

California State Budget 2021-22



CALIFORNIA
ALL



Gavin Newsom, Governor
State of California

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INTRODUCTION

The COVID-19 Pandemic has tested all Californians and stressed hospitals, health systems, schools, and the overall economy. Despite these extraordinary challenges, the state's science-based approach has saved countless lives. Coupled with a strong fiscal position, the state has laid the foundation for the strong economic recovery now underway. The 2021 Budget Act provides for immediate relief to families and businesses, and makes investments to address California's long-standing challenges. It provides opportunity for every California family—regardless of their income, race, or ZIP code.

MAINTAINING BUDGET RESILIENCY

Building reserves and paying down debt are critical to protect core programs in the future and to prepare the state for emergencies—but it is also critical to avoid overcommitting to ongoing programs and spending that cannot be easily adjusted when the state experiences significant revenue declines. This is why the Budget prioritizes one-time spending over ongoing, allocating 85 percent of discretionary funds to one-time spending. The multi-year forecast reflects a budget roughly in balance; however, risks to the economic forecast remain, including a stock market decline that would significantly reduce state revenues. The Budget acknowledges these risks and includes a phase-in of certain investments that can be adjusted annually through the budget process. These include allocations in child care slots, increases in CalWORKs services, an expanded Middle Class Scholarship, and a future expansion of the California Food Assistance Program.

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The Budget includes \$25.2 billion in reserves. The reserve funds include: \$15.8 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies, \$900 million in the Safety Net Reserve, \$4.5 billion in the Public School System Stabilization Account, and an estimated \$4 billion in the state's operating reserve.

The Budget continues to pay down the state's long-term retirement liabilities, with \$3.4 billion in payments required by Proposition 2 in 2021-22 plus \$7.9 billion in additional payments over the next three years. The improved revenue forecast also allows for the elimination of \$2 billion in program suspensions enacted in prior budgets. Additionally, employee compensation reductions were ended, employee prefunding of contributions for other post-employment benefits resumed, and various suspended and deferred compensation items were restored as of July 1, 2021 through agreements reached with the state employee bargaining units. The Budget also completely pays off Proposition 98 deferrals implemented last year to avoid reductions to school spending, alleviating the need for local school districts to continue borrowing funds to support programmatic needs.

The State Appropriations Limit, or "Gann Limit," caps the amount of revenues from proceeds of taxes that can be appropriated by the state, which serves to constrain state spending. Any excess revenues appropriated above the state's limit over a two-year period must ultimately be reallocated evenly between schools and taxpayer refunds. The Budget projects the state to be below the Gann Limit for the two-year fiscal period of 2020-21 and 2021-22, based in part on statutory changes enacted as part of the Budget that more accurately account for selected expenditures under both state and local limits and a revised level of excluded spending. The estimate for this two-year period will continue to be revised until May 2023.

IMMEDIATE RELIEF FOR FAMILIES AND SMALL BUSINESSES

Earlier this year, the Governor and the Legislature acted swiftly to approve an historic relief package that provided \$600 Golden State Stimulus and Golden State Grant payments to 5.7 million households and grants to hundreds of thousands of impacted small businesses. The Budget includes a major expansion to the Golden State Stimulus, providing tax refunds to middle-class families with an adjusted gross income of \$75,000 or less. In total, two-thirds of Californians will benefit from \$600 payments. Qualified families with dependents, regardless of immigration status, will also be eligible for an additional \$500 payment.

The Budget expands relief to small businesses by adding \$1.5 billion to the state's earlier \$2.5 billion investment in the Small Business COVID-19 Relief Grant Program that has helped approximately 210,000 businesses stay open and keep Californians employed.

During the pandemic, many Californians have been able to remain in their homes through the help of state and federal eviction moratoria, and significant federal investments that have helped pay for rents and utilities and provided mortgage assistance. In addition to \$6.4 billion in state administered and direct local federal rent relief, the Budget also includes \$2 billion to pay down unpaid utility debt, which accumulated during the pandemic.

EXPANDING OPPORTUNITY FOR ALL CALIFORNIANS

California's K-12 and higher education systems are pivotal for an equitable recovery and to an inclusive future. One-time federal funding and a significant increase in state funds present a historic opportunity to invest in children and youth and improve educational outcomes of the next generation of Californians.

K-14 EDUCATION AND EARLY CHILDHOOD EDUCATION

Under Proposition 98, the significant increase in the state's revenues results in Proposition 98 funding of \$93.7 billion—nearly \$14,000 per pupil and \$21,555 per pupil when accounting for all funding sources. This is a significant increase over the record level estimated in January. In addition, earlier this year, the federal government allocated California K-12 schools approximately \$15 billion. The Budget pays off all deferrals and includes funding for the California for All Kids Plan—investing in universal transitional kindergarten, offering year-round access to enrichment and extended-day supplemental education programs in low-income communities, improving teacher preparation and training, increasing staff on school campuses, and increasing access to school-based nutrition for all students.

With more children eligible to enter the K-12 school system, more preschool and childcare slots will become available to serve the 0-3-year-old population. The Budget includes a plan for up to 200,000 new childcare slots to be phased in over several years to further support working parents. The Budget also reflects the first collective bargaining agreement between the state and Child Care Providers United representing thousands of child care providers. This contract reflects significant rate increases and reform of rates paid to child care providers across the state.

TRANSFORMING CHILDREN AND YOUTH BEHAVIORAL HEALTH

The Budget includes a comprehensive statewide transformation of the behavioral health system for all Californians age 25 and younger—so more children can grow up to be healthier, both physically and mentally. This investment expands evidenced-based programs, trains new behavioral health workers, and creates a statewide portal that can connect young people with telehealth visits and other interactive tools. This expanded system is designed to identify behavioral health conditions early and improve long-term outcomes.

INCREASING COLLEGE AFFORDABILITY

The Budget increases equity, access and affordability across California's public higher education segments. The Budget includes a 5 percent base budget increase for both the University of California (UC) and California State University (CSU), as well as a complete restoration of the reductions in the 2020 Budget Act. Altogether, UC's ongoing General Fund will increase by \$545.9 million, while the CSU's ongoing General Fund will increase by \$597.1 million.

The Budget sets aside \$2 billion over three years to develop additional student housing—which will defray a significant cost of attending college and support students who often have to choose between education and work to support themselves and their families—and support campus infrastructure contingent upon future legislation. Additionally, the Budget implements significant investments in student financial aid to make college more affordable—by expanding the Cal Grant entitlement program for community college students, and by revising the Middle Class Scholarship Program to provide eligible students with scholarships intended to reduce a student's total cost of attendance.

In an effort to make college more affordable for the 3.5 million low-income children in public schools today, the Budget establishes college savings accounts and funds \$500 base deposits for all public school students from low-income families, English learners, and foster youth. The value of these deposits will grow over time, providing additional support for postsecondary education. New accounts will also be created for each subsequent incoming class of low-income first graders.

The Budget further addresses college access and equity by providing better linkages between degrees and credentials and well-paying jobs through the following investments: \$250 million one-time General Fund to support regional K-16 collaboratives, which will bring higher education, K-12, and employers together to create streamlined

career pathways; and \$500 million one-time General Fund over two years to establish the Learning-Aligned Employment program to train and employ underrepresented students in jobs that align with their educational pathways and can lead to permanent employment.

The Budget includes \$500 million to provide education and training grants to workers displaced by the COVID-19 Pandemic. The Budget also provides \$500 million one-time General Fund for the Golden State Teacher Grant Program to support students enrolled in teacher preparation programs.

CONFRONTING HOMELESSNESS AND HOUSING AFFORDABILITY

The Budget includes approximately \$12 billion over two years—the largest investment in the state's history—to combat homelessness. Project Roomkey, first deployed during the pandemic, has helped to house homeless individuals and families, and the Budget includes \$150 million to support transitions to permanent housing. Since last fall, Homekey has acquired and rehabilitated 6,000 units of permanent housing. Total proposed funding of \$5.8 billion for Homekey will further expand the portfolio of housing, including behavioral health continuum infrastructure and housing for low-income seniors. The Budget also includes \$2 billion over multiple years to support local actions to address homelessness. This funding is connected to accountability metrics, such as increasing transitions of individuals to permanent supportive housing.

In addition, the Budget makes numerous investments to address housing affordability, including accessory dwelling unit financing, regional planning grants, funds to preserve affordable units, and funds to promote homeownership.

IMPROVING HEALTH CARE EQUITY

The Budget expands Medi-Cal coverage to undocumented adults aged 50 years and older, beginning in May 2022. This proposal will increase health care access and is another milestone on the path toward universal health coverage. Other equity investments include Medi-Cal eligibility for postpartum individuals, doula services as a covered benefit in Medi-Cal, and subsidized zero-dollar premium plans. The Budget also eliminates the Medi-Cal asset limit for older adults and persons with disabilities.

Additional investments to support older adults include augmenting Alzheimer's investments, strengthening older adults' recovery from isolation and health impacts caused by the pandemic, and increasing meals to support senior nutrition as well as

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increasing CalFRESH expansion outreach to older adults. The Budget also includes over \$800 million for the construction, acquisition, and/or rehabilitation of projects to preserve or expand adult and senior care facilities to serve people experiencing homelessness or who are at risk of homelessness.

The Budget supports the California Advancing and Innovating Medi-Cal (CalAIM), a transformation of the delivery of Medi-Cal to manage risk and improve outcomes and improve health care equity. As part of CalAIM, the Budget includes \$315 million to provide population health management services that centralize administrative and clinical data from the state, health plans, and providers to allow all parties to better identify and stratify member risks and inform quality and value delivery across the continuum of care.

The Budget includes a variety of investments to support developmental services. It outlines a multi-year developmental service provider rate increase based on a 2019 Rate Study, increasing rates by \$1.2 billion General Fund by 2025-26, with an implementation plan focused on improving consumer outcomes and quality of services. The Budget also includes investments to provide children ages three to four with provisional Lanterman Act service eligibility, improve consumer onboarding into the Self-Determination Program, increase competitive employment opportunities for individuals with intellectual and developmental disabilities, support crisis prevention and response services to individuals with intellectual or developmental disabilities, and provide direct service professional workforce training and development.

The Budget assumes an ongoing \$300 million commitment to improve the public health system, beginning in 2022-23, based on an analysis of lessons learned during the COVID-19 Pandemic. It also includes additional investments for COVID-19 response efforts, such as testing, vaccinations, and contact tracing; and funds for numerous efforts administered by the Department of Public Health.

Additional investments support the Department of State Hospitals to address the Incompetent to Stand Trial (IST) patient waitlist, including an IST solutions workgroup, community-based restoration program expansions, increasing sub-acute capacity constraints, and jail-based competency treatment program updates.

REDUCING POVERTY

The Budget includes \$291.3 million General Fund for State Supplemental Payment grant increases. The Budget also provides an increase of 5.3 percent for grants to families on CalWORKS. In addition, the Budget makes major investments to improve services to

CalWORKs families, including job training and other services needed to support economic independence. The Budget also allocates \$35 million General Fund for guaranteed income pilot programs which will target former foster youth, pregnant or parenting foster youth, and low-income Californians.

WILDFIRE AND EMERGENCY RESPONSE AND PREPAREDNESS

During 2020, California experienced not only the COVID-19 Pandemic, but the worst wildfire season in state history. To enhance the state's capabilities, the Budget includes significant investments to advance wildfire prevention and all-hazard emergency preparedness and response.

WILDFIRE PREVENTION

An early action package enacted in April 2021 included \$536 million (\$411 million General Fund and \$125 million Cap and Trade) for a broad set of investments that are currently supporting forest health and fire prevention activities. These investments are critical to changing the state's approach to managing wildfire. The Budget authorizes an additional \$958 million (\$758 million General Fund and \$200 million Cap and Trade) for expenditure in the 2021-22 fiscal year to advance wildfire prevention and forest resilience investments. This includes \$500 million General Fund authorized to accelerate into the budget year. The final allocation of wildfire prevention and forest resiliency funding will be determined later this summer.

The Budget includes ongoing General Fund support for 30 additional fire crews, enabling the California Department of Forestry and Fire Protection to respond to larger and more damaging wildfires throughout the fire season and complete priority fuel reduction projects to reduce wildfire risk in fire-threatened areas. The Budget also includes significant investments in new Black Hawk helicopters and large air tankers transferred from the federal government.

EMERGENCY RESPONSE AND PREPAREDNESS

The Budget includes approximately \$135 million for the Governor's Office of Emergency Services (Cal OES) to strengthen the state's emergency capacity and capabilities. The Budget also includes \$100 million one-time General Fund for Cal OES to implement an equitable all-hazards grant program focused on building resiliency in disadvantaged communities and providing assistance to communities who often lack resources or expertise in drafting competitive grant applications to leverage federal and private funds.

INFRASTRUCTURE FOR THE NEXT CENTURY AND LEGACY ENVIRONMENTAL ISSUES

The Budget uses federal funds and one-time General Fund to make transformational investments in the state's infrastructure to protect Californians and the state's unique ecosystems and landscapes.

The Budget also takes unprecedented steps to address legacy environmental issues that impact disadvantaged communities, including historic investments in reducing harmful emissions from the state's transportation system and efforts to reduce harmful pesticides. It also reflects new strategies across programs to invest in community-led initiatives. In addition, the Budget invests \$500 million one-time General Fund to accelerate the cleanup of contaminated properties throughout the state in impacted communities and proposes an additional \$322.4 million one-time General Fund to clean up additional properties near the former Exide facility in Vernon. The Budget further invests in protecting Californians from harmful pesticides through a notification system that will provide important information about local pesticide use.

WATER RESILIENCE AND DROUGHT

The Budget commits approximately \$5.1 billion over four years to the state's water resilience and drought preparedness and response, including investments that support safe drinking water, wastewater, and water conveyance infrastructure; water recycling and groundwater cleanup; Sustainable Groundwater Management Act grants; financial assistance to small and urban water suppliers; and water resilience multi-benefit projects. Of this amount, \$2.1 billion General Fund over three years is set aside for water resilience investments that will be negotiated this summer.

ZERO EMISSION VEHICLES

The Budget includes \$2.7 billion in 2021-22 and \$3.9 billion (\$2.98 billion General Fund, \$565 million Cap and Trade, and \$394 million other funds) over three years for zero-emission vehicle (ZEV) and infrastructure investments. This will scale the zero-emission vehicle market in ways that benefit all Californians and accelerate the state toward meeting climate and transportation goals established in the Governor's ZEV Executive Order N-79-20 and consistent with California's Zero Emission Vehicle Market Development Strategy.

The ZEV package includes funding to improve air quality and increase economic development and job creation through the delivery of over 1,000 zero emission

drayage trucks, 1,000 transit buses, and 1,000 school buses, as well as the charging and fueling infrastructure to enable these deployments.

SUSTAINABLE AGRICULTURE

Ongoing climate change—evidenced by decreased water availability, increased floods, and changing weather—has increased pressure on California's farmers. The Budget includes \$236 million General Fund for investments that support sustainable agriculture including funding for healthy soils, incentives for alternatives to agricultural burning in the San Joaquin Valley, technical assistance for underserved farmers, and the seniors farmers market nutrition program. The Budget also includes \$617 million General Fund over two years for agriculture investments that were deferred for allocation in negotiations this summer.

CLIMATE RESILIENCE

The Budget sets aside \$3.7 billion over three years for communities that are facing the impacts of climate change. The use of these funds will be determined later this summer and will include, but not be limited to, proposals addressing extreme heat, sea level rise, and community-driven infrastructure investments in the most disadvantaged communities, which are often the hardest hit by climate change and other health, environmental, and economic challenges.

ENERGY

California has long led the nation and the world in setting ambitious renewable energy and climate policies, working toward a clean economy that is healthier and more equitable. Achieving the state's energy goals will support economic growth and job creation, and improve public health so the benefits of cleaner, more efficient energy are enjoyed by all Californians. The Budget includes \$812 million over two years to accelerate California's progress in meeting its clean energy goals. The use of these funds will be determined later this summer.

TRANSPORTATION

The Governor will continue to work with the Legislature this summer to enact a comprehensive transportation package that includes significant investments in transportation infrastructure, including \$4.2 billion in General Obligation bond funds dedicated for the High Speed Rail project, and \$3.5 billion General Fund for high-priority transit projects, grade crossings, zero emission rail equipment, active transportation, and climate adaptation projects. The Budget contains \$2.3 billion in special funds and

federal funds to repair state highways, local roads, local bridges, and accelerate rail projects. Taken together, these investments will result in thousands of new jobs and spur even more economic activity throughout the state.

BROADBAND

The pandemic has underscored the importance of making broadband accessible and affordable for educational, employment, and health purposes. The Budget reflects a plan to increase equitable access to high-speed broadband Internet service through a \$6 billion investment to expand broadband infrastructure and enhance access by constructing an open access middle mile and by funding construction of last mile projects that connect unserved households in remote areas to the middle mile.

RESULTS-ORIENTED GOVERNMENT

The Budget promotes effective government with additional investments to improve the state's ability to respond rapidly to emergencies and continue the critical work to bring government closer to the people—an imperative underscored by more Californians adapting to remote work—during and after the pandemic. The Budget includes funding for the Employment Development Department to take lessons learned during the pandemic to modernize its benefits system.

The Department of Motor Vehicles (DMV) has successfully moved more services online to offer a digital DMV to customers during the pandemic, and will continue to work to replace its decades-old information technology system to make it easier to access DMV services. Additionally, the Budget includes \$25 million for the California Department of Technology to support state information technology system upgrades so that the state can more effectively deliver services and benefits.

HISTORIC INVESTMENTS AND LOOKING AHEAD

California's prudent fiscal planning is supporting the state's recovery from the COVID-19 Recession. The combination of the state's surplus and federal relief funds gives California the opportunity to make once-in-a-generation investments in a more equitable future for the state. However, the multi-year forecast reflects a return to revenue growth more in line with a typical economic expansion, thereby limiting ongoing spending. Accordingly, the multi-year forecast reflects a budget kept in balance by focusing on one-time spending. The state has paid off budgetary debts and has multi-year plans to pay down its long-term retirement liabilities.

These actions, coupled with historic reserve levels, enhance the state's budget resiliency—a necessary predicate for sustaining programs in the future.

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SUMMARY CHARTS

This section provides various statewide budget charts and tables.

2021 Budget Act
General Fund Budget Summary
(Dollars in Millions)

	2020-21	2021-22
Prior Year Balance	\$5,557	\$28,249
Revenues and Transfers	\$188,775	\$175,345
Total Resources Available	\$194,332	\$203,594
Non-Proposition 98 Expenditures	\$98,398	\$130,066
Proposition 98 Expenditures	\$67,685	\$66,374
Total Expenditures	\$166,083	\$196,440
Fund Balance	\$28,249	\$7,154
Reserve for Liquidation of Encumbrances	\$3,175	\$3,175
Special Fund for Economic Uncertainties	\$25,074	\$3,979
Public School System Stabilization Account	\$1,889	\$4,506
Safety Net Reserve	\$450	\$900
Budget Stabilization Account/Rainy Day Fund	\$12,339	\$15,781

Note: Numbers may not add due to rounding.

General Fund Expenditures by Agency

(Dollars in Millions)

	2020-21	2021-22	Change from 2020-21	
			Dollar Change	Percent Change
Legislative, Judicial, Executive	\$7,944	\$10,397	\$2,453	30.9%
Business, Consumer Services & Housing	789	1,786	996	126.2%
Transportation	240	2,095	1,854	772.5%
Natural Resources	5,017	7,300	2,283	45.5%
Environmental Protection	2,492	2,988	496	19.9%
Health and Human Services	44,421	57,362	12,941	29.1%
Corrections and Rehabilitation	12,441	13,931	1,490	12.0%
K-12 Education	66,269	65,421	-847	-1.3%
Higher Education	17,878	21,222	3,344	18.7%
Labor and Workforce Development	140	928	787	562.1%
Government Operations	2,157	12,039	9,882	458.1%
General Government:				
Non-Agency Departments	969	1,510	541	55.8%
Tax Relief/Local Government	1,182	613	-569	-48.1%
Statewide Expenditures	4,144	-1,152	-5,295	-127.8%
Total	\$166,083	\$196,440	\$30,358	18.3%

Note: Numbers may not add due to rounding.

2021-22 Total State Expenditures by Agency

(Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	\$10,397	\$3,993	\$142	\$14,532
Business, Consumer Services & Housing	1,786	1,184	1,220	4,190
Transportation	2,095	15,147	203	17,445
Natural Resources	7,300	1,546	886	9,732
Environmental Protection	2,988	4,340	17	7,345
Health and Human Services	57,362	26,364	-	83,726
Corrections and Rehabilitation	13,931	3,254	-	17,185
K-12 Education	65,421	134	1,516	67,071
Higher Education	21,222	147	938	22,307
Labor and Workforce Development	928	855	-	1,783
Government Operations	12,039	212	8	12,260
General Government				
Non-Agency Departments	1,510	1,829	2	3,341
Tax Relief/Local Government	613	2,929	-	3,541
Statewide Expenditures	-1,152	-718	1	-1,869
Total	\$196,440	\$61,216	\$4,933	\$262,589

Note: Numbers may not add due to rounding.

General Fund Revenue Sources

(Dollars in Millions)

	2020-21	2021-22	Change from 2020-21	
			Dollar Change	Percent Change
Personal Income Tax	\$125,151	\$123,298	-\$1,853	-1.5%
Sales and Use Tax	27,936	28,986	1,050	3.8%
Corporation Tax	20,720	18,106	-2,614	-12.6%
Insurance Tax	3,348	3,428	80	2.4%
Alcoholic Beverage Taxes and Fees	385	390	5	1.3%
Cigarette Tax	60	58	-2	-3.3%
Motor Vehicle Fees	40	36	-4	-10.0%
Other	6,124	4,485	-1,639	-26.8%
Subtotal	\$183,764	\$178,787	-\$4,977	-2.7%
Transfer to the Budget Stabilization Account/Rainy Day Fund	5,011	-3,442	-8,453	-168.7%
Total	\$188,775	\$175,345	-\$13,430	-7.1%

Note: Numbers may not add due to rounding.

2021-22 Revenue Sources

(Dollars in Millions)

	General Fund	Special Funds	Total	Change From 2020-21
Personal Income Tax	\$123,298	\$3,178	\$126,476	-\$1,446
Sales and Use Tax	28,986	13,140	42,126	1,794
Corporation Tax	18,106	-	18,106	-2,614
Highway Users Taxes	-	8,427	8,427	699
Insurance Tax	3,428	-	3,428	80
Alcoholic Beverage Taxes and Fees	390	-	390	5
Cigarette Tax	58	1,883	1,941	-13
Motor Vehicle Fees	36	6,884	6,920	287
Other	4,485	27,540	32,025	-695
Subtotal	\$178,787	\$61,052	\$239,839	-\$1,903
Transfer to the Budget Stabilization Account/Rainy Day Fund	-3,442	3,442	-	-
Total	\$175,345	\$64,494	\$239,839	-\$1,903

Note: Numbers may not add due to rounding.

EQUITABLE AND BROAD BASED RECOVERY

As it recovers from the COVID-19 Recession, California will continue to leverage what is unique to the state—a culture of innovation, a world-class educational system, a commitment to climate science, and a strong and skilled workforce.

The COVID-19 Pandemic brought a halt to more than ten years of economic growth and triggered a nationwide recession in February 2020. California's unemployment rate increased from a low of 4.3 percent in February to a record high of 16 percent in April. The pandemic also exacerbated underemployment, which averaged 17.1 percent in 2020, over twice as high as the 2019 annual average rate of 8.3 percent. While the labor force participation rate normally stays fairly constant, during this recession, the percentage of the working age population in the labor force decreased from 62.3 percent in the first quarter of 2020 to 59.8 percent in the second quarter of 2020, as parents and others dropped out of the workforce. Almost half of all jobs in leisure and hospitality, a low-wage sector, were lost; higher wage sectors such as professional and business services largely shifted to working from home. There were still 1.2 million fewer employed Californians in May 2021 than in February 2020.

Congress enacted the Coronavirus Response and Relief Supplemental Appropriations Act in late December, helping millions of Californians maintain unemployment insurance or other forms of support starting at the end of 2020. Further, on March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) to combat the pandemic, including addressing public health and economic impacts.

Revenues are up significantly over the Governor's Budget forecast. This is a result of strong cash trends, two major federal relief bills since the beginning of the year, continued stock market appreciation, and a significantly upgraded economic forecast. The state has also received \$27 billion Coronavirus State Fiscal Recovery Funds from the ARPA. This brings the total amount of federal stimulus funds for state programs to over \$285 billion. See the Pandemic Response and Federal Assistance Chapter for additional information on federal assistance, including the allocation of Recovery Funds. Together, the surplus and federal funds will allow the state to make additional investments to support all sectors of the state, and improve the lives of all Californians.

EARLY ACTION FOR IMMEDIATE RELIEF

The Governor's Budget included several proposals for immediate action by the Legislature, and in February, a comprehensive package of budget actions was enacted to speed needed relief to individuals, families and businesses suffering the most significant economic hardships due to the pandemic. The package established the Golden State Stimulus program, which provided \$600 one-time payments to millions of low-income Californians; added \$2.075 billion (on top of a \$500 million investment) to California's Small Business COVID-19 Relief Grant Program; provided certain small businesses impacted by the pandemic license renewal fee waivers; provided additional resources for critical child care services; and provided emergency financial aid for community college students, among other investments. This critical assistance, totaling \$7.6 billion, has helped keep communities afloat as the state recovered from the pandemic.

Additionally, in April, California took early action to conform state tax law to the federal treatment of Paycheck Protection Program (PPP) forgiven loans. This conformity will allow most of the hundreds of thousands of small businesses in California that received a federal PPP loan to avoid paying tax on that income and to be able to deduct expenses related to the loan in the event the loan is forgiven by the federal government.

The Budget builds on these investments and continues the state's commitment to support individuals and businesses most heavily impacted by the pandemic.

RELIEF FOR INDIVIDUALS AND BUSINESSES

The Budget includes significant investments to provide relief to low-income families, small businesses and nonprofits that have been hardest hit by the pandemic.

GOLDEN STATE STIMULUS II

The Golden State Stimulus II (GSS II) expands the Golden State Stimulus program established through the immediate budget action. The stimulus is targeted to low- and moderate-income households; specifically, the GSS II program will provide a total of \$8.1 billion in stimulus payments to three groups:

- **Low to Middle Income**—\$600 one-time stimulus payments to all taxpayers filing a 2020 tax year return with adjusted gross income of \$75,000 or less who did not already receive a Golden State Stimulus. This component is expected to cost about \$5.6 billion and assist about 9.4 million tax filers.
- **Families**—\$500 one-time stimulus payments to all taxpayers with adjusted gross income of \$75,000 or less with a dependent on the return. This component is expected to cost \$2.2 billion and assist 4.3 million tax filers. (Some of these families will receive \$1,100 if they also qualify for the low- to middle-income stimulus above).
- **Undocumented Families**—\$500 one-time stimulus payments to all immigrant taxpayers with Individual Taxpayer Identification Numbers with adjusted gross income of \$75,000 or less and a dependent. This component is expected to cost \$260 million and assist 520,000 tax filers. (These families are eligible for both family credits so will receive \$1,000).

SMALL BUSINESS AND NONPROFIT CULTURAL INSTITUTION GRANTS

As referenced above, \$2.5 billion has already been allocated to provide immediate relief to small businesses affected by the pandemic. This funding supported six rounds of grants to small businesses, including a special round for nonprofit cultural institutions, providing support to approximately 210,000 small businesses. Eligible small businesses and nonprofit cultural institutions can receive grants ranging from \$5,000 to \$25,000, depending on their annual gross revenue.

The Budget includes \$1.5 billion federal ARPA funds in 2021-22 for three additional rounds of grants to provide relief to more small businesses. The Office of the Small

EQUITABLE AND BROAD BASED RECOVERY

Business Advocate, within the Governor's Office of Business and Economic Development (GO-Biz), will first offer two closed rounds to target applicants who are currently waitlisted and then offer a final round that will be open to both new applicants and waitlisted applicants, to capture any entities who have not applied before or may still be on the waitlist.

Of the \$50 million allocated for nonprofit cultural institutions, \$34 million has been awarded to eligible recipients, leaving \$16 million available for this purpose. The Budget includes statutory changes to allow additional rounds of grants for eligible nonprofit cultural institutions until the full \$50 million has been awarded.

The Budget also includes \$50 million one-time General Fund in 2021-22 for GO-Biz to administer the California Microbusiness COVID-19 Relief Grant Program to assist qualified micro-businesses that have been negatively affected by the COVID-19 Pandemic. Eligible microbusiness will receive grants of \$2,500 each, which will be administered by counties or community-based organizations on behalf of counties.

FEE WAIVERS FOR COVID-19 IMPACTED BUSINESSES

The Budget includes \$118.6 million one-time General Fund in 2020-21 to provide fee waivers to individuals (including barbers, cosmetologists, and manicurists) and smaller entities (including restaurants and bars) heavily impacted by health and safety restrictions imposed in response to the COVID-19 Pandemic. Licensees of the Board of Barbering and Cosmetology will receive relief from annual license renewals over the next two-year renewal period. Restaurants, bars, and other specified licensees of the Department of Alcoholic Beverage Control are eligible for up to two fee waivers from March 2021 through February 2023. In addition, the Budget includes statutory changes requiring the Gambling Control Commission to provide relief to gaming establishments and permitted workers by waiving, and in certain cases refunding, licensing and annual fees.

