Budget Act included \$50 million over three years for an initiative to advance behavioral health for older adults. The 2024 Budget Act reduced most funding under this initiative by eliminating grants to community-based organizations and a media campaign, generating savings of \$13.4 million General Fund in 2023-24, \$20 million General Fund in 2024-25, and \$10 million General Fund in 2025-26. However, funding for the Friendship Line, a statewide warm line for older adults, was preserved. In 2024, the Friendship Line conducted a total of 117,673 inbound and outbound calls; top reasons for calling were (1) loneliness and social isolation; (2) anxiety and stress; (3) mental health and emotional problems; and (3) concerns about physical health.
- **Long-Term Care Ombudsman Funding.** The 2024 Budget Act includes \$4.25 million from the California Department of Public Health Licensing and Certification Program Fund to supplement the Long-Term Care Ombudsman Program under CDA. Twenty-three of the 35 local ombudsman programs have executed contracts with local Area Agencies on Aging (AAAs) to add staff, conduct volunteer recruitment campaigns, and purchase vehicles to perform quarterly routine visits to long-term care facilities.
- **Bridge to Recovery Grants.** The 2022 Budget Act included \$61.4 million General Fund one-time for grants to adult day programs to support the return to in-person congregate services for older adults and people with disabilities. CDA awarded one round of grants in October 2023 totaling \$17.9 million; a second round of grants totaling \$37.9 million was awarded to 411 grantees in November 2024. All grants will conclude by March 31, 2026.
- **California GROWs Direct Care Workforce Program.** The 2021 Budget Act included \$150 million as part of the Home and Community-Based Services Spending Plan to launch a statewide Direct Care Workforce Training and Stipends Program known as CalGrows. CalGrows closed out on September 30, 2024, providing stipends, incentives, support, and career pathways for the non-IHSS Home and Community-Based Services workforce. CDA and community partners delivered the following results: 30,884 training participants, including the paid direct care workforce and unpaid family caregivers; \$35 million in incentives and stipends paid to direct care workers; and over 700 trainings offered in 10 languages. Additionally, CalGrows training content remains accessible through CDA's CalGrows website for use by direct care workers and family caregivers.

Department of Developmental Services (DDS)

- **Developmental Services Rate Reform Delay.** The 2021 Budget Act began the phase-in of a major overhaul of DDS service provider rates, replacing an outdated rate structure with a new model based on a 2020 study. This includes the development of a Quality Incentive Program, in which service providers must meet quality benchmarks to earn 10 percent of the full rate. The 2024 Budget Act delayed the final phase of rate reform to January 1, 2025, generating one-time savings of \$510.4 million (\$306.2 million General Fund). The final incremental rate adjustments take effect January 1, 2025. For the period of January 1, 2025 through June 30, 2026, the quality incentive payment portion of the rate is based solely on data collection, registration, and validation in the DDS Provider Directory. In the long term, the 10 percent quality component is required to include benchmarks that measure outcomes for all services. The DDS Provider Directory went live in October 2024 and DDS is working with service providers to verify their information.
- **Master Plan for Developmental Services.** The 2024 Budget Act codified the establishment of a Master Plan for Developmental Services to strengthen accessibility, quality, and equity for all individuals with intellectual and developmental disabilities and their families. The California Health and Human Services Agency has convened a Committee tasked with delivering a Master Plan by March of 2025. The Committee has established five workgroups: Person-Centered, Service Systems, Workforce, Data and Outcomes, and Lifelong Services. The full Master Plan Committee has held nine meetings between April and December of 2024, and each of the five workgroups has held six meetings between August and December 2024.
- **Developmental Services Equity and Consistency.** SB 138 (Committee on Budget and Fiscal Review), Chapter 192, Statutes of 2023, included several changes to improve consistency, equity, and oversight in the regional center system. The 2023 Budget Act also included \$7.75 million (\$6.2 million General Fund) for DDS to implement the changes in SB 138, including: improving demographic data collection; establishing standardized processes for individual program planning, intake, vendorization, and certain service assessments; reporting on options to improve coordination of generic services; evaluating the ability of common services and supports; and requiring regional centers to improve notification and reporting on intake outcomes. The new standardized Individual Program Plan (IPP) was rolled out to regional centers in June 2024 and regional centers will use the new standard IPP format for all new IPP meetings beginning January 1, 2025. Additionally, DDS developed common demographic data definitions that regional centers will implement beginning January 1, 2025. Several additional SB 138 milestones take effect in January 2025. DDS must establish a standardized intake process; regional centers must inform individuals and families of eligibility determinations at the end of the 15-day intake period; and DDS must provide an update on the evaluation of generic services. DDS reports that the development of a standardized intake process will take more time and will continue in phases throughout 2025.
- **Reduction to DDS Workforce Programs.** The 2024 Budget Act includes a reduction of \$20 million General Fund one-time to phase out the Direct Service Professional Internship Program; a reduction of \$18.6 million General Fund one-time to phase out the Regional Center Tuition Reimbursement Program, and a reversion of \$10 million General Fund to capture remaining unspent funds from the Direct Support Professional Stipend Program. As of November 2024, the Direct Support Professional Internship Program has 232 interns in queue, 66 interns placed, 19

interns converted to employment, and 36 providers participating. The Regional Center Tuition Reimbursement Program stopped accepting applications in June 2024, but the 567 regional center staff who applied before the application end date are currently participating in the program with 22 applications pending. The Direct Support Professional Stipend Program concluded in August 2024, with over 86,000 direct support professionals completing at least one course and over 77,000 completing two courses.

- **Reduction to Porterville Developmental Center.** The 2024 Budget Act includes a reduction of \$20 million General Fund in 2023-24 and \$10 million General Fund in 2024-25 to account for vacancies at Porterville Developmental Center.

Department of Child Support Services (DCSS)

- **Reduction to Local Child Support Agency Funding.** The 2024 Budget Act reduces funding for local child support agencies by \$6 million General Fund in 2023-24, 2024-25, and 2025-26 to align with recent expenditures. According to DCSS, local child support agencies have delayed recruitments, implemented hiring freezes, and limited operating expenses in response to this reduction.

Department of Social Services (CDSS) Child Care

- **Expansion of Subsidized Child Care Slots.** The 2024 Budget Act includes a two-year pause of the subsidized child care slot expansion; however, the budget funds approximately 11,000 new general child care slots for which award letters were issued in spring of 2024. This includes \$228.6 million (\$117.4 million General Fund) in 2024-25 and \$304.8 million (\$260.8 million General Fund) in 2025-26 and ongoing. Trailer bill language outlines the revised schedule to add the remaining approximately 80,000 new subsidized child care slots in order to reach the goal of 200,000 new slots above 2021 levels, subject to an appropriation, as follows: 44,000 slots in 2026-27, 33,000 slots in 2027-28, and any remaining unawarded slots in 2028-29 and ongoing. Expansion slots to serve 11,204 children have been awarded and CDSS is currently working with contractors to complete required paperwork and execute contracts. As a result, slots will be filled on a rolling basis and the actual number of additional filled slots will be reported later in 2025.
- **Child Care Rate Reform and Collective Bargaining.** The 2024 Budget Act requires CDSS to submit a plan for setting new child care reimbursement rates under an alternative methodology no later than July 1, 2025. On November 8, 2024, the federal Administration for Children and Families (ACF) approved California’s Child Care State Plan, inclusive of the new method for setting reimbursement rates. Pursuant to the 2024 Budget Act, CDSS must begin regularly reporting to the Legislature on the department’s plan to set new reimbursement rates by July 1, 2025, and provide details regarding costs, timelines, and other implementation components. Additionally, federal approval of the state plan initiates a new round of collective bargaining between the Administration and Child Care Providers United (CCPU). State-subsidized child care providers are currently receiving temporary rate enhancements as part of a two-year collective bargaining and parity agreement under the 2023 Budget Act that expires on July 1, 2025. CDSS has stated that rate-setting will occur through the collective bargaining process with CCPU and the 2025-26 budget.

CDSS California Work Opportunity and Responsibility to Kids (CalWORKs)

- **Reduction to CalWORKs Subsidized Employment.** The 2024 Budget Act reduces funding for the CalWORKs Subsidized Employment Program by up to \$30 million General Fund in 2023-24 and \$37 million General Fund in 2024-25, holding funding to approximately the 2022-23 spending level. Program funding returns to the baseline level of approximately \$134 million in 2025-26. According to CDSS, counties have reported a reduction in subsidized employment services as a result of these reductions, with participation trending down to pandemic-era levels.
- **Reduction to CalWORKs Employment Services Intensive Case Management.** The 2024 Budget Act reduces a planned increase of budgeted hours for CalWORKs employment services intensive case management by \$47 million General Fund ongoing. The increase of budgeted hours had not yet taken effect when the 2024 Budget Act was passed.
- **Reduction to CalWORKs Home Visiting.** The 2024 Budget Act reduces funding for the CalWORKs Home Visiting Program by up to \$30 million General Fund in 2023-24, \$25 million General Fund in 2024-25, and \$25 million General Fund in 2025-26. This limited-term reduction is intended to align funds to actual expenditures and avoid adverse impacts to families in the program. Program funding returns to the baseline level of approximately \$97.6 million in 2026-27. According to CDSS, counties have reported reductions to Home Visiting services as a result of these reductions, including staff reductions, reduced number of families served and increased waitlists, decreased referrals, decreased outreach to eligible families, and a decrease in program materials such as car seats and cribs.
- **Reduction to CalWORKs Mental Health and Substance Use Disorder Services.** The 2024 Budget Act reduces funding for CalWORKs Mental Health and Substance Use Disorder Services by \$30 million General Fund in 2023-24, \$37 million General Fund in 2024-25, and \$26 million General Fund in 2025-26. This limited-term reduction is intended to align funds to actual expenditures and avoid adverse impacts to families in the program. Program funding returns to the baseline level of approximately \$127 million in 2026-27. Given recent underspending within this program, the department is not aware of any reductions in actual services as a result of this budget reduction.
- **CalWORKs Work and Family Well-Being Pilot Program.** The 2024 Budget Act authorizes CDSS to spend up to \$2.4 million General Fund to participate in a federal Temporary Assistance to Needy Families (TANF) pilot program pursuant to the Fiscal Responsibility Act of 2023. Trailer bill language requires CDSS to report to the Legislature by January 10, 2025 with necessary statutory changes and comprehensive cost estimates to implement family-centered changes as part of the pilot program, including limiting family sanctions, creating a family-centered program structure, and repealing the county Work Participation Rate (WPR) penalty. On November 25, 2024, the federal Administration for Children and Families (ACF) selected California as one of the five pilot states to test alternative performance measures in the TANF program. The pilot will be in effect for six federal fiscal years, through September 30, 2030, with one year designated to establish benchmark data and negotiate targets and five years to measure performance. According to CDSS, California's pilot will build upon a strong foundation of supportive and barrier removal services to facilitate employment and well-being, and leverage the CalWORKs Outcomes and Accountability Review (Cal-OAR) framework to measure success more holistically in the CalWORKs program with performance metrics that gauge

participant support, barrier removal, and skill development, as well as outcome measures of employment and earnings.