CALIFORNIA JOBS INITIATIVE

The Budget includes the California Jobs Initiative to support California business owners as they reopen their doors, rehire staff, and expedite the state's economic recovery. This initiative focuses on job creation and retention, regional development, and small businesses. The Budget includes additional investments in the film industry, tourism, live event venues, and California's ports.

SMALL BUSINESSES

STATE SMALL BUSINESS CREDIT INITIATIVE

The American Rescue Plan Act of 2021 included \$10 billion for the reauthorization of the State Small Business Credit Initiative (SSBCI), which was initially created in 2010, to strengthen state programs that support financing of small businesses. In 2010, California received \$168 million from the SSBCI, and the funds were split equally between the California Infrastructure and Economic Development Bank (IBank) and the State Treasurer's Office. California operated three of the five SSBCI authorized programs: the California Capital Access Program for Small Business, California Capital Access Program Collateral Support at California Pollution Control Finance Authority, and the Small Business Loan Guarantee Program that is now administered by IBank.

In April, the U.S. Treasury Department released a state-by-state allocation of the first \$6.2 billion of the \$10 billion appropriated, and California is estimated to receive \$895 million in three installments. The U.S. Treasury is still developing guidance for programs and anticipates rolling that out over the next two to six months. All states are required to submit a program application by December 11, 2021. To prepare for this, IBank and the State Treasurer's Office have begun stakeholder engagement and established an SSBCI working group.

To supplement the SSBCI funds, the Budget includes \$20 million one-time General Fund in 2021-22 for IBank's Small Business Loan Guarantee Program to continue to provide loans as businesses recover from the economic impacts of the COVID-19 Pandemic. The Small Business Loan Guarantee Program uses state funds for guarantees that were not eligible for SSBCI.

The Budget also includes the following programs to help small businesses:

- **Main Street Small Business Tax Credit II**—This expanded tax credit builds upon the Main Street hiring credit created by Chapter 41, Statutes of 2020 (SB 1447). This program allocates \$117 million to provide assistance to small businesses that have hired and retained workers since unemployment accelerated in the second quarter of 2020.
- **Mitigating the SALT Deduction Limitation for Pass-through Entity Owners**—This provision creates an elective tax for pass-through entities to help mitigate the harmful impacts on California business owners of the limitation on state and local tax deductions by the 2017 federal Tax Cut and Jobs Act.

- **IBank’s Small Business Finance Center and the California Rebuilding Fund**—This program provides financial assistance to small businesses through IBank’s programs including the California Rebuilding Fund, with a focus on programs that benefit underserved businesses in California.
- **The California Dream Fund**—This program supports micro-grants of up to \$10,000 to seed entrepreneurship and small business creation in underserved small business groups that are facing opportunity gaps, including immigrant Californians and Californians who speak limited English. The Budget includes \$35 million one-time General Fund for these micro-grants.

JOBS AND REGIONAL DEVELOPMENT

The Budget includes two one-time expansions of existing tax credit programs and initiates a one-time grant program. All three budget items are intended to create jobs and promote regional economic development.

- **Film Tax Credit**—The Budget provides a one-time expansion of the film credit of \$330 million. The existing Film and Television Tax Credit Program 3.0 provides tax credits for eligible films produced in California. This credit retains and grows production jobs in the economically important film industry and stimulates economic activity statewide, enhancing California’s position as the leading national and global location for all forms of media content creation. The Budget expands the film credit by \$90 million in each of 2021-22 and 2022-23; or the sum of \$75 million for recurring television series and \$15 million for television series that relocate from other jurisdictions. In addition, the Budget includes \$150 million in film credits for studios that build new sound stage infrastructure in the state. This increase in infrastructure will help California continue to maintain its position as the leader of motion picture production.
- **California Competes (CalCompetes) Tax Credit**—The Budget includes a one-time expansion of the CalCompetes Tax Credit by \$110 million to increase economic activity in California.
- **CalCompetes Grants**—The Budget includes \$120 million one-time General Fund to establish a CalCompetes grant program focused on businesses that, due to insufficient tax liability, are unable to benefit from the CalCompetes Tax Credit. In order to receive a grant, applications would have to meet at least one of the following criteria: 1) create at least 500 new full-time jobs in the state, 2) make at

least a \$10 million infrastructure investment within five years, or 3) create jobs or make investments in high-poverty or high-unemployment area.

REVITALIZING CALIFORNIA TOURISM

California's travel and hospitality industry is one of the largest economic drivers for the state. The pandemic has disproportionately affected travel and tourism more than any other industry and almost half of all leisure and hospitality workers lost their jobs. The California Office of Tourism, within GO-Biz, works in close coordination with Visit California to promote California as a premier travel destination. The Budget includes \$95 million one-time federal ARPA funds to implement strategic media campaigns that will jump start the recovery of the travel and tourism industry.

SUPPORTING LIVE EVENT VENUES

The Budget includes \$150 million one-time General Fund for the California Venues Grant Program to provide financial relief to independent venues, live events businesses, and minor league sports. Grants of up to \$250,000 will be provided to eligible businesses that have been negatively impacted by the COVID-19 Pandemic.

PROVIDING ECONOMIC SUPPORT FOR PORTS

The Budget includes \$250 million one-time federal ARPA funds for the State Lands Commission to allocate to California ports, which play an integral role in the state's economy. This funding is intended to address revenue impacts suffered by ports as a result of the pandemic, especially as a result of the loss of tourism.

WORKFORCE DEVELOPMENT

Despite marked improvements in recent months, the pandemic has negatively impacted the state's labor market—especially for certain sectors and populations. Further, the pandemic has highlighted the inequities many workers face. To address these inequities as the state economy recovers, the Budget includes investment in the state's workforce development programs and helps strengthen the link between education, training, and industry.

- **Regional Resilience**—The Budget includes \$600 million one-time federal ARPA funds to provide financial support to regional and local stakeholder collaboratives to plan and implement region- and industry-specific economic transition strategies, with a focus on supporting high road industries, quality job creation, and workforce strategies in those sectors most affected by the state's transition to carbon neutrality. Additional negotiations on this investment are deferred to later this summer and are detailed in the Labor and Workforce Development Chapter.
- **Supporting Linkages between Higher Education and Employment Opportunities**—As referenced in the Higher Education and Labor and Workforce Development Chapters, the Budget includes \$75 million one-time General Fund for a regional workforce investment package between the California Workforce Development Board and the California Community Colleges Chancellor's Office that strengthens linkages between workforce training and the CCCs, using existing regional consortia to build upon existing training programs and develop new programs.

OTHER HIGHER EDUCATION INVESTMENTS SUPPORTING WORKFORCE DEVELOPMENT

As referenced in the Higher Education Chapter, the Budget reflects the following higher education workforce development related proposals:

- **Learning-Aligned Employment**—The Budget includes \$500 million one-time General Fund, between fiscal years 2021-22 and 2022-23, to establish the Learning-Aligned Employment program, which would promote learning-aligned, long-term career development for the University of California, California State University, and CCC students.
- **Education and Training Support Grants for Displaced Workers**—The Budget includes \$500 million one-time (\$472.5 million federal ARPA funds and \$27.5 million General Fund) for the Student Aid Commission to establish a one-time grant program to support displaced workers in seeking reskilling and up-skilling opportunities, and educational opportunities.
- **Regional K-16 Education Collaboratives**—The Budget includes \$250 million one-time General Fund for grants to support regional K-16 collaboratives focused on streamlining educational pathways leading to in-demand jobs.
- **High Road Training Partnerships and Regional Partnerships**—An increase of \$20 million one-time Proposition 98 General Fund to support California Community

College participation in High Road Training Programs and regional partnerships developed by the California Workforce Development Board.

- **Community College Strong Workforce Program**—An increase of approximately \$42.2 million ongoing Proposition 98 General Fund, up to 10 percent of which can be used to expand work-based learning opportunities in 2021-22, including opportunities in cloud computing and zero-emissions and supply chain fields.
- **Competency-Based Education Pilot**—An increase of \$10 million one-time Proposition 98 General Fund to pilot implementation of competency-based education at select community colleges.
- **California Community College Registry Modernization**—An increase of \$1 million one-time Proposition 98 General Fund to support the modernization of the California Community College Registry, which is an online database of job opportunities at the California Community Colleges.

LABOR AND WORKFORCE DEVELOPMENT PROGRAMS

The Budget includes \$245 million one-time General Fund to expand workforce efforts, in addition to those included with the California Workforce Development Board and the California Community Colleges Chancellor's Office package mentioned above, to provide over 50,000 new training and earn-and-learn opportunities to support the state's economic recovery. These proposals include:

- **High Road Training Partnership Expansion**—\$100 million one-time General Fund
- **Employment Training Panel Expansion**—\$50 million one-time General Fund
- **Breaking Barriers to Employment**—\$30 million one-time General Fund
- **Prison to Employment**—\$20 million one-time General Fund
- **Social Entrepreneurs for Economic Development**—\$20 million one-time General Fund
- **Workforce Development Administration**—\$15 million one-time General Fund
- **Housing Apprenticeships**—\$10 million one-time General Fund

More information on the California Workforce Development Board's investments can be found in the Labor and Workforce Development Chapter.

INFRASTRUCTURE INVESTMENTS

Infrastructure investments play an important role in promoting economic recovery, including creating thousands of jobs statewide. The Budget includes significant investments in both new infrastructure and maintenance of existing infrastructure, including new state investments in the state's transportation system. The Governor will continue to work with the Legislature this summer to enact a comprehensive transportation package that will contribute to an equitable recovery and competitively position the state to pursue significant federal investment that aligns with the American Jobs Plan and other federal budget priorities. Additionally, billions more in infrastructure investments have been included for key budget packages on broadband, drought, climate, toxic cleanup, wildfire, sustainable agriculture, zero-emission vehicles, and library and school facilities. These investments will add even more jobs and enhance California's economic recovery.

BROADBAND

As the Governor's Budget emphasized, universal access to high-speed Internet is critical to the state's economy, education, and basic health and well-being, and will be a key component of the state's long-term equitable recovery, vitality, and resilience. The pandemic has underscored the importance of making broadband accessible and affordable for educational, employment, and health purposes. The Budget invests \$6 billion over three years as part of a statewide plan to expand broadband infrastructure, increase affordability, and enhance access to broadband for all Californians.

The Budget will expand broadband infrastructure by appropriating \$3.25 billion of one-time federal ARPA funds to the California Department of Technology to build out a critical "middle-mile" network. This statewide network will encourage providers to expand service to unserved and underserved areas by substantially reducing their upfront infrastructure costs, creating new opportunities for public fiber networks, and promoting affordability and increased options for consumers. This essential backbone infrastructure is a foundational step towards the entire state having access to high-speed broadband. Moreover, the generational investment will create tens of thousands of quality jobs to help the state's economy recover from the pandemic.

Existing providers find it too costly to serve many areas of the state, particularly in rural areas. The Budget creates a new \$750 million Loan Loss Reserve Fund to assist local

governments, tribes and non-profits to secure enhanced private financing to construct and operate new public fiber networks.

Lastly, the Budget allocates \$2 billion over three years from a combination of one-time federal ARPA Funds and General Fund within the California Advanced Services Fund to encourage existing and new providers to fund infrastructure for last-mile service to the state's remaining unserved households.

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PANDEMIC RESPONSE AND FEDERAL ASSISTANCE

California is recovering from the global COVID-19 Pandemic. The state's response, which included issuing a statewide stay-at-home order at the outset of the pandemic and instituting requirements for the use of masks and physical distancing, reduced community transmission and saved the lives of many Californians.

California has delivered over 42 million vaccine doses—including over 9.1 million in the state's hardest-hit communities. More than 62 percent of all Californians have received at least one dose of the COVID-19 vaccine, and three out of four adults in California are now vaccinated with at least one dose. The state allocated 40 percent of vaccine doses for the hardest-hit communities and established an equity metric to increase vaccinations in those communities. The state reopened its economy on June 15, 2021, allowing everyday activities and businesses to open with risk reduction measures, such as encouraging vaccination and still mandating masks in certain circumstances and settings.

ACCELERATED AND EQUITABLE VACCINATION DISTRIBUTION

With input from the state's Community Vaccine Advisory Committee, the state has focused its efforts in the last four months on implementing a rapid, equitable distribution and administration of COVID-19 vaccinations statewide.

In late January, the Government Operations Agency worked in partnership with the Department of Public Health, local health jurisdictions, and a Third-Party Administrator (Blue Shield of California) to organize a statewide vaccine network to optimize allocation and administration of vaccines as well as build a statewide tool, My Turn, to help people know when it is their turn to be vaccinated and schedule an appointment. In addition, the Governor's Office of Emergency Services operated mass vaccination sites in Oakland and Los Angeles, where it administered over 833,000 vaccines.

In March, the state doubled the COVID-19 vaccine supply to communities hardest hit by COVID-19 using ZIP code-level measures of community health. This increase helped narrow the gap in vaccination between those living in the most affluent communities and those who face more challenges accessing vaccinations.

A statewide multi-lingual, multicultural public education, community outreach, and direct appointment assistance campaign continues, utilizing trusted messengers from more than 480 community based organizations statewide and ethnic media. In addition, the state is working to increase access by offering in-home vaccinations; free transportation to vaccination appointments; and mobile sites in partnership with places of worship, employers, and other trusted community locations. The state is also conducting "Get Out the Vaccine" door-knocking and canvassing to assist in arranging vaccinations as well as providing support and coordination with businesses, school districts, and local health departments. As of July 7, vaccine canvassers have knocked on more than 1.5 million doors to answer questions and promote vaccination in communities facing the greatest barriers to getting vaccinated.

The work continues as millions of Californians have yet to be vaccinated. The data and science clearly demonstrate vaccines are highly effective at preventing serious illness and death from COVID-19, including the Delta variant. As of June 30, 2021, the Delta variant represents approximately 35.6 percent of the cases sequenced in June 2021 during routine monitoring of the different strains in California.

As of July 7, 2021, 38.5 percent of 12-15 year-olds have received at least one vaccine dose. Planning continues for administration of the vaccine to children under 12 in partnership with local health departments, schools and pediatricians statewide.

DIRECT EMERGENCY RESPONSE EXPENDITURES

Current estimates of total direct pandemic emergency response costs are approximately \$12.5 billion, which represents costs incurred in fiscal years 2019-20 and 2020-21 as well as estimated costs in 2020-21 and projected costs in 2021-22. These expenditures are estimated to have a net General Fund cost of approximately \$1 billion. This net General Fund cost represents an adjustment to the fund split provided in the May Revision estimate based on updated federal guidance indicating American Rescue Plan Act of 2021 funding cannot be used for expenditures incurred prior to March 3, 2021. Since the 2020 Budget Act, the Department of Finance has regularly updated these estimates on its website. The Administration continues to maximize the use of federal funds and currently estimates the following fund split:

- \$1 billion General Fund
- \$8 billion Federal Emergency Management Agency (FEMA) Public Assistance Program
- \$2.4 billion Coronavirus Relief Fund (CRF)
- \$724.8 million American Rescue Plan Act (ARPA)
- \$347.7 million other federal funds and private funds

The May Revision estimate reflected a total of \$12.3 billion in state direct emergency response costs across multiple fiscal years. Compared to that estimate, total costs are now projected to increase by \$122 million. This increase is attributable to implementation of the state's "Vax for the Win Vaccination Incentive Program." The following chart summarizes current estimates compared to the estimates included in the May Revision. These estimates will continue to be refined as circumstances evolve and the state emerges from the pandemic.

COVID-19 Direct Response Cost Estimates

Cost Category	2021 May Revision Estimate	2021 Enacted Budget	Difference
State Response Operations	\$2,357,239,000	\$2,357,239,000	\$0
State Hospitals	\$153,873,000	\$153,873,000	\$0
Testing	\$47,204,000	\$47,204,000	\$0
Surge Capacity (Norwalk)	\$2,568,000	\$2,568,000	\$0
Other Staffing and Operational Costs	\$104,101,000	\$104,101,000	\$0
National Guard	\$112,780,000	\$112,780,000	\$0
Corrections and Rehabilitations	\$1,592,719,000	\$1,592,719,000	\$0
Community Supervision	\$45,667,000	\$45,667,000	\$0
Temporary Suspension of Prison Intake	\$316,933,000	\$316,933,000	\$0
Reentry Housing	\$15,000,000	\$15,000,000	\$0
Project Hope	\$2,006,000	\$2,006,000	\$0
Personal Protective Equipment	\$51,168,000	\$51,168,000	\$0
Medical Surge/Tents	\$145,157,000	\$145,157,000	\$0
Testing (Employee)	\$412,056,000	\$412,056,000	\$0
Testing (Inmate)	\$218,554,000	\$218,554,000	\$0
Cleaning	\$123,581,000	\$123,581,000	\$0
Other Staffing and Operational Costs	\$262,597,000	\$262,597,000	\$0
Other State Agency Response Operations Costs	\$497,867,000	\$497,867,000	\$0
Procurements	\$2,995,347,000	\$2,995,347,000	\$0
OES Masks Contract (Global Healthcare Product Solutions, LLC)	\$920,600,000	\$920,600,000	\$0
DGS and Other Procurements	\$2,074,747,000	\$2,074,747,000	\$0
Hospital and Medical Surge (to support 5,000 beds)	\$1,285,322,000	\$1,285,322,000	\$0
Staffing Costs	\$1,129,116,000	\$1,129,116,000	\$0
Facilities and Operating Costs	\$156,206,000	\$156,206,000	\$0
Hotels for Health Care Workers/Support Staff	\$277,951,000	\$277,951,000	\$0
Housing for the Harvest	\$24,259,000	\$24,259,000	\$0
Vulnerable Populations and Other Support Services	\$1,738,742,000	\$1,738,742,000	\$0
Project Roomkey	\$212,000,000	\$212,000,000	\$0
Food Banks	\$230,000,000	\$230,000,000	\$0
Immigrant Services	\$453,460,000	\$453,460,000	\$0
Support for Small Businesses	\$562,500,000	\$562,500,000	\$0
Great Plates Delivered	\$19,111,000	\$19,111,000	\$0
Other Program Allocations	\$261,671,000	\$261,671,000	\$0
Statewide Testing	\$1,855,645,000	\$1,855,645,000	\$0
PerkinElmer	\$1,126,297,000	\$1,126,297,000	\$0
Logistics Health, Inc. (Optum)	\$465,145,000	\$465,145,000	\$0
FedEx Specimen Transportation	\$15,838,000	\$15,838,000	\$0
Other Statewide Testing	\$248,365,000	\$248,365,000	\$0
Contact Tracing and Tracking	\$233,142,000	\$233,142,000	\$0
Vaccine Distribution and Administration	\$1,388,274,000	\$1,510,274,000	\$122,000,000
Supporting Vaccine Sites and Management of the Statewide Provider Network	\$1,100,658,000	\$1,222,658,000	\$122,000,000
Administering the Statewide Provider Network	\$202,500,000	\$202,500,000	\$0
Media Campaign	\$85,116,000	\$85,116,000	\$0
Community Engagement	\$193,340,000	\$193,340,000	\$0
Totals	\$12,349,261,000	\$12,471,261,000	\$122,000,000

The process to compile, submit, and receive funding from FEMA is lengthy for most disasters. Given the national scale and scope of the response effort, this process is expected to be even more protracted and FEMA approval is uncertain in some areas. Using the flexibility permitted in federal guidance for the CRF, the state can pursue FEMA reimbursement for claims that are most easily compiled, reviewed, and paid. These modifications are being made to maximize federal funding to defray the costs of the response as summarized in the CRF allocation chart.

Allocation of CRF for COVID-19 Response Costs

Cost Category	Selected Direct Response Costs	Estimated CRF 2021 Budget Act
State Response Operations	\$2,357,239,000	\$1,139,099,000
Procurements	\$2,995,347,000	\$443,605,000
Hospital and Medical Surge	\$1,285,322,000	\$31,033,000
Hotels for Health Care Workers/Support Staff	\$277,951,000	\$25,000,000
Vulnerable Populations/Other Support Services	\$1,738,742,000	\$535,057,000
Statewide Testing	\$1,855,645,000	\$24,200,000
Contact Tracing and Tracking	\$233,142,000	\$162,551,000
Other State Costs ^{1/}	N/A	\$174,347,000
Totals	\$10,743,388,000	\$2,534,892,000

^{1/}Excludes costs for Homekey.

FEDERAL ASSISTANCE

To address the direct and indirect effects of COVID-19, the federal government enacted six federal stimulus bills. Together, these funds are helping pay for emergency response, testing and contact tracing, health care, and vaccinations. These funds are also directly supporting the unemployed and K-12 schools. Families and individuals will also benefit from expansions of the Child Tax Credit, Earned Income Tax credits, and partial tax exemptions on unemployment benefits, as well as expanded financial assistance for health coverage. Combined with direct payments and other assistance to individuals and families, hospitals and medical providers, businesses, higher education institutions and college students, local housing authorities, airports, farmers, and local government, California and its economy will benefit from over \$600 billion provided through these federal bills as summarized in the chart below.

Summary of Estimated Federal Stimulus Funds

(Dollars in Thousands)

Federal Bill and Description	To/Through State	Direct Stimulus	Total
Preparedness and Response (HR 6074, March 2020): Provided emergency funding for public health and health care.	\$77,432	\$1,539,951	\$1,617,383
Families First (HR 6201, March 2020): Provided food assistance and addressed diagnostic testing costs, expanded paid and family sick leave, and increased the federal match share for some state programs.	12,831,849	4,553,496	17,385,345
Coronavirus Aid, Relief, and Economic Security (HR 748, March 2020): Broadened assistance to include states, local governments, education, child care and families. Provided economic impact payments, unemployment insurance enhancements, and assistance for small businesses, farmers, airports, and transit agencies.	152,141,350	84,550,774	236,692,124
Paycheck Protection/Health Care (HR 266, April 2020): Provided funding to small businesses, hospitals, and health centers to expand testing and contract tracing to support reopening businesses and the economy.	500,105	74,251,808	74,751,913
Coronavirus Response and Relief (HR 133, December 2020): Provided funding for rental and utility assistance, funeral expenses, food assistance, farmers, airports, transit agencies, and state highways. Included additional unemployment benefits and economic impact payments. Additional funding provided for health care providers, testing, and vaccine distribution.	32,980,017	66,227,114	99,207,131
American Rescue Plan Act (HR 1319, March 2021): Provided additional relief to state and local governments, funding for vaccine distribution, behavioral health, education, child care, housing, and transit. Continued enhanced unemployment benefits and provided economic assistance through tax credits as well as relief for small businesses.	90,816,948	100,656,958	191,473,906
Totals	\$289,347,701	\$331,780,101	\$621,127,802

CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

California will receive over \$43 billion in combined recovery funds from the American Rescue Plan Act of 2021 to cover costs incurred between March 3, 2021 and December 31, 2024, to mitigate the impacts of the COVID-19 Pandemic, including \$27 billion in state fiscal recovery funds. The Act specifies that funds may be used to respond to the public health emergency or its negative economic impacts, replace lost revenue, and to make necessary investments in water, sewer, or broadband infrastructure. The framework for the \$27 billion Coronavirus State Fiscal Recovery Fund includes the following allocations:

- **Address Public Health Impacts (\$1.8 billion)**—Includes support for state and local emergency response to COVID-19, including vaccine incentives, and residential

care facilities through the Community Care Expansion program. These funds will also help address the emotional and behavioral health impacts exacerbated by the COVID-19 Pandemic on California's adults as well as effects on children and youth stemming from quarantine requirements and distance learning.

- **Address Negative Economic Impacts (\$12.2 billion)**—Includes funds to address various economic and disproportionate impacts of COVID-19 on households, individuals, businesses, and industry. Specifically, the framework:
 - Addresses housing shortages and homelessness exacerbated by the pandemic.
 - Provides funds to water systems, wastewater treatment providers, and energy utilities to help households and businesses that have incurred water and energy utility arrearages.
 - Reduces barriers to accessing higher education by addressing equity gaps among low-income children and families, including homeless youth and children in foster care.
 - Provides grants to small businesses as well as economic support for the tourism industry and ports.
 - Provides emergency financial aid to community college students.
 - Provides grants to cities and counties to expand youth employment and work-study opportunities.
 - Provides education and training grants to workers displaced by the pandemic.
 - Provides legal aid to renters and homeowners facing eviction or foreclosure.
- **Replace Lost Revenue (\$9.2 billion)**—Replaces lost state revenue due to the COVID-19 public health emergency. These funds will support a variety of government services.
- **Broadband Investments (\$3.8 billion)**—Promotes access to and affordability of broadband by funding middle mile and last mile infrastructure projects.

The chart below summarizes these priority investments to help California build back a stronger, more equitable economy and address the disproportionate negative economic impacts of COVID-19 on low-wage sectors.

Allocation of \$27 Billion Coronavirus State Fiscal Recovery Fund
(Dollars in Millions)

Coronavirus State Fiscal Recovery Fund Allocations	Amount
Address Public Health Impacts	\$1,804.8
COVID-19 Direct Response Costs	\$724.8
Behavioral Health Continuum Infrastructure Program	\$530.0
Community Care Expansion	\$450.0
Mental Health Student Services Partnership Grant Program	\$100.0
Address Negative Economic Impacts	\$12,224.8
Address Increased Homelessness and Housing Shortages	\$4,876.0
Relief for Unpaid Water and Energy Utility Bills and Arrearages	\$2,000.0
Child Savings Accounts to Address Equity Gap and Increase Opportunities for Higher Education	\$1,777.9
Small Business Grants	\$1,500.0
Community Economic Resilience	\$600.0
Training and Education Support for Displaced Workers	\$472.5
Economic Support for Ports	\$250.0
Emergency Financial Aid for Community College Students	\$250.0
Youth Workforce Development	\$185.0
Californians for All College Service Program	\$127.5
Revitalize California Tourism	\$95.0
Legal Aid for Renters	\$80.0
Federal Tracking, Accountability, and Cost Recovery	\$10.9
Replace Lost State Revenue	\$9,196.3
Broadband Infrastructure, Access, and Affordability	\$3,772.4
Reserve for Accountability and Oversight	\$18.6
Total	\$27,017.0

EMERGENCY RESPONSE

In 2020, the state experienced unprecedented emergencies, having to respond not only to the global COVID-19 Pandemic but also to the most destructive wildfires in state history. Now, while beginning to wind down pandemic response, the state is preparing for a worsening drought and potentially another catastrophic wildfire season.

The Budget bolsters the state's ability to prepare for, respond to, recover from, and mitigate against the impacts of the multiple emergency events the state continues to experience in the midst of severe climate change, while prioritizing equity in protecting vulnerable and disadvantaged communities and populations.

OFFICE OF EMERGENCY SERVICES

Under the authorities of the California Emergency Services Act, the Office of Emergency Services (Cal OES) serves as the state's leadership hub during all major emergencies and disasters. This includes responding, directing, and coordinating state and federal resources and mutual aid assets across all regions to support the diverse communities across the state.

The Budget includes \$335.4 million (\$313.3 million General Fund) and 229 positions for Cal OES to enhance the state's emergency preparedness, response, and recovery capabilities as follows:

- **Strengthening California’s Emergency Response Capacity and Capabilities**—\$16.5 million ongoing General Fund and 73 positions to establish permanent and dedicated incident response teams and needed support to operate California’s State Operations Center or Regional Emergency Operations Centers to respond to all-hazard events. These teams will strengthen the capabilities of the State Operations Center and lessen the Office’s reliance on redirected staff from other areas in the organization.
- **Supporting Long-Term Recovery**—\$37.8 million (\$15.7 million General Fund) ongoing to provide permanent funding for 104 permanent recovery positions provided in 2018 with three-year limited-term funding, and 110 new positions to better support California’s recovery efforts and recoupment of eligible federal disaster cost reimbursements for the state and local governments, and to maximize the hazard mitigation program to mitigate the impacts of future disasters on the state and local jurisdictions.
- **Strengthening Equity and Connections with Communities**—\$29.9 million ongoing General Fund and 13 positions to establish a new Office of Equity and make permanent an annual \$25 million Listos California grant program to further strengthen connections and build resiliency with all communities.
- **Modernizing Technology and Data Analytics**—\$10.2 million General Fund and 14 positions to modernize the Department’s technology and data capabilities through new technology and updating outdated systems.
- **Strengthening Tracking and Reporting of Disaster Costs and Funding**—\$4 million ongoing General Fund and 14 positions to establish a new unit within Cal OES to better coordinate and lead the state’s disaster cost tracking and reporting efforts in coordination with all state agencies. This new unit will serve as a liaison with the Department of Finance to better align cost tracking and federal cost recovery efforts statewide.
- **California Disaster Assistance Act (CDAA)**—\$100 million one-time General Fund to increase the amount of funding available through the CDAA, which is used to repair, restore, or replace public real property damaged or destroyed by a disaster or to reimburse local governments for eligible costs associated with emergency activities undertaken in response to a state of emergency proclaimed by the Governor. This augmentation increases total CDAA funding available in 2021-22 to \$162.6 million.
- **Southern Regional Emergency Operations Center**—\$26.5 million one-time General Fund to acquire land to establish a new emergency operations center in the Cal

OES southern operational region. It also includes \$7.7 million General Fund to relocate the staff from temporary trailers to a leased space while the construction of the new building occurs. The current space is inadequate and limits the capability of the team in responding to emergencies. This investment will establish a permanent location to support emergency operations given the high risk for disasters in the area and the critical need for timely response to local communities.

- **Wildfire Forecast and Threat Intelligence Integration Center**—\$7.5 million in 2021-22, \$4.5 million ongoing and 22 positions for Cal OES, California Military Department, Department of Forestry and Fire Protection (CAL FIRE), and Public Utilities Commission to implement Chapter 405, Statutes of 2019 (SB 209). This bill requires Cal OES and CAL FIRE to establish a Wildfire Forecast and Threat Intelligence Integration Center to: (1) provide “real time” intelligence and data regarding wildfire threats to government agencies; (2) develop intelligence products for public and private entities involved in wildfire risk mitigation efforts; and (3) serve as a central organizing hub for wildfire forecasting, weather information, threat intelligence gathering, and analysis. This additional investment builds on the \$2 million ongoing General Fund provided in the 2020 Budget Act for a total investment of \$9.5 million.
- **Community Hardening to Build Disaster Resilient Communities**—\$100 million one-time General Fund to support community hardening efforts. Of this amount, \$85 million will be used to support under-resourced communities by covering up to 100 percent of the local government's cost share for participating in the federal hazard mitigation grant program. The remaining funds will be used for efforts supporting this program, including but not limited to, outreach to disadvantaged local communities and providing technical assistance to local governments as they apply for federal grants.

Information regarding victims services grant funding within Cal OES' budget is available in the Criminal Justice Chapter.

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

The Department of Forestry and Fire Protection (CAL FIRE) provides resource management and wildland fire protection services covering over 31 million acres. It operates 234 fire stations and also staffs local fire departments when funded by agreements with local governments. CAL FIRE also contracts with county agencies in six counties to provide wildland fire protection services.

The ongoing impacts of climate change on California's wildlands continue to create critically dry fuel conditions and longer, more severe fire seasons. As of June 29, 2021, the United States Drought Monitor shows that 94.7 percent of California is experiencing severe, extreme, or exceptional drought conditions, and these conditions are expected to remain in the coming months. In addition to widespread drought, the below-normal snowpack level is expected to melt off earlier than usual, leaving middle and upper elevations at risk of fire spread earlier in the season than usual.

Significant investments include:

- **CAL FIRE Emergency Preparedness and Response: Additional Fire Crews—** \$142.8 million General Fund in 2021-22, \$124 million ongoing General Fund, and \$24.2 million one-time General Fund in out-years for related capital outlay costs for CAL FIRE and the California Conservation Corps (CCC) to support 30 additional fire crews, including 16 seasonal firefighter crews and 14 CCC crews. In recognition of the continuing climate impacts on fuel conditions and existing population trends in the California Department of Corrections and Rehabilitation's Conservation Camp program, these fire crews will enable CAL FIRE to respond to larger and more damaging wildfires throughout the fire season and complete priority fuel reduction projects to reduce wildfire risk in fire-threatened areas.
- **Wildfire and Forest Resilience Strategy—**The Budget includes \$1.5 billion for a comprehensive package of resources to increase the pace and scale of forest health activities and decrease fire risk, including \$536 million that was adopted as early action. The Budget agreement commits \$458 million (\$258 million General Fund and \$200 million Greenhouse Gas Reduction Fund) in 2021-22 and \$500 million General Fund in 2022-23, with the flexibility to accelerate the 2022-23 funding as need is demonstrated. Further information is available in the Climate Change Chapter.
- **Firefighter Surge Capacity—**The Budget includes \$38.9 million one-time General Fund to augment CAL FIRE's resources for the 2021 fire season. To address the state's high-risk fuel conditions, this additional funding will support the staffing of three additional California National Guard crews for a total of 13 fire crews from July through December, and continue staffing 8 additional CAL FIRE crews that began in April 2021. Additionally, the Administration has initiated the integration of new firefighting aircraft into CAL FIRE's fleet to meet the challenges associated with increased wildfire activity. The Budget includes \$48.4 million to support the phasing in of these aircraft as quickly as possible to enhance CAL FIRE's ability to respond to wildfire incidents.

- **Black Hawk Helicopters**—The replacement of CAL FIRE's Vietnam War-era helicopter fleet with new technologically advanced S70i Black Hawk helicopters was initiated in 2017-18, and the 2020 Budget Act included funding to purchase the remaining 3 helicopters to complete the replacement of all 12 CAL FIRE helicopters. Three new Black Hawk helicopters have been deployed to date, and it is estimated that four more Black Hawk helicopters will be put into operation sometime during the 2021 fire season (for a total of seven). CAL FIRE expects to put the remaining five helicopters into operation in 2022.
- **Large Air Tankers**—The 2019 and 2020 Budget Acts included funding for CAL FIRE to phase in the seven large C-130H air tankers that will be transferred from the federal government starting in 2021-22. The air tankers, currently owned by the U.S. Coast Guard, are being retrofitted by the U.S. Air Force utilizing \$150 million in federal funding. CAL FIRE is continuing to prepare for the arrival of these aircraft by training and certifying new dedicated flight crews and mechanics, and cross-training and certifying its existing pilots to fly the aircraft for maximum operational efficiency and effective wildland fire response. The Administration is actively working with its federal partners to meet the expected 2021-22 arrival of the aircraft.
- **Emergency Fund**—The Budget includes \$604.2 million (\$381.1 General Fund, \$223.1 Reimbursements) to support CAL FIRE's emergency fire suppression activities, which can be augmented to the extent there is a need for additional fire suppression resources to address catastrophic wildfires.

DEPARTMENT OF FOOD AND AGRICULTURE

The Budget includes \$150 million one-time General Fund for the Department of Food and Agriculture to support the development and enhancement of community resilience centers. This funding is available to improve both local fairground and other community facilities to enhance the state's emergency preparedness capabilities, particularly in response to climate change. Funding can be used to support infrastructure for emergency evacuation, shelter, base camps during emergency events, and critical deferred maintenance. Elements for this infrastructure may include cooling and heating centers, clean air centers, and extended emergency evacuation response centers with community kitchens, shower facilities, broadband, back-up power and other community needs due to wildfires, floods, and other emergencies or climate events.

CALIFORNIA MILITARY DEPARTMENT

The Budget provides \$2.5 million ongoing General Fund to address the increased magnitude, frequency, and complexity of natural disasters. In recent years, the California Military Department has changed from providing a periodic response force to sustaining year-round support for disaster prevention, response, and recovery. These resources will enhance current logistical, administrative, and fiscal support operations, as well as future planning and training to prepare for contingencies as the nature of disasters and emergencies evolve.

K-12 EDUCATION

California provides instruction and support services to roughly 5.9 million students in pre-kindergarten through twelve in more than 10,000 schools throughout the state. A system of 58 county offices of education, 1,000 local school districts, and more than 1,200 charter schools provides instruction in English, mathematics, history, science, and other core competencies.

The Budget includes total funding of \$123.9 billion (\$65.5 billion General Fund and \$58.4 billion other funds) for all K-12 education programs—the highest level of funding in California's history. Per-pupil funding is also at the highest levels ever, totaling \$13,976 per pupil in Proposition 98 General Fund and \$21,555 per pupil when accounting for all funding sources.

CALIFORNIA FOR ALL KIDS

The Budget includes a package of investments in pre-kindergarten through twelve education designed to improve outcomes for all young Californians. This historic, multi-year funding plan expands educational opportunities for all students, to provide all children with the comprehensive supports necessary to reach their full potential, ensuring the future prosperity of the state.

The Budget achieves these goals through funding for all of the following:

- Universal access to transitional kindergarten (pre-kindergarten) so all children are prepared to succeed in school
- Statewide expansion of and infrastructure to support community schools, which partner with families and communities to meet students' health, academic, and social emotional needs
- Year-round access to enrichment activities and before/after-school supplemental education programs for children in low-income communities
- Universal access to high-quality, subsidized school meals
- Well-prepared and well-supported teachers to address persistent shortages and accelerate learning for students
- Deeper connections and relationships between students and adults on campus, with training in tiered systems of student supports, including more school counselors, social workers, and nurses
- More intervention-focused special education programs
- Improved and more integrated relationship between schools and health care plans, county health, and social services to provide school-based services to children
- Greater student access to broadband Internet and computer technology, both in the classroom and at home

Additionally, to strengthen the existing public education fiscal infrastructure, which has been significantly impacted by the COVID-19 Pandemic and multi-year enrollment declines, the Budget restores all deferrals and includes additional investments in general purpose K-12 funding to ensure a strong base that facilitates the success of the proposed new investments.

PROPOSITION 98

Proposition 98 is a voter-approved constitutional amendment that guarantees minimum funding levels for K-12 schools and community colleges (collectively referred to as K-14 schools). The Guarantee, which went into effect in the 1988-89 fiscal year, determines funding levels according to multiple factors including the level of funding in 1986-87, General Fund revenues, per capita personal income, and school attendance growth or

decline. The Local Control Funding Formula is the primary mechanism for distributing these funds to support all students attending K-12 public schools in California.

The Guarantee continues to be in a Test 1 for all years 2019-20 through 2021-22. This means that the funding level of the Guarantee is equal to approximately 38 percent of General Fund revenues, plus local property tax revenues. The significant increase in revenues projected for 2020-21 and 2021-22 results in a corresponding increase in resources for K-14 schools. Proposition 98 is estimated to be \$79.3 billion in 2019-20, \$93.4 billion in 2020-21, and \$93.7 billion in 2021-22, representing a historically high three-year increase in the minimum Guarantee of \$47 billion over the level funded in the 2020 Budget Act.

PROPOSITION 98 RAINY DAY FUND

The Budget includes 2020-21 and 2021-22 payments of \$1.9 billion and \$2.6 billion, respectively, into the Public School System Stabilization Account, for a total account balance of \$4.5 billion at the end of 2021-22. Under current law, there is a cap of 10 percent on school district reserves in fiscal years immediately succeeding those in which the balance in the Account is equal to or greater than 3 percent of the total K-12 share of the Proposition 98 Guarantee. The balance of \$4.5 billion in 2021-22 triggers school district reserve caps beginning in 2022-23.

LOCAL CONTROL FUNDING FORMULA (LCFF)

The Budget includes a compounded LCFF cost-of-living adjustment of 4.05 percent, representing a 2020-21 cost-of-living adjustment of 2.31 percent and a 2021-22 cost-of-living adjustment of 1.7 percent. Additionally, to help local educational agencies address ongoing fiscal pressures, the Budget includes \$520 million Proposition 98 General Fund to provide a 1-percent increase in LCFF base funding. This discretionary increase, when combined with the compounded cost-of-living adjustment, results in growth in the LCFF of 5.07 percent over 2020-21 levels.

DEFERRALS

Recession-driven revenue reductions anticipated at the 2020 Budget Act drove the need to defer LCFF apportionments, in the amounts of \$1.9 billion in 2019-20, growing to more than \$11 billion in 2020-21. The Budget eliminates all K-12 deferrals in 2021-22.

UNIVERSAL TRANSITIONAL KINDERGARTEN AND STATE PRESCHOOL

Evidence is plentiful that children who attend preschool are better prepared to succeed in school than children who do not. To provide access to free, high-quality, inclusive pre-kindergarten education for all children, the Budget includes a series of investments beginning in 2022-23 to incrementally establish universal transitional kindergarten, with full implementation by 2025-26. Universal transitional kindergarten will be phased-in over five years, with local educational agencies able to use 2021-22 for planning and infrastructure development. Additional access for four-year-olds will be implemented in increments of two months of age per year from 2022-23 through 2024-25 and three months of age in 2025-26, when all four-year-olds will be eligible. The costs of this plan are anticipated to be approximately \$600 million General Fund in 2022-23, growing to \$2.7 billion in 2025-26 (the Proposition 98 Guarantee will be “rebenched” to draw down General Fund for the costs of new enrollment in each year of increased investment). Additionally, the Budget includes \$200 million one-time Proposition 98 General Fund for planning and implementation grants for all local educational agencies and \$100 million one-time Proposition 98 General Fund for local educational agencies to train and increase the number of early childhood educators.

To build on and enhance the quality of the existing transitional kindergarten program, the Budget also proposes new ongoing Proposition 98 General Fund beginning in 2022-23 to provide one additional certificated or classified staff person in each transitional kindergarten classroom, reducing adult-to-child ratios from 1:24 to 1:12. Additionally, to the extent that additional funding is provided for this purpose, beginning in the 2023-24 school year, these ratios could be further reduced to 1:10.

Further, to maximize parent choice, the Budget clarifies that otherwise-eligible children remain eligible for transitional kindergarten, State Preschool, Head Start, or any other state or federal child care program that a student's parent or guardian decides is best for them. Finally, the Budget also encourages schools to consider using State Preschool operators to provide wraparound care for their income-eligible students, to ensure a full day of developmentally appropriate care and education for these children. To provide the resources necessary to ensure that State Preschool providers can meet these demands, the Budget includes \$130 million Proposition 98 General Fund for additional student access, as well as increasing reimbursement rates to more closely reflect regional differences in the cost of providing care.

COMPREHENSIVE STUDENT SUPPORTS

To build up the capacity of schools to become stable hubs for a wider spectrum of basic student needs and real-world learning, the Budget includes \$3 billion Proposition 98 General Fund, available over several years, to expand and strengthen the implementation and use of the community school model to all schools in communities with high levels of poverty. Community schools partner with education, county, and nonprofit entities to provide integrated health, mental health, and social services alongside high-quality, supportive instruction. In addition to these integrated student supports, community schools offer expanded learning time, active family and community engagement, and collaborative leadership and practices, which are also funded in other proposals in the Budget. Over \$140 million of the nearly \$3 billion will support the establishment of regional technical assistance centers across the state to assist local educational agencies in establishing and maintaining community schools using multiple funding sources to meet students' needs.

To increase the number of adults providing direct services to students on school campuses, the Budget includes an ongoing increase to the LCFF concentration grant of \$1.1 billion Proposition 98 General Fund, increasing the concentration grant from 50 to 65 percent of the LCFF base grant. Local educational agencies that are recipients of these funds will be required to demonstrate in their local control and accountability plans how these funds are used to increase the number of certificated and classified staff on their campuses, including school counselors, nurses, teachers, paraprofessionals, custodial staff, and other student support providers. Also, in recognition of the disproportionate impact of the COVID-19 Pandemic on youth in foster care, county offices of education will receive an additional \$30 million one-time Proposition 98 General Fund to work with local partners to coordinate and provide direct services to these students.

Further, the Budget provides \$547.5 million one-time Proposition 98 General Fund for the A-G Completion Improvement Grant Program, which will fund high schools to increase the number of students, particularly students eligible for free and/or reduced price meals, English learners, and foster youth, who graduate from high school having completed the A-G series of classes required for admission to the California State University and University of California. The Pandemic made completion of these classes more difficult for many students, and the extra supports that will be provided to them with these resources will help them get back on track.

EXPANDED LEARNING TIME

A substantial body of research demonstrates the benefits of both expanded learning time and summer/intersessional enrichment in addressing and preventing learning challenges for students. To provide children with expanded learning opportunities regardless of their family income, the Budget makes an initial \$1.8 billion Proposition 98 General Fund investment as part of a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and youth in foster care.

Pursuant to this plan, all local educational agencies will receive funding for expanded learning opportunities based on their number of low-income students, English language learners, and youth in foster care, with local educational agencies with the highest concentrations of these students receiving a higher funding rate. All local educational agencies will be required to offer expanded learning opportunities to the students generating the funding, with the local educational agencies receiving the higher funding rate required to offer expanded learning opportunities to all students. These students will have access to no-cost after school and summer programs, which when combined with regular instructional time, will provide these students with the opportunity for nine hours of developmentally appropriate academics and enrichment activities per instructional day and for six weeks each summer.

Similar to the existing After School Education and Safety Program, these programs will offer developmentally appropriate enrichment to students, including:

- An educational element in which tutoring or homework assistance is provided, and
- A supplemental element including, but not limited to, Science, Technology, Engineering, and Mathematics (STEM); fine arts; career technical education; recreation; and physical fitness.

Additionally, these programs will be required to maintain adult-to-student ratios of no less than 1:10 for transitional kindergarten and kindergarten students and 1:20 for students in first through sixth grades.

Funding for expanded learning opportunities is expected to increase over the course of five years, growing to \$5 billion in 2025-26. Over the implementation period, per pupil funding will increase and more local educational agencies will be expected to expand access to all students. In the meantime, local educational agencies are encouraged to

expand access beyond the targeted student population by incorporating fee-based services into their programs for students whose families can afford to pay, using a graduated fee schedule that considers family income.

EDUCATOR PREPARATION, RETENTION, AND TRAINING

Preparing, training, and recruiting a diverse, expert workforce of administrative, credentialed, and classified staff to work in public K-12 schools is critical to the success of the entire system. To further expand the state's educator preparation and training infrastructure, including to meet the need for additional early childhood educators, the Budget provides approximately \$2.9 billion to support educator initiatives. These proposals include:

WORKFORCE PREPARATION

- \$500 million one-time General Fund over five years for the Golden State Teacher grants, which would support a combined total of at least 25,000 grants for teacher credential candidates who commit to teach at a priority school, in a high-need subject matter area, for four years.
- \$350 million one-time Proposition 98 General Fund over five years to support teacher preparation residencies and other grow-your-own teacher credentialing programs.
- \$125 million one-time Proposition 98 General Fund over five years for the Classified School Employee Teacher Credentialing Program, to support more than 5,000 classified school staff in becoming credentialed teachers.
- \$20 million one-time General Fund to provide a credential fee waiver in 2021-22 for individuals entering the K-12 educator workforce.
- \$15 million one-time Proposition 98 General Fund over three years to support 6,000 teachers in completing the coursework necessary to receive state certification to teach computer science.
- \$1.7 million one-time Proposition 98 General Fund to support the educator recruitment work of the Center on Teaching Careers.
- Statute authorizing new pathways for prospective teachers to establish basic skills and subject matter competency, through coursework and upgrades to existing examinations.

RETENTION AND TRAINING

- \$1.5 billion one-time Proposition 98 General Fund over five years for the Educator Effectiveness Block Grant, to provide local educational agencies with training resources for classified, certificated, and administrative school staff in specified high-need topics, including accelerated learning, social-emotional learning, re-engaging students, restorative practices, and implicit bias training.
- \$250 million one-time Proposition 98 General Fund over five years to incentivize 2,500 highly-qualified National Board Certified teachers to teach and mentor other instructional staff in high poverty schools.
- \$60 million one-time Proposition 98 General Fund for the Classified School Employee Summer Assistance Program, which provides matching funds for intersessional pay for classified employees that work less than 12 months per year.
- \$50 million one-time Proposition 98 General Fund for the California Collaborative for Educational Excellence to administer evidence-based professional development for educators that can support learning acceleration for California's diverse student population, particularly in mathematics, literacy and language development.
- \$25 million one-time Proposition 98 General Fund over five years for the 21st Century California School Leadership Academy, to provide high-quality professional learning for administrators and other school leaders.
- Additional one-time funds are also provided to increase educator training and resources in early math, reading, science instruction, computer science, dyslexia, anti-bias strategies, environmental literacy, open educational resources, ethnic studies, and LGBTQ+ cultural competency.

Finally, the Budget proposes aligning teacher preparation programs with new teacher expectations for the instruction of students with exceptional needs, including dyslexia.

UNIVERSAL SCHOOL NUTRITION

Nutrition programs are a key component in achieving an effective education program. Research shows that child nutrition programs increase student attendance and improve their well-being. To ensure that these benefits are available to all children, and to reduce the stigma of free and reduced-price meals, the Budget provides an additional \$54 million Proposition 98 General Fund to reimburse all meals served to students, including for those who would not normally qualify for reimbursement under

the state meal program. Federal waivers allow schools to operate the federal Seamless Summer Option throughout the 2021-22 school year and will allow participating schools to offer free meals to all students, regardless of income eligibility, while providing federal reimbursement at the free rate for all meals served.

Beginning in 2022-23 school year, all public schools will be required to provide two free meals per day to any student who requests a meal, regardless of income eligibility. Further, all schools eligible for the Community Eligibility Provision, the federal universal meals provision, will be required to apply for the program by June 30, 2022 (if they are not already participating) to reduce volatility in costs to the state and ensure the state is not responsible for costs that could be reimbursed at the federal level. The state will then cover any remaining unreimbursed costs up to the federal free per-meal rate, at an estimated cost of \$650 million Proposition 98 General Fund annually.

Additionally, the Budget provides \$150 million one-time Proposition 98 General Fund for school districts to upgrade kitchen infrastructure and equipment, as well as provide training to food service employees. Of this amount, \$120 million will provide a minimum of \$25,000 per district for kitchen upgrades and equipment, and \$30 million to provide a minimum of \$2,000 per district for training to promote nutritious foods, food preparation, and healthy food marketing.

The Administration continues to support funding to advance farm-to-school programs. Funding to support these programs will be considered as part of a deferred discussion between the Administration and Legislature later summer (See Sustainable Agriculture Chapter for additional detail).

SPECIAL EDUCATION

The Budget reflects the state's ongoing commitment to invest in and improve instruction and services for students with disabilities. Specifically, the Budget includes the following for special education programs:

- \$450 million one-time Proposition 98 General Fund for LEAs to provide learning recovery supports for students with disabilities.
- \$396.9 million ongoing Proposition 98 General Fund to increase the statewide base rate for special education funding.

K-12 EDUCATION

- \$277.7 million one-time federal Individuals with Disabilities Education Act (IDEA) funds to local educational agencies to increase general statewide special education resources.
- \$260 million ongoing Proposition 98 General Fund to support early intervention services for preschool-aged children.
- \$186.1 million ongoing Proposition 98 General Fund to provide a 4.05-percent cost-of-living adjustment for state special education funding.
- \$100 million one-time Proposition 98 General Fund for alternative dispute resolution to provide more opportunities for efficient and effective resolution of special education services complaints.
- \$15 million one-time Proposition 98 General Fund for grants to LEAs to improve the delivery of inclusive practices.
- \$10 million one-time federal IDEA funds to provide technical assistance and support to local educational agencies in developing and administering comprehensive individualized education programs and to develop tools and resources to assess and address academic impacts of the Pandemic on students with disabilities.
- \$7 million ongoing federal IDEA funds to support and expand Family Empowerment Centers.
- \$2.3 million federal IDEA funds (of which \$965,000 is available on a one-time basis) and 6 positions for the Department of Education to address special education complaints, perform court-ordered special education monitoring of local educational agencies, and to purchase special education monitoring software.

INDEPENDENT STUDY

The COVID-19 Pandemic posed an unprecedented crisis for California's schools. However, with scientific consensus regarding the safety of in-person instruction and continued success in expanding vaccinations to drive down COVID-19 transmission, school communities can and must prioritize the in-person connections that best serve the mental health, social-emotional well-being, and academic needs of students, families, and staff.

The Budget requires that all districts return to full-time in-person instruction for the 2021-22 school year. Consistent with all school years prior to 2020-21, this mode of instruction will be the default for all students, and generally one of only two ways in

which local educational agencies can earn state apportionment funding in 2021-22. However, some parents may still be hesitant to send their children back to school for in-person instruction. In addition, some children may be unable to return to in-person instruction for medical reasons. To give families a high-quality option for non-classroom based instruction, and to provide local educational agencies with an option to generate state funding by serving students outside the classroom in response to parent requests, the Budget requires school districts and county offices of education to provide students with an independent study option and includes a series of improvements to the state's existing independent study programs.

Specifically, local educational agencies will provide non-classroom based instruction using the existing traditional and course-based independent study models, but will have additional requirements to: (1) provide opportunities for synchronous instruction and live interaction; (2) ensure access to technology, internet connectivity, and a dedicated and rigorous curriculum; (3) develop and implement a framework of tiered re-engagement strategies for students not meaningfully participating in instruction; and (4) track student learning to ensure that students are making satisfactory educational progress.

OTHER K-12 BUDGET ADJUSTMENTS

Other significant adjustments include:

- **Career Technical Education**—An increase of \$150 million ongoing Proposition 98 General Fund to augment opportunities for local educational agencies to participate in the Career Technical Education Incentive Grant Program.
- **Career Technical Education ROCPs**—An increase of \$86.4 million one-time Proposition 98 General Fund for career technical education regional occupational centers or programs (ROCPs) operated by a joint powers authority to address costs associated with the COVID-19 Pandemic.
- **Court Schools**—An increase of \$80 million one-time Proposition 98 General Fund for court schools to address costs associated with the COVID-19 Pandemic.
- **State Special School Facilities**—\$20.2 million General Fund and a commitment for \$106.3 million in future years for three new projects and one continuing project. The new projects would renovate 26 student residences and provide a perimeter fence at the Fremont campus and demolish 16 vacated modular buildings at the Riverside campus.

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HIGHER EDUCATION

The Budget's unprecedented level of investment in higher education reflects a continued commitment to affordability, more accessible institutions, higher quality programs, equitable outcomes, and more efficient degree pathways—all of which are critical for driving upward mobility across the state.

The Budget includes total funding of \$47.1 billion (\$25.7 billion General Fund and local property tax and \$21.4 billion other funds) for all higher education entities in 2021-22. The state's three public segments—the University of California (UC), the California State University (CSU), and the California Community Colleges (CCC)—receive substantial ongoing base augmentations, and the Budget includes significant investments to make postsecondary education more affordable, including expanding the state's Cal Grant program to additional CCC students. Also included are investments to make college savings accounts widely available to low-income children; provide grants to advance training and education for workers impacted by the COVID-19 Pandemic; promote learning-aligned, long-term career development opportunities; and support regional K-16 education collaboratives focused on streamlining educational pathways leading to in-demand jobs.

UNIVERSITY OF CALIFORNIA

The COVID-19 Pandemic underscored the importance of being able to act swiftly to adjust operations to best support students and complex university operations. To support a model that enables the UC Office of the President to further collaborate with

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campuses to implement systemwide efforts that enable campuses to better serve students and operate more efficiently, the Budget consolidates the separate funding items for the UC Office of the President, UC PATH, and UC campuses into one item, adds additional transparency through enhanced reporting and enables the UC Office of the President to return to a campus assessment model.

Notable ongoing investments for the UC include:

- \$475.6 million General Fund for UC operations, including \$302.4 million General Fund to offset the ongoing reduction applied to the UC in the 2020 Budget Act, and \$173.2 million General Fund for a five-percent base increase.
- \$32.1 million General Fund for the UC Division of Agriculture and Natural Resources.
- \$15 million General Fund for student mental health resources.
- \$12.9 million General Fund for UC Programs in Medical Education (UC PRIME).
- \$3 million General Fund for the UC Los Angeles Latino Policy and Politics Initiative.
- \$3 million General Fund for animal rescue operations in natural disasters.
- \$2 million General Fund augmentation for summer-term student financial aid in 2021-22 (resulting in a total of \$4 million ongoing).
- \$1 million General Fund for the California Vectorborne Disease Surveillance Gateway.
- \$1 million General Fund to support adoption of a common intersegmental learning management system.
- \$300,000 General Fund to supplement funding available for immigration legal services.

Notable one-time investments for the UC include:

- \$325 million General Fund for deferred maintenance and energy efficiency projects.
- \$50 million General Fund for the Charles R. Drew University medical education program.
- \$45 million General Fund for the UC Davis animal shelter grant program.
- \$30 million General Fund for the UC San Diego Hillcrest Medical Center.
- \$25 million General Fund for UC Riverside School of Medicine facilities.

- \$22.5 million General Fund for Support Student Academic Preparation and Educational Partnership (SAPEP) programs.
- \$21 million General Fund for the UC Davis Institute for Regenerative Cures.
- \$20 million General Fund to support the California Institutes for Science and Innovation.
- \$15.2 million General Fund for dyslexia research and screening tool pilot projects.
- \$15 million General Fund to support emergency financial assistance grants for students.
- \$15 million General Fund for the UC Los Angeles Lawson Labor Center.
- \$15 million General Fund for UC Riverside Center of Environmental Research and Technology facilities.
- \$65.7 million to support various programs, services, and research at UC campuses.

CALIFORNIA STATE UNIVERSITY

The Budget provides resources to support Humboldt State University becoming the state's third designated polytechnic university, and the first in northern California. Transitioning Humboldt State University to a polytechnic university will build upon the University's high concentration of programs in science, technology, engineering and math (STEM) fields, as well as applied sciences such as health, agriculture, and natural resources. Moreover, the availability of a polytechnic university on the northern California coast will improve the availability of hands-on educational opportunities in the region, preparing students for in-demand careers in the North Coast region and throughout California.

To support the University's designation as a polytechnic university, the Budget provides \$433 million one-time General Fund to support renovations of science and laboratory facilities, as well as enhanced computing and telecommunications infrastructure—as the campus transitions to a polytechnic university, and \$25 million ongoing General Fund to support the addition of academic programs, such as programs in cyber security and technology, wildlife management, and climate resilience.