CDSS CalFresh and Nutrition Programs

- **CalFresh Fruit and Vegetable Pilot Program.** The 2024 Budget Act includes \$10 million General Fund one-time to extend the California Fruit and Vegetable EBT Pilot Project. This funding allowed the program to re-start in November 2024, meaning CalFresh recipients can receive a dollar-for-dollar match of up to \$60 per month for buying fresh fruits and vegetables at participating stores. CDSS anticipates this funding will support pilot operations for about three to four months, based on previous incentive issuance rates.
- **Summer Electronic Benefits Program (SUN Bucks).** The 2023 Budget Act included \$47 million (\$23.5 million General Fund) to phase in a new federal Summer EBT program to help families pay for food during the summer months when children are out of school. Now known as SUN Bucks, the program launched in summer 2024. Benefits are \$120 for the summer (\$40 per month per child). The first stage of SUN Bucks cards were mailed in May 2024 and the call center went live the same month. The second stage of SUN Bucks benefits were mailed in August 2024 with card delivery expected to be complete by January 2025. A total of over 5.3 million children are eligible, most of whom were streamline certified via participation in CalFresh, Medi-Cal, or other programs. CDSS, in partnership with the California Department of Education (CDE), issued benefits totaling over \$642 million and over \$446 million in benefits had been used by September 2024.
- **CalFresh Minimum Nutrition Benefit Pilot Program.** The 2023 Budget Act included \$915,000 in 2023-24 and \$15 million in 2024-25 to implement the CalFresh Minimum Nutrition Benefit Pilot Program, to provide eligible pilot households with a minimum monthly CalFresh benefit of at least \$50. CDSS worked with stakeholders to determine the pilot population of Elderly Simplified Application Project (ESAP)-eligible households of two or more members who currently receive a CalFresh allotment under \$60 per month. CDSS estimates that about 36,000 households statewide will be eligible under this pilot criteria. CDSS anticipates releasing an All-County Letter in December 2024 or January 2025, which will then trigger program automation. The target date for pilot operation is October 1, 2025 to September 30, 2026.
- **EBT Theft.** The 2023 and 2024 Budget Acts allocated \$76.5 million in combined federal and General funds for the transition from magnetic stripe to Chip EMV/Tap cards, as a result of staggering increases in stolen food and cash benefits from cards that lack modern security features. Funding includes EBT system automation, new card printing equipment, and mass card replacement. Additionally, the 2023 and 2024 Budget Acts allocated approximately \$286.6 million (\$233.7 million General Fund) one-time over the two-year period for the replacement of electronically stolen cash and food benefits. Federal appropriations have allowed for federal funds to cover the replacement of stolen CalFresh benefits beginning in October 2022. Congress extended this authority through December 20, 2024; however, effective December 21, 2024, food benefit replacements due to electronic theft must be paid for using state funds. In the 12-month period from August 2023 to July 2024, approximately 245,000 cardholders had their benefits stolen, representing about five percent of EBT cardholders statewide. CDSS and the Office of Technology and Solutions Integration (OTSI) are working with an array of stakeholders to launch

Chip EMV/Tap cards beginning January 2025, making California the first state to update EBT cards to Chip EMV/Tap.

CDSS Child Welfare and Foster Care

- **Foster Care Permanent Rate Structure.** The 2024 Budget Act establishes a new permanent foster care rate structure. The permanent rate structure bases foster care payments on the strengths and needs of the child as identified by the Child and Adolescent Needs and Strengths (CANS) assessment, regardless of their placement setting. There are three main components of the Tiered Rate Structure: Care and Supervision Rate, Strengths Building Allocation, and Immediate Needs Allocation, as well as an administrative rate component for foster care providers. Trailer bill language requires CDSS to provide regular pre-implementation and post-implementation updates to the Legislature regarding all components of the permanent rate structure, which takes effect July 1, 2027. The budget includes \$20.5 million (\$13.3 million General Fund) for automation costs over two years to implement the permanent rate structure. CDSS has identified five categories of implementation: Child and Family Team and CANS fidelity, care and supervision, the Strengths Building Program, the Immediate Needs Program, and automation. CDSS continues to engage in listening sessions and workgroups to inform implementation details for each category.
- **Reduction to Los Angeles County Public Health Nursing Program.** The 2024 Budget Act eliminated ongoing funding of \$8.25 million General Fund for the Los Angeles County Public Health Nursing child welfare program. Los Angeles County’s Department of Public Health fully wound down this program and moved nurses and program staff into other programs.

CDSS In-Home Supportive Services (IHSS)

- **IHSS Permanent Backup Provider System.** The 2024 Budget Act includes a one-time reduction of \$3 million General Fund to the IHSS Permanent Backup Provider System to align with program uptake.
- **IHSS Career Pathways Program.** The 2021 Budget Act included \$295 million in enhanced federal funding under the Home and Community-Based Services Spending Plan for the IHSS Career Pathways Program, a new training program to increase the quality of care, recruitment, and retention of IHSS providers. Supplemental report language as part of the 2024 Budget Act requires CDSS to report monthly on spending for the IHSS Career Pathways Program, including remaining unspent funds and program outcomes, until the funds are fully expended. CDSS stopped classes in September 2024 in anticipation of fully spending down the allocation.

Community Care Licensing

- **Guardian System Backlog.** The 2023 Budget Act included \$4 million General Fund to increase staff support to work through the backlog in the background check system known as Guardian. The Guardian backlog as of October 2024 was 911 backlogged cases, compared to 12,784 backlogged cases in July 2022.

CDSS Housing and Homelessness Programs

- **Expansion of CDSS Housing and Homelessness Programs.** The 2021 and 2022 Budget Acts provided a combined total of more than \$2 billion for CDSS to provide funds to counties, tribes, and other eligible entities to establish and expand housing and homelessness assistance programs to serve clients of local social service agencies with housing supports available over multiple years. These investments expanded the CalWORKs Housing Support Program (HSP), Housing and Disability Advocacy Program (HDAP), Home Safe, Project Roomkey, and Bringing Families Home Program (BFH), and created the Community Care Expansion (CCE) program. The 2024 Budget Act reduced HDAP funding by \$50 million General Fund one-time. The 2024 Budget Act also extended the spending period for remaining one-time funds to 2026 for HDAP and Home Safe, and 2027 for Bringing Families Home. The 2024 Budget Act also removed the local match requirement for these programs. While some of these programs will continue past the expansion period with smaller ongoing allocations, the Home Safe and Bringing Families Home programs have no ongoing appropriation and will wind down completely when one-time funding runs out. Home Safe serves individuals involved in Adult Protective Services who are homeless or at risk of homelessness. From program launch in 2018 to June 2024, Home Safe served over 15,000 individuals and 62 percent of clients exited to permanent housing. Bringing Families Home serves families with children in the child welfare system who are experiencing or at risk of homelessness. Bringing Families Home has served over 9,000 clients from program launch in 2016 to June 2024, with 52 percent of families exiting to permanent housing. A program evaluation also found that family reunification increased for families with children in foster care when they received housing through Bringing Families Home. While the one-time funding for these programs is available through 2026 or 2027, CDSS reports that some counties are quickly exhausting one-time funds and are already beginning to ramp down and close their programs. The projected number of participants served in 2024-25 and 2025-26 is declining relative to participation in 2023-24 across all programs.

Taxation and General Government Implementation Snapshot

IMPLEMENTATION UPDATES:

Major Tax-Related Programs

- **California Earned Income Tax Credit (CalEITC).** According to the most recent data from the Franchise Tax Board, as of November 30, 2024, for the 2023 tax year, 3.45 million claims were filed, for a total credit amount of \$1.4 billion (\$984 million in EITC, \$427 million in Young Child Tax Credit, and \$6.1 million in Foster Youth Tax Credit). Data from the 2024 tax year will not be available until mid-late 2025.
- **California Film and Television Tax Credit.** As part of the 2023 Budget Act, the authority for the California Film Commission (CFC) to allocate, and for qualified taxpayers to claim, the California Motion Picture and Television Production Credit was extended for an additional five years, starting in 2025-26 (Film and Television Tax Credit 4.0). The extension maintained the current authorization amount of \$330 million per year, but made the credit refundable. The costs associated with the 4.0 program will be incurred in future years as productions need to be completed before being able to generate and certify credits. Revenue impacts in the low millions are anticipated in 2025-26, increasing to the tens of millions in 2026-27. Over the lifetime of the credit, the revenue impact is projected to be close to \$1.65 billion, spread over 12 years from 2025-26 through 2036-37.
- **Lithium Extraction Excise Tax.** Online registration for lithium excise tax permits opened in 2023. Given that the industry is in an early stage of development in the state, no applications for permits have been received by the California Department of Tax and Fee Administration through 2024 and no lithium was extracted in the 2024 calendar year.
- **Major IT Project - Enterprise Data to Revenue (EDR2).** The Franchise Tax Board (FTB) is currently undertaking a Tax System Modernization IT project to update FTB's systems. The project is currently in Phase 2. The 2024 Budget Act provided \$127 million General Fund to begin fourth-year implementation of the Enterprise Data to Revenue (EDR2) project, which is the second phase of the Tax System Modernization (TSM) plan at the Franchise Tax Board. In addition, the appropriation of \$31.3 million from the 2023 Budget Act was extended through June 30, 2025 to allow for unanticipated vendor work. The EDR2 project continues to be on time and on budget. According to the FTB, the total cost of EDR2 is estimated to be just over \$750 million and will ensure continued collection of over \$4 billion in annual tax revenues. After full implementation, the project is projected to bring in additional new revenues of \$300 million annually.

General Government

- **Middle Mile Broadband Initiative.** The 2024 Budget Act includes \$250 million for the Middle-Mile Broadband Initiative (MMBI). The budget also includes provisional language that the Director of Finance may augment funding for the MMBI by an additional \$250 million if certain reporting requirements are met. Finally, the budget includes trailer bill language to prioritize last-

mile connections to unserved and underserved areas and locations for the construction of the statewide open-access middle-mile broadband network. In prioritizing standalone construction, segments that are necessary for last-mile projects with grant awards from the Broadband Equity, Access, and Deployment Program, the California Advanced Services Fund program, and the Federal Funding Account program should be prioritized.