HIGHER EDUCATION

Notable ongoing investments for the CSU include:

- \$484.9 million General Fund for CSU operations, including \$299 million General Fund to offset the ongoing reduction applied to the CSU in the 2020 Budget Act, and \$185.9 million General Fund to support a five-percent base increase.
- \$25 million General Fund to support academic program transitions for Humboldt State University to become a polytechnic university.
- \$15 million General Fund for the basic needs component of Graduation Initiative 2025.
- \$ 15 million General Fund for student mental health resources.
- \$3 million General Fund augmentation for summer-term financial aid in 2021-22 (resulting in a total of \$6 million ongoing).
- \$2 million General Fund to support adoption of a common intersegmental learning management system.
- \$1 million General Fund to support increased full-time equivalent student enrollment at the CSU Stanislaus Stockton Campus.
- \$1 million General Fund to support the CSU Dominguez Hills African-American Political and Economic Institute.
- \$246,000 to support continued broadband access by the Corporation for Education Network Initiatives in California (CENIC).

Notable one-time investments for the CSU include:

- \$325 million General Fund for deferred maintenance and energy efficiency projects.
- \$60 million General Fund to support infrastructure improvements at CSU Dominguez Hills.
- \$54 million General Fund to support the replacement of the Acacia building at the CSU Stanislaus Stockton Campus.
- \$30 million General Fund to support emergency financial assistance grants for students.
- \$25 million General Fund to support the construction of the CSU Northridge Center for Equity in Innovation and Technology.

- \$10 million General Fund to support culturally competent professional development and equal employment opportunities for faculty.
- \$10 million General Fund for the Computing Talent Initiative through CSU Monterey Bay.
- \$18 million General Fund to support various programs and services at CSU campuses.

CALIFORNIA COMMUNITY COLLEGES

SIGNIFICANTLY REDUCING TEXTBOOK COSTS

Textbooks add considerable costs to earning a degree. To address the rising costs of textbooks, the 2016 Budget Act included \$5 million one-time Proposition 98 General Fund to establish the Zero-Textbook-Cost Degree (ZTC) Grant Program to create associate degrees and career technical education certificate programs, earned entirely by completing courses that eliminate textbook costs. To further support efforts to significantly reduce student textbook costs, the Budget includes \$115 million one-time Proposition 98 General Fund to develop and implement ZTC degrees and open educational resources.

Other Detailed Budget Investments

Apportionment Investments:

- **Apportionments Adjustment**—An increase of \$395 million ongoing Proposition 98 General Fund, which includes \$371.2 million for a 5.07-percent cost-of-living adjustment and \$23.8 million for 0.50-percent enrollment growth.
- **Repayment of 2020-21 Apportionments Deferral**—A 2021-22 payment of \$1.453 billion Proposition 98 General Fund for apportionments deferred from 2020-21, of which \$144.6 million is from 2019-20, \$1,078.9 million is from 2020-21, and \$229.8 million is from 2021-22.
- **Local Property Tax Adjustment**—A decrease of \$230.2 million ongoing Proposition 98 General Fund as a result of increased offsetting local property tax revenues.

Student-Focused Program Investments:

- **Emergency Financial Assistance Grants**—An increase of \$250 million one-time American Recovery Plan Act of 2021 funds to support emergency student financial assistance grants.
- **Student Basic Needs**—An increase of \$160 million Proposition 98 General Fund, comprised of \$100 million one-time Proposition 98 General Fund available over three years to address student basic needs including food and housing insecurity, \$30 million ongoing Proposition 98 General Fund to support student mental health services, and \$30 million ongoing Proposition 98 General Fund for colleges to establish basic needs centers and hire basic needs coordinators.
- **Retention and Enrollment Strategies**—An increase of \$120 million one-time Proposition 98 General Fund to support efforts to bolster CCC student retention rates and enrollment.
- **Guided Pathways**—An increase of \$50 million one-time Proposition 98 General Fund to further support colleges' efforts to implement Guided Pathways programs.
- **Categorical Program Augmentations**—An increase of \$64.2 million ongoing Proposition 98 General Fund to support budget augmentations for the Student Equity and Achievement Program, Extended Opportunity Programs and Services (EOPS), the Umoja Program, the MESA Program, and the Puente Project.
- **Equal Employment Opportunity Programs**—An increase of \$20 million one-time Proposition 98 General Fund to support the implementation of EEO best practices developed by the Chancellor's Equal Employment Opportunity and Diversity Advisory Committee.

Workforce-Focused Investments:

- **CCC Strong Workforce Program**—An increase of \$42.4 million ongoing Proposition 98 General Fund to increase program funding and enable community college districts to support work-based learning opportunities.
- **High Road Training Partnerships and Regional Partnerships**—An increase of \$20 million one-time Proposition 98 General Fund to support CCC participation in High Road Training Partnerships and regional partnerships developed by the California Workforce Development Board.

- **California Apprenticeship Initiative**—An increase of \$15 million ongoing Proposition 98 General Fund to augment the California Apprenticeship Initiative.
- **Competency-Based Education Pilot**—An increase of \$10 million one-time Proposition 98 General Fund to pilot implementation of competency-based education at select community colleges.
- **CCC Registry Modernization**—An increase of \$1 million one-time Proposition 98 General Fund to support the modernization of the CCC Registry, which is an online database of job opportunities for the CCCs.

Technology-Focused Investments:

- **Online Education and Supports Block Grant**—An increase of \$10.6 million ongoing Proposition 98 General Fund to support the continuity of education and quality distance learning across the CCC system, including access to online tutoring, online counseling, and online student support services such as mental health services.
- **Common Course Numbering**—An increase of \$10 million one-time Proposition 98 General Fund to plan for and begin developing a common course numbering system throughout the community college system.
- **CENIC Cost Increase**—An increase of \$8 million ongoing Proposition 98 General Fund for cost increases associated with continued broadband access provided by the Corporation for Education Network Initiatives in California (CENIC).
- **Library Services Platform**—An increase of \$4 million ongoing Proposition 98 General Fund to support a systemwide technology platform for library services to better manage and deliver digital information to support teaching and learning.

Other Investments:

- **CCC Facilities**—General Obligation bond funding of \$581.4 million (\$577.9 million Proposition 51 of 2016 and \$3.5 million Proposition 55 of 2004), including \$8.2 million to start nine new capital outlay project and \$573.2 million for the construction phase of 32 projects anticipated to complete design by spring 2022. This allocation of Proposition 51 funding represents the next installment of the \$2 billion available to CCCs under Proposition 51.
- **Deferred Maintenance**—An increase of \$511 million one-time Proposition 98 General Fund to address deferred maintenance.

- **Faculty Investments**—An increase of \$100 million ongoing Proposition 98 General Fund to hire new full-time faculty, and \$100 million Proposition 98 General Fund—of which \$10 million is ongoing—to support part-time faculty office hours.
- **College Augmentations**—An increase of \$72.9 million one-time Proposition 98 General Fund to support local requests.
- **Adult Education**—An increase of \$21.8 million ongoing Proposition 98 General Fund to reflect a 4.05-percent cost-of-living adjustment for the Adult Education Program, and \$1 million ongoing Proposition 98 General Fund to support technical assistance for the Program.
- **Faculty Professional Development**—An increase of \$20 million one-time Proposition 98 General Fund for culturally competent professional development for faculty, including leveraging 21st-century technology to improve learning outcomes.
- **Anti-Racism Initiatives**—An increase of \$5.6 million one-time Proposition 98 General Fund to support the implementation of the provisions of Chapter 32, Statutes of 2020 (AB 1460) and systemwide anti-racism initiatives.

CALIFORNIA STUDENT AID COMMISSION

LEARNING-ALIGNED EMPLOYMENT

The Budget includes \$200 million one-time General Fund in 2021-22 and reflects an additional \$300 million one-time General Fund in 2022-23 to establish and support the Learning-Aligned Employment program, which would promote learning-aligned, long-term career development for UC, CSU, and CCC students. The program will involve:

- The California Student Aid Commission administering the program, in collaboration with the University of California, California State University, and California Community Colleges.
- Strategically focusing campuses toward identifying or establishing partnerships with external employers to provide learning-aligned opportunities related to students' fields of study, aimed at providing students with long-term career development and professional networking opportunities.

- Prioritizing learning-aligned employment opportunities for underrepresented students, particularly underrepresented students in STEM fields.

EDUCATION AND TRAINING SUPPORT GRANTS FOR DISPLACED WORKERS

The Budget includes \$472.5 million in one-time American Rescue Plan Act of 2021 funds and \$27.5 million one-time General Fund for the Student Aid Commission to establish a one-time grant program to support displaced workers seeking reskilling and up-skilling, and educational opportunities. The program will involve:

- Authorizing the Student Aid Commission to disseminate the funds to the higher education segments, and authorizing UC, CSU, and CCC campuses to receive these funds and grant them to individuals displaced from their employment due the COVID-19 Pandemic on behalf of the Commission.
- Allowing recipients to use their grants for the costs of postsecondary programs or high-quality training programs.
- Requiring at least half of the amount appropriated for this purpose to be used to provide grants to eligible individuals who are caring for a dependent child.
- Encouraging UC, CSU, and CCC campuses to match grant funds used at their institutions, which could include UC and CSU extension programs, with institutional funds.
- Specifying that the grant amounts will be determined by the Student Aid Commission, with grant amounts between \$1,000 and \$2,500.

GOLDEN STATE TEACHER GRANT PROGRAM

The Budget provides an increase of \$500 million one-time General Fund for the Golden State Teacher Grant Program. These funds will be available over a five-year period to support grants to students enrolled in teacher preparation programs who commit to working in a high-need field at school sites with the highest rates of non-credentialed or waiver teachers.

CALIFORNIA COMMUNITY COLLEGE EXPANDED ENTITLEMENT AWARDS

The Budget provides an increase of \$235.1 million ongoing General Fund to expand community college student eligibility for a Cal Grant award by eliminating the

program's age and time-out-of-high-school requirements and to provide support for newly eligible CCC students that also qualify for the students with dependent children supplemental access award. Additionally, students now eligible to receive an award due would be able to keep their awards upon transfer to a CSU or UC. These awards will provide support for low-income community college students that have taken a nontraditional pathway to enrolling in college.

MIDDLE CLASS SCHOLARSHIP PROGRAM

The Budget provides an increase of \$515 million ongoing General Fund beginning in 2022-23, for a combined total of \$632 million, to support a modified version of the Middle Class Scholarship program that will focus resources toward reducing a student's total cost-of-attendance. These awards would enable eligible students to reduce their need to borrow resources to finance their education and would enable students to reduce their need to work while attending college.

Other Significant Investments:

- **Cal Grant Tuition Award for Private Nonprofit Institutions**—An increase of \$5.4 million ongoing General Fund to increase Cal Grant A and B awards for students attending private nonprofit postsecondary institutions.
- **Cal Grant A Eligibility**—An increase of \$14.8 million ongoing General Fund to restore Cal Grant A eligibility for students impacted by a change in their living status due to the pandemic.
- **Former and Current Foster Youth Access Award**—An increase of approximately \$15.1 million ongoing General Fund to provide a supplemental access award for former or current foster youth.
- **Financial Aid Applications**—The Budget includes statutory changes to require local educational agencies to confirm that all high school seniors who have not opted out complete a Free Application for Federal Student Aid (FAFSA) or California Dream Act Application beginning in the 2022-23 academic year.

SCHOLARSHARE INVESTMENT BOARD

CHILD SAVINGS ACCOUNTS

The Budget provides approximately \$1.9 billion in 2021-22 (\$1.8 billion one-time federal American Rescue Plan Act of 2021 funds, \$91.7 million one-time General Fund, and \$16 million ongoing General Fund) and reflects an additional \$170 million ongoing General Fund beginning in 2022-23, to establish college savings accounts for all current low-income public school students in grades 1-12, as defined for purposes of the Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a public school, and for successive cohorts of these student populations as they enter first grade. Making college savings accounts widely available to eligible students and seeding them with resources that will be invested and grow in value over time will help set children from low-income families on a path to affording postsecondary education, while helping to address equity gaps. The program will involve:

- Expanding the CalKIDS Program, administered by the ScholarShare Investment Board, to create college savings accounts targeted to low-income and underrepresented public school students, in addition to the program's current focus toward establishing college savings accounts for all newborns.
- Establishing accounts for every student qualifying as low-income as defined by the Local Control Funding Formula (students eligible for free or reduced-price meals under the National School Lunch Program, English learners, and foster youth).
- Providing seed funding of \$500 for each account, with qualifying foster youth and homeless students each receiving an additional supplemental seed deposit of \$500.

UC HASTINGS COLLEGE OF THE LAW

Detailed Budget Investments

- \$2.1 million ongoing General Fund for operational costs.
- \$3 million one-time General Fund, available over a three-year period, for an alternative campus public safety program.
- \$3.5 million one-time General Fund to establish the Bench to School Initiative.

CALIFORNIA STATE LIBRARY

Detailed Budget Investments

Infrastructure Investments:

- **Library Infrastructure**—An increase of \$439 million one-time General Fund for an equity-focused matching grant program to support local library maintenance, capital projects, broadband and technology upgrades, and purchasing of devices.
- **Broadband Access**—An increase of \$35 million one-time General Fund available through 2024-25, to expand broadband access to isolated and under-served communities through a collaborative partnership of local education agencies, regional libraries, and telehealth providers and leverage available federal funds through the E-Rate Program.
- **Broadband Capacity and Equipment Grants**—An increase of \$6 million one-time General Fund to support the Broadband Connectivity Initiative.
- **Logan Heights Library**—An increase of \$2.4 million one-time General Fund for facilities restoration at Logan Heights Library in San Diego.

Education Investments:

- **English as a Second Language Programs**—An increase of \$15 million one-time General Fund to support English as a Second Language programs offered through local libraries.
- **Online Tutoring**—An increase of \$6.4 million one-time General Fund to support a two-year pilot online K-12 tutoring service program.
- **Early Learning and After-School Program Grants**—An increase of \$5 million one-time General Fund for local library jurisdictions with the lowest per capita spending to implement early-learning and after-school programs to provide services for school-aged children.
- **Civil Liberties Program**—An increase of \$5 million one-time General Fund to support grants for public education and awareness of Civil Liberties.
- **Career Online High School**—An increase of \$3 million one-time General Fund to support the Career Online High School Program.

- **Database Access**—An increase of \$241,000 ongoing General Fund to support K-12 Student Online STEAM database access.

Other Investments:

- **Community Outreach and Mobile Library Grants**—An increase of \$3 million one-time General Fund for local library jurisdictions to purchase bookmobiles and community outreach vehicles to expand access to books and other library materials.
- **Disaster Preparedness**—A limited-term increase of \$2.4 million General Fund annually for the next four years to support Disaster Preparedness for Cultural Heritage Agencies.
- **Governmental Studies Program**—An increase of \$2.1 million one-time General Fund and \$460,000 ongoing General Fund for the Governmental Studies Program in collaboration with UC Los Angeles and UC Berkeley.
- **California Humanities Program**—An increase of \$2 million one-time General Fund for the California Humanities Program.
- **California Library Services Act**—An increase of \$1.75 million ongoing General Fund to restore the 2020 Budget Act reduction to the California Library Services Act.
- **Additional direct investments**—An increase of \$3.6 million ongoing General Fund and \$3.2 million one-time General Fund to support various library programs and services.

STUDENT HOUSING

The Budget sets-aside \$2 billion one-time General Fund, over a three-year period, to establish a low-cost student housing grant program for the public higher education segments, focused on expanding the availability of affordable student housing, and to support campus expansions for the UC and CSU. Additional details are contingent upon future legislation.

REGIONAL K-16 EDUCATION COLLABORATIVES

The Budget provides \$250 million one-time General Fund for a grant program to support regional K-16 education collaboratives. The program will involve:

HIGHER EDUCATION

- Appropriating the funds to the Department of General Services to award grants to between five and eight regional collaboratives.
- Requiring eligible collaboratives to include at least one institution from all three segments; to include consideration of regional workforce needs; to focus on streamlining occupational pathways that lead to high-paying, in-demand jobs; and to align higher education with workforce needs.
- Requiring eligible collaboratives to adopt recommendations from the February 2021 Recovery with Equity report related to fostering inclusive institutions and facilitating student transitions.

DUAL ADMISSIONS

Commencing with the 2023-24 academic year and through the 2025-26 academic year, the Budget includes language for UC and CSU to establish a new stand-alone dual admissions pathway enabling eligible first-time freshman applicants to be considered for guaranteed admission to the UC or CSU campus of their choice upon completion of an Associate Degree for Transfer or another transfer pathway at a California Community College.

HEALTH AND HUMAN SERVICES

The Health and Human Services Agency oversees departments and other state entities that provide health and social services to California's vulnerable and at-risk residents. The Budget includes total funding of \$209.9 billion (\$57.3 billion General Fund and \$152.6 billion other funds) for all programs overseen by this Agency.

DEPARTMENT OF HEALTH CARE SERVICES

Medi-Cal, California's Medicaid program, is administered by the Department of Health Care Services. Medi-Cal is a public health care coverage program that provides comprehensive health care services at no or low cost for low-income individuals. The Department also administers programs for special populations and several other non-Medi-Cal programs as well as county-operated community mental health and substance use disorder programs.

Significant Adjustments:

- **Medi-Cal Coverage to Undocumented Older Adults**—The Budget includes \$67.3 million (\$48 million General Fund) in 2021-22 and \$1.5 billion (\$1.3 billion General Fund) ongoing upon full enrollment to expand Medi-Cal to undocumented adults aged 50 and older effective no sooner than May 1, 2022. These costs are inclusive of In-Home Supportive Services costs included in the Department of Social Services budget.

- **California Advancing and Innovating Medi-Cal (CalAIM) Initiative**—The Budget includes \$1.6 billion (\$650.7 million General Fund) in 2021-22 for the CalAIM initiative. The cost increases in General Fund to \$1.5 billion (\$812.5 million General Fund) by 2023-24 and decreases to \$900 million (\$480 million General Fund) in 2024-25 and ongoing.
- **Population Health Management Service**—As part of the the CalAIM initiative, the Budget includes one-time \$315 million (\$31.5 million General Fund) to provide population health management services that would centralize administrative and clinical data from the Department, health plans, and providers. Access to this information would allow all parties to better identify and stratify member risks and inform quality and value delivery across the continuum of care while implementing the CalAIM Initiative. The service will also facilitate the connection between important health data and critical human service data for a given beneficiary.
- **Medi-Cal Providing Access and Transforming Health Payments (PATH)**—As part of the CalAIM Initiative, the Budget includes one-time \$200 million (\$100 million General Fund) to build capacity for effective pre-release care for justice-involved populations to enable coordination with justice agencies and Medi-Cal coverage of services 30 days prior to release.
- **Five-Year Medi-Cal Eligibility Extension for Postpartum Individuals**—The American Rescue Plan Act of 2021 allows states to receive a federal funding match if they extend Medi-Cal eligibility from 60 days to 12 months for postpartum individuals, effective April 1, 2022 for up to five years. The Budget includes \$90.5 million (\$45.3 million General Fund) in 2021-22 and \$362.2 million (\$181.1 million General Fund) in 2022-23 growing to approximately \$400 million (\$200 million General Fund) until April 1, 2027 to implement the extension.
- **Doula Benefit**—The Budget includes \$403,000 (\$152,000 General Fund) in 2021-22 and approximately \$4.4 million (\$1.7 million General Fund) annually at full implementation to add doula services as a covered benefit in the Medi-Cal program, effective January 1, 2022.
- **Community Health Workers**—The Budget includes \$16.3 million (\$6.2 million General Fund), increasing to \$201 million (\$76 million General Fund) by 2026-27, to allow community health workers to provide benefits and services to Medi-Cal beneficiaries, effective January 1, 2022.
- **Medically Tailored Meals**—The Budget includes one-time funding of \$9.3 million General Fund to continue the provision of medically tailored meals in the period

between the conclusion of the existing pilot program in 2021 and when medically tailored meals become available as an option for In-Lieu of Service under CalAIM.

- **Telehealth Flexibilities**—The Budget includes \$151.1 million (\$53.3 million General Fund) in 2021-22 for the extension of telehealth flexibilities allowed during the federal public health emergency—including payment parity for audio-only modalities—through December 2022 and coverage of remote patient monitoring, and includes \$106.4 million (\$37.2 million General Fund) ongoing for remote patient monitoring.
- **Proposition 56 Suspensions**—The Budget eliminates suspensions for Proposition 56 supplemental payment increases.
- **Behavioral Health Continuum Infrastructure Program**—The Budget includes \$755.7 million (\$445.7 million General Fund and \$310 million Coronavirus Fiscal Recovery Fund) in 2021-22, \$1.4 billion (\$1.2 billion General Fund and \$220 million Coronavirus Fiscal Recovery Fund) in 2022-23 and \$2.1 million General Fund in 2023-24 for competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets or to invest in mobile crisis infrastructure to expand the community continuum of behavioral health treatment resources.
- **Drug Rebate Fund Reserve**—The Budget allocates \$222 million in 2020-21 to the Medi-Cal Drug Rebate Fund to maintain a reserve. The reserve is intended to alleviate the General Fund impact related to drug rebate volatility.
- **Medication Therapy Management**—The Budget includes \$12.6 million (\$4.4 million General Fund) to reimburse specialty pharmacies for services provided to beneficiaries with complex drug therapies in the fee-for-service delivery system, effective July 1, 2021.
- **County Administration Funding for Post-Public Health Emergency Redeterminations**—The Budget includes one-time funding of \$73 million (\$36.5 million General Fund) in each of 2021-22 and 2022-23 to resume annual Medi-Cal redeterminations upon conclusion of the federal public health emergency and continuous coverage requirement.
- **Support for Public Hospitals and Health Systems**—The Budget includes \$300 million one-time General Fund to help public health care systems cover costs associated with critical care delivery needs provided during and beyond the pandemic.
- **Rates for Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF/DD) and Freestanding Pediatric Subacute Facilities (FS/PSA)**—The Budget includes \$45.4 million (\$21.6 million General Fund) in 2021-22 and \$22 million

(\$11.1 million General Fund) ongoing to address frozen rates for ICF/DD and FS/PSA rates.

- **Continuous Children’s Health Insurance Program (CHIP) Coverage**—The Budget includes \$16 million one-time General Fund to continue coverage for CHIP populations for six months, through the assumed duration of the federal public health emergency.
- **Rapid Whole Genome Sequencing**—The Budget includes \$6 million (\$3 million General Fund) for a whole genome sequencing Medi-Cal benefit for infants.
- **Office of Medicare Innovation and Integration**—The Budget includes \$602,000 (\$452,000 General Fund) ongoing to provide the Department with focused leadership and expertise to lead innovative models for Medicare beneficiaries in California, including both Medicare-only beneficiaries and individuals dually eligible for Medicare and Medi-Cal.
- **Caregiver Resource Centers**—The Budget includes \$10 million General Fund in 2022-23 and ongoing for Caregiver Resource Centers.
- **Medi-Cal Asset Test**—The Budget includes \$394 million (\$197 million General Fund) in 2022-23 and ongoing to increase the Medi-Cal asset limit to \$130,000 for an individual (plus \$65,000 for each additional household member) no sooner than July 1, 2022 and to fully eliminate the asset limit no sooner than January 1, 2024.
- **Complex Rehabilitation Technology**—The Budget includes \$4 million (\$2 million General Fund) to restore the 10-percent reimbursement rate for complex rehabilitation technology.
- **Free Clinics Augmentation**—The Budget includes \$2 million ongoing General Fund for free clinics.
- **Martin Luther King Jr. Hospital Augmentation**—The Budget includes one-time \$10 million General Fund for the Martin Luther King Jr. Hospital in Los Angeles.
- **Clinical Laboratory Payments**—The Budget includes \$32 million (\$25 million General Fund) in 2021-22 to forgive retroactive recoupment of payments to clinical laboratories, and \$6 million (\$3 million General Fund) ongoing to eliminate the statutory rate cap of 80 percent of Medicare effective July 1, 2021.
- **Alameda Wellness Respite Center**—The Budget includes \$15 million General Fund one-time for the Alameda Wellness Respite Center.

- **Kedren Community Health and Acute Psychiatric Hospital**—The Budget includes \$30 million one-time General Fund for the Kedren Community Health and Acute Psychiatric Hospital.
- **Continuance of Dental Managed Care in Sacramento and Los Angeles Counties**—The Budget includes \$19.9 million (\$8 million General Fund) to continue dental managed care through December 31, 2022.
- **Medi-Medi Seniors Medi-Cal Navigators**—The Budget includes \$12 million in General Fund in 2021-22 and 2022-23 to support Navigators for dually-eligible senior Medi-Cal beneficiaries.
- **Field Testing for Medi-Cal Translation Materials**—The Budget includes \$2 million (\$1 million General Fund) in 2021-22 and \$60,000 (\$30,000 General Fund) ongoing to field test translated Medi-Cal materials.

DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services (DSS) serves, aids, and protects needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence.

Significant Adjustments:

- **Community Care Expansion Program**—The Budget includes \$805 million in 2021-22 for the construction, acquisition and/or rehabilitation of projects to preserve or expand adult and senior care facilities to serve people experiencing homelessness or who are at risk of becoming homeless.
- **Project Roomkey**—The Budget includes \$150 million one-time General Fund to support transitioning participants into permanent housing.
- **Home Safe**—The Budget includes \$92.5 million General Fund in both 2021-22 and 2022-23 for the Home Safe program for access to health, safety, and housing supports for individuals involved in or at risk of involvement in Adult Protective Services.
- **Housing and Disability Advocacy Program**—The Budget includes \$150 million General Fund in 2021-22 and 2022-23 to assist disabled individuals who are experiencing homelessness. This augmentation is in addition to an ongoing annual appropriation of \$25 million General Fund for this purpose.

- **Addressing Complex Care Needs for Foster Youth**—The Budget includes \$139.2 million General Fund to assist counties with serving foster youth with complex needs and behavioral health conditions, within California, as well as youth that return from an out-of-state congregate placement.
- **CalWORKs Housing Support Program Investment**—The Budget includes \$190 million General Fund in both 2021-22 and 2022-23 to expand the existing CalWORKs Housing Support program.
- **Bringing Families Home Program**—The Budget includes \$92.5 million General Fund in both 2021-22 and 2022-23 (with spending authority through 2024-25) to expand the existing Bringing Families Home program. This program provides housing-related supports to eligible families experiencing homelessness in the child welfare system.
- **Family Reunification CalWORKs Assistance Payment**—The Budget includes \$8.8 million General Fund in 2021-22 and ongoing for counties to continue providing CalWORKs services for up to 180 days when a child has been removed from the home and is receiving out-of-home care.
- **Family First Prevention Services Act Part I**—The Budget includes \$222.5 million General Fund in 2021-22 to be expended over three years to assist counties with new prevention services implementation efforts allowable under the new federal Family First Prevention Services Act. These one-time resources will assist counties to build locally driven prevention services and supports for children, youth and families at risk of entering foster care.
- **Foster Care Emergency Assistance**—The Budget includes \$24.5 million General Fund and federal TANF block grant funds in 2021-22 to provide caregivers with up to four months of emergency assistance payments pending resource family approval and up to twelve months for cases that meet good cause criteria.
- **Child Welfare Services-California Automated Response and Engagement System**—The Budget includes \$39.4 million General Fund in 2021-22 to continue development of a new technology platform for Child Welfare Services.
- **Child and Adolescent Needs and Strengths Assessment Tool Workload**—The Budget includes \$3.4 million General Fund ongoing for increased county social worker workload associated with the Child and Adolescent Needs and Strengths assessment tool.
- **Continuum of Care Reform Reconciliation**—The Budget includes \$7.1 million General Fund to reflect Continuum of Care Reform true-up related to county Child and Family Teams actual expenditures for fiscal year 2018-19.

- **Stipend for Tribal Social Work Students**—The Budget includes \$3 million General Fund in 2021-22 to provide a Master of Social Work Program stipend for tribal members or Native Americans who commit to working in tribal social services programs dedicated to serve children and families through after graduation.
- **CWS Augmentation**—The Budget includes \$85 million General Fund in one-time support for child welfare services activities.
- **Infant Supplement**—The Budget includes \$1.8 million General Fund for Healthy Futures for Foster Youth.
- **Child Welfare Caregiver Pandemic Assistance**—The Budget includes \$80 million General Fund one-time Child Welfare Caregiver Stipend/COVID-19 Pandemic Assistance.
- **Short-Term Residential Therapeutic Program Pandemic Assistance**—The Budget includes \$42 million one-time General Fund for Foster Care Short-Term Residential Therapeutic Program COVID Relief.
- **Emergency Response Social Workers**—The Budget includes \$50 million General Fund to support increased Emergency Response Social Workers in Child Welfare.
- **Foster Family Agencies**—The Budget includes \$5.4 million General Fund to increase Foster Family Agency rates by \$50 per child per month to reduce social worker turnover.
- **Child Welfare Training Additional Support**—The Budget includes an additional \$7 million General Fund for Child Welfare Training.
- **Guaranteed Income Pilot Program**—The Budget includes \$35 million General Fund over five years for Guaranteed Income pilot programs. These pilot programs will be city or county administered, require a local-match commitment, and target former foster youth, pregnant or parenting foster youth, and low-income Californians.
- **CalWORKs Grant Increase**—The Budget reflects a 5.3-percent increase to CalWORKs Maximum Aid Payment levels, which is estimated to cost \$141.9 million in 2021-22. These increased grant costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccounts of the Local Revenue Fund.
- **Federal Pandemic Emergency Assistance Fund**—The Budget includes \$204 million federal Pandemic Emergency Assistance Fund/TANF to provide one-time cash payment to CalWORKs families.

- **CalWORKs Overpayments**—The Budget includes two changes to CalWORKs overpayment collections. First, beginning April 2020 through the end of the pandemic or June 30, 2022, whichever is sooner, counties are authorized to consider all non-fraudulent overpayments as administrative errors. This will reduce required collections from inadvertent household errors from ten percent to five percent of a family's aid payments. Second, the CalWORKs Overpayment collection timeframe will be reduced from five years to two years.
- **Indian Health Clinic Funding Restoration**—The Budget includes \$1.9 million ongoing General Fund to restore Indian Health Clinic funding to pre-2009 funding levels.
- **IHSS State and County Sharing Ratio**—The Budget includes increased state costs of \$57.3 million General Fund in 2021-22 and \$123.8 million ongoing General Fund to reflect the continuation of the 65-percent state and 35-percent county sharing ratio and the continuation of the ten percent over three years option.
- **IHSS Seven Percent Fiscal Penalty**—The Budget assumes that counties will pay a one-time penalty for failing to agree to contracts with IHSS providers through the collective bargaining process.
- **Long Term Care Career Pathways**—The Budget includes \$200 million one-time General Fund to incentivize, support, and fund career pathways for IHSS providers, allowing these workers to build on their experience to obtain a higher-level job in the home care and/or health care industry.
- **IHSS Seven Percent Suspension**—The Budget eliminates the IHSS seven-percent reduction in service hours resulting in a cost of approximately \$248 million General Fund in 2022-23 and \$496 million ongoing General Fund.
- **IHSS Electronic Forms**—The Budget includes \$5 million General Fund for IHSS Electronic Forms.
- **SSP Grant Increase**—The Budget includes \$291.3 million General Fund in 2021-22 and ongoing to increase grants for SSP, Cash Assistance Program for Immigrants, and California Veterans Cash Benefits. Future SSP grant increases will be subject to an appropriation.
- **Adult Protective Services**—The Budget includes \$70 million General Fund for Adult Protective Services Expansion.
- **Rapid Response Efforts**—The Budget includes \$105.2 million one-time General Fund for the Rapid Response Fund to provide support for migrant family arrivals at the

Southern California border and additional funding for other emergency responses, including wildfires and drought.

- **Unaccompanied Undocumented Minors (UUM)**—The Budget includes \$20 million General Fund in 2021-22 to provide additional support for UUMs through the Opportunities for Youth pilot project (\$4.7 million General Fund), the UUM legal services (\$14 million General Fund), and state operations (\$1.3 million General Fund).
- **California Newcomer Education and Well-Being Project (CalNEW)**—The Budget includes \$5 million Proposition 98 General Fund in 2020-21 to assist school districts in improving refugee and UUM students' well-being, English-language proficiency, and academic performance.
- **DACA and Naturalization Filing Fees**—The Budget includes \$25 million one-time General Fund in 2021-22 to fund filing fees for DACA and naturalization.
- **Case Management for Asylees and Vulnerable Noncitizens**—The Budget includes \$8 million one-time General Fund for Case Management for asylees and other vulnerable non-citizens.
- **One California**—The Budget includes \$30 million one-time General Fund to augment the One California legal services programs for immigrants.
- **Community Response Initiative to Strengthen Emergency Systems (C.R.I.S.E.S) Act**—The Budget includes \$10 million General Fund for the C.R.I.S.E.S. Act to establish a multi-year pilot grant program that supports innovative approaches, builds capacity, and develops a policy framework for community-based organizations to support emergency response.
- **Services for Survivors and Victims of Hate Crimes**—The Budget includes \$110 million General Fund over three years for the department to administer a multi-year grant program to support services for victims and survivors of hate crimes and their families and facilitate hate crime prevention measures in consultation with the Commission on Asian and Pacific Islander American Affairs.
- **Attrition Mitigation for the Transitional Nutrition Benefit Program**—The Budget includes \$5 million General Fund for increased outreach and support to mitigate attrition from these programs. Additionally, \$600,000 is provided for the automation required to pause recertification for the TNB program.
- **Global Telephonic Signature**—The Budget includes \$5 million General Fund for the development of a Global Telephonic Signature.

- **CalWORKs Home Visiting**—The Budget includes \$69.1 million General Fund for CalWORKs Home Visiting.
- **CalWORKs Single Allocation**—The Budget includes \$1.7 billion General Fund and federal TANF block grant funds for the CalWORKs Single Allocation, including a \$68.3 million increase for Eligibility Administration funding and a separate allocation of \$362.4 million for Stage One Childcare.
- **CalWORKs Applicant Income Standards**—CalWORKs income standards for applicants will be brought in partial alignment with recipient income standards beginning in July 2022.
- **CalWORKs Aid to Pregnant Parents**—The Budget includes \$10 million General Fund for CalWORKs Aid to Pregnant Parents.
- **CalFresh County Administration Simplification**—The Budget includes \$33.6 million General Fund for CalFresh County administration simplifications.
- **Racial/Implicit Bias Training**—The Budget includes \$3 million General Fund for Racial/Implicit Bias Training for county staff.
- **CalWORKs Intensive Case Management**—The Budget includes \$37.5 million General Fund in 2021-22 for CalWORKs Intensive Case Management Services. Out-year augmentations are subject to appropriation.
- **California Food Assistance Program (CFAP) Expansion**—The Budget includes \$5 million General Fund in 2021-22 to expand CFAP to individuals regardless of immigration status. Out-year augmentations are subject to appropriation.
- **Food Bank Resources**—The Budget includes \$110 million one-time General Fund for food bank resources to meet COVID-19 Pandemic demands.
- **Food Bank Capacity and Climate Resilience**—The Budget includes \$182 million one-time General Fund for Food Bank Capacity Enhancement and Climate Resilience.
- **Diaper Bank Funding**—The Budget includes \$30 million one-time General Fund for diaper banks to meet COVID-19 Pandemic demands.
- **CalWORKs Statewide Promotional Campaign**—The Budget includes \$2 million one-time General Fund for the CalWORKs Statewide Promotional Campaign.
- **CalFresh Administration Costs for Student Expansion**—The Budget includes \$16 million one-time federal funds for county administration related to the CalFresh temporary eligibility expansion for college students.

- **Jewish Family Services**—The Budget includes \$5.7 million one-time General Fund for Jewish Family Services Food Bank.
- **Menstrual Products**—The Budget includes \$2 million one-time General Fund for a Menstrual Product Pilot at Los Angeles and San Diego Food Banks.

CHILD CARE AND DEVELOPMENT PROGRAMS

DSS transitioned the child care and nutrition program from the Department of Education on July 1, 2021—aligning all child care programs within a single department. The Budget includes a historic investment in child care access and the state has entered into the first collective bargaining agreement with Child Care Providers United, which provides significant rate increases to many child care providers. Additional investments include provider stipends and family fee waivers. Further detail on these investments are noted below.

- **Child Care Slots**—The Budget expands child care access by adding over 145,000 child care slots over the next two years, and grows to 200,000 new slots by 2025-26 should the state's economic condition support it. The Budget also includes \$291.5 million General Fund for Alternative Payment Programs General Child Care and Migrant Child Care slots to expand child care access. These funds will prioritize General Child Care slots serving children who are 0 to 3 years of age. Additionally, the Budget includes \$495.9 million federal funds in 2022–23, \$832 million federal funds in 2023–24, and \$115.3 million federal funds in 2024–25 for Alternative Payment Programs and General Child Care slots to expand child care access.
- **Child Care Rates**—The Budget raises the Regional Market Rate (RMR) from the 75th percentile of the 2016 RMR survey to the 75th percentile of the 2018 RMR Survey, effective January 1, 2022. Additionally, the Budget increases reimbursement rates paid to child care providers who provide services through contracts with the State, moving direct service contractors from the Standard Reimbursement Rate (SRR) to the RMR ceiling. The Budget also brings all license-exempt providers receiving a subsidy to 70 percent of the licensed family child care home rate ceiling, effective January 1, 2022 through June 30, 2023.
- **Child Care Infrastructure Facilities**—The Budget includes \$250 million (\$150 million General Fund and \$100 million federal funds) to provide infrastructure grants for the acquisition, construction, development, and renovation of child care facilities focusing on desert areas to be spent through September 30, 2024.

- **Child Care Resource and Referral Programs**—The Budget includes \$10 million federal funds to support continued Resource and Referral partnerships to strengthen their role serving as intermediaries to develop new child care facilities and capacity, and to streamline and improve data collection processes.
- **Child Care Pandemic Relief Package**—The Budget includes a Child Care pandemic relief package of \$579 million federal funds that provides: tiered licensed provider one-time stipend; a third round of per-child stipends for subsidized child care and preschool providers; family fee waivers; one-time federal funds for the expansion of the California Child Care Initiative Project; one-time federal funds for early childhood mental health consultation; 16 non-operational days for providers accepting vouchers that have to close due to COVID-19 related reasons; and continued hold harmless funding for certain child care providers that contract directly with the state and provider reimbursement at a child's maximum certified level of need.
- **Child Care Transfer**—The Budget shifts \$31.7 million (\$0.9 million General Fund) and 185.7 positions from the California Department of Education to CDSS to administer child care and nutrition programs. Additionally, to continue to support this transition additional state operations resources of \$10.3 million (\$9.8 million General Fund) and 74 position to provide adequate infrastructure to support the system, program enhancements, and to support a whole-child/whole-family approach to child care integration and data development.
- **Direct Deposit**—The Budget includes \$9 million General Fund to modernize payment options to child care and development contractors through the option of direct deposit.
- **Child Care Data Landscape**—The Budget includes \$4.8 million General Fund to support planning and initial implementation for the design of a child care data system to meet the needs of families and the workforce. This proposed data system aligns with the Master Plan for Early Learning and Care and would strengthen the administrative processes used for data collection. CDSS will build on prior efforts and engage stakeholders in the design.
- **My Child Care Plan**—The Budget includes \$10 million federal funds for MyChildCarePlan.org to support Child Care Resource and Referral agencies and counties until June 30, 2023.
- **Child and Adult Care Food Program**—The Budget includes \$15 million General Fund for the Child and Adult Care Food Program to restore the state reimbursement match for the meal programs.

DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services (DDS) provides individuals with developmental disabilities a variety of services that allow them to live and work independently or in supported environments. California is the only state that provides developmental services as an individual entitlement.

Significant Adjustments:

- **Service Provider Rate Reform**—The Budget includes \$89.9 million General Fund in 2021-22, growing to \$1.2 billion General Fund ongoing in 2025-26 for provider rate increases based on the DDS 2019 Rate Study. Annual funding includes resources for development and implementation of a quality incentive payment program focused on improving consumer outcomes and service quality.
- **Lanterman Act Provisional Eligibility**—The Budget includes \$23.8 million ongoing General Fund to provide children ages three and four with provisional Lanterman Act service eligibility.
- **Systemic, Therapeutic, Assessment, Resources, and Treatment (START) Teams**—The Budget includes \$8 million General Fund in 2021-22, increasing to \$11 million General Fund ongoing in 2022-23, for START teams. The teams provide crisis prevention and response services to individuals with intellectual or developmental disabilities.
- **Low to No Purchase of Service Caseload Ratio**—The Budget includes \$10 million ongoing General Fund to establish an enhanced caseload ratio (1:40) to improve service delivery, benefitting consumers in underserved communities.
- **Elimination of Suspensions**—The Budget eliminates suspension of the Provider Supplemental Rate Increase and lifts implementation of the Uniform Holiday Schedule resulting in a cost of \$309.6 million ongoing General Fund.
- **Performance Incentives Program**—The Budget includes \$4 million General Fund in 2021-22 for planning resources to create an outcome-focused regional center operations funding program. Beginning in 2022-23, ongoing costs increase to \$61 million General Fund, with a focus on reducing caseloads.
- **Direct Service Professional Workforce Training and Development**—The Budget includes \$2.9 million General Fund in 2021-22 to establish a training and certification program for direct service professionals tied to wage differentials. Beginning in 2023-24, ongoing costs increase to \$51 million General Fund. The differentials aim to stabilize service access and professionalize and diversify the workforce.

- **Bilingual Staff Differentials**—The Budget includes \$2.2 million General Fund in 2021-22 to create a differential for bilingual service provider staff. Beginning in 2023-24, ongoing costs increase to \$6.5 million General Fund.
- **Self-Determination Supports**—The Budget includes \$7.8 million General Fund to improve consumer onboarding into the Self-Determination Program, to include: participant choice specialists, intensive transition support services, regional center training, and the establishment of the Office of the Self-Determination Program Ombudsperson. Beginning in 2024-25, ongoing costs decrease to \$3.2 million General Fund.
- **Health and Safety Waivers**—The Budget includes \$3 million ongoing General Fund for regional centers to assist consumers with identifying and applying for health and safety waivers.
- **Social Recreation and Camp**—The Budget includes \$19 million General Fund to restore access to regional center services including: camping services, social recreation activities, educational services, and nonmedical therapies. Beginning in 2023-24, ongoing costs increase to \$36.8 million General Fund.
- **Language Access**—The Budget includes \$10 million ongoing General Fund for Language Access and Cultural Competency Orientations and Translations for regional center consumers and their families.
- **Employment Grants**—The Budget includes \$10 million General Fund for one-time grants to increase competitive integrated employment opportunities for individuals with intellectual and/or developmental disabilities.
- **Implicit Bias Training**—The Budget includes \$5.6 million ongoing General Fund for Implicit Bias Training for all regional center staff as well as contractors involved with intake, assessment, and eligibility determinations.
- **Outcomes and Quality Improvement Pilot**—The Budget includes \$10 million one-time General Fund for the department to contract out for the development and implementation of a pilot project focused on metrics and data collection methods to evaluate service outcomes for consumers.
- **Community Navigators**—The Budget includes \$3.2 million ongoing General Fund to contract with family resource centers for the implementation of a statewide navigator program to provide education on resources, advocacy, and mentorship to parents of individuals served by regional centers. Funding includes resources for a one-time independent evaluation focused on improving the effectiveness of existing disparity projects.

- **Supports for Consumers Who Are Deaf**—The Budget includes \$1.8 million ongoing General Fund to build departmental and regional center expertise on the expansion of service resources for individuals who are deaf and have intellectual and/or developmental disabilities.

OTHER HEALTH AND HUMAN SERVICES

Significant Adjustments:

- **Home and Community Based Services**—The Budget includes approximately \$3 billion in Home and Community-Based Services (HCBS) funding made available by the American Rescue Plan Act (ARPA) through 2023-24. This HCBS funding is allocated to the following:
 - \$1.5 billion to reduce and replace the General Fund cost of new HCBS proposals included in the Budget.
 - \$1.5 billion to fund new HCBS augmentations, to be identified by the Secretary of Health and Human Services, in addition to proposals already included in the Budget.
- **The Children and Youth Behavioral Health Initiative**—The Budget includes \$1.4 billion (\$1 billion General Fund, \$100 million Coronavirus Fiscal Recovery Fund, \$222 million federal funds, and \$105 million Mental Health Services Fund) in 2021-22, \$1.5 billion (\$1.4 billion General Fund and \$124 million federal funds) in 2022-23, and \$431 million (\$300 million General Fund and \$131 million federal funds) in 2023-24 and ongoing to transform California's behavioral health system for children and youth into an innovative and prevention-focused system where all children and youth are routinely screened, supported, and served for emerging and existing behavioral health needs regardless of payer.
- **Peer Social Media Network**—The Budget includes \$5 million one-time Mental Health Services Fund to support a peer social media network project for children and youth who have experienced bullying, or who are at risk of bullying, based on race, ethnicity, language, or country or origin, or perceived race, ethnicity, or county of origin.
- **Office of Youth and Community Restoration**—The Budget includes \$7.6 million General Fund in 2021-22 and \$7.2 million ongoing General Fund for 33 positions to stand up the Office of Youth and Community Restoration and perform the core

functions laid out in SB 823 (Chapter 337, Statutes of 2020), including: (1) review of county's juvenile justice plans, (2) reporting on youth outcomes and identifying best practices, (3) providing technical assistance to counties, and (4) performing the ombudsperson duties. The Budget also includes \$20 million General Fund in 2021-22 to provide technical assistance, disseminate best practices, and issue grants to counties and probation departments for the purpose of transforming the juvenile justice system to improve outcomes for justice involved youth.

- **Language Access**—The Budget includes \$20.3 million one-time General Fund to improve and deliver language access services across the spectrum of Health and Human Services programs. The Health and Human Services Agency will develop and implement an HHS-wide policy framework to improve language access standards across programs and services.
- **Health Information Exchange Leadership**—The Budget includes \$2.5 million one-time General Fund for Health and Human Services Agency to lead efforts and stakeholder engagement in building out information exchange for health and social services programs.
- **Health and Human Services Special Fund Loans**—The Budget repays \$156 million in budgetary loans from various special funds that were included in the 2020 Budget Act.
- **Annual Health Care Service Plan Health Equity and Quality Reviews**—The Budget includes \$1.2 million (\$148,000 General Fund) to establish and enforce health equity and quality standards for all Department of Managed Health Care licensed full-service and behavioral health plans.

DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

- **Energy Arrearages**—The Budget includes \$1 billion in federal ARPA funds to prevent energy utility disconnections for consumers experiencing financial hardship due to the economic impacts of the COVID-19 Pandemic by providing financial assistance to customer accounts in arrears.
- **Farmworker Housing Low-Income Weatherization**—The Budget includes \$25 million one-time General Fund for Farmworker Housing Low-Income Weatherization.

DEPARTMENT OF PUBLIC HEALTH

- **Public Health Infrastructure**—The Budget includes \$300 million ongoing General Fund beginning in 2022-23 for investments in Public Health infrastructure.
- **COVID-19 Response Costs**—\$1.08 billion for COVID-19 response costs. These funds will support testing and laboratory operations, vaccination, medical surge capacity, contact tracing management, and other state operations needs.
- **Pandemic Response Review**—\$3 million one-time General Fund for an assessment of the state's public health and emergency response to the pandemic.
- **Office of Oral Health**—The Budget includes \$4.6 million General Fund for the Office of Oral Health.
- **Office of Suicide Prevention**—The Budget includes \$2.8 million ongoing General Fund for the Office of Suicide Prevention.
- **Sexually Transmitted Infection Prevention**—The Budget includes \$13 million ongoing General Fund for Sexually Transmitted Infection Prevention.
- **Reducing Disparities**—The Budget includes \$63.1 million one-time General Fund for the California Reducing Disparities Project.
- **Sickle Cell Disease Foundation**—The Budget includes \$1.5 million one-time General Fund for the Sickle Cell Disease Foundation.
- **Amyotrophic Lateral Sclerosis (ALS) Wraparound Services**—The Budget includes \$15 million one-time General Fund for ALS Wraparound Services.
- **All Children Thrive Program**—The Budget includes \$25 million one-time General Fund for the All Children Thrive Program.
- **Biomonitoring Program**—The Budget includes \$2 million ongoing General Fund for the Biomonitoring Program.

DEPARTMENT OF STATE HOSPITALS

- **Incompetent to Stand Trial Solutions Workgroup**—The Budget includes language authorizing the Department of Finance to augment DSH's budget by \$75 million General Fund in 2021-22 for the for the purposes of implementing solutions identified by the Incompetent to Stand Trial (IST) Workgroup to address the IST patient waitlist.

- **Community-Based Restoration Program Expansion**—The Budget includes \$32.8 million General Fund to provide competency restoration service for IST patients in community mental health treatment settings. Beginning in 2024-25 ongoing costs increase to \$54.7 million General Fund.
- **Increased Sub-Acute Capacity**—The Budget includes \$267.1 million General Fund to contract for sub-acute bed capacity to address the increasing number of IST patient referrals to the department. Beginning in 2024-25 ongoing costs decrease to \$145.5 million General Fund.
- **Jail-Based Competency Treatment Program Existing/New Program Updates**—The Budget includes \$19.6 million General Fund to contract with counties to provide competency restoration services for IST patients residing in county jail facilities. Beginning in 2022-23 ongoing costs increase to \$28.8 million General Fund.
- **Reevaluation Services for Felony ISTs**—The Budget includes \$12.7 million General Fund in 2021-22 and decreases to \$9.2 million General Fund in 2023-24 and annually thereafter to partner with local county jails to re-evaluate individuals deemed IST on a felony charge waiting in jail 60 days or more pending placement to a DSH treatment program.
- **Forensic Conditional Release Program (CONREP) Mobile Forensic Assertive Community Treatment (FACT) Team**—The Budget includes \$9.7 million General Fund in 2021-22, \$14.3 million General Fund in 2022-23 and 2023-24, and \$14.7 million General Fund in 2024-25 and ongoing to implement a FACT team model within CONREP, in lieu of the typical centralized outpatient clinic model, to expand community-based treatment options for both ISTs and non-ISTs in counties and backfill State Hospital beds with IST patients. This expansion is estimated to increase capacity by up to 180 beds in 2021-22.
- **CONREP Continuum of Care Expansion**—The Budget includes \$4.6 million General Fund in 2021-22 and ongoing to increase the step-down capacity in the community in order to transition more stable non-IST patients out of state hospital beds and backfill state hospital beds with IST patients.
- **Reappropriation and Expansion of the IST Diversion program**—The Budget includes \$46.4 million General Fund, available over three years, to expand the current IST Diversion program in current counties and new counties. Additionally, the Budget includes five-year limited-term funding of \$1.2 million General Fund annually to support research and administration for the program. Further, the Budget authorizes the reappropriation of \$6.6 million of existing program funds set to expire in the current year.

DEPARTMENT OF AGING

- **Older Adult Recovery and Resiliency**—The Budget includes \$106 million General Fund, available over three years, to strengthen older adults' recovery and resilience from isolation and health impacts caused by the pandemic. This investment will increase service levels of existing programs based on local need including: Senior Nutrition, Senior Legal Aid, Home Modifications and Fall Prevention, Behavioral Health Line, Senior Digital Connections, Family Caregiver Support, Senior Employment Opportunities, Elder Abuse Prevention, and Aging and Disability Resource Connection.
- **CalFresh Expansion Older Adult Outreach**—The Budget includes \$2 million (\$1.1 million General Fund) ongoing for the Department of Aging to continue CalFresh Expansion outreach efforts to older adults.
- **Master Plan for Aging Implementation**—The Budget includes \$3.3 million General Fund ongoing to provide the Department of Aging policy, project management, and information technology leadership necessary to implement the Master Plan for Aging.
- **Department of Aging Suspensions**—The Budget eliminates suspensions for Aging and Disability Resource Connections and Senior Nutrition resulting in a cost of \$13.8 million General Fund in 2022-23 and \$27.5 million General Fund ongoing.
- **Long-Term Care Patient Representative Program**—The Budget includes \$2.5 million General Fund in 2021-22 and \$4 million General Fund ongoing to provide public patient representatives to nursing facility residents who lack capacity to make their own health care decisions and who do not have a family member or friend who can act as a patient representative.
- **Senior Nutrition**—The Budget includes \$14.3 million General Fund in 2021-22 and \$35 million General Fund ongoing for additional funding for increased meals and \$40 million General Fund, one-time, in 2021-22 for capacity building for Senior Nutrition programs.
- **Area Agencies on Aging (AAA)**—The Budget includes \$3.3 million General Fund ongoing for baseline funding increases for AAAs at the Department of Aging.
- **Multipurpose Senior Services Program (MSSP)**—The Budget includes \$6.3 million General Fund in 2021-22 and \$11.7 million General Fund ongoing to make the temporary MSSP Rate Increase permanent and increase MSSP slots by 2,497.

- **Aging and Disability Resource Connections (ADRC)**—The Budget includes an additional \$2 million General Fund ongoing for state operations resources to support and expand ADRCs for a statewide No Wrong Door system.
- **Health Insurance Counseling and Advocacy Program (HICAP) Modernization**—The Budget includes \$2 million in 2021-22 and 2022-23 from the HICAP Special Fund to support two-year, limited term, resources to begin the modernization of the HICAP program.
- **Community-Based Adult Services (CBAS)**—The Budget includes \$1.9 million (\$800,000 General Fund) in 2021-22 and \$2.4 million (\$1 million General Fund) ongoing to support increased resources to address certification back-log workload at the Department of Aging.
- **Technology Access**—The Budget includes \$50 million General Fund one-time for the Technology Access for Older Adults and Adults with Disabilities Pilot Program.
- **City of Colton Hutton Senior Center Patio**—The Budget includes \$200,000 General Fund one-time for the City of Colton, Hutton Senior Center Patio Upgrades.

OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT

- **Office of Health Care Affordability**—The Budget includes \$30 million one-time General Fund to establish the Office of Health Care Affordability.
- **Office of Statewide Health Planning and Development Recast and Modernization**—The Budget includes \$4.9 million (\$116,000 General Fund savings) in 2021-22 and \$2.4 million (\$204,000 General Fund savings) in 2022-23 and ongoing to recast and modernize the Office of Statewide Health Planning and Development as the Department of Health Care Access and Information.
- **Healthcare Workforce Training Programs**—The Budget includes \$50 million one-time General Fund to support grants to new primary care residency programs and \$10 million one-time General Fund to support grants for pre-licensure registered nursing programs.
- **Geriatric Workforce Development**—The Budget includes \$8 million one-time General Fund to support grants through existing programs to expand the workforce serving older adults.
- **Health Professions Careers Opportunity Program**—The Budget includes \$16 million ongoing General Fund to fund a Health Professions Careers Opportunity program.

- **California Medicine Scholars Program**—The Budget includes \$10.5 million one-time General Fund for the California Medicine Scholars Program.
- **Certified Nursing Assistant Workforce Program**—The Budget includes \$45.5 million one-time General Fund for the Certified Nursing Assistant Workforce Program.
- **Alzheimer's Augmentation**—The Budget includes \$12.5 million General Fund one-time to address Alzheimer's in California. These investments include \$5 million for public awareness at the Department of Public Health, \$2.5 million for standards of care at the Department of Public Health, and \$5 million for geriatric workforce development programs at the Office of Statewide Health Planning and Development.

COVERED CALIFORNIA

- **State Subsidy Program Savings**—The Budget reflects General Fund savings totaling \$677.9 million over 2020-21 and 2021-22 combined that result from new federal subsidy levels replacing the state subsidy program.
- **Individual Mandate Penalty Revenue**—The Franchise Tax Board is currently processing returns for the 2020 tax year, the first year in which the individual mandate penalty is in effect. Based on initial sample data, the Budget reflects reduced revenue from the individual mandate penalty of about \$354 million over 2020-21 and 2021-22 combined.
- **One-Dollar Premium Subsidy Program**—Health care consumers pay \$1 premiums for health plans due to federal policy concerning abortion coverage. The Budget subsidizes this cost for Covered California consumers at a General Fund cost of \$20 million ongoing.
- **Health Care Affordability Reserve Fund**—While ARPA provides substantial near-term relief to Californians purchasing health care through Covered California, the future of the enhanced federal assistance is uncertain. To partially backfill the loss of the more generous federal subsidies if they are not extended, or if other state health care affordability investments are explored in the future, the Budget sets aside \$333.4 million General Fund in a new Health Care Affordability Reserve Fund. The total equals estimated individual mandate penalty revenue in 2020-21 and 2021-22, less the 2021-22 cost of the one-dollar premium subsidy program described above.

EMERGENCY MEDICAL SERVICES AUTHORITY

- **Statewide Emergency Medical Services Data Solution**—The Budget includes \$10 million General Fund one-time for planning and readiness activities to establish a statewide emergency services data infrastructure that strengthens real-time information sharing and data analytics for the state and local government, emergency medical services providers, and health care providers.
- **Physician Orders for Life Sustaining Treatment (POLST)**—The Budget includes \$10 million General Fund in 2021-22 and \$750,000 ongoing for a POLST Registry.
- **Emergency Capacity**—The Budget includes \$10.8 million General Fund in 2021-22 to store and maintain critical emergency equipment and medical supplies acquired during the pandemic, and staff resources to improve the on-boarding, deployment, and training for emergency medical responders. Beginning in 2023-24, ongoing costs decrease to \$9 million General Fund.

DEPARTMENT OF CHILD SUPPORT SERVICES

- **Supporting Local Child Support Agency Administration**—The Budget includes \$19.1 million ongoing General Fund to support Local Child Support Agency staffing and services.
- **Local Child Support Courts and Child Support Funding**—The Budget includes \$8.1 million ongoing General Fund for local court child support commissioners and family law facilitators, as well as information technology support.

HOUSING AND HOMELESSNESS

HOUSING

As California recovers from an unprecedented pandemic and the ensuing economic challenges that exacerbated a long-standing housing shortage, intensified a statewide affordability crisis, and provoked housing instability, the Budget provides significant investments to continue protecting vulnerable Californians who were disproportionately and negatively impacted. The Budget also promotes and maintains stable housing through additional and expanded rental assistance, foreclosure prevention, mortgage assistance, and first-time homeowner investments.

Furthermore, the Budget continues the momentum of previous investments and policy changes that have and will help bolster affordable housing production while also financing innovative ways to plan, produce, preserve, and enhance the state's supply of long-term affordable housing. In total, the Budget provides \$10 billion for housing programs.

HOMEOWNER AND RENTER RELIEF

In the midst of the COVID-19 Pandemic, the state sought to provide relief to renters and homeowners faced with unprecedented economic challenges.