The tables below outline, as of November 2024, total MMBI expenditures from 2021-22 through 2024-25 and total expected expenditures for the MMBI project. According to these figures provided by CDT in their Middle-Broadband Initiative Report – November 2024, there remains \$1.09 billion State Fiscal Recovery Funds (SFRF) and \$1.23 billion General Fund in unspent funds for the MMBI project. The Legislature may wish to continue oversight of the MMBI project to ensure progress is being made to meet the timeline of completing the MMBI project by 2026.

Table 1: MMBI Expenditures – SFRF and General Fund (Actual and Projected, 2021-22 – 2024-25)

	SFRF	General Fund	Total
RFI ² Partnerships	\$333 million	\$180 million	\$513 million
Caltrans	\$610 million	\$0	\$610 million
CDT (Administration)	\$210 million	\$0	\$210 million
CDT (Materials)	\$120 million	\$30 million	\$150 million
Total Expenditures	\$1.273 billion	\$210 million	1.483 billion

Source: Middle-Mile Broadband Initiative Report – November 2024

Table 2: MMBI Expenditures (Actual and Projected, 7/1/2021 – 12/31/2026)

	SFRF	General Funds	NTIA	Total
RFI ² Partnerships	\$1.329B	\$1.031B	\$0.030B	\$2.389B
Caltrans	\$0.604B	\$0.118B	\$0.042B	\$0.764B
CDT (Administration)	\$0.235B	\$0.068B	\$0	\$0.303B
CDT (Materials)	\$0.195B	\$0.220B	\$0.001B	\$0.416B
Total Expenditures	\$2,363B	\$1,437B	\$0.073B	\$3.873B

Source: Middle-Mile Broadband Initiative Report – November 2024

RFI²: Request for Innovative Ideas

NTIA: National Telecommunications and Information Administration

Economic Development Implementation Snapshot

IMPLEMENTATION UPDATES:

The 2024 Budget Act significantly restructured the organization of several of the state's economic development programs. Of particular note, the Act divided up what had been known as the Governor's Office of Planning and Research (OPR). Details of that restructuring are noted together with the corresponding programs, below. In addition, the reorganization transferred the California Initiative to Advance Precision Medicine from OPR to the Health and Human Services Agency.

Governor's Office of Business and Economic Development (GOBiz)

- **CalCompetes Tax Credits.** The CalCompetes program provides financial incentives for businesses to move to California or to stay, grow, and create jobs here. Under the tax credit program, CalCompetes offers businesses savings off of their future state income tax bills in exchange for agreements to make certain capital investments and hire a certain number of employees in California. CalCompetes Tax Credits are awarded on a competitive basis. Currently, the CalCompetes Tax Credit program receives \$180 million in General Fund from the budget each year through 2027-28. Additionally, if tax credit recipients do not meet promised investment or job creation targets, the corresponding tax credits are recaptured and recycled back into the program, making them available for future award. For fiscal year 2024-25, GOBiz has announced that almost \$650 million in California Competes Tax Credits are available for allocation over three rounds. In November 2024, GoBiz made two CalCompetes Tax Credit awards to two companies totaling \$10.5 million, and recaptured just under \$60 million in previously issued credits. GOBiz indicates it will accept applications for two further rounds: \$215 million in January 2025 and that same amount plus any remaining unallocated amounts from prior rounds in late February and early March.
- **CalCompetes Grants.** In each year since 2021-22, CalCompetes has offered grant awards in addition to the tax credit program described above. Under the grant-based programs, CalCompetes provides up-front funding to businesses in exchange for their promise to make investments and to hire in California. CalCompetes Grants are awarded on a competitive basis. The 2021, 2022, and 2023 Budget Acts each appropriated \$120 million in one-time General Fund to the grant program but in light of the deficit, no such allocation was included in the 2024 Budget Act. Accordingly, GoBiz has not made any CalCompetes Grant awards in 2024.
- **IBank Infrastructure State Revolving Fund (ISRF).** The ISRF provides relatively low-interest loan financing to local governments for public infrastructure projects. ISRF is able to finance these loans by leveraging a pool of capital provided by the state. Because the ISRF had reached or was coming very close to the limit past which it can no longer stretch its original capital, the 2024 Budget Act included \$25 million to recapitalize the fund. ISRF

continues to accept loan applications, most recently approving a \$26 million loan to the City of Santa Cruz for rehabilitation of wastewater facilities in September 2024.

- **California Jobs First.** California Jobs First is an initiative intended to coordinate and streamline the state’s economic and workforce development programs. As part of the organizational restructuring in the 2024 Budget Act, the California Jobs First Unit transferred from the former OPR into GOBiz. The Jobs First Council formed in spring 2024 and issued a first round of catalyst grants to invest in “sector-specific pre-development activities.” There are 13 regional Jobs First Regional Collaboratives; each region received \$14 million.
- **Zero Emissions Vehicle Program (ZEV Team).** GOBiz’s ZEV Team both develops the state’s ZEV marketing strategies and operates as a clearinghouse for ZEV funding, planning, and development initiatives. As part of the organizational restructuring in the 2024 Budget Act, ZEV-related programming at the former OPR transferred to GOBiz.
- **Clean Energy Project Barriers Assessment.** AB 585 (R. Rivas, Ch. 336, Stats. 2023) required GOBiz to prepare an assessment of barriers limiting the deployment of clean energy projects in California by January 1, 2026. The 2024 Budget Act included General Fund allocations of \$2.3 million in 2024-25 and \$252,000 in 2025-26 for the assessment to be carried out. GOBiz indicates that it will be hiring a consultant to commence work on the assessment in early 2025. It is due for completion in January 2026.

Governor’s Office of Service and Community Engagement (GO-SERVE)

The 2024 Budget Act established a new Governor’s Office of Service and Community Engagement (GO-SERVE) and moved California Volunteers, the Office of Community Partnerships and Strategic Engagement, and the Youth Empowerment Commission from what had been OPR into this new entity.

- **Office of Community Partnerships and Strategic Communications (OCPSC).** OCPSC “manages the State’s highest priority community engagement and public awareness efforts.” In particular, OCPSC conducts public messaging campaigns related to COVID-19 vaccination, participation in the Census, the use of Individual Tax-Payer Identification Numbers (ITIN) to access earned-income tax credits, water conservation, and protection against the dangers of extreme heat. OCPSC’s messaging campaigns operate through partnerships with culturally and linguistically competent community-based organizations in order to ensure that the information communicated reaches all Californians effectively. Prior budgets had allocated \$65 million in General Fund to OCPSC annually through 2025-26. To help address the deficit, the 2024 Budget Act recaptured \$5 million from OCPSC’s 2023-24 funding and reduced its 2024-25 and 2025-26 funding by \$50 million each. Accordingly, while OCPSC awarded \$70 million to its “Trusted Community Messenger Network” of over 120 community organizations and made \$1.4 million in Resilience, Capacity Building, and Community Engagement Grants to 15 community foundations in spring 2024, most of them will not receive the second year of their grant awards unless new appropriations to the programs are made.

- **Youth Service Corps.** The Youth Service Corps program provides structured employment and related wraparound services to high-risk youth, through population-based grants to California’s largest cities and competitive grants to other local jurisdictions. The program was established in 2021 as a two-and-a-half year pilot using federal funds. The 2023 Budget Act allocated \$78.1 million in ongoing state General Fund to continue the program indefinitely. Applications and awards for the most recent round of funding went out in spring 2024. The 2024 Budget Act included an additional \$5 million for the program in 2024-25. In addition to the general program, California Volunteers also awarded grants in 2024 for a Tribal Youth Service Corps program and an AB 540 Youth Service Corps Pilot. The program is also currently evaluating applications for grants for a Homeless Pilot Project.
- **Climate Action Corps.** The Climate Action Corps places an annual cohort of “climate action fellows” with tribal communities, nonprofits, public agencies and educational institutions where they conduct urban greening, organic waste and edible food recovery and wildfire resiliency projects in exchange for a stipend and other benefits. The program also operates a shorter, summer fellows program and facilitates climate-related voluntarism more generally. The 2023 Budget Act converted the program from a pilot phase to permanent status and committed to expanding the program from \$4.7 million in General Fund annually through 2025-26 to \$9.3 million from 2026-27 on. The 2024 Budget Act shifted the cost of Climate Corps onto the Greenhouse Gas Reduction Fund (GGRF). The current Climate Action Corps cohort began work in late summer of 2024 and will complete its term in summer 2025.
- **College Corps.** The College Corps program places college students in community-based organizations to perform service related to K-12 education, climate action, and food insecurity. In exchange for completing 450 hours, the students earn \$7,000 in the form of a living allowance and a \$3,000 scholarship. The program was established in 2021 using federal funds. The 2022 Budget Act extended the program into 2024-25 and 2025-26 with a \$73 million annual state General Fund allocation. The 2024 Budget Act included an augmentation of \$5 million for the program in 2024-25. Currently almost 50 California colleges and universities participate in the program. Each campus has its own operating timeline. In spring 2024, California Volunteers solicited bids to continue program evaluation through 2026.
- **Youth Empowerment Commission.** The California Youth Empowerment Commission consists of thirteen voting commissioners between 14 and 25 years of age and meeting specified requirements along with several ex-officio, nonvoting members from various geographic regions of the state. The Commission is advisory in nature, for the main purpose of providing meaningful opportunities for civic engagement to improve the quality of life for California’s disconnected and disadvantaged youth. Pursuant to the 2024 Budget Act restructuring, GO-SERVE now staffs the Commission using an annual budget allocation of \$1.5 million until 2027-28. The inaugural commissioners were sworn in on September 18, 2024, held their first meeting the next day in Oakland, and met again in San Diego on November 22 and 23.

Governor's Office of Land Use and Climate Innovation (GO-LCI)

GO-LCI serves as the state's comprehensive planning agency.