In August 2020, Chapter 37, Statutes of 2020 (AB 3088) was passed, providing renter and homeowner protections and a statewide moratorium on evictions due to failure to pay

rent as a result of COVID-19-related financial hardships through March 1, 2021. Chapter 2, Statutes of 2021 (SB 91) extended the moratorium until June 30, 2021, and established the California COVID-19 Rent Relief Program to provide up to \$2.6 billion in federal rental assistance to low-income renters and landlords. More recently, Chapter 27, Statutes of 2021 (AB 832) was signed, extending the moratorium until September 30, 2021, and expanding the program to provide up to 100 percent in assistance for rental and utility financial obligations, including both arrearages and prospective payments. AB 832 will allow the state to maximize the \$5.2 billion in available federal Coronavirus Fiscal Recovery Fund for rental, utilities, and housing-related expenses—to help as many Californians as possible stay housed, while bolstering the economic resiliency of those hardest hit by the pandemic.

Meanwhile, to assist homeowners struggling to pay mortgages, the Administration worked with financial institutions to provide a 90-day grace period of mortgage payments with no negative credit impacts, relief from fees and charges, and a 60-day moratorium on foreclosure sales. The Governor later extended these protections by supplementing up to 18 months of mortgage forbearance provided by the federal government for homeowners experiencing financial hardships in paying federally-backed mortgages. Additionally, the state continues to utilize \$331 million in National Mortgage Settlement funds for mortgage assistance. The state is also preparing to utilize \$1 billion in federal Coronavirus State Fiscal Recovery Funds at the California Housing Finance Agency (CalHFA) to provide additional mortgage assistance, principal reductions, and qualified housing-related charges to provide housing stability.

To provide continued economic resilience and foster a long-term equitable recovery, the Budget includes investments to existing homebuyer, homeowner, and renter assistance programs, utilizing available federal funds. Additionally, the Budget provides investments to implement or explore new initiatives aimed at fostering long-term homeownership.

EXPANDED HOMEOWNER AND RENTER LEGAL ASSISTANCE

To protect homeowners and renters at risk of having their homes foreclosed or being evicted, the 2019 and 2020 Budget Acts appropriated \$51 million in grants to community-based organizations that offer eviction and foreclosure counseling, consultation, mediation, training, education, and representation. The Budget includes \$80 million Coronavirus State Fiscal Recovery Fund over the next three years to the Judicial Council to continue providing legal assistance grants to over 100 legal service

and self-help organizations statewide to prevent avoidable foreclosures and evictions and keep Californians housed.

PROMOTING HOMEOWNERSHIP

While the state economy is recovering, the affordability crisis continues especially for first-time homebuyers from disadvantaged communities. To encourage economic recovery, resiliency, and equity, the Budget includes \$100 million one-time General Fund to CalHFA to expand its First Time Homebuyer Assistance Program, which helps first-time homebuyers make a down payment, secure a loan, and pay closing costs on a home. The Budget expands the program to lower-income households and expand CalHFA's lender network to help address the wealth gap, particularly in disadvantaged areas throughout the state.

Furthermore, the Budget appropriates \$3 million one-time General Fund to the State Treasurer to provide a report on the feasibility of establishing self-sustaining state program that can help first-time homebuyers purchase a home.

Additionally, the Budget appropriates \$500 million one-time General Fund to the Department of Housing and Community Development (HCD) to provide loans and grants to preserve affordable housing and promote resident ownership or nonprofit organization ownership of residential real property at risk of foreclosure. Helping organizations such as community land trusts acquire foreclosed property will increase the availability of affordable housing units.

INNOVATIVE WAYS TO PRESERVING THE STATE'S AFFORDABLE HOUSING

Preservation plays a key role in maintaining the state's affordable housing. As affordability covenants expire, previously state-funded affordable housing units risk becoming market-rate housing. The Budget includes \$300 million one-time Coronavirus Fiscal Recovery Fund to provide capital to HCD legacy projects, preventing them from converting to market-rate housing as their affordability requirements expire, thereby preserving the state's affordable housing units.

As mentioned above, the Budget includes investments aimed at preserving and increasing affordable housing units with property at risk of foreclosure or commercial property. Specifically, the Budget appropriates \$500 million one-time General Fund to provide funds to various non-profit organizations to acquire foreclosed property and operate as affordable housing. Additionally, the Budget provides \$10 million one-time General Fund for a pilot project to convert idle commercial property to affordable housing.

INCREASING HOUSING PRODUCTION

STREAMLINING AFFORDABLE HOUSING PRODUCTION

Most HCD-funded multifamily housing projects rely on state tax credits for construction and long-term financing. However, the amount of financing available for affordable housing projects is limited, as the demand of tax credits is expected to exceed the debt ceiling established by the federal government. To streamline affordable housing production, the Budget includes \$1.75 billion one-time Coronavirus State Fiscal Recovery Fund to shovel ready affordable housing units, which have successfully acquired HCD funding. This funding will help expedite the construction of projects while bolstering housing production in lieu of waiting or applying for state tax credits. This will help more than 6,300 units of shovel-ready affordable housing move forward quickly rather than accumulating costs while waiting for a potential future tax credit. (Also discussed below in the Homelessness section.)

ACCESSORY DWELLING UNIT FINANCING

Accessory Dwelling Units (ADUs) are an increasingly popular and cost-efficient tool to create needed housing. Chapter 159, Statutes of 2019 (AB 101) provided \$19 million General Fund for CalHFA to finance ADUs for low- and moderate-income households, which is anticipated to begin this summer. To foster greater economic recovery and affordable housing, the Budget includes an additional \$81 million one-time General Fund to expand CalHFA's ADU program for a total of \$100 million in available financing for ADUs. Because ADUs have quicker local approval process, this investment expedites low-cost production and quickly increases the number of housing units available statewide.

SCALING UP DEVELOPMENT ON STATE EXCESS SITES

Since 2019, the state has been partnering with developers to build affordable housing on state excess land. HCD, in coordination with the Department of General Services, has released five to ten Requests for Proposals each year with a projection of building 1,200 affordable housing units.

With the success of the state excess sites program so far, the state seeks to expand and further incent affordable housing on state excess sites. The Budget includes statutory changes to permit phased and commercial development needed to develop more affordable housing. Additionally, the Budget includes \$45 million one-time Coronavirus State Fiscal Recovery Funds to scale up excess land development with funding for site

remediation and local government matching grants, thereby addressing barriers to greater participation in the state excess lands program.

ASSISTING LOCAL GOVERNMENTS

While the state has undertaken several measures to boost housing production, affordable housing production ultimately relies on local planning and zoning decisions. The Budget includes \$4.65 million General Fund for HCD to provide continued technical assistance to local governments in meeting Regional Housing Needs Allocations, comply with state housing laws, and help facilitate production.

Additionally, the 2019 Budget Act provided \$125 million one-time General Fund for regional planning grants to assist local governments in planning and zoning to meet greater housing goals. The planning grants, administered by HCD in the Regional Early Action Planning Program (REAP), have been used by local and regional governments to plan for higher Regional Housing Needs Allocation targets for additional housing development, especially in infill areas, near public transit, and in ways that support the revitalization of existing communities and corridors. Building off the success of REAP, the Budget includes \$600 million one-time funds for HCD to provide additional planning and implementation grants to regional entities for transformative planning activities such as infill developments, targeted towards the state's climate goals and reducing vehicle miles traveled.

Lastly, the Budget includes \$2.7 million General Fund to implement Chapter 193, Statutes of 2020 (AB 434) to align and create a single application and scoring system for the Multifamily Housing Program, Joe Serna, Jr. Farmworker Housing Grant Program, CalHOME Program, Infill Infrastructure Grant Program, Transit-Oriented Development Program, and Housing for a Healthy California Program. This will help streamline the ability for developers and local governments to apply and obtain valuable funding for affordable housing financing and development.

ADDITIONAL FINANCING FOR AFFORDABLE HOUSING DEVELOPMENT

Building on previous investments of increasing housing production, the Budget also includes several investments to support current housing programs, including:

- **State Low-Income Housing Tax Credits**—\$500 million allocated in 2022 for a third year of state tax credits through the California Tax Credit Allocation Committee. These dollar-for-dollar tax credits, paired with federal credits attract valuable private investment in low- and mixed-income affordable housing financing.

- **Infill Infrastructure Grant Program**—\$250 million one-time General Fund and reallocation of \$284 million in remaining Proposition 1 funds to HCD for the Infill Infrastructure Grant Program. This provides a total \$534 million for critical infrastructure (e.g., streets, parking, utilities) for affordable housing.
- **Golden State Acquisition Fund**—\$50 million one-time General Fund to the Golden State Acquisition Fund. This provides additional financing from HCD matched with funds from various community development financial institutions in a revolving fund to leverage additional capital for five-year loans to developers for acquisition or preservation of affordable housing statewide. HCD previously provided \$23 million in seed financing to the Golden State Acquisition Fund, from which fund managers have been able to deploy \$105 million to date.
- **Mixed Income Housing Program**—\$45 million one-time General Fund to the California Housing Finance Agency for the Mixed-Income Housing Program to provide loans to developers for new mixed-income housing, specifically between 30 percent and 120 percent of the Area Median Income, at a lower subsidy level than traditional state programs. This restores some funding previously reverted in the 2020 Budget Act.
- **Office of Migrant Services-Deferred Maintenance**—\$30 million one-time General Fund for critical deferred maintenance needs and improved habitability at the Office of Migrant Services (OMS) centers. The state's OMS Centers provide affordable, seasonal rental housing near work locations for migrant farmworkers, a group disproportionately impacted by the pandemic.

HOMELESSNESS

Over the past several years, the state has invested billions of dollars to provide critical housing supports and services to local jurisdictions to prevent and end homelessness. The Budget builds on this investment through a comprehensive approach of housing and services across the range of homelessness interventions to rebuild California's behavioral health housing system, expand access to affordable housing, assist local governments to develop encampment outreach strategies, and provide additional resources for Homekey acquisitions. The Budget includes \$7.3 billion for homelessness in 2021-22, plus an additional \$4.7 billion in 2022-23, for a total homelessness package of \$12 billion.

Solving for homelessness takes a focused and unified approach, not only by the state, but also by local and federal governments. To address the needs, the services and

supports must be coordinated and moving through each component of the service framework: prevention, shelter, housing, and long-term supportive services.

The COVID-19 Pandemic also led to a novel strategy for the state to provide shelter for at-risk individuals to avoid being exposed to or contracting COVID-19. Project Roomkey allowed for underutilized hotels and motels to provide temporary non-congregate shelter during the pandemic, and similar properties across the state were made available to be acquired and converted into permanent housing through the Homekey Program. The state and local jurisdictions must use this opportunity to continue providing housing and providing supportive services to the state's most vulnerable populations.

NON-CONGREGATE SHELTER TRANSITION TO PERMANENT HOUSING

Since it was launched, Project Roomkey has provided safe shelter from the pandemic to over 36,000 Californians experiencing homelessness, many of whom are still residing in isolation/quarantine hotels. The Budget includes \$150 million one-time General Fund to support the stability of the state's FEMA-funded non-congregate shelter population and transition of individuals from Project Roomkey into permanent housing following the September 2021 sunset of the federal reimbursement availability from the pandemic.

As the state continues to deploy resources for permanent housing, particularly those that have quickly launched through the Homekey program, this new funding will allow local governments to stabilize their non-congregate shelter sites in the event the federal government does not extend the FEMA cost-share, and transition individuals from Project Roomkey sites into permanent housing to minimize the number of occupants who exit into unsheltered homelessness.

The pandemic provided the state an opportunity through the Homekey Program to assist local governments acquire and rehabilitate 6,000 units of permanent housing for housing at-risk individuals to avoid the spread of COVID-19. There continues to be strong local demand for more Homekey sites given the advantage of acquiring and utilizing additional permanent housing units at a fraction of the time and cost of traditional new permanent housing.

Building on the continued success of Homekey, the Budget includes \$2.75 billion in one-time funds over two years for streamlined acquisitions of a broad array of building and housing types including hotels, motels, office and commercial buildings that can be acquired and converted into housing for both individuals and families experiencing

homelessness. Of the \$2.75 billion Homekey investment, 8 percent is available for projects serving homeless youth or youth at risk of homelessness.

Other Significant Adjustments:

- **Homeless Housing, Assistance, and Prevention Program**—The Budget includes \$2 billion for flexible homelessness assistance to local governments over two years, of which ten percent is reserved for youth experiencing homelessness. The Program is discussed in more detail below.
- **Homeless Youth Emergency Services and Housing Programs**—The Budget includes \$50 million one-time General Fund to support the Homeless Youth Emergency Services and Housing Program, which expands access to housing options and provides crisis intervention and stabilization services to homeless youth.
- **Transitional Housing Program**—\$17.2 million General Fund to provide funding to counties for child welfare services agencies to help young adults aged 18 to 25 years find and maintain housing, with priority given to those formerly in the foster care or probation systems.
- **Foster Youth Housing Navigators**—The Budget includes \$5 million General Fund, annually for the support of housing navigators to help young adults aged 18 to 21 secure and maintain housing, with priority given to young adults in the foster care system. Funding is allocated as grants to counties based on each county's percentage of the total statewide number of young adults aged 18 through 21-year-old in foster care.

SUPPORTING VULNERABLE POPULATIONS

With the number of elderly homeless Americans expected to triple in the next decade and to meet the complex needs of people with disabling conditions, the Budget includes investments in new and existing programs administered by the Department of Social Services (DSS), the Department of Healthcare Services, and the Department of Veteran Affairs.

- **Behavioral Health Continuum Infrastructure Program**—The Budget includes \$1.7 billion General Fund and \$530 million Coronavirus Fiscal Recovery Fund, for a total of \$2.2 billion, over three years for competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets or to invest in mobile crisis infrastructure to expand the community continuum of behavioral health treatment resources (for more information, see the Health and Human Services Chapter).

- **Community Care Expansion**—\$355 million one-time General Fund and \$450 million one-time Coronavirus Fiscal Recovery Fund, for a total of \$805 million, to DSS for competitive grants to qualified county and tribal entities for the acquisition and rehabilitation of adult and senior care facilities for those who are homeless or at-risk of becoming homelessness and have higher level-of-care needs.
- **Housing and Disability Advocacy Program**—\$300 million General Fund over two years to better reach and house individuals who are eligible for but not currently receiving SSI/SSP through benefits advocacy and housing assistance.
- **Home Safe**—\$185 million General Fund over two years for the Home Safe program to provide access to health, safety, and housing supports for individuals involved in or at risk of involvement in Adult Protective Services.
- **Supportive Services for Formerly Homeless Veterans**—\$25 million one-time General Fund for the California Department of Veterans Affairs to administer a competitive grant program to support aging veterans and veterans with disabilities who have experienced chronic homelessness. This program will provide a higher level of on-site supportive services, such as in-home support to help with habitability, peer specialists to encourage veterans to engage in mental health care, and geriatric social workers to identify behavioral issues related to early onset dementia or similar cognitive issues. This program will support residents in permanent supportive housing projects throughout California, primarily projects supported by Housing and Urban Development–Veterans Administration Supportive Housing (HUD VASH).
- **West Los Angeles Medical Center Housing for Homeless Veterans**—\$20 million one-time General Fund for the California Department of Veterans Affairs to provide resources to the West Los Angeles Veterans Collective to assist in building affordable housing units and related infrastructure as part of the permanent supportive housing community on the West Los Angeles Veterans Administration Medical Center campus.

ADDRESSING FAMILY HOMELESSNESS

According to the 2020 Point-In-Time count, families are the fastest-growing segment of Californians experiencing homelessness. The Budget includes proposals that would address family homelessness by making significant investments in affordable housing for low-income families while simultaneously investing in safety-net programs (including CalWORKs), and health services by leveraging Medicaid. In addition, Homekey funding can be utilized for family housing, such as 3-bedroom and 2-bedroom units. The Budget also includes the following significant adjustments:

- **Challenge Grants & Technical Assistance**—\$40 million one-time General Fund available over 5 years, for the Homeless Coordinating Financing Council (HCFC) to provide grants and technical assistance to local jurisdictions to develop action plans that will address family homelessness and move the state closer to attaining functional zero family homelessness. Grants will be used to accelerate local jurisdictions' rehousing efforts that can demonstrate cross-system collaboration, multi-funder initiatives, and efforts that coordinate across funding streams and systems. This initiative strengthens the state's continued system-level improvements while local communities work toward eliminating family homelessness.
- **DSS Homelessness Supports**—The Budget includes \$190 million General Fund in both 2021-22 and 2022-23 to expand the existing CalWORKs Housing Support program. This program assists CalWORKs families experiencing homelessness to secure and maintain permanent housing; services include financial assistance and housing related wrap-around supportive services. This program provides housing-related supports to eligible families experiencing homelessness in the child welfare system. The Budget also includes \$92.5 million General Fund in both 2021-22 and 2022-23 for the Bringing Families Home program which provides financial assistance and housing-related wrap-around supportive services, including, but not limited to: rental assistance, housing navigation, case management, security deposits, utility payments, moving costs, hotel and motel vouchers, legal services, and credit repair.

Combined with the \$1.75 billion in funding for HCD's backlogged housing projects and first-time homeownership assistance mentioned earlier in this Chapter, these proposals make housing affordable for families with the greatest need, while investing in intensive supportive services through a family empowerment model that honors a family's goals, aspirations and self-determination and relies on community networks of support. The proposal assumes increased ongoing federal investment in housing vouchers and other long-term investments in housing stability.

FUNDING AND ACCOUNTABILITY FOR LOCAL GOVERNMENTS

In April 2021, the HCFC launched the first-ever statewide homelessness data warehouse—the Homeless Data Integration System (HDIS). HDIS streamlines homelessness data and analysis by combining information from 44 Continuums of Care into one single point of access. The Budget includes \$4 million one-time General Fund for the support and maintenance of HDIS.

Further, greater accountability is needed in the planning and expenditure of homelessness resources. The state and federal government have a role in setting policy

and funding, but local governments and Continuums of Care are ultimately responsible for the implementation of these funds and their impact on preventing and ending homelessness. Collectively, local governments must move away from strategies that seek to manage the problem and towards true systems-level solutions that prevent and end homelessness.

The Budget includes \$2 billion one-time General Fund to assist counties, Continuums of Care, and large cities with addressing homelessness in their communities – funding is provided as \$1 billion in 2021-22 and \$1 billion in 2022-23, with future years subject to appropriation. These funds, which will run through the Homeless Housing, Assistance, and Prevention program (HHAP), build upon over \$1.5 billion in flexible aid provided to local jurisdictions over the past three years. The HHAP program prioritizes racial, ethnic, and gender diversity and aims to close persistent demographic gaps for populations disproportionately likely to experience homelessness. With these funds, local governments have the resources to rapidly address homelessness and help move people off the streets.

Along with this unprecedented new funding comes greater accountability. To be eligible for this new funding, local governments will be required to develop and submit local homeless action plans, detailing the size and scale of their homeless populations, who is being served, inventorying local/state/federal funding available to help meet the need, and setting ambitious but achievable goals to make progress across a series of data-based metrics. To become and remain eligible for HHAP funding, local governments will be required to submit these reports and meet objective performance goals. Failure to do so can result in loss of flexibility for future HHAP funding, or in extreme cases, reallocation of a jurisdiction's funding to other governments in the region. Local governments that meet or exceed targets will be eligible for bonus HHAP funding.

In addition, the Budget includes \$5.6 million one-time General Fund for HCFC to conduct a landscape assessment of state-funded homelessness programs that provide unsheltered outreach services, emergency shelter, housing or housing-based services to people experiencing homelessness or at risk of homelessness. The landscape assessment and the local homeless action plans will provide a comprehensive view of the homelessness response system, including the range of services and strategies that are utilized at the state and local levels.

EXPANDED CALTRANS COORDINATION AND ADDRESSING ENCAMPMENTS

A portion of the state's unsheltered homeless population lives in encampments along streets and the state's highway system. It is critical that there be a coordinated

approach between the state, local governments, and homelessness service providers to manage unhealthy and unsafe encampments and provide solutions to the thousands of unsheltered individuals living on local and state-owned land. The Budget includes \$53 million in one-time General Fund resources to coordinate encampment outreach services to connect individuals living along California's streets and freeways with critical services, supports, and housing solutions.

- **Encampment Resolution Grants**—\$50 million one-time General Fund for the HCFC to partner with local governments and assist them with resolving critical encampments and transitioning individuals into permanent housing.
- **Caltrans Encampment Coordinators**—\$2.7 million one-time General Fund for Caltrans Encampment Coordinators to mitigate safety risks at encampments on state property and to coordinate with the HCFC and local partners to connect these individuals to services and housing. These resources will also help Caltrans coordinate with the cleaning of trash and debris from encampment sites and inspection of encampment sites for potential damage to Caltrans infrastructure.

TOTAL HOUSING AND HOMELESSNESS INVESTMENTS

Overall, as the state continues to build an equitable recovery and bolster long-term equity and resiliency, the Budget doubles down with significant investments, in partnership with locals and support from the federal government, to keep expanding stable and affordable housing to individuals and families struggling to stay housed, experiencing homelessness or at risk for homelessness. In total, the Budget includes more than \$10 billion in housing resources and \$7.3 billion in homelessness resources in 2021-22, as detailed below.

2021-22 Affordable Housing Funding

(Dollars in Millions)

<i>Department</i>	<i>Program</i>	<i>Total Funding</i>
Department of Housing and Community Development	American Rescue Plan Act (ARPA) - Recovery and Infrastructure Investments	\$845.0
	Veterans and Affordable Housing Bond Act Programs (Prop 1)	\$715.9
	Foreclosure Prevention and Preservation	\$500.0
	No Place Like Home Program	\$400.0
	Building Homes and Jobs Fund Programs (SB 2)	\$233.8
	Infill Infrastructure Grant Program Economic Recovery Investment	\$250.0 ^{1/}
	Federal Funded Programs for Housing	\$72.1 ^{2/}
	Veterans Housing and Homelessness Prevention	\$75.0
	Office of Migrant Services	\$35.6
	Various	\$277.8
California Housing Finance Agency ³	Single Family First Mortgage Lending	\$3,000.0
	Multifamily Conduit Lending	\$1,500.0
	Multifamily Permanent Lending	\$225.0
	Single Family Down Payment Assistance/Homebuyer Assistance	\$260.0 ^{4/}
	Accessory Dwelling Unit Financing	\$81.0 ^{5/}
	Mixed-Income Loan Program	\$88.0
	Special Needs Housing Program	\$20.0 ^{6/}
Tax Credit Allocation Committee	Low Income Housing Tax Credits (State)	\$625.0 ^{7/}
	Low Income Housing Tax Credits (Federal)	\$412.7 ^{8/}
	Farmworker Housing Assistance Tax Credits	\$4.2
State Treasurer's Office	CA Dream for All Study	\$3.0
Strategic Growth Council	Affordable Housing and Sustainable Communities	\$426.0 ^{9/}
Department of Veterans Affairs	CalVet Farm and Home Loan Program (Prop 1)	\$150.0
Judicial Council	Legal Assistance for Renters and Homeowners	\$40.0
Office of Emergency Services	Domestic Violence Housing First Program	\$23.0
	Transitional Housing Program	\$17.0
	Specialized Emergency Housing	\$10.0
	Domestic Violence Assistance, Equality in Prevention and Services, Human Trafficking Victim Assistance, North American Domestic Violence and Sexual Assault	- ^{10/}
California Department of Corrections and Rehabilitation	Specialized Treatment of Optimized Programming, Parolee Service Center, Day Reporting Center, Female Offender Treatment and Employment Program, Proposition 47 Grant Program	- ^{10/}
Department of Public Health	Housing Opportunities for Persons with AIDS (HOPWA)	\$14.0
	Housing Plus Program	\$1.0
	HIV Care Program	- ^{10/}
Total		\$10,305.1 ^{11/}

1/ The Budget Act also allocates an additional \$284 million from Proposition 1 funds for the Infill Infrastructure Grant Program, for a total investment of \$534 million.

2/ This amount reflects programs that receive federal funds, such as the Community Development Block Grant program.

3/ CalHFA is self-supporting and its single family and conduit lending programs do not rely on the state General Fund. Funding estimates are based on lending activities from 2019-20, available program resources, volume cap allocation, and multifamily lending pipeline projections.

4/ This includes \$100 million General Fund and \$160 million in existing CalHFA funds.

5/ This is in addition to \$19 million provided for ADU financing from the 2019 Budget Act.

6/ Funding estimate represents voluntary allocations of local Proposition 63 funds from 16 participating counties.

7/ This includes \$500 million state tax credit allocated in the Budget Act.

8/ This represents the estimated 9 percent tax credits to be allocated, estimated amount of 4 percent credits to be awarded based on current data and remaining bond cap, and new 9 percent federal disaster credits in 2021.

9/ The Affordable Housing and Sustainable Communities program amount reflects 20 percent of projected Cap and Trade revenues.

10/ The state provides a number of wrap-around supportive services through these programs including housing, which cannot be separated from the program's overall budget.

2021-22 Homelessness Funding
(Dollars in Millions)

Department	Program	2021-22	2022-23	Two Year Total
Department of Housing and Community Development	Continued Homekey Acquisitions	\$1,450	\$1,300	\$2,750.0
	Federal Funded Programs for Homelessness	\$139.2	\$139.2	\$278.4
	Various backlogged projects	\$1,750.0	\$0.0	\$1,750.0
	Foster Youth Housing Navigators	\$5.0	\$5.0	\$10.0
	Transitional Housing Program	\$13.2	\$17.0	\$30.2
Homeless Coordinating and Financing Council	Homeless Data Integration System	\$4.0	\$0.0	\$4.0
	Flexible Aid	\$1,000.0	\$1,000.0	\$2,000.0
	Homeless Landscape Assessment	\$5.6	\$0.6	\$6.2
	Encampment Resolution Efforts	\$50.3	\$0.3	\$50.6
	Family Homelessness Challenge Grants	\$40.0	\$0.0	\$40.0
Office of Emergency Services	Various Homeless Youth Programs	\$51.0	\$1.0	\$52.0
	Youth Emergency Telephone Network	\$0.6	\$0.6	\$1.2
Department of Social Services	Community Care Expansion	\$805.0	\$0.0	\$805.0
	CalWORKS Housing Support Program	\$190.0	\$190.0	\$380.0
	Housing and Disability Advocacy Program	\$150.0	\$150.0	\$300.0
	Bringing Families Home	\$92.5	\$92.5	\$185.0
	Home Safe Program	\$92.5	\$92.5	\$185.0
	Project Roomkey	\$150.0	\$0.0	\$150.0
Department of Health Care Services	Behavioral Health Continuum Infrastructure Program	\$755.7	\$1,447.2	\$2,202.9
	Project for Assistance in the Transition from Homelessness	\$8.8	\$8.8	\$17.6
Department of State Hospitals	Acute Bed Capacity Expansion	\$267.1	\$88.5	\$355.6
Veteran's Affairs	Supportive Services for Formerly Homeless Veterans	\$25.0	\$0.0	\$25.0
	West L.A. Medical Center	\$20.0	\$0.0	\$20.0
Department of Transportation	Encampment Relocation Coordinators and Homeless Services Liaisons	\$2.7	\$2.7	\$5.4
	Clean up California - additional Hazardous Material Removal	\$25.0	\$25.0	\$50.0
	Hazardous Material Removal at Encampments	\$20.6	\$20.6	\$41.2
California Community Colleges	Basic Needs Funding - Student Hunger and Homelessness Programs	\$130.0	\$30.0	\$160.0
	Rapid Rehousing	\$9.0	\$9.0	\$18.0
California State University	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15.0	\$15.0	\$30.0
	Rapid Rehousing	\$6.5	\$6.5	\$13.0
University of California	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15.0	\$15.0	\$30.0
	Rapid Rehousing	\$3.5	\$3.5	\$7.0
Total		\$7,292.8	\$4,660.5	\$11,953.3

1/ This amount reflects programs that receive federal funds, such as the Emergency Solutions Grant program. 2021-22 funding used as estimate for 2022-23 and 2023-24.

2/ Funding for HCD's backlog of various housing projects.

3/ This proposal includes \$355 million one-time General Fund and \$450 million one-time American Rescue Plan Act of 2021.

4/ Of the \$2.2 billion total funds (\$1.7 billion General Fund and \$530 million CFRF), a minimum of \$255 million (\$25 million General Fund and \$230 million CFRF) is targeted to individuals under the age of 26 and \$150 million General Fund is for mobile crisis infrastructure.

5/ These Basic Needs funding programs support basic needs partnerships for low-income students facing housing or food insecurity. These amounts exclude basic needs funding provided in the 2021-22 Budget Act to address student mental health. Program funding reflected for UC Basic Needs and UC/CSU/CCC Rapid Rehousing was provided on an ongoing basis in the 2019 Budget Act.

6/ The American Rescue Plan Act of 2021 will provide California with federal funding to enhance and expand Home and Community-Based Services, which may include efforts to address housing and homelessness.

CLIMATE CHANGE

In 2020, 9,000 wildfires burned over four million acres across the state, more than the 2017 and 2018 fire seasons combined and significantly higher than the most recent five-year average of acres burned. Hotter, drier conditions in the state's forests, driven by climate change and the consequences of a century-old legacy of fire suppression, have generated unparalleled fuel conditions that result in significant wildfire risk.

A second consecutive year of below-average precipitation has created drought or near-drought conditions throughout many portions of the state, and the 2021 fire season is on pace to rival last year's scale of wildfires. In addition to widespread drought, the below-normal snowpack is expected to melt off earlier than usual, leaving middle and upper elevations susceptible to fire spread earlier in the season.