- **Departmental Reorganization.** Prior to the 2024 Budget Act, GO-LCI's activities were encompassed within the broader umbrella of an entity known as the Governor's Office of Planning and Research (OPR). The 2024 Budget Act separated out OPR's core planning functions from its wider-ranging programs and placed these core functions within their own office, now called GO-LCI. To reflect the structural change, GO-LCI now has its own unique logo, branding, and website.
- **Civil Service Transition.** Unlike most other state government departments, the personnel at GO-LCI has long lacked civil servant status. In 2023, as part of its effort to evolve into a more traditional government department structurally, GO-LCI sought and obtained legislative authority to begin a process of transitioning its staff into the civil service ranks. The 2024 Budget Act included funding and hiring authority to address the corresponding increase in administrative workload. GO-LCI reports that it finished this conversion in at the end of September 2024 for all of the intended positions. Eight executive positions at GO-LCI remain in exempt status.
- **Ongoing Funding for Information Technology Unit.** To address GO-LCI's expanded informational technology needs, the 2023 provided \$5.3 million in ongoing General Fund for this purpose and the 2024 Budget Act supplemented this amount with a further \$3.7 million in 2024-25 and 2025-26, respectively. As of mid-December 2024, GO-LCI was recruiting for IT Specialist positions.
- **Racial Equity Commission.** The 2023 Budget Act established the Racial Equity Commission under the auspices of OPR. The 11 member Commission is charged with developing "resources, best practices, and tools for advancing racial equity, based upon publicly available information and data" by carrying out specified tasks, including development of a statewide Racial Equity Framework. The 2024 Budget Act extended the deadline for the Framework to December 1, 2025. The Commission convened for the first time in January 2024 and conducted further meetings and community forums throughout the year.
- **Extreme Heat Action Plan Updates.** SB 306 (Caballero, Ch. 387, Stats. 2023) required OPR and the Natural Resources Agency, on or before July 1, 2026, and every three years thereafter, to update the Extreme Heat Action Plan in consultation with relevant state agencies in order to promote comprehensive, coordinated, and effective state and local government action on extreme heat. The bill further required OPR to post the Extreme Heat Action Plan and subsequent updates on its website and provide copies to the relevant fiscal and policy committees of the Legislature. The 2024 Budget Act included funding and hiring authority for GO-LCI to carry out these activities. GO-LCI reports that the

corresponding recruitment process is underway and it anticipates that new hires will start work in early 2025.

- **California Environmental Quality Act (CEQA) Notices.** GO-LCI plays a key role in the operation of CEQA, which establishes a system for the study, consideration, and mitigation of the impacts associated with development projects proposed in California. Among other duties, GO-LCI serves as a clearinghouse for many of the public notices and reports required for compliance with the California Environmental Quality Act (CEQA). SB 69 (Cortese, Ch. 860, Stats. 2023) required local agencies in charge of CEQA projects to provide public notices about the project to GO-LCI on specified timelines. The 2024 Budget Act included funding and hiring authority to implement the program. GO-LCI reports that the corresponding recruitment process is underway and it anticipates that new hires will start work in early 2025.
- **CEQA Judicial Streamlining.** SB 149 (Caballero), Chapter 60, Statutes of 2023) streamlined the judicial process for CEQA lawsuits challenging development projects meeting specified environmental requirements and contributing critical infrastructure to the state. In addition, SB 149 extended existing CEQA judicial streamlining for certain defined “environmental leadership” projects for an additional ten years. As part of the process, GO-LCI must certify that the proposed projects are eligible for streamlining. The 2024 Budget allocated \$2.3 million in General Fund annually in 2024-25, 2025-26, and 2026-27 to GO-LCI for implementation of SB 149. GO-LCI issues Guidelines for the SB 149 certification process in May 2024. The program is currently receiving and processing applications for CEQA streamlining certification through its website, where pending and recently approved projects can be reviewed.

Housing and Homelessness Implementation Snapshot

IMPLEMENTATION UPDATES:

HOUSING

California Housing Finance Agency (CalHFA)

- **California Dream for All (DFA).** The California Dream for All program is designed to help low- and moderate-income Californians achieve homeownership for the first time, opening up a key path to building intergenerational wealth. The program offers shared-appreciation loans to eligible first-time, first-generation homebuyers so that they can make a 20 percent down payment toward the purchase of their new home. The 2022 and 2023 Budget Acts allocated a combined \$520 million in one-time General Fund for the program. CalHFA administered a first round of \$300 million in DFA loans in spring 2023. Of these reservations, approximately \$35 million “fell out” (meaning that home purchase did not ultimately take place). In spring 2024, CalHFA opened a second round of \$255 million in DFA loans under revised rules narrowing the definition of first generation homebuyer and utilizing a lottery system to select recipients. CalHFA has audited the applications of the selected recipients and issued vouchers which can now be used toward purchasing homes. CalHFA will assess and report on the performance of the program. As further required by the 2024 Budget Act, CalHFA will also study potential avenues for expanding the DFA loan pool going forward.

California Tax Credit Allocation Committee (CTCAC)

- **Low-Income Housing Tax Credit Program (LIHTC).** The state’s LIHTC program provides competitively-based financial support to affordable housing development projects. The California Tax Credit Allocation Committee (CTCAC) administers the State LIHTC program from within the State Treasurer’s Office. The state LIHTC program attracts private investment to low-income housing production by offering tax incentives to investors. This enables developers to secure what is often a critical portion of the funds they need in order to make affordable housing construction financially viable in spite of the low rents that will be charged. By statute, the California budget includes a baseline allocation to support the state LIHTC program each year. (Rev. & Tax Code § 17058). Set initially at \$70 million per year in 2001, the baseline statutory LIHTC allocation grows each year in to reflect inflation. The 2024 allocation was about \$120 million. Each year since 2019, the annual budget act has supplemented the statutory baseline with a further one-time, General Fund augmentation of \$500 million. This was true again in 2024. CTCAC will award these tax credits, in addition federal LIHTC, at regularly scheduled Committee meetings throughout the coming year.

Housing and Community Development Department (HCD)

HCD administers a wide variety of funding programs designed to spur planning, construction, and preservation of affordable housing across the state, both for renters and homeowners. The status of each of HCD’s active, state-funded programs is described below. In addition, HCD’s Housing & Homelessness Accountability Unit took on an expanded role in 2024. The Unit already monitored and enforced compliance with state housing law. Using additional authority set forth in the 2024 Budget Act,

the Unit will also have a role in overseeing the performance of grantees awarded funding under the state’s programs for addressing homelessness (descriptions of these programs and their implementation status can be found below, under Homelessness).

- **Affordable Housing and Sustainable Communities (AHSC).** Funded through the Greenhouse Gas Reduction Fund and administered in collaboration with the Strategic Growth Council at the Governor’s Office of Land-Use and Climate Innovation, AHSC provides competitive grants and loans for projects that “integrate low-carbon transportation and affordable housing, with an emphasis on providing benefits to Disadvantaged and Low-Income Communities.” AHSC has made eight rounds of awards since its inception in 2015. In August 2024, AHSC approved \$790 million in projects, including \$545 million for housing that is expected to support development of 2,483 income-restricted units. HCD anticipates issuing a Notice of Funding Availability (NOFA) for the next round of AHSC awards in January 2025 with applications due in March. \$595 million in ASHC funding is expected to be available.
- **CalHome.** The CalHome program provides grants to local agencies and nonprofits to assist low- and very-low-income first-time homebuyers with housing assistance, counseling and technical assistance. The Budget Acts of 2022 and 2023 appropriated a combined \$300 million in one-time General Fund to CalHome, but an unspent balance of \$153 million was taken back in the 2024 Budget Act to help address the budget deficit. The CalHome program still retains funds from prior bond measures, however. In mid-December 2024, HCD noticed the availability of \$143 million in CalHome grants as part of its Homeownership SuperNOFA as well as \$18 million in Tribal CalHome grants. Applications are due in February and March 2025, respectively.
- **Homekey Plus.** Homekey Plus supports the rapid development of permanent supportive housing for individuals and households who are at risk of, or are now experiencing, homelessness. In November 2024, HCD issued a NOFA for \$2.2 billion in Homekey Plus projects, including \$121 million for Tribal Homekey Plus projects. This funding derives primarily from the Behavioral Health Infrastructure Bond Act passed by California voters in March 2024. That Act included \$6.38 billion for the development of a variety of behavioral health treatment, residential care settings, and supportive housing, with a particular focus on veterans. Additional funding for the recent Homekey Plus NOFA came from the Homeless Housing Assistance and Prevention Program (HHAPP). HCD will receive applications for this round of Homekey Plus funding and make awards on a rolling basis over the course of spring 2025.
- **Infill Infrastructure Grant (IIG) Program.** The IIG Program provides financial assistance for capital improvements that are integral to, or needed for, the development of affordable and mixed income housing in locations that were previously developed or are surrounded by existing development. Examples of eligible uses include utility service improvements, streets, transit facilities, and site preparation, among other things. HCD administers IIG funding in three distinct streams: Qualifying Infill Projects, Catalytic, and Small Jurisdictions. The 2023 Budget Act augmented the IIG program with \$225 million in one-time General Fund, but this amount, as well as an additional \$10 million left over from the 2022 Budget Act, were rescinded in the 2024 Budget Act to help address the budget deficit. Even with these General Fund cuts, HCD indicates that it expects to issue a NOFA for \$25 million in IIG Qualifying Infill Projects funding as part of its Multifamily Housing SuperNOFA in February of 2025 with awards to follow in late spring. Separately, HCD expects to make \$24 million available for Tribal IIG Qualifying Infill Projects

on the same timeline. As of December 2024, there are no further Catalytic or Small Jurisdiction IIG funding rounds scheduled.