The Budget includes \$15 billion in investments over multiple years to address and reduce the state's multi-faceted climate risks.

DROUGHT RESPONSE AND WATER RESILIENCE

Severe drought afflicts much of the American West and warm temperatures are exacerbating drought impacts. Runoff this year in key California watersheds tracked that of 2014 and 2015, the two warmest and driest years of California's last drought. On April 1, snowpack in the Cascade and Sierra mountains was nearly 60 percent of average, but that snowpack has failed to run off and collect as expected in major

Northern California reservoirs. Instead, the snowmelt absorbed into dry soils and evaporated into warm air.

The Governor proclaimed a drought emergency on April 21 for the Russian River watershed in Sonoma and Mendocino counties, expanded the drought emergency proclamation to cover the Klamath River, Sacramento-San Joaquin Delta, and Tulare Lake watershed counties on May 10, and subsequently expanded the drought proclamation to cover nine additional counties on July 8, bringing a total of 50 out of the 58 counties under the drought state of emergency. The proclamations enable water rights administrators to take action to preserve reservoir storage, and direct state agencies to take immediate action to help communities struggling with diminished or disrupted supplies, respond to deteriorating ecological conditions, and address likely impacts to communities, businesses, and fish and wildlife if dry conditions extend to a third consecutive year.

Policy changes and investments made during and after the 2012-16 drought have put California in a better position to address the return of severely dry conditions. For example, Californians enter this drought using on average 15 percent less water per capita as they did before the 2012-16 drought; a program is underway to support safe drinking water supplies for the estimated one million Californians who lack it; and local agencies are implementing plans to manage groundwater basins for long-term sustainability. Connecting all of these efforts is the Governor's Water Resilience Portfolio, which delineates actions by state agencies to support the capacity of local water managers to respond to and recover from drought and flood. The Budget reflects lessons learned in the 2012-16 drought, including a need to prepare and respond sooner to multi-year dry conditions, address environmental needs, and improve water data systems that allow managers to make better informed decisions.

The Budget includes a total of \$5.1 billion over four years to support immediate drought response and long-term water resilience, which includes \$2.1 billion that will be allocated in the summer pending additional discussions with the Legislature. Current investments include:

- **Immediate Drought Support**—\$727.7 million (\$718.7 million General Fund, \$7 million bond funds, \$2 million special funds) to meet current and anticipated future water supply needs while building regional capacity to endure dry conditions. These investments will fund emergency drought relief projects that help secure and expand water supplies; small supplier and rural community drought contingency planning and preparedness projects; and local water resilience capacity building

that includes outreach to disadvantaged communities. In addition, funding will support the repair and enhancement of the state's water data infrastructure; the state cost-share of a federal desalination research hub; equipment; resources to help address drought impacts on state wildlife areas; and address the increased need for species monitoring and project permitting.

- **Drinking Water, Wastewater, and Water Supply Reliability**—\$1.4 billion General Fund and special funds over five years to expand and protect water supplies by protecting drinking water and wastewater infrastructure, supporting local water recycling and groundwater supply projects, and modernizing water rights data infrastructure.
- **Flood Management**—\$365.2 million from various fund sources across four years to leverage \$1.8 billion in federal funds for the American River Common Features flood control project, the maintenance and strengthening of levees, the support of emergency flood response activities in the Sacramento-San Joaquin Delta, and the support of collaborative flood risk management.
- **Restoration of Natural Areas and Ecosystems**—\$236.4 million from various fund sources to support multi-benefit ecosystem and watershed protection and restoration projects; ecosystem enhancements in the Delta; watershed resilience; address drought impacts on fish and wildlife and to support removal of impediments to fish passage; study rehabilitation strategies at Clear Lake; and support projects that improve biodiversity and climate resilience by increasing coastal and marine ecosystem health.
- **Groundwater Sustainability and Water Conveyance**—\$200 million General Fund to support major canals damaged by subsidence in order to facilitate movement of water across and within regions and Sustainable Groundwater Management Act implementation through groundwater projects and the State Water Efficiency and Enhancement Program.

WILDFIRE AND FOREST RESILIENCE

As California enters a second consecutive year of dry fuel conditions, resulting in drought or near-drought throughout many portions of the state, the 2021 fire season is on pace to rival last year's record number of acres burned.

To address the scale and urgency of these wildfire risks, the Budget includes \$458 million in 2021-22 and \$500 million in 2022-23, to support the Forest Management Task Force's

CLIMATE CHANGE

Wildfire and Forest Resilience Action Plan. The Budget authorizes acceleration of the \$500 million General Fund (currently scheduled for 2022-23) to 2021-22, if authorized activities progress at a rate that indicates additional funding is necessary. The Administration will be working with the Legislature over the summer to allocate this funding across priority wildfire prevention and forest resilience activities. The Budget builds on the \$536 million adopted in early action as part of Chapter 14, Statutes of 2021 (SB 85).

These investments result in a total \$1.5 billion in wildfire and forest resilience funding over up to three years to improve public safety across California's most wildfire-vulnerable communities and significantly increase the pace and scale of forest management projects. This investment will also enable regional efforts to build a pipeline of wildfire resilience projects, expand fire-adapted homes and communities, improve stewardship on state lands, and create high-road jobs while jumpstarting small businesses that meet California's climate objectives.

The Budget also augments resources for the Department of Forestry and Fire Protection (CAL FIRE) to support additional fire crews, provide a surge in firefighter staffing, and continue supporting the phasing in of firefighting aircrafts (See Emergency Response Chapter for additional details).

CLIMATE RESILIENCE

Climate policies and programs in California have cut carbon emissions, created jobs, catalyzed innovation, and spurred partnerships across the United States and around the world, all while prioritizing public health and equity. As California drives toward carbon neutrality, the state is committed to protecting people and nature from the impacts of climate change such as catastrophic wildfire, sea level rise, drought, extreme heat and flooding. However, climate-related disasters are occurring at an increasing speed and scale, and require additional strategic investments.

The Budget includes a commitment for \$3.7 billion General Fund over three years for climate resilience investments. The Administration's goals for this investment continue to be addressing the state's multi-faceted climate risks, investing in best-available climate science to inform decisions, and building community resilience and capacity where resources are most needed. The Administration will be working with the Legislature over the summer to develop a climate resilience package that reflects a shared commitment to building a climate resilient California.

ZERO-EMISSION VEHICLE ACCELERATION

California is committed to developing the zero-emission vehicle (ZEV) market equitably, not only as a foundational tool to protect public health and combat climate change, but as an engine of economic development and job creation. Today, California is home to 34 ZEV-related manufacturers and over 360 unique ZEV-related companies. In 2020, ZEVs became the state's number one export.

The Budget accelerates the state toward meeting its climate and transportation goals established in Executive Order N-79-20 and is consistent with California's Zero-Emission Vehicle Market Development Strategy. The Strategy is designed to galvanize all relevant stakeholders—from industry and non-governmental organizations to all levels of government and academia—around the four pillars of the ZEV market: Vehicles, Infrastructure, End Users, and Workforce.

Totaling \$2.7 billion in 2021-22, and \$3.9 billion over three years, the ZEV investments in the Budget not only push progress in each market pillar, but increase private sector confidence and enable increased participation in the market, allowing the zero-emission industry to capitalize on scale. These investments create economic development and job opportunities in a sector primed for rapid expansion and to fuel California's recovery—helping to bring down the cost of deployments globally—while maintaining California's competitive advantage as the hub of zero-emission manufacturing and deployment.

Significant investments include:

- **Heavy-Duty Zero-Emission Vehicles and Supporting Infrastructure**—\$2 billion one-time General Fund and special funds over three years for heavy-duty zero-emission vehicles. This includes \$1.3 billion over three years to deploy over 1,000 zero-emission drayage trucks, 1,000 zero-emission transit buses, and 1,000 zero-emission school buses in underserved rural school districts. These investments will prioritize projects that directly benefit priority populations and improve air quality in low-income and disadvantaged communities. In addition, \$500 million is included for zero emission clean truck, buses, and off-road equipment, plus an approximately \$200 million investment in medium-and heavy-duty ZEV fueling and charging infrastructure to further catalyze the market. Furthermore, the Budget includes \$45 million for local air districts in severe and extreme nonattainment areas to deploy non-diesel, low nitrogen oxide heavy-duty vehicles.

- **Light-Duty Zero-Emission Vehicle Adoption and Transportation Equity**—\$1.2 billion one-time General Fund and special funds over three years to invest in consumer adoption of ZEVs and in clean mobility for disadvantaged and low-income communities. This includes \$400 million over three years for the statewide expansion of Clean Cars 4 All and for a suite of clean transportation equity projects. The Budget also includes \$525 million for the Clean Vehicles Rebate Project, with \$10 million for electric bike incentives. These vehicle incentives are complemented by an approximately \$300 million General Fund investment designed to close the projected 2025 light duty charging and fueling infrastructure gap.
- **Zero-Emission Rail and Transit Equipment Purchases and Infrastructure**—\$407 million one-time General Fund and special funds to demonstrate and purchase or lease state-of-the-art, clean bus and rail equipment and infrastructure that eliminate fossil fuel emissions and increase intercity rail and intercity bus frequencies.
- **Zero-Emission Vehicle and Infrastructure Manufacturing**—\$250 million General Fund one-time over two years for manufacturing and supply chain grants to expand California's nation leading ZEV manufacturing footprint, administered through the Clean Transportation Program. This investment complements those investments made in California's High Road Training Partnerships, increasing access to high-quality jobs for workers, and the level of highly-skilled employees for employers.
- **ZEV Market Development Strategy Implementation**—\$5 million one-time General Fund to accelerate implementation of the ZEV Market Development Strategy's focus on increasing awareness and access to ZEVs in the hardest to reach communities and expanding tools that help convert this awareness into decisions to drive or ride in ZEVs.

ENERGY

California has long led the nation and the world in setting ambitious renewable energy and climate policies, working toward a clean economy that is healthier and more equitable. Achieving its energy goals will improve public health so that the benefits of cleaner, more efficient energy are enjoyed by all Californians, and support economic growth and job creation.

INVESTMENTS TO ACCELERATE PROGRESS ON THE STATE'S CLEAN ENERGY GOALS

The Budget includes \$812 million (\$805 million General Fund, \$5 million reimbursements, and \$2 million special funds) over two years to accelerate California's progress on meeting its clean energy goals and better position California as a leader in advancing clean technologies and as a leading partner with the federal administration in tackling climate change and stimulating the economy.

Major investments include:

- \$735 million General Fund over two years, pursuant to subsequent legislation, to support pre-commercial long duration storage projects that are critical to the success of California's efforts to decarbonize the electricity system; energy efficiency in the industrial sector; the Food Production Investment Program to reduce energy use at food production facilities; and green hydrogen production to accelerate the transition away from using fossil fuels to produce hydrogen and displace the use of gas at power plants,
- \$35 million General Fund to carry out critical resource and transmission planning to support the unprecedented levels of clean energy buildout needed to meet the state's energy and climate goals,
- \$20 million General Fund to spur environmentally responsible development of offshore wind energy, and
- \$15 million General Fund to support emergency planning and preparedness.

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SUSTAINABLE AGRICULTURE

California is the largest agricultural producer in the nation, generating \$50 billion in revenue in 2019. Farms underpin the economy of much of rural California, and the state's nearly 70,000 farmers and ranchers produce a broad diversity of over 400 crops and agricultural products.

As a land-based industry, agriculture is threatened by the effects of climate change, including decreased water availability, increased floods, increased pest pressure, and changing weather. These impacts are already occurring and are expected to continue putting pressure on California's farmers, affecting agricultural productivity and the economic health of many rural communities.

The COVID-19 Pandemic and emerging drought conditions have disrupted the food supply chain and created additional challenges for the agricultural sector. To address these challenges, farmers and ranchers continue to innovate by adopting agile technology, expanding in local and global markets, and developing sustainable, climate-smart agricultural practices.

The Budget includes \$236 million General Fund in sustainable agriculture investments and an additional \$617 million General Fund over two years to be allocated based on additional discussions with the Legislature this summer. In addition, the Budget includes funding for drought response and additional strategic investments to support California's agriculture industry as it addresses continued challenges while also producing nutritious food and advancing the state's climate resilience objectives (See the Climate Change Chapter for additional detail).

HEALTHY, RESILIENT, AND EQUITABLE FOOD SYSTEMS

The COVID-19 Pandemic has exacerbated food insecurity across California with nearly one in ten Californians reporting a reliance on food banks. "Food deserts", which are areas with limited access to affordable, quality, and nutritious foods, have become increasingly prevalent. At the same time, the pandemic has also disrupted the food supply chain—including farms, restaurants, and other food businesses—exposing the fragility of the food security safety net, supply chain and distribution system. California is investing in programs to fight hunger and bolster local and regional markets through the purchase of healthy local produce, which boosts the local farming economy, employs food system workers, and accelerates climate adaptation and resilience.

The Budget supports farm-to-fork programs, leverages federal funding to strengthen food safety, and sets aside funding that may be used to support additional programs as discussions between the Administration and Legislature continue this summer.

The Budget includes the following investments:

- **Senior Farmers' Market Nutrition Program**—\$500,000 one-time General Fund to provide low-income seniors with access to locally grown, fresh, nutritious, fruits and vegetables at farmers markets, roadside stands, and community supported agriculture programs.
- **Produce Safety Program**—\$8.7 million ongoing federal funds to continue and expand the Department of Food and Agriculture's Produce Safety Program. These resources will enhance the Department's ability to create a robust inspection program, conduct inspections, provide education and outreach to California produce farmers, develop and validate the existing farm inventory database, and provide assistance during food-borne outbreaks.

CLIMATE SMART AGRICULTURE FOR SUSTAINABILITY AND RESILIENCY

Building on California's leadership in reducing greenhouse gas emissions and protecting communities and natural places from climate impacts, the Budget advances climate smart agriculture, improves drought resiliency, supports alternatives to agricultural burning, invests in sustainable pest management, and sets aside additional funds for future investments in a more resilient and robust agricultural system.

The Budget includes the following investments:

- **Alternatives to Open Agricultural Burning**—\$180 million one-time General Fund for the Air Resources Board to reduce fine particulate matter air pollution in the San Joaquin Valley. This funding will provide incentives to farmers to promote the use of alternatives to open agricultural burning to facilitate completing its phase-out by the end of 2024.
- **Healthy Soils Program**—\$50 million one-time General Fund to provide grants for on-farm conservation management practices designed to sequester carbon within the soil.
- **Integrated Pest Management (IPM) Programs**—\$9.8 million one-time General Fund in 2021-22 and \$7.8 million in 2022-23, for grants for IPM research and education. This includes funding for the Biologically Integrated Farming Systems grant program, proactive IPM and Interregional Research Project No. 4 research, and cooperative agreements with California State University Agricultural Research Institute and the University of California Agriculture and Natural Resources to expand research, education, and extension capacity for IPM practices.
- **Bee Safe Program**—\$2.1 million one-time General Fund to continue operating a statewide Bee Safe Program to promote and protect a safe, healthy food supply through the protection of bees.
- **DNA Barcode Reference Library**—\$11.5 million one-time General Fund to create a DNA barcode reference library for California insects. This funding will support barcoding and preserving existing specimens, securing new specimens from priority locations such as the Central Valley, expanding opportunities via professional and informal training, and delivering data to support the state's biodiversity actions.

The Drought and Water Resilience package also contains investments that support long-term sustainability in agriculture including:

- **State Water Efficiency and Enhancement Program (SWEEP) Grants**—\$40 million one-time General Fund to administer and provide grants to farmers to enhance irrigation efficiency and reduce greenhouse gas emissions from agriculture-related pumping.
- **Technical Assistance for On-farm Water Use Efficiency**—\$5 million one-time General Fund to administer grants to resource conservation districts, universities, non-profits, and tribes to provide technical assistance for on-farm water use efficiency

including, but not limited to, irrigation and nutrient management training, and Mobile Irrigation Labs to perform on-site pump and irrigation efficiency tests and training.

- **Economic Analysis and Decision Support Tools for Agriculture**—\$1.5 million one-time General Fund to partner with the University of California for drought impact and decision support tools for agricultural producers, which will be used to draft drought-related economic impact reports and decision-making tools for drought management.
- **Drought Coordination and Response**—\$450,000 one-time General Fund to coordinate drought response, drought management, and sustainable groundwater management program implementation.

ECONOMIC RECOVERY AND HIGH-ROAD JOB GROWTH

As the economy continues its recovery from the COVID-19 Pandemic, it is important to support equitable economic recovery for all, including rural communities, small and underserved food producers, and farmworkers. Approximately three out of four California farmers operate on less than \$100,000 in annual sales, many of whom lost significant revenue as markets were disrupted and still face significant challenges.

The Budget supports economic recovery, rural economic resiliency, and sets aside additional funding subject to discussion this summer to further enhance the agricultural system. Specific investments include:

- **Technical Assistance Program for Underserved Farmers**—\$5.4 million one-time General Fund to support technical assistance providers and small, mid-sized, and underserved farmers. These resources help farmers with business planning, navigating regulatory compliance, and accessing additional state and federal funds.
- **Rural Economic Advisor**—\$199,000 ongoing General Fund to support, develop, and implement strategies to improve California's rural, agriculturally-based economies.

NETWORK OF CALIFORNIA FAIRS

The Network of California Fairs consists of 74 fairgrounds with varying governance structures. A total of 53 fairgrounds are state-affiliated, have state civil service

employees and are subject to various state requirements. In 2020, the impact of the COVID-19 Pandemic adversely affected the ability of fairgrounds to generate revenue. Fairground revenue is generated by holding mass gatherings for social, commercial, and community events, including an annual fair. The annual fair event is the primary revenue generator for a fairground to cover the expenses of the event and to fund costs of daily operations and payroll throughout the year. At the same time, many fairgrounds continued as a component of the state's emergency network, serving as base camps and shelter during fires, COVID-19 testing sites, and food bank distribution sites. The COVID-19 Pandemic negatively impacted fairgrounds financially, but also created an opportunity to improve the current business model.

The Administration is in the process of evaluating alternative business and governance structures to enable fairs to operate more efficiently, meet local community needs, and serve public health and safety roles in the state's emergency response system. The Budget includes \$50 million one-time General Fund to continue supporting fairgrounds' operational costs while the state evaluates alternative business models.

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NATURAL RESOURCES

The Natural Resources Agency consists of 26 departments, boards, commissions, and conservancies responsible for administering programs to conserve, restore, and enhance the natural, historical, and cultural resources of California. The Budget includes total funding of \$9.7 billion (\$7.3 billion General Fund, \$1.5 billion special funds, \$886 million bond funds) for the programs included in this Agency. The Agency's departments help the state become more climate resilient, expand equitable access to parks and wildlands, and conserve California's remarkable biodiversity. The Budget includes investments in each of these areas, and several related items are referenced in the Emergency Response, Statewide and Climate Change Chapters.

OUTDOOR ACCESS FOR ALL

Four of every ten Californians have no access to open space within walking distance of their home and six of every ten Californians live in park-poor neighborhoods, or areas with less than three acres of parks or open space per thousand residents.

The Budget includes initiatives to enable safe and equitable access to state parks and open spaces for all Californians. Investments expand environmental education; improve access; enhance and restore state parks through restoration and climate resilience efforts; and increase recreation opportunities for Californians at a time in which many have relied on state parks to provide relief from the pressures that COVID-19 has placed on Californians' daily lives.

Significant initiatives include:

- **Outdoor Education**—\$43.1 million (\$40 million one-time General Fund and \$3.1 million Environmental License Plate Fund) for outdoor environmental education and access programs through the Outdoor Equity Grants Program under Chapter 675, Statutes of 2019 (AB 209) to enable underserved and at-risk populations to participate in outdoor environmental education experiences at state parks.
- **Statewide Park Development and Community Revitalization Program**—\$180 million one-time General Fund to invest in establishing and revitalizing community open spaces. These grants fund new parks, the beautification of existing parks, and recreation opportunities in underserved communities across the state.
 - \$25 million of the funds available for this program have been set-aside for the India Basin project.
- **Explore the Coast Grant Program**—\$14 million one-time General Fund for the Coastal Conservancy to expand coastal access programming statewide.
- **Whale Tail Program**—\$10 million one-time General Fund for the Coastal Commission to support the Whale Tail Program, which provides grants to connect the public with the California coast and its watersheds through outdoor experiences, education, and stewardship.
- **Innovative Pilot Programs**—\$9.1 million one-time General Fund to launch a state parks pilot to expand parks pass distribution, especially for youth in disadvantaged communities. The pilot would include a “California State Park Adventure” program for fourth graders and new statewide partnerships with the California State Library and California Department of Social Services.
- **Priority Acquisitions**—\$6.3 million one-time General Fund and \$6.3 million one-time federal reimbursements to complete high-priority inholding acquisitions, which will increase access to existing state parks and add additional acres to the state park system.
- **Community Engagement**—\$585,000 ongoing State Park and Recreation Fund to continue community liaison programs that engage underserved and underrepresented communities in urban areas.
- **Wildfire Restoration**—\$217 million (\$113.5 million General Fund, \$103.5 million Reimbursements) for fire restoration projects in the 115,000 acres burned across 23 state park units by multiple fires in the unprecedented 2020 wildfire season. The Budget also includes \$10 million one-time General Fund and \$23.4 million one-time

reimbursements from Federal Emergency Management Agency funds for the continuation of Woolsey Fire restoration projects to restore destroyed facilities and trails.

- **Deferred Maintenance**—\$185 million one-time General Fund to support critical deferred maintenance projects throughout the state park system to enable improved access and an enhanced visitor experience.
- **Indian Heritage Center**—\$95.3 million one-time General Fund for transfer to the Natural Resources and Parks Preservation Fund for the California Indian Heritage Center. This proposal restores the original set-aside for the project enabling the Department of Parks and Recreation to construct a new museum to protect and preserve the history of California's native peoples.
- **Candlestick Point State Recreation Area**—\$2.7 million one-time Proposition 68 bond funds to provide for the design of the initial core improvements to further public access and recreation enhancements at Candlestick Point State Recreation Area.
- **Sacramento Railyards**—\$30 million one-time General Fund for various projects at the historic Sacramento Railyards.

DEPARTMENT OF FISH AND WILDLIFE

California is a global biodiversity hotspot, with more types of plants and animals than almost anywhere else in the world. This natural abundance is increasingly under threat from climate change. The Department of Fish and Wildlife serves as a trustee for California's natural resources and is key in implementing the Governor's Executive Order N-82-20 to maintain California's rich biodiversity through continued conservation and protection.

The Department has been directed to take on increasing mandates to protect habitat, endangered species, and public trust resources. To provide a transparent process to identify sustainable funding solutions and strategies to address increasing mandates, the Department implemented a Service Based Budget (SBB) Initiative and worked with stakeholders to identify current service levels and activities, cost estimates, and staffing requirements to meet the Department's mission and statutory requirements, and perform an analysis of the Department's existing revenue structure.

To advance implementation of the SBB Legislative Report recommendations, the Budget includes investments to deliver more effective and efficient services, make

strategic investments in equipment and technology, address a deferred maintenance backlog, and make other process improvements. These investments will support implementation of the Governor's Executive Order N-82-20 and better allow the Department to maintain California's rich biodiversity through continued conservation and protection. Significant investments include:

- **Biodiversity Enhancements/Strategic One-Time Investments**—\$41.8 million one-time General Fund to make progress toward safeguarding California's biodiversity, increasing access opportunities on state lands, and finding solutions to restore the state's natural ecosystems. These strategic investments will allow the Department to modernize infrastructure, fleet operations, and support systems to build climate resiliency within state-owned lands.
- **Wildlife Habitat Restoration and Public Recreation for Underserved Communities**—\$3.3 million one-time Proposition 12 funding to restore and enhance wildlife habitat and provide visitor amenities on selected state lands to enhance biodiversity conservation and provide equitable access for diverse communities.
- **Water Resilience and Drought Package**—\$50.5 million one-time General Fund to support expeditiously handling drought-related permitting and compliance, as well as modernizing fish hatcheries, providing support and equipment to bolster the capacity to rescue fish and monitor at-risk species, and improving water use efficiency on state-owned habitat lands, which will advance the Department's work to protect and conserve California's natural resources.
- **Cutting Green Tape**—\$3.8 million ongoing General Fund to continue the Cutting Green Tape initiative that increases the scale and pace of restoration work through efficiencies in granting and permitting programs.
- **Protecting California's Endangered Species**—\$53.7 million (\$48.7 million one-time General Fund and \$5 million one-time Environmental License Plate Fund) over five years to directly address protection of endangered species within California and make measurable progress on conservation of these species.
- **Expedited Permitting for Energy Projects**—\$18.8 million one-time General Fund as part of the Energy Package to expedite renewable energy permitting and to aid in interagency offshore wind environmental analyses to support the increase in renewable energy projects throughout the state, while continuing to protect California's diverse species.

- **Deferred Maintenance**—\$15 million one-time General Fund to the Department of Fish and Wildlife to address its backlog of deferred maintenance projects on state-owned lands and facilities.

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ENVIRONMENTAL PROTECTION

The California Environmental Protection Agency's programs promote the state's economy in a sustainable manner by reducing greenhouse gas emissions, enhancing environmental quality, and protecting public health.

The Secretary coordinates the state's regulatory programs and provides fair and consistent enforcement of environmental law. The Budget includes \$8.7 billion (\$3.0 billion General Fund, \$4.3 billion special funds, \$1.4 billion federal funds, and \$16.8 million bond funds) for programs included in this Agency.

The Administration's climate resilience efforts are referenced in the Climate Change Chapter.

DEPARTMENT OF TOXIC SUBSTANCES CONTROL

The Budget secures long-term sustainable funding and governance reform for the Department of Toxic Substances Control (DTSC), which will reduce toxic chemicals, particularly in vulnerable communities, accelerate progress toward the cleanup of contaminated properties throughout California, and improve public transparency.

Specifically, governance reform creates a five-member Board of Environmental Safety (Board) to set fees through regulation, hear permit appeals, and provide strategic guidance to DTSC through a transparent decision-making process. The Board

will also employ an independent Ombudsperson who will serve as an impartial resource to the public.

The sustainable fiscal reform will enhance DTSC's ability to enforce hazardous waste laws, investigate and remediate contaminated sites, and more effectively direct the use of safer chemicals and manufacturing processes in the state. The fiscal reform is comprised of the following elements:

- **Fee Authority**—The Budget includes statutory changes to authorize the Board to utilize a public fee-setting process, with spending levels subject to the annual budget process. This fee-setting authority will establish a public process to start addressing DTSC's resource gaps identified in its workload analysis.
- **Hazardous Waste Control Account**—The Budget streamlines the current fee structure and more equitably distributes fees across hazardous waste generators.
- **Hazardous Waste Facility Account**—The Budget creates the Hazardous Waste Facility Account, increasing transparency and accountability for facility fees.
- **Toxic Substances Control Account**—The Budget modifies the Environmental Fee rates, exempting businesses with fewer than 100 employees, maintaining the fee rates for businesses with between 100 and 500 employees, and raising the rates on businesses with more than 500 employees.

CONTAMINATED SITE CLEANUPS

In conjunction with governance and fiscal reform and to support community development and job creation, the Budget provides \$500 million General Fund over three years to accelerate the cleanup of contaminated properties in impacted communities. This investment will be allocated throughout California, using a risk-based approach founded on health-based criteria.

The Department is in the process of identifying orphan sites that could be remediated in the next four years. Additionally, the Budget includes funding for site discovery and investigation and the establishment of a grant program to incentivize cleanup and investment in vulnerable communities. These efforts will be accomplished in partnership with communities through the inclusion of funding for training and skills development. This will provide community members with jobs to assist with the cleanup and redevelopment of the remediated sites in their communities.

EXIDE LEAD-ACID BATTERY FACILITY

The Budget includes \$322.4 million General Fund over three years to clean an additional approximately 3,000 residential properties with lead contamination from the former Exide battery facility in Vernon. To date, the state has provided over \$251 million General Fund for residential cleanup and other costs associated with Exide.

The Exide bankruptcy settlement allowed the company to withdraw from its obligations to complete the closure of the facility; however, the Administration remains committed to pursuing cost recovery from responsible parties for Exide. The Budget maintains one-time funding of \$14 million General Fund, and \$2.5 million ongoing funding from the Lead-Acid Battery Cleanup Fund, for these and future cost recovery efforts. The state continues to monitor the progress of the facility closure, which is being conducted by a trustee, pursuant to a court order, with financial assurance trust funds. In the event that the trust funds are fully expended, the Budget provides \$132 million one-time General Fund to continue closure and cleanup activities at the facility under the management of the trustee.

OVERSEEING HAZARDOUS WASTE MANAGEMENT

The Budget includes \$6 million to address resource gaps identified in the Department's workload analyses. Specifically, this funding will support: (1) implementation of the Violation Scoring Procedures regulations to increase transparency and accountability for violations found during inspections of hazardous waste management facilities, and (2) efforts to keep California's statutes and regulations compliant with federal requirements. The funding for these activities in future years will come from the additional fee revenues described above.

SAFE AND SUSTAINABLE PEST MANAGEMENT

The Budget provides \$36.5 million General Fund over two years to accelerate the transition to safer and more sustainable pest management practices that protect human health and the environment. The one-time funding will advance integrated pest management practices, pesticide use enforcement, air and ecosystem monitoring, and community engagement. The Budget also includes funding for a study to identify future options for a tiered mill assessment on pesticide sales that provides sustainable, long-term funding for the Department of Pesticide Regulation and incentivizes safer, more sustainable pest management practices.