- **Joe Serna, Jr., Farmworker Housing (Serna) Grant Program.** The Serna Grant Program supports affordable housing access for low-income agricultural employees and their families through funding for multifamily housing development projects and homeownership assistance programs. HCD administers Serna Grants on separate procedural tracks. Serna homeownership grants are awarded through HCD’s Homeownership SuperNOFA while Serna funding for rental housing runs through the HCD’s Multifamily Housing SuperNOFA. On the homeownership side, HCD made \$34 million in Serna funding available in December 2024, with applications due in February 2025, and awards anticipated in late spring 2025. On the multifamily project side, HCD indicates that it intends to make \$120 million in Serna funding available around February 2025, with awards anticipated in late summer.
- **Local Housing Trust Fund (LHTF).** The LHTF is a competitive grant program providing matching funds to local and regional housing trust funds that are “dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing and emergency shelters.” The program is funded through the Veterans and Affordable Housing Bond Act of 2018. Since 2019, HCD has made around \$55 million available annually for LHTF, of which 15 percent is set aside for new local housing trust funds. To qualify, recipients must match their LHTF award dollar for dollar. HCD made final round of \$53 million in LHTF grants available in July 2024 and anticipates making the corresponding awards early in 2025. As these awards will exhaust the bond funding for LHTF, no further LHTF rounds are scheduled.
- **Manufactured Housing Opportunity and Revitalization (MORE) Program.** The MORE program provides forgivable loans for the acquisition, conversion to resident organization ownership, rehabilitation, reconstruction and replacement of mobilehome parks, as well for the remediation of health and safety items in both parks overall and within individual mobilehomes. In 2024, HCD finished making awards for its most recent round of MORE funding: \$136 million first made available in 2023. As of December 2024, no further rounds of MORE funding are scheduled.
- **Multifamily Housing Program (MHP).** HCD’s flagship affordable housing development subsidy program, MHP provides loans to assist the new construction, rehabilitation, and conversion of affordable rental housing, both permanent and transitional. The 2023 Budget Act included a \$325 million, one-time General Fund allocation to MHP to supplement existing program funding from bonds. To help address the budget deficit, the 2024 Budget Act withdrew \$10 million from that amount, leaving a balance of \$315 million. HCD indicates that it expects to issue a NOFA for \$273 million in MHP funding as part of its Multifamily Housing SuperNOFA in February of 2025 with awards to follow in late spring. Separately, HCD expects to make \$30 million available for Tribal MHP projects on the same timeline.
- **Permanent Local Housing Program (PLHP).** PLHP provides funding to local jurisdictions to support a wide range of affordable housing projects and actions to address homelessness. Revenue for the PLHP comes from a \$75 charge added to the recording of specified real estate transaction documents. Thirty percent of the funding goes in state affordable housing production financing programs. The remaining 70 percent supports the PLHA. Most of the PLHA portion of the fund (93 percent) goes to local jurisdictions based on a population-based formula. HCD

awards the other seven percent of PLHA as competitive grants to non-entitlement jurisdictions. In fall 2024, HCD made \$320 million collected during calendar years 2021, 2022, and 2023 available for formula-based PLHP awards. Many eligible jurisdictions have yet to apply to claim the PHLP money that has been allocated to them, however. These amounts will eventually transfer to the MHP program if not claimed. Formula awards for PHLP money collected in calendar year 2021, for example, will transfer to MHP as of June 30, 2025 if not awarded before then. Jurisdictions have until February 28, 2025, to submit an application and evidence of eligibility. With respect to the PLHP competitive program, HCD anticipates putting out a NOFA for \$12 million around March of 2025. HCD added four staff in 2024 to help administer PLHP.

- **Portfolio Reinvestment Program (PRP).** PRP is intended to help maintain the affordability of housing projects that HCD previously funded by extending and restructuring affordability agreements; extending loan maturity dates; providing new low-interest long-term loans for rehabilitation; and providing forgivable loans to capitalize short-term operating subsidies. Using combined 2022 and 2023 Budget Act allocations of \$150 million, HCD began accepting applications for a second round of PRP grants totaling \$112 million in spring 2024. HCD is making these awards on a rolling basis until the end of 2024 or whenever funds are exhausted, whichever is sooner. No further rounds of PRP are currently scheduled or funded.
- **Prohousing Incentive Program (PIP).** Local jurisdictions that take specified steps to facilitate housing development within their boundaries can earn official designation as pro-housing jurisdictions. PIP provides funding as an additional reward to jurisdictions that achieve pro-housing status. Funding for PIP comes from the Building Homes and Jobs Trust Fund which derives from a \$75 additional charge for the recording of specified real estate transaction documents. HCD noticed and issued \$9 million in Round Two PIP awards in the first half of 2024. It noticed the availability of approximately \$8 million in Round 3 PIP funding in summer 2024, with applications due at the end of 2024, and awards to go out in late spring 2025.
- **Regional Early Action Planning Program of 2021 (REAP 2.0).** Distributed through regional government entities, REAP 2.0 funds planning and implementation projects such as the installation of communal infrastructure and the construction of residential complexes. It is intended to facilitate the creation of infill housing, reduce vehicle miles traveled, and affirmatively further fair housing consistent with regional and local plans. To help address the budget deficit, the 2024 Budget Act reduced the overall funding for REAP 2.0 by \$40 million to \$600 million. The 2024 Budget Act also extended the REAP 2.0 expenditure deadline from June 30, 2024, to June 30, 2026. During the grant period, recipients must provide annual reports to HCD in April.
- **Transitional Age Youth Programs (TAY).** The TAY programs at HCD include three funding streams: the Housing Navigation and Maintenance Program (HNMP), the Transitional Housing Program (THP), and the Transitional Housing Plus Housing Supplement Program (THP-SUP). Together, these programs provide counties with formula-based funding to help young adults aged 18 to 24 years find and maintain housing, with priority given to those currently or formerly in the foster care or probation systems. The ongoing annual budget allocations for each program are \$33.3 million for THP, \$13.7 million for HNMP, and \$9 million for THP-SUP. HCD last awarded TAY funds in February 2024. HCD has posted award acceptance materials for the next round of TAY funding and indicates that it will make those awards in March 2025.

- **Veterans Housing and Homelessness Prevention Program (VHHP).** VHHP offers long-term loans for the acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families. Historically, VHHP was funded through bonds, but both the 2022 and 2023 Budget Acts included General Fund augmentations of \$50 million for VHHP. To help address the budget deficit, however, the 2024 Budget Act pulled back the \$50 million 2023-24 allocation as well as an additional \$26.3 million left unspent from the 2022 funds. With no additional VHHP funds currently available, HCD does not anticipate issuing a NOFA for the program in 2025.

HOMELESSNESS

Housing and Community Development Department (HCD)

HCD operates three major grant programs intended to address homelessness across California: Encampment Resolution Funding (ERF); Family Homelessness Challenge (FHC) Grants; and the Homeless Housing and Prevention Program (HHAP). Administration of all three programs shifted from the California Inter-Agency Council on Homelessness to HCD on July 1, 2024.

- **Encampment Resolution Funding Program (ERF).** ERF is a competitive grant program providing awards to local jurisdictions and continuums of care for the purpose of carrying out “person-centered local proposals that resolve the experience of unsheltered homelessness for people residing in encampments.” Any size local jurisdiction may apply for ERF funding. ERF grants target specific encampments, rather than unsheltered homelessness generally. ERF-funded activities are supposed to “address the safety and wellness of people within encampments, resolve critical encampment concerns, and transition individuals into interim shelter with clear pathways to permanent housing or directly into permanent housing, using data-informed, non-punitive, low-barrier, person-centered, Housing First, and coordinated approaches.”

The following table shows recent General Fund appropriations to ERF:

Budget Year	Amount
2021	\$50 million
2022	\$300 million
2023	\$400 million
2024	\$150 million

These ERF funds have been awarded through a series of rounds, as shown below. Beginning with the second round, each round has begun with a “lookback” set of awards to applicants who did not receive funding in the prior round.

ERF Round	Amount Awarded	Number of Awards	Disbursal to Deadline for Expenditure Window
1	\$48 million	19	Spring 2022 - June 30, 2024
2L	\$48 million	8	Spring 2023 - June 30, 2025
2	\$237 million	30	Winter 2022/Spring 2023 - June 30, 2026
3L	\$81 million	12	Fall 2023 - June 30, 2026
3, Window 1	\$192 million	20	Spring/Summer 2024 – June 30, 2027
3, Window 2	\$131 million*	20	Fall 2024 – June 30, 2028

*Includes some funding from the anticipated Round 4L.

HCD noticed its most recent round of ERF awards in October 2024. At that time, HCD reported that “ERF has invested \$736,789,510.95 in 109 projects or encampments across 21 counties, 41 cities, and 5 Continuum of Care to help 20,888 people transition out of homelessness.”

Those October 2024 awards exhausted all ERF appropriations up and through the 2023 Budget Act. It also used just under \$25 million of the \$150 million appropriated to ERF in the 2024 Budget Act, leaving a balance of approximately \$125 million in the program.

The 2024 Budget Act also enhanced the data reporting requirements associated with ERF grants. ERF recipients must now provide outcome data through the Homeless Data Integration System (HDIS) and submit annual reports to HCD by April 1 of each year, including detailed information about their use of ERF funds. HCD’s ERF website has been updated to reflect these expanded reporting requirements.¹

- **Family Homelessness Challenge (FHC) Grants.** FHC provides competitive grants and technical assistance to local jurisdictions and continuums of care to “promote rapid innovation, accelerate nascent programs, and expand promising practices to create scalable solutions that can be shared across the state to address and ultimately end family homelessness.”

The 2021 Budget Act included \$40 million for FHC grants. HCD awarded the grants in two rounds. The first round of \$17 million went out to ten recipients in late 2023. Only those same ten recipients were eligible for second round grants, provided that they remained in compliance with FHC requirements and have demonstrated progress toward their self-identified prioritized objectives, and have demonstrated innovative practices. On July 1, 2024, HCD awarded a total of \$15 million in second round FHC grants to eight recipients.² Combined, the recipients anticipate serving 4,539 households and providing housing for 2,747 of them. Recipients must provide program data elements through the Homeless Data Integration System and report their client service data and the housing status of persons served to HCD on a quarterly basis.³

¹ <https://www.hcd.ca.gov/grants-and-funding/programs-active/encampment-resolution-funding-program>

² The City of San Diego and the City of Fontana did not receive second round FHC grants.

³ FHC Round 2 Standard Agreement Boilerplate at p. 12. <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/calich/2024-fhc-2-exhibits-a-e.pdf>

- Homeless Housing, Assistance and Prevention Program (HHAP).** HHAP is a formula-based grant program providing grants to counties, large cities, and continuums of care. Recent rounds of HHAP have also included awards for tribal entities. Six rounds of HHAP have been authorized to date. Though application, reporting, and eligible use requirements have evolved over the six rounds, overall HHAP can be described as offering relatively flexible funding for local initiatives to prevent and address homelessness.

Budget Year	HHAP Round	Amount	Initial Disbursal to Final Expenditure Window
2019	1	\$650 million	Spring 2020 – June 30, 2025
2020	2	\$300 million	Fall 2021 – June 30, 2026
2021	3	\$1 billion	Winter/Spring 2022 – June 30, 2026
2022	4	\$1 billion	Winter/Spring 2023 – June 30, 2027
2023	5	\$1 billion	Summer/Fall 2024 – June 30, 2028
2024	6	\$1 billion	Spring/Summer 2025 – June 30, 2029

As the table indicates, awards for the first four rounds of HHAP have already been disbursed. Of the \$2.4 billion awarded to HHAP recipients in those four rounds, those recipients had spent \$1.6 billion and obligated another \$600 million as of late fall 2024. The top four categories of spending were Operating Subsidies; Permanent Housing and Innovative Solutions; New Navigation Centers and Emergency Shelters; and Interim Sheltering. Homelessness Data Integration System reports indicate that for the period from January 2023 through March 2024, HHAP-funded projects had served 202,639 people, including just under 40,000 people moving into permanent supportive housing.

For Round 5 of HHAP, applicants had to submit a regionally coordinated plan as part of their application. These plans were due to HCD in late March 2024. HCD approved a first batch of Round 5 applications in summer 2024; others remain pending as of late 2024. By statute, HCD must make applications available for the initial allocation of HHAP Round 6 by the end of January 2025.

During 2024, HCD also expanded HHAP expenditure and performance transparency through the creation and posting of program dashboards on its website. Utilizing the HHAP Fiscal Dashboard,⁴ visitors to the site can review data showing how HHAP recipients are using HHAP funds and what resources remain available for encumbrance and expenditure. Separately, using the HHAP-HDIS Persons Served Outcomes Dashboard,⁵ visitors can examine data from 2023 on showing how many people the HHAP program is serving, what services they received, and what outcomes resulted.

⁴ <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/hhap-data-dashboard-and-downloads>

⁵

<https://public.tableau.com/app/profile/california.business.consumer.services.and.housing.agency/viz/HHAPReport/Overview>

Corrections Implementation Snapshot

IMPLEMENTATION UPDATES:

California Department of Corrections and Rehabilitation (CDCR)

- **San Quentin Rehabilitation Center.** The 2023 Budget Act included \$360.6 million one-time Public Buildings Construction Fund and \$20 million one-time General Fund to build a new center focused on rehabilitation, education, and workforce development and make various other facility improvements at San Quentin Rehabilitative Center (formerly San Quentin State Prison). This was reduced to \$239 million and \$12 million respectively in the 2024 Budget Act as the project scope developed.

In September 2023, CDCR contracted with McCarthy Construction for the educational and vocational center project. Demolition of the existing building is complete. Construction has commenced and is expected to be completed in January 2026. The Advisory Council released a report with recommendations in January 2024¹.

In addition, plans have been made to expend the \$12 million and the project scope was approved in July 2024 by the State Public Works Board. The scope of the project includes demolition of the existing upper yard and disconnecting existing utilities and will include design and construction of outdoor recreational spaces. Demolition began in October 2024, and the next phase will include the design and construction of the outdoor recreational spaces. As of November 2024, \$1.7 million has been encumbered/expended, but CDCR anticipates using the entire \$12 million on this project.

Finally, the condemned units at San Quentin no longer hold that population. They have been converted to Level II Non-Designated Programming Facility housing as of August 2024. All affected individuals have been transferred.

- **Facility Deactivations.** CDCR has completed the four planned prison closures, with the latest being the closure of Chuckawalla Valley State Prison in November 2024. In addition, the 2024 budget included a reduction of \$81.9 million General Fund reflecting the deactivation of housing units at 11 prisons, totaling approximately 4,700 beds. The units were closed effective July 2024.
- **Release Clothing and Transportation.** The 2024 Budget Act included \$1.8 million General Fund in 2024-25 for CDCR to provide transportation and clothing to individuals being released from state prison. The change was implemented on October 1, 2024. The regulations update is in process.
- **Staff Misconduct Process.** The 2022 Budget Act included \$34.4 million General Fund in 2022-23 increasing to \$34.8 million in 2025-26 and ongoing for the implementation of a new system to handle allegations of staff misconduct in prisons. Existing resources for handling allegations of staff misconduct were also directed towards this system. The 2023 Budget Act included an additional \$9.6 million General Fund and 16 positions in 2023-24, \$9.3 million and 16 positions

¹ https://www.cdcr.ca.gov/wp-content/uploads/2023/06/FINAL-San-Quentin-Report_1.3.24.pdf

in 2024-25, and \$2.9 million General Fund and 16 positions in 2025-26 and ongoing, and the 2024 Budget Act included an additional 33 positions and \$7.5 million General Fund in 2024-25, growing to 63 positions and \$14.4 million in 2025-26 and ongoing, to support CDCR’s staff misconduct investigation processes.

Through this process, 168,234 grievance claims were screened in 2022, rising to 207,347 claims in 2023, and a projected 245,540 claims in 2024 (based on data collected through October and extrapolated to the end of the year). Of these, 20,279 in 2022, 24,326 in 2023, and 25,341 projected in 2024 contained potential staff misconduct allegations and were routed to either the Office of Internal Affairs for an investigation or to the institutions for local inquiries. Of those in 2024, it’s estimated that 1,696 will be sustained.

CDCR noted that they are continuing to refine this process, including providing trainings on interviewing and conflicts of interest, among other areas. In addition, CDCR recently submitted revised regulations to the Office of Administrative Law, which will go into effect on January 1, 2025².

- **California Advancing and Innovating Medi-Cal (CalAIM).** CDCR is in the process of becoming a fully billable Medi-Cal entity to implement pre-release coverage and services available under the CalAIM Justice-Involved Initiative (JI). CDCR submitted a readiness assessment to the Department of Health Care Services in September 2024. If approved, CDCR plans three implementation phases: Pharmacy/Identification/Eligibility in February 2025, Care Management Billing in April 2025, and Clinical Services Billing in July 2025. CDCR and California Correctional Health Care Services were approved for federal implementation funding. As of November 12, 2024, they had expended \$2.5 million, and there was \$15.6 million remaining, which is projected to be spent into fiscal year 2025-26.
- **Integrated Substance Use Disorder Treatment Program (ISUDTP).** As of December 13, 2024, 25,592 individuals had substance use disorder treatment provided through the ISUDTP at CDCR, including 18,717 individuals receiving medication assisted treatment (MAT) and 10,727 receiving cognitive behavior interventions (some individuals receive both). Statewide, upon release, 96 percent of MAT patients are provided Naloxone, 94 percent are provided MAT medications, and 89 percent have an established post-release community healthcare provider appointment.

Unfortunately, the rate of overdose hospitalizations per 1,000 people per year, which was under 10 for most of 2020, 2021, and 2022, has steadily increased throughout 2023 and 2024 to 21 in October 2024³. This has been driven by large swings at individual institutions (e.g.: California Connection Institution from a low of 1.35 in October 2021 to 39 in October 2024; Richard J. Donovan Correction Facility from a low of 14 in 2021 to a peak of 142 in July 2023, now back to 30.6 in October 2024; among others).

- **Health Care Facility Improvement Project (HCFIP).** There are six prisons (Pleasant Valley State Prison, Valley State Prison, Substance Abuse Treatment Facility, Corcoran State Prison, California Men’s Colony, and the Central California Women’s Facility) with HCFIP projects in construction. These projects are estimated to be completed in 2025.

² <https://www.cdcr.ca.gov/regulations/wp-content/uploads/sites/171/2024/12/MST-Staff-Misconduct-Emergency.pdf>

³ <https://cchcs.ca.gov/isudt/dashboard/>

Public Safety Implementation Snapshot

IMPLEMENTATION UPDATES:

Board of State and Community Corrections (BSCC)

- **Retail Theft Grants.** The 2022 Budget Act included \$255 million General Fund across three years to local law enforcement and \$30 million across three years to district attorneys through grants administered by BSCC to combat organized retail theft (ORT). On September 14, 2023, BSCC awarded a total of \$242 million to thirty-one city police departments and seven sheriff offices, and \$24.9 million to thirteen district attorney offices. The grant periods run from October 1, 2023, to June 1, 2027.¹

During the first nine months of the grant period, a total of 10,138 arrests occurred related to ORT, motor vehicle and motor vehicle accessory theft (MVT), and cargo theft, with 8,736 referrals to district attorney offices for prosecution². Most grantees (76 percent) reported hiring or planning to hire additional staff. Grantees also reported spending funding on training, data collection, and reviewing and/or revising policies on racial bias and surveillance.

- **In-Custody Death Review.** The 2024 Budget Act included \$3.3 million one-time General Fund and 15 positions in 2024-25, and \$7.7 million General Fund and 35 positions ongoing beginning in 2025-26, to establish the In-Custody Death Review Division (ICDR) at BSCC, pursuant to SB 519 (Atkins), Chapter 306, Statutes of 2023. The ICDR Division launched in July 2024 and began collecting data on in-custody deaths. A director was appointed in October 2024, and hiring and recruitment is in progress for other funded positions. The ICDR Division has met with family members of those who have died in custody, advocates, attorneys, and other interested community members as well as local law enforcement leaders. Policy development on the review of investigations is in early stages; the ICDR is utilizing information gathered from meetings, site visits, and listening sessions to inform processes for additional data collection and transparency, for the purpose of making recommendations to local jurisdictions for preventable deaths. BSCC anticipates the launch of a public reporting interface in early 2025.
- **Missing and Murdered Indigenous People Grant.** The 2022 Budget Act included \$4 million General Fund per year for three years for grants to help California tribes locate and identify missing Indigenous persons. The 2023 Budget Act included an additional \$12 million one-time and the 2024 budget included an additional \$13.25 million one-time for the program.

BSCC awarded the first cohort of grants in fall 2023, with a total of \$2.88 million going to four proposals. In July 2024, BSCC awarded an additional \$19.9 million in Cohort 2 grants to 18 federally recognized Indian Tribes in California. BSCC is accepting applications for the third cohort until April 18, 2025.³

¹ <https://www.bscc.ca.gov/organized-retail-theft-vertical-prosecution-grant-program/>

² <https://www.bscc.ca.gov/wp-content/uploads/2024/10/ORT-Prevent-Q3-Summary-09.06.24.pdf>

³ <https://www.bscc.ca.gov/missing-and-murdered-indigenous-people-grant-program/>

- **Peace Officer Wellness.** The 2022 Budget Act included \$50 million General Fund for city and county law enforcement agencies for the purpose of improving officer wellness and expanding mental health sources⁴. The funding was allocated based on a formula and distributed to 394 agencies in early 2023. Grantees have utilized the funds on a variety of resources including wellness applications, gym equipment, peer support training, resiliency/wellness training, medical screenings, therapy/counseling services, and wellness-designed spaces. A final report is due and will be released December 2025.

California Governor’s Office of Emergency Services (Cal OES)

- **Nonprofit Security Grant.** \$76 million is available for the Nonprofit Security Grant Program in the 2024-25 fiscal year. Cal OES collected proposals through September 23, 2024, and is currently reviewing the applications.
- **Flexible Assistance for Survivors Pilot Grant Program.** The 2022 Budget Act included \$50 million one-time General Fund to establish a grant program for community-based organizations to provide flexible assistance to survivors of crime. A request for proposals is open, and proposals are due January 24, 2025. Cal OES has had multiple webinars to advertise the opportunity. Cal OES anticipates that the grant performance period will begin May 1, 2025.
- **Federal Victims of Crime Act (VOCA) Augmentation.** The 2024 Budget Act included \$103 million one-time General Fund to augment federal funding for victim services provided through VOCA. Cal OES has allocated funds to all subrecipients with grants that begin on or before January 1, 2025. To date, a total of \$220.7 million (\$120.9 million federal VOCA Formula Grant Program funds and \$99.9 million General Fund) has been allocated. Programs starting after Jan 1, 2025, will utilize the remaining federal and state funding.

Department of Justice (DOJ)

- **Tenant Protection Enforcement.** The 2023 Budget Act included \$3 million Unfair Competition Law Fund and eight positions ongoing to expand the work of the Civil Law section related to the enforcement of tenant protections. Staff dedicated to tenant protection matters worked hours equivalent to seven full-time employees in fiscal year 2023-24 and the equivalent of 9.8 full-time employees in fiscal year 2024-25 so far. Additional costs associated with tenant protection work, including expert witness, litigation support, and related costs, are also anticipated. The department’s work focused on unlawful rent increases and evictions⁵.
- **Technical Assistance to Tribal Police.** The 2024 Budget Act included \$5 million General Fund for the DOJ to provide technical assistance to local and tribal law enforcement agencies in their efforts to identify and investigate missing and murdered indigenous individuals. The Division of Law Enforcement, Office of Native American Affairs, and Research Services are in the process of filling additional staff positions to implement this funding.

⁴ <https://www.bscc.ca.gov/officer-wellness-and-mental-health-grant-program/>

⁵ <https://oag.ca.gov/news/press-releases/attorney-general-bonta-announces-settlement-invitation-homes-over-unlawful-rent>; <https://oag.ca.gov/news/press-releases/attorney-general-bonta-secures-settlement-yuba-county-landlords-and-property>; <https://oag.ca.gov/news/press-releases/attorney-general-bonta-announces-settlement-green-valley-corporation-over>; <https://oag.ca.gov/news/press-releases/attorney-general-bonta-holds-bakersfield-landlords-and-property-manager>

California Victim Compensation Board (Cal VCB)

- **Forced or Involuntary Sterilization Compensation Program.** The 2021 Budget Act included \$4.5 million General Fund for reparations for individuals who survived forced or involuntary sterilizations while under the state’s custody. Statutory changes included in the 2023 and 2024 Budget Act packages set the final payment at \$20,000, allowed additional review of a previously denied application or appeal with a showing of good cause, and extended the program to process appeals and reviews. 121 applicants were approved and have received their final payments. There are no appeals pending. Applicants must request additional reviews by January 1, 2025, and as of December 5, 2024, 36 applicants had done so.

Judiciary Implementation Snapshot

IMPLEMENTATION UPDATES:

Judiciary:

- **Community Assistance, Recovery, and Empowerment (CARE) Act Implementation.** The 2023 Budget Act included \$55.5 million General Fund in 2023-24, \$106.9 million General Fund in 2024-25, and \$133.0 million General Fund in 2025-26 and ongoing for the Judicial Branch to implement the CARE Act pursuant to SB 1338 (Umberg), Chapter 319, Statutes of 2022. The 2024 Budget Act reverted \$17.6 million in savings in 2023-24 and adjusted ongoing funding, resulting in savings of \$59.1 million in 2024-25 and \$78.2 million in 2025-26 and ongoing.

The CARE Act was implemented in phases. The seven counties in Cohort 1 (Glenn, Orange, Riverside, San Diego, San Francisco, Stanislaus, and Tuolumne) began implementation on October 1, 2023. Los Angeles County began implementation on December 1, 2023. Three other counties implemented before Cohort 2: San Mateo on July 1, 2024, Kern on October 1, 2024, and Mariposa on November 1, 2024. The remaining counties in Cohort 2 began implementing the CARE Act on December 1, 2024.

As of October 31, 2024, preliminary reports indicate that 869 petitions have been filed statewide¹. The Department of Health Care Services (DHCS), in consultation with the Judicial Council of California, recently published an early implementation report covering October 2023 through June 2024², and a more complete Annual CARE Act Report is expected by July 2025. The preliminary report indicated that families are the leading source of petitioners, and that the CARE Act may also be used to provide structure and accountability to help individuals transition out of involuntary treatment or institutional settings into the community.

- **Court-Based Firearm Relinquishment.** The 2022 Budget Act included \$40 million for court-based firearm relinquishment programs. \$9.2 million was reverted in the 2024 budget, and the remaining \$31.8 million was used to fund three rounds of grant cycles, including projects at 14 courts, as well as administrative and evaluation costs. Awards for the most recent round were approved by Judicial Council on November 15, 2024, and cover fiscal years 2024-25 and 2025-26. Judicial Council is also in the process of contracting with a program evaluator.
- **Remote Hearings for Civil and Criminal Proceedings.** Recent budgets have included statutory changes and resources to implement specified remote proceedings for civil, juvenile, and criminal matters in response to the COVID-19 pandemic. The 2024 Budget Act package included statutory changes to extend these until January 1, 2027. The Judicial Council adopted minimum technology standards effective April 1, 2024, which apply to both civil and criminal proceedings. The Judicial Council is also required to report certain data about remote court experiences in civil proceedings and is in the process of extending that reporting to criminal proceedings. For the period of September 1, 2023, through August 31, 2024, a survey of court users found that 1.7

¹ This data is subject to final validation and change by DHCS prior to the Annual Report; note that most counties had not begun implementation as of this date.

² <https://www.dhcs.ca.gov/Documents/CARE-Early-Implementation-Report-10-31.pdf>

percent statewide experienced audio technical issues, and 0.8 percent statewide experienced visual technical issues during remote proceedings. External court users (i.e. not court workers) reported having a negative experience with remote proceedings 10 percent of the time, compared to two percent for court workers.

- Courthouse Lactation Rooms.** The 2022 Budget Act included \$15 million General Fund for facility modifications to courthouses to expand access to lactation rooms to members of the public (e.g. attorneys and their clients) in addition to courthouse employees. The table below provides a status update.

Phase	Number of Projects	Cost
Completed	30	\$9.88M
In Construction	17	
In Design	10	
Approval to proceed to Construction	18	
Deferred for further evaluation**	6	
Additional Projects in Design	13	\$1.22M
Bidding	16	\$1.81M*
Contingency		\$2.09M
Total	110	\$15.0M

* Anticipated cost to be verified based on bids

** More information is needed to determine if projects are needed

- Court Interpreter Funding.** The 2023 Budget Act included \$6.8 million General Fund for the California Court Interpreter Workforce Pilot Program, which began on July 1, 2024, and will run for five years. There will be a total of four cohorts during the pilot program. Twenty courts and 164 participants are participating in the first cohort, which will begin on January 1, 2025. The allocation for each cohort was approved by the Judicial Council in May 2024³. \$5.9 million will be dedicated to the four cohorts for reimbursement of training and examination costs and \$150,000 per year will be used for Judicial Council administrative costs.
- Court Reporter Funding.** The 2021 Budget Act included \$30 million General Fund ongoing to increase the number of court reporters in family law and civil law cases. In 2023-24, the courts spent \$25.2 million of this allocation.
- Federal Byrne State Crisis Intervention Program Funding.** The 2023 Budget Act included \$17.3 million in federal funding over three years (\$5.9 million in 2023-24 and \$5.7 million in 2024-25 and 2025-26) for the Judicial Council to improve the execution of firearm relinquishment orders and expand collaborative courts. The funding is passed through the Board of State and Community Corrections from the U.S. Department of Justice to the Judicial Council and will be paid to the courts on a reimbursement basis. An initial six grantee courts were selected for projects totaling \$11.1 million and operating from September 2024 through September 2026. These courts include Sacramento, San Joaquin, San Francisco, Santa Clara, Solano, and Sonoma. The Judicial Council anticipates receiving additional funding for this program in the current and future fiscal years, which will enable an additional funding round in spring 2025.

³ <https://jcc.legistar.com/View.ashx?M=F&ID=12906869&GUID=8D5690BE-950C-4F41-94DE-0315D62FC548>

Labor Implementation Snapshot

IMPLEMENTATION UPDATES:

Labor

- **Ongoing Reductions to State Operations.** The 2024-25 Budget Act includes an across-the-board reduction to state operations by approximately 7.95 percent beginning in 2024-25 to nearly all department budgets. This reduction includes personnel, operating costs, and contracting. The Department of Finance required state agencies and departments to provide information in September of 2024 on the allocation of the ongoing reduction across their General Fund budgets. Requests for exclusions were allowed for narrow purposes such as providing mission-critical public benefits, public safety, or 24-hour care to be reviewed and approved by the Department of Finance. The statewide reduction is intended to achieve General Fund savings of \$2.1 billion, with estimated actuals expected as part of the Governor's Budget for 2025-26. The University of California, California State University, and UC College of the Law, San Francisco are not subject to these same reductions in 2024-25 but are expected to assume 7.95 percent reductions in 2025-26.
- **Vacant Position Savings.** The 2024-25 Budget Act included a reduction of departmental budgets by \$1.5 billion (\$762.5 million General Fund) for savings associated with vacant positions. The final budget agreement makes the one-time reduction permanent and the Department of Finance provided direction into Departments in August of 2024 for achieving and reporting the reduction. The Department of Finance is required to report the total savings and details on the eliminated positions to the Legislature on January 10th, 2025.
- **Rural Strategic Engagement Program.** The budget for 2024-25 included \$4.4 million Labor and Workforce Development Fund (LWDF) in 2024-25, 2025-26 and 2026-27 for the Agricultural Labor Relations Board and \$3.4 million LWDF in 2024-25, \$4 million in 2025-26, and \$4.3 million in 2026-27 for DIR to educate workers in rural and semi-rural areas on workplace rights, increase access to state services for workers in those areas, and improve state labor enforcement programs. Grant timelines for this program are as follows:
 - Final Grant Solicitation Available for Submission – Nov. 21, 2024 – Jan. 10, 2025
 - Screening – Jan. 13, 2025 – Jan. 24, 2025
 - Estimated Announcement of Grant Awards – Jan 31, 2025
 - California Workplace Outreach Program (CWOP) Orientation – Feb. 3 2025 – Feb. 6, 2025
 - CWOP Programming Begins – Feb. 3, 2025
 - CWOP Programming Ends – Feb. 27, 2027

Transportation Implementation Snapshot

IMPLEMENTATION UPDATES:

Transit

- **Transit Funding.** The 2023 Budget Act provided transit agencies \$5.1 billion through the Zero-Emission Transit Capital Program and the Transit and Intercity Rail Capital Program (TIRCP). However, SB 125 (Skinner), Chapter 54, Statutes of 2023, required regional transportation planning agencies to fulfill specific requirements, such as submit a regional short-term financial plan to the California State Transportation Agency (CalSTA), prior to receiving the funds. As of November 2024, 40 agencies have submitted a regional short-term financial plan and CalSTA has approved roughly \$2.2 billion. Of that amount, more than \$600 million was requested specifically to support transit operations.
- **Task Force.** Pursuant to SB 125 (Skinner, 2023), in December 2023, CalSTA established the Transit Transformation Task Force to develop policy recommendations regarding transit ridership and experience. This 25-member task force includes representatives from the department, various local agencies, academic institutions, nongovernmental organizations, and other stakeholders. Currently, the task force meets every two months to discuss various relevant topics, such as Transportation Development Act reform, workforce development, and land use policies, in various locations across the state. CalSTA will develop and submit a report of policy recommendations based on the task force’s findings to the Legislature by October 31, 2025.
- **California Integrated Mobility Program (Cal-ITP).** The 2024 Budget Act included \$6.9 million from the Public Transportation Account and 37 positions for the Cal-ITP. As of November 2024, the California Department of Transportation (Caltrans) has hired 32 of 37 positions. Caltrans is actively engaging with transit agencies to implement planning and scheduling software, open payments, and discount fare systems—specifically, Sacramento Regional Transit is working with Cal-ITP to implement a more seamless discount fare system for veterans. The Capitol Corridor is also working with Cal-ITP to implement open payments on its fleet.

Transportation Package

- **Active Transportation Program (ATP).** The 2024 Budget Act included a \$400 million reduction to the \$1 billion one-time funding for the ATP included in prior budgets. As a result, the 2025 ATP is funded at \$168.7 million—50 percent of which is intended for the Statewide component, 40 percent for the large Metropolitan Planning Organization component, and 10 percent for the Small Urban & Rural Component. As of December 2024, the Commission has awarded \$84.4 million to nine projects for the Statewide component and \$59.6 million to four projects for the Small Urban and Rural component. The Commission will consider funding for the MPO component in June 2025.

- **Grade Separations.** AB 173 (Committee on Budget and Fiscal Review), Chapter 53, Statutes of 2024, requires the Secretary of Transportation to prioritize funding for grade separation projects that are at risk of losing or failing to secure federal and local funding commitments, or that are at risk of approved project schedule delays, or both. As such, CalSTA has continued to work with affected transit agencies to secure timely state funding from various sources, such as the Transit and Intercity Rail Capital Program, Trade Corridor Enhancement Program, as well as the General Fund and State Highway Account appropriations included in the 2024 Budget Act.

APPENDIX

Timeline for the 2025-26 Senate Budget Bill i
Assignments of the Senate Budget Committee Staff ii
California State Budget Historyiii

TIMELINE FOR THE 2025-26 BUDGET BILL

Friday	January 10	Governor submits State Budget to the Legislature.
Friday	January 10	Committee releases <i>Summary of Governor's Proposed 2025-26 Budget</i> .
Wednesday	January 15 (est.)	Legislative Analyst submits <i>The 2025-26 Budget: Overview of the Governor's Budget</i> .
Thursday	January 23	Committee conducts overview hearing of the Governor's Proposed 2025-26 Budget.
Thursday	February/March	Subcommittee budget hearings begin.
Tuesday	April 1	Department of Finance submits Finance Letters.
Wednesday	May 14 (est.)	Governor delivers May Revision to the Legislature.
Sunday	June 15	Legislature must pass budget to meet constitutional deadline for passage of the budget.
Sunday	June 29	Governor signs 2025-26 Budget.

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

STAFF ASSIGNMENTS

OVERALL BUDGET	ELISA WYNNE SCOTT OGUS
CORRECTIONS AND PUBLIC SAFETY	NORA BRACKBILL
EDUCATION	
K-12 EDUCATION	YONG SALAS
HIGHER EDUCATION	DIEGO EMILIO J. LOPEZ
EARLY CHILDHOOD EDUCATION	ELIZABETH SCHMITT
ENERGY	EUNICE ROH
ENVIRONMENTAL PROTECTION	JOANNE ROY
HOUSING AND COMMUNITY DEVELOPMENT	TIMOTHY GRIFFITHS
JUDICIARY	NORA BRACKBILL
LABOR AND EMPLOYEE COMPENSATION	DIEGO EMILIO J. LOPEZ
HEALTH	SCOTT OGUS
HUMAN SERVICES	ELIZABETH SCHMITT
RESOURCES	JOANNE ROY
TAXES AND REVENUES	ELISA WYNNE
STATE ADMINISTRATION	JESSICA UZARSKI
TRANSPORTATION	EUNICE ROH
COMMITTEE SECRETARY	SANDY PEREZ
COMMITTEE ASSISTANT	SAMUEL LANCHESTER

CALIFORNIA STATE BUDGET HISTORY

Fiscal Year	Bill and Chapter No.	Date Passed and Chaptered		Total Budget (\$ Billions)
1965-66	AB 500/757	6-18	6-30	4.0
1966-67 ^a	SB 1XX/2	6-30	6-30	4.7
1967-68	AB 303/500	6-29	6-30	5.0
1968-69	SB 240/430	6-28	6-29	5.7
1969-70	SB 255/355	7-3	7-3	6.3
1970-71	AB 525/303	7-4	7-4	6.6
1971-72 ^b	SB 207/266	7-2	7-3	6.7
1972-73 ^c	SB 50/156	6-15	6-22	7.4
1973-74	AB 110/129	6-28	6-30	9.3
1974-75	SB 1525/375	6-28	6-30	10.3
1975-76	SB 199/176	6-26	7-1	11.5
1976-77	SB 1410/320	7-1	7-2	12.6
1977-78	AB 184/219	6-24	6-30	14.0
1978-79	AB 2190/359	7-5	7-6	18.8
1979-80	SB 190/259	7-12	7-13	21.5
1980-81	AB 2020/510	7-16	7-16	24.5
1981-82c	SB 110/99	6-15	6-28	25.0
1982-83	AB 21/326	6-30	6-30	25.3
1983-84	SB 123/324	7-19	7-21	26.8
1984-85c	AB 2313/258	6-15	6-27	31.0
1985-86c	SB 150/111	6-13	6-28	35.0
1986-87c	AB 3217/186	6-12	6-25	38.1
1987-88	SB 152/135	7-1	7-7	40.5
1988-89	AB 224/313	6-30	7-8	44.6
1989-90	SB 165/93	6-29	7-7	48.6
1990-91	SB 899/467	7-28	7-31	51.4
1991-92	AB 222/118	6-20/7-4	7-16	55.7
1992-93	AB 979/587	8-29	9-2	57.0
1993-94	SB 80/55	6-22	6-30	52.1
1994-95	SB 2120/139	7-4	7-8	57.5
1995-96	AB 903/303	8-2	8-3	56.8
1996-97	SB 1393/162	7-8	7-15	61.5
1997-98	AB 107/282	8-11	8/18	67.2
1998-99	AB 1656/324	8-11	8-21	71.9
1999-00	SB 160/50	6/16	6/29	81.3
2000-01	AB 1740/52	6/22	6/30	99.4
2001-02	SB 739/106	7/21	7/26	103.3
2002-03	AB 425/379	9/1	9/5	98.9
2003-04	AB 1765/157	7/29	8/2	98.9
2004-05	SB 1113/208	7/29	7/31	105.3
2005-06	SB 77/38	7/7	7/11	117.3
2006-07	AB 1801/47	6/27	6/30	131.4
2007-08	SB 77/171	8/21	8/24	146.5
2008-09	AB 1781/268 & AB 88/269	9/16	9/23	144.5
2009-10	SBx3 1/1 & ABx4 1/1	2/20 - 7/23	2/19 - 7/28	119.2
2010-11	SB 870/712	10/7	10/8	125.3
2011-12	SB 87/ 33	6/28	6/30	129.5
2012-13c	AB 1464/21 & AB 1497/29	6/15	6/27	142.4
2013-14c	AB 110/20	6/14	7/1	145.3
2014-15c	SB 852/25	6/15	6/20	156.4
2015-16c	AB 93/10, SB 97/11, SB 101/321	6/15, 6/19 9/11	6/19, 6/24 and 9/22	167.6
2016-17c	SB 826/23, AB 1622/44, AB 1623/318, AB 1613/370	6/15, 6/30, 8/24, /31	6/27, 7/1, 9/13, and 9/14	170.9
2017-18c	AB 97/14, AB 120/22, SB 108/54, AB 98/12 SB 107/53	6/15,6/15, 6/26, 6/15, 6/26	6/21, 6/27 and 7/10	183.3
2018-19c	SB 840/29, SB 841/31, SB 856/30 SB 862/449	6/14, 6/14, 6/25, 8/30	6/27, 6/27, 6/27 9/17	201.4

^a 1966 Second Extraordinary Session.

^b First year budget was to be enacted by June 15.

^c June 15 constitutional deadline met.

CALIFORNIA STATE BUDGET HISTORY

Fiscal Year	Bill and Chapter No.	Date Passed and Chaptered		Total Budget (\$ Billions)
2019-20c	AB 74/23, AB 72/1, AB 91/39, AB 110/80, SB 106/55, SB 109/363	6/15, 2/13, 6/20, 7/11, 9/13 6/24,	6/27, 2/13, 7/1, 7/12, 7/1, 9/27	214.8
2020-21c	SB 74/6, AB 89/7, SB 115/40	6/15, 6/26, 8/31	6/29, 6/29, 9/9	202.1
2021-22c	AB 85/4, AB 128/21, AB 161/43, AB 164/84, SB 85/14, SB 89/1, SB 129/69, SB 170/240	2/22, 6/14, 7/8, 7/15, 4/12, 1/28, 6/28, 9/9	2/23, 6/28, 7/9, 7/16, 4/13, 1/29, 7/12, 9/23,	262.6
2022-23c	SB 154/43, AB 178/45, AB 179/249, SB 115/2, SB 119/9, AB 180/44	6/15, 6/29, 8/31, 2/7, 3/14, 6/29	6/27, 6/30, 9/6, 2/9, 3/14, 6/30	307.9
2023-24c	AB 102/38, SB 101/12, SB 104/189, SB 105/862	6/27, 6/15, 9/11, 9/14	7/10, 6/15, 9/13, 10/13	310.8
2024-25c	AB 107/22, SB 108/35, AB 157/994, AB 180/995	6/13, 6/26, 8/29, 8/31	6/26, 6/29, 9/30, 9/30	297.9