The Budget also provides \$10 million one-time General Fund to support the development of a statewide pesticide notification network. Advanced public notification of certain pesticide applications will promote fair and equitable access to important information about pesticide use in local communities. This information can provide communities an additional layer of protection from potential pesticide exposure beyond the existing regulatory structure.

CIRCULAR ECONOMY

Building the foundation for a global circular economy in California through investment in innovation and infrastructure will bring new green companies and jobs to California communities while fighting climate change and preventing trash from polluting the state's environment and harming public health. Moving toward a circular economy is imperative to meeting California's waste diversion and climate goals. By recognizing waste as a resource and bolstering the state's focus on reducing, reusing, and recycling materials that would otherwise be thrown away or exported to other states and nations, California can build a more resilient and renewable economy. The Budget includes \$130 million one-time General Fund over two years that will spur new circular economy growth. The Administration will work with the Legislature over the summer to determine allocation of these funds.

JUDICIAL BRANCH

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, and the Judicial Council. The trial courts are funded with a combination of General Fund, county maintenance-of-effort requirements, fines, fees, and other charges. Other levels of the Judicial Branch receive most of their funding from the General Fund. The Budget includes total funding of \$4.6 billion (\$2.8 billion General Fund and \$1.8 billion other funds) in 2021-22 for the Judicial Branch, of which \$1.3 billion General Fund is provided to support trial court operations. The Judicial Council is responsible for managing resources of the Judicial Branch.

TRIAL COURT OPERATIONS

The Judicial Branch had to radically change their operations to protect the public from the spread of COVID-19 while also maintaining access to justice. Actions taken by the Judicial Council and all levels of court administration include extending court deadlines, suspending jury trials, using technology to conduct proceedings remotely, and suspending evictions and foreclosures. These actions have resulted in more limited operations while the courts modified processes and procedures to adapt to the COVID-19 Pandemic, and in some instances, resulted in periods of courtroom or courthouse closures. Courts have begun restoring normal operations, to varying degrees, depending on local public health conditions. However, the changes implemented in response to the pandemic have resulted in delays in court operations and a residual backlog of criminal and civil cases.

JUDICIAL BRANCH

The Budget includes several proposals to provide the Judicial Branch the necessary resources to address the case backlog and provide timely access to justice. For example, the Budget maintains the agreement between the Governor and the Legislature to restore General Fund reductions included in the 2020 Budget Act, comprised of \$176.9 million for the trial courts and \$23.1 million for the state-level judiciary. These restorations will allow courts to re-open temporarily closed courtrooms, resume operations, and process case backlogs which have accumulated during the Pandemic. In addition, the Budget includes \$60 million one-time General Fund for the trial courts to specifically address backlogs and workload delays resulting from the pandemic, and \$30 million one-time General Fund to support the Early Disposition Readiness Conference Program (EDCRP). In the fall, the Chief Justice initiated the EDCRP to expedite adjudications by making temporary assigned judges available to complete readiness conferences to resolve low-level misdemeanor or felony cases before going to trial, thereby reducing the backlog of criminal cases and providing victims and offenders a more timely resolution. Finally, the Budget includes significant investments to address other cost pressures, freeing up resources for trial courts to focus on addressing the case backlog. Specifically, the Budget includes \$72.2 million General Fund ongoing for trial courts to address inflationary cost increases and \$53.5 million General Fund ongoing for maintenance, utility, and lease costs for trial court and Courts of Appeal facilities.

As noted above, during the pandemic, the Judicial Council implemented a process whereby court proceedings could be held remotely. To continue to promote access to justice for all Californians, the Administration proposed statutory changes to authorize a court to conduct proceedings in civil actions, including trials and evidentiary hearings, remotely through the use of technology and to allow any person to participate in a proceeding without being physically present in a courtroom. Remote access must become a basic service rather than a temporary way to address barriers to the courts during the pandemic. Californians expect to access important government services through the use of technology and court services and processes should be no different. The Administration, working with the Legislature and Judicial Council, is committed to resolving this issue over the coming months in recognition that allowing remote proceedings will maximize courts' ability to provide equal, safe, and reliable access to justice and court services.

Since the pandemic has exacerbated issues accessing justice for low-income Californians, the Budget includes \$19.1 million General Fund annually until 2023-24 for the trial courts to continue providing self-help services for unrepresented litigants.

REDUCING CRIMINAL FINES AND FEES FOR LOW-INCOME CALIFORNIANS

Over the past two decades, the state substantially increased the fines, fees, assessments, and surcharges levied on individuals convicted of criminal offenses, including traffic infractions, to generate funding for specific state and local programs and services. The Judicial Council estimates these fines and fees generated approximately \$1.2 billion in revenue in 2019-20.

In recognition of the financial hardship this has placed on low-income individuals, the Legislature and the Administration have worked to implement various statutory and budget changes. For example, the 2018 Budget Act included \$3.4 million General Fund for the Judicial Council to implement an eight-court pilot program allowing indigent and low-income individuals to apply online to have their fines and fees from traffic infractions reduced in accordance with their ability to pay. In addition, the 2020 Budget Act included statutory changes that eliminated certain administrative fees for criminal offenses beginning July 2021. The Budget includes \$65 million General Fund ongoing to backfill counties for lost revenue, and statutory changes to specify the allocation methodology for backfilling counties.

The Budget also provides further fine and fee relief to low-income Californians by allocating \$12.3 million General Fund in 2021-22, increasing to \$58.4 million beginning in 2024-25 and ongoing, to expand the online ability to pay pilot program statewide for both traffic and non-traffic infractions. This program will provide targeted relief to low-income individuals for whom such penalties present a major financial hardship.

The Administration and the Legislature will work over the coming months on a durable solution to further help low-income individuals that face financial hardships resulting from the imposition of fines and fees.

STATEWIDE INITIATIVE TO REDUCE PRETRIAL DETENTION

The Budget includes \$140 million General Fund in 2021-22 and \$70 million General Fund ongoing to promote the safe and thoughtful reduction in pretrial detention. Specifically, these funds will provide all superior courts with the resources needed to support judicial officers in making pretrial release decisions that impose the least restrictive conditions while maintaining public safety, assisting individuals in returning to court, implementing appropriate monitoring practices, and providing services for released individuals.

Detaining individuals prior to trial, such as those who do not have an ability to pay for a release bond, can carry unintended consequences for those not yet convicted of a crime. Individuals can lose jobs, housing, or custody of their children. These negative consequences are disproportionately borne by minority communities and women, both of whom are subject to higher rates of pretrial detention. By providing a statewide framework to minimize pretrial detention, while at the same time maintaining public safety, these changes will help reduce racial and socio-economic disparities in the criminal justice system and minimize unnecessary incarceration.

The Judicial Council will distribute the funds to local courts and provide judicial education and technical assistance to the courts on practices and programs related to pretrial decision-making. Individual courts will in turn contract with any county department, including county probation departments, to provide services, except those departments or agencies that have primary responsibility for making arrests or prosecuting criminal offenses. Counties have the ability to contract with community-based organizations in furtherance of the county department's pretrial release services, if certain conditions are satisfied. The Judicial Council will be responsible for evaluating the pretrial programs and practices and providing regular reports to the Legislature.

DEPENDENCY COUNSEL

Court-appointed dependency counsel represent children and parents at every stage of dependency proceedings. The Budget includes \$10 million one-time General Fund to address the increased caseloads due to the COVID-19 Pandemic. This brings the total state funding for dependency counsel to \$166.7 million in 2021-22. Dependency counsel workload is also funded through federal reimbursements, which are currently estimated to total \$57 million in 2021-22. Additionally, the Budget sets aside up to \$30 million General Fund ongoing to be transferred to dependency counsel service providers in the event the federal reimbursements are less than anticipated.

OTHER SIGNIFICANT INVESTMENTS

The Budget also includes the following investments:

- **Trial Court Trust Fund Revenue Backfill**—\$118.3 million General Fund to continue backfilling the Trial Court Trust Fund for a decline in revenues expected in 2021-22.

- **Trial Court Employee Benefits**—\$31.3 million General Fund ongoing for trial court employee health benefit and retirement costs.
- **One-time Deferred Maintenance**—\$188.1 million General Fund one-time to support deferred maintenance projects in trial courts and Courts of Appeal.
- **Trial Court Facility Modifications**—\$18.9 million General Fund in 2021-22 and \$48.8 million in 2022-23 to make facility modifications in two trial courts in Orange and San Diego Counties to correct deficiencies identified by the State Fire Marshal and mitigate public safety risks for court users.
- **Legal Aid for Renters in Landlord-Tenant Disputes and Homeowners to Avoid Foreclosure**—\$40 million federal ARPA funds in 2021-22, and \$20 million annually thereafter until 2023-24 (\$80 million total) to provide legal aid services for renters and homeowners to avoid eviction and foreclosure. Specifically, these additional funds will provide free legal services for landlord-tenant issues, including legal assistance for counseling, renter education programs, and preventing evictions and foreclosures as discussed in the Housing and Homelessness Chapter.
- **Legal Aid Augmentation**—\$50 million General Fund in 2021-22 and \$20 million ongoing for legal aid services funded through the Equal Access Fund for low-income litigants.
- **County Law Libraries**—\$16.5 million General Fund annually in 2021-22 and 2022-23 to backfill the County Law Libraries for lost revenue as a result of declining penalty fund revenue.
- **Shasta County Superior Court Security**—\$330,000 General Fund in 2021-22 and \$660,000 ongoing to support trial court security costs for a new courthouse scheduled to open in January 2022. Court security is provided by the Shasta County Marshal's Office.
- **Court Construction Fund Consolidation**—The Budget includes statutory changes to combine the Immediate and Critical Needs Account (ICNA) and the State Court Facilities Construction Fund (SCFCF), which are the primary fund sources for the Judicial Branch Facilities program. Due to the steady decline in fine and fee revenue, both funds are currently projected to become insolvent in the next few years. Therefore, the Budget consolidates the ICNA and SCFCF to allow for the resulting fund to remain solvent in 2021-22, and for the Judicial Council to maintain existing service levels for its facilities program.
- **Court Appointed Special Advocate**—\$200,000 General Fund one-time to support advocacy for youth in foster care in Los Angeles County's child welfare system.

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CRIMINAL JUSTICE

DEPARTMENT OF CORRECTIONS AND REHABILITATION

The California Department of Corrections and Rehabilitation (CDCR) incarcerates people convicted of the most violent felonies, supervises those released to parole, and provides rehabilitation programs to help them reintegrate into the community. The Department strives to facilitate the successful reintegration of the individuals in its care back to their communities equipped with the tools to be drug-free, healthy, and employable members of society by providing education, treatment, and rehabilitative and restorative justice programs. The Budget includes total funding of \$13.6 billion (\$13.3 billion General Fund and \$347 million other funds) for CDCR in 2021-22.

The COVID-19 Pandemic has affected every aspect of prison operations and the state has taken swift action to mitigate the spread of the virus. These actions have significantly impacted current population projections. The Governor's Budget projected an overall incarcerated adult average daily population of 95,324 in 2021-22. Spring projections now estimate an incarcerated adult average daily population of 106,259, an increase of 10,935. This is primarily because CDCR has resumed intake of individuals sentenced to prison but who remain in county jails awaiting transfer to state prison.

The Governor's Budget projected an overall parolee average daily population of 45,924 in 2021-22. The average daily parolee population is now projected to be 48,269, an increase of 2,345, or approximately 5 percent.

COVID-19 UPDATE

The number of active COVID-19 cases across CDCR's prison system has declined dramatically since the height of the COVID-19 Pandemic. In December 2020, CDCR reported as many as 10,600 active incarcerated adult COVID-19 cases and 3,250 active staff COVID-19 cases. As of June 30, 2021, CDCR was tracking 31 active incarcerated adult cases and 86 active staff cases. One of the primary drivers of CDCR's success in combatting the further spread of COVID-19 has been the roll-out of COVID-19 vaccines to incarcerated individuals and staff, consistent with California Department of Public Health guidance. CDCR began administering vaccines in December 2020. At the end of June 2021, approximately 34,000 staff (about 59 percent) and 70,000 incarcerated people (about 71 percent) had received complete courses of a COVID-19 vaccine.

As of June 2021, the Division of Juvenile Justice (DJJ) within CDCR reports no active COVID-19 cases among youth and one active staff case. A total of 405 cases (205 youth cases and 200 staff cases) have resolved since June 2020, with no reported serious symptoms or deaths. Vaccinations are currently offered to all DJJ youth, and DJJ has been working to distribute approved vaccines to minors consistent with Food and Drug Administration guidance and with written parental permission. Approximately 192 wards (about 30 percent) and 630 DJJ staff (about 60 percent) have received their first dose or have been fully vaccinated.

CDCR continues to take proactive measures and precautions to protect the incarcerated population and staff, which includes continuing regular testing, observing physical distancing protocols, utilizing masks and other personal protective equipment, and providing extra cleaning and sanitation services. CDCR has performed over 3.4 million COVID-19 tests since the beginning of the pandemic.

Given improvements in CDCR's containment of the virus, CDCR recently re-opened visitation at all of its institutions. Visitors are generally asked to provide vaccine documentation or recent COVID-19 test results, but CDCR is also currently offering visitors the opportunity to have COVID-19 tests performed on-site if available.

CDCR estimates it incurred costs of approximately \$1.1 billion in 2019-20 and 2020-21 to support direct and indirect COVID-19-related response activities, including testing of staff and incarcerated individuals; administering vaccines; cleaning; installing and staffing temporary tents to isolate incarcerated individuals; and supplying personal protective equipment. The Budget includes \$407.9 million one-time General Fund in 2021-22 to continue COVID-19 activities and fund related contracts and purchases.

In addition, the Budget provides limited-term resources of \$51 million General Fund in 2021-22, growing to \$77.6 million through 2024-25, for increased workers' compensation costs associated with Chapter 85, Statutes of 2020 (SB 1159), which creates a rebuttable presumption that an employee's illness related to COVID-19 is an occupational injury.

Although the number of active cases has decreased significantly since the height of the pandemic, CDCR remains vigilant regarding the potential risks and will continue current response operations for the near future with the goal of preventing any further spread of COVID-19.

INCREASED INTAKE TO STATE PRISONS

In late March of 2020, the state halted intake of incarcerated persons from county jails to reduce the risk of COVID-19 entering the state prison system. CDCR resumed intake on a limited basis in late August, although public health conditions subsequently necessitated halting intake again in late November. In January 2021, CDCR resumed intake with continued precautions including requiring testing and symptom screening prior to intake, and instituting a mandatory 14-day quarantine period in its reception centers. Since then, intake has remained open, and has increased over time, as public health conditions have allowed. At the height, counties held 10,755 incarcerated persons on behalf of the state. As of the end of June 2021, approximately 5,300 incarcerated persons remained in county jails awaiting transfer to state prison.

The suspension of intake has resulted in greater numbers of incarcerated persons being held in county jails. In circumstances where CDCR cannot accept the intake of an individual from a county jail, the state is required to reimburse counties for holding those individuals. As of July 13, 2021, the state has provided approximately \$171.3 million General Fund to county sheriffs for this purpose. This reflects payments for individuals held in county jails from March 2020 through February 2021, and reimbursements will continue until such time that all incarcerated individuals are transferred to state prison. Current projections suggest a total of \$97.5 million in additional reimbursements will be made in 2021-22 as the backlog is gradually reduced and then eliminated.

PRISON CAPACITY AND CLOSURES

The adult prison population has steadily declined over many years, presenting opportunities for CDCR to eliminate its reliance on contract prison capacity. CDCR terminated its final remaining contract to house incarcerated persons out of state in June 2019. In addition, CDCR terminated its final in-state contract correctional facility in May 2021. Consistent with the 2020 Budget Act, the Department plans to close Deuel

Vocational Institution in Tracy by September 2021, achieving savings of \$119 million General Fund in 2021-22, and \$150.3 million General Fund annually beginning in 2022-23.

The Department also plans to close the California Correctional Center in Susanville by June 30, 2022. The closure of this facility is estimated to save the state \$122 million General Fund annually beginning 2022-23.

EXPANSION OF REHABILITATIVE OPPORTUNITIES

Increasing access to rehabilitative and reentry programs has the potential to improve post-release outcomes for incarcerated individuals and reduce recidivism. CDCR's academic, vocational, and rehabilitative programs are critical to preparing incarcerated individuals to successfully reenter their communities following their release from prison. The Budget includes targeted resources to further enhance these programs with the goal of improving public safety through rehabilitation.

REIMAGINING THE PRISON SYSTEM

Norway is globally recognized for its model corrections system, demonstrated through its low rate of recidivism and successful post-release outcomes. Norway's model is distinguished in part by the level of access to educational and life and job skill training opportunities, the use of innovative and trauma-informed rehabilitative practices, and the community and campus-like look and feel of the prison environment. The Budget includes \$13.7 million General Fund in 2021-22, and \$3 million ongoing, to expand programming and undertake facility improvements at Valley State Prison (VSP), guided by the Norway model, with the goal of achieving similar success in rehabilitating incarcerated individuals and preparing them for life outside of the institution. VSP will serve as a pilot for re-envisioning and transforming the state's correctional system.

Specifically, these resources will enable CDCR to:

- Install two new modular buildings to accommodate additional educational and rehabilitative activities for incarcerated individuals.
- Create two new baccalaureate degree programs—one general education program and one focused on Science, Technology, Engineering, and Mathematics (STEM).

- Add new vocational and career technical training opportunities, including multimedia (video, music, and podcasts) production and construction licensing and certification programs.
- Provide additional laptops for the incarcerated population's use to support digital literacy development and access to educational offerings.

To further promote these efforts system-wide, the Budget includes \$34.8 million one-time General Fund to replace existing metal dayroom furniture with more comfortable furniture for positive programming and non-designated program facilities and female institutions. This change will create a more welcoming and community-like atmosphere for incarcerated persons, thereby transitioning from a typical institutional environment to a more rehabilitative setting.

In addition, the Budget includes \$3.5 million General Fund in 2021-22 and \$3.3 million General Fund in 2022-23 and 2023-24 for CDCR to expand the Hope and Redemption Team Program to provide additional rehabilitative and reentry programming at institutions statewide.

INCREASING ACCESS TO TECHNOLOGY

The Budget includes \$23.2 million General Fund in 2021-22, and \$18 million ongoing, for information technology to enhance access to rehabilitative programming. Specifically, these resources will enable CDCR to purchase approximately 37,000 laptop computers for use by academic program participants (such as students in basic adult education, GED, or community college courses), as well as for the expansion of virtualization infrastructure, network bandwidth, and the creation of a secure online academic portal that will allow students to complete educational curriculum outside of the classroom. The ongoing resources will fund the necessary technology infrastructure and related staffing, and support a three-year laptop replacement cycle.

INCREASING OPPORTUNITIES TO CONNECT WITH FRIENDS AND FAMILY

Another challenge faced by many incarcerated persons upon release is the loss of family and community connections during their time of incarceration.

In-person visitation provides incarcerated persons with the opportunity to establish and maintain a continuum of social support, including parent-child relationships, which are critical for successful reentry. In-person visiting is linked to lower recidivism rates and fewer parole violations.

Unfortunately, the COVID-19 Pandemic necessitated the temporary suspension of in-person visiting. To mitigate the negative effects of this suspension, CDCR provided incarcerated persons with the ability to correspond with loved ones through free telephone and video visitation opportunities. In December 2020, the Department implemented weekend video visiting at all institutions to allow incarcerated individuals to engage in virtual contact with their friends and family.

In April 2021, CDCR resumed in-person visiting using a phased-in approach. Currently, in-person visitation restrictions vary between institutions, dependent on active cases and other health and safety factors. Video visitation will continue to be provided until in-person visitation is fully reinstated. To support increased in-person visiting, the Budget includes \$20.3 million ongoing General Fund to add a third day of in-person visitation on Fridays at all institutions (visiting is currently limited to Saturdays and Sundays). Additionally, this funding will provide visitors with free transportation on select days throughout the year to all prisons via chartered busses.

In addition to expanding in-person visitation, the Budget includes \$12 million one-time General Fund to support free communication opportunities for incarcerated individuals to connect with their families and friends via telephone calls and electronic messages. These resources will provide 60 minutes of free calling to incarcerated individuals and call recipients every two weeks, and allow incarcerated persons to send 60 free electronic communications each month. This is in addition to the 15 minutes of free calling already offered to incarcerated individuals every two weeks under CDCR's existing communications contract.

EXPANDING ADULT REENTRY GRANT RESOURCES

The Budget includes \$30 million one-time General Fund to provide additional resources for Adult Reentry Grants provided by the Board of State and Community Corrections. These funds will supplement the ongoing baseline \$37 million General Fund and provide additional grant funding to organizations that provide rental assistance and warm handoff and reentry services for individuals released from state prisons.

STAFF DEVELOPMENT AND SUPPORT

Creating a prison environment that is safe, secure, and conducive to rehabilitation requires a professional, well-trained workforce. Correctional officers serve an especially important role in the rehabilitation efforts of the Department. The Budget includes \$21.2 million General Fund in 2021-22, decreasing to \$16.1 million ongoing General Fund in 2024-25, to enhance staff development through new training for correctional officers.

These efforts will involve repurposing the former Northern California Women's Facility into a new hands-on training facility and will focus on effective and realistic training.

EXPANSION OF FIXED VIDEO SURVEILLANCE SYSTEMS

Audio visual surveillance is integral to CDCR's ability to monitor activity within its institutions and maintain a safe environment for the incarcerated population and staff. Effective surveillance systems have the capacity to facilitate contraband interdiction and support inquiries and investigations into allegations of staff and incarcerated individual misconduct. These systems generally serve as a deterrent for improper or illicit activities, thereby improving safety and enhancing operations within the institutions. CDCR initiated the process of replacing its older analog camera systems with modern fixed security camera systems at High Desert State Prison and Central California Women's Facility, and portions of San Quentin State Prison and California State Prison, Sacramento.

The Budget includes \$37.6 million General Fund in 2021-22, and \$2.1 million ongoing, to install modern fixed security cameras at four additional institutions. These resources and complementary funding included in the *Armstrong* court compliance proposal described below will enable CDCR to install fixed security cameras at a total of nine institutions.

ALLEGATIONS OF STAFF MISCONDUCT AND DISCRIMINATION COMPLAINT PROCESSES

The Budget invests the resources identified below to further enhance CDCR's programs and processes dedicated to proactively addressing staff misconduct and discrimination when it occurs. These investments will enable CDCR to make institution-specific and system-wide reforms and improvements with the goal of continuing to increase accountability and transparency.

ARMSTRONG COURT COMPLIANCE CONTINUATION AND ALLEGATION INQUIRY MANAGEMENT SECTION IMPROVEMENTS

In September 2020, the US District Court for the Northern District of California ordered CDCR to develop a plan to implement certain remedial measures at Richard J. Donovan Correctional Facility. These measures included: (1) deploying body-worn cameras; (2) installing fixed security cameras throughout the prison; (3) modifying staff complaint and disciplinary processes; and (4) increasing supervisory staff and training.

In March 2021, this court issued an order requiring CDCR to implement the same measures at five additional institutions: Kern Valley State Prison; California Institution for Women; California State Prison, Corcoran; Substance Abuse Treatment Facility and State Prison, Corcoran; and California State Prison, Los Angeles. The Budget includes \$17.2 million General Fund in 2020-21, \$90.6 million in 2021-22, and \$34.9 million ongoing for CDCR to achieve compliance with the requirements of these recent court orders.

Additionally, CDCR is in the process of implementing a number of improvements to its staff complaint inquiry process. The 2019 Budget Act included \$9.8 million ongoing General Fund and 47 positions to enable CDCR's Office of Internal Affairs to conduct inquiries into certain specified allegations of staff misconduct that previously would have been reviewed at the institution level. The staff complaint inquiry process was specifically designed to facilitate a fair, transparent, and unbiased process with a centralized staffing model dedicated to performing staff allegation inquiry functions.

CDCR has continuously evaluated its staff complaint inquiry process over the past year to identify areas of improvement and ways to further enhance the review process. Accordingly, the Budget includes \$8 million ongoing General Fund and 40 positions to expand the staff complaint inquiry process to encompass all use of force allegations against staff as well as allegations of staff misconduct that fall under the federal Prison Rape Elimination Act. Additionally, CDCR will establish a centralized screening process by redirecting existing staff to triage all allegations of staff misconduct to determine the appropriate routing based on the type of allegation and related circumstances, as opposed to each institution independently performing this function, which will help to create greater consistency in the handling of staff complaints.

CDCR is also reviewing the existing regulations governing the staff complaint inquiry process to determine areas for potential improvement and refinement for this relatively new program. CDCR expects to pursue regulatory updates in the coming months consistent with its commitment to realizing the best possible staff allegation inquiry process.

DISCRIMINATION COMPLAINT TRACKING

The Budget includes \$815,000 General Fund in 2021-22 and \$804,000 ongoing and 6 positions to expand CDCR's Civil Rights Operations/Equal Employment Opportunity program, which centrally handles discrimination complaints. These resources will assist CDCR in complying with directives and guidelines from the California Department of Human Resources to implement the statewide Discrimination Complaint Tracking System.

PRISON MEDICAL AND MENTAL HEALTH SERVICES

The Budget continues the state's commitment to the Department's delivery of health care services to incarcerated individuals. The Budget includes \$3.4 billion General Fund in 2021-22 for health care programs, which provide incarcerated individuals with access to mental health, medical, and dental care services that are consistent with the standards and scope of care appropriate within a custodial environment.

FEDERAL RECEIVERSHIP OVERSEEING PRISON MEDICAL CARE

In 2005, a federal court established a receivership to oversee prison medical care. To date, the Receiver has transitioned oversight of 19 institutions back to the state. The Budget includes \$4 million General Fund in 2021-22, increasing to \$11.1 million in 2023-24, to enhance quality management and patient safety by providing staff to evaluate risks and implement best practices to improve the health care delivery system.

MENTAL HEALTH CARE IMPROVEMENTS

In 2017-18, the responsibility for operating three Psychiatric Inpatient Program (PIP) facilities, which primarily served CDCR patients, was shifted from the Department of State Hospitals to CDCR with the goal of improving patient care, reducing wait times, and creating additional efficiencies. Consistent with the transfer of this oversight, the 2017-18 Budget realigned \$254.4 million and 1,977.6 positions from the Department of State Hospitals to CDCR.

To further enhance PIP operations and better address CDCR's unique operational needs, the Budget includes \$43 million General Fund in 2021-22, \$35.9 million ongoing, and 264.1 positions to standardize staffing models across the five CDCR-operated PIPs and support targeted staffing increases to perform operationally critical functions. This includes resources to add clinicians, nurses, custody staff, and administrative staff to provide the comprehensive suite of services necessary to best serve PIP patients.

Additionally, the Budget includes \$3.7 million ongoing General Fund to add supervisory capacity within the Statewide Telepsychiatry Program. This program has grown considerably in recent years and become an important component of the delivery of mental health care services. This investment will support the addition of dedicated telepsychiatry supervisors to enhance program operations and provide for improved on-site and telepsychiatry service delivery.

INVESTMENTS IN THE PAROLE HEARING PROCESS

BOARD OF PAROLE HEARINGS WORKLOAD

The Budget includes \$3.1 million ongoing General Fund to increase the number of Board of Parole Hearings commissioners from 17 to 21 to alleviate a significant backlog of hearings and maintain a consistent level of service as the number of required hearings continues to rise.

The increase in the number of hearings and a growing backlog are related to several factors. For example, recent legislation has expanded youthful offender parole hearings for individuals sentenced up to the age of 25 and expanded the Elderly Parole Program to reduce eligibility from age 60 to age 50. In addition, recent court decisions and the high number of postponements in 2020—2,648, or more than double the number in 2019—have increased the number of upcoming required hearings. Without additional Commissioners and resources, the Board projects a backlog of nearly 4,000 hearings by June 30, 2023.

The Budget also includes statutory changes to permit the Board to conduct video conference hearings, which allows for more hearings by reducing travel time for commissioners, and reduces associated costs. Remote hearings have also allowed easier access for participation by victims and next of kin. For example, in February 2020, 127 victims or next of kin participated in the parole hearing process. In February 2021, fully remote hearings allowed 343 victims or next of kin to participate.

ATTORNEY CONSULTATION PILOT

The Budget includes \$1.8 million one-time General Fund for a one-year pilot to require state-appointed attorneys to provide additional counsel to incarcerated persons before they are interviewed for their comprehensive risk assessment. This will include at least one hour of counsel, education, and advice on the importance of the comprehensive risk assessment and its role in the parole decision-making process. The Department will submit a report to the Legislature regarding the pilot and its impacts to parole decisions by January 10, 2023.

FACILITY AND INFRASTRUCTURE IMPROVEMENTS

Maintaining facility infrastructure is essential to the health, safety, and rehabilitative goals for those who live and work in state prisons.

ROOF REPLACEMENT

The Budget includes \$33.6 million General Fund over two years for roof replacement projects at California State Prison, Los Angeles County as part of a multi-year plan to replace aging and deteriorating roofs across the state prison system. With this Budget, 12 institutions have received one-time funding for major roof replacement and repair projects, and 14 institutions remain scheduled for future roof replacement and repair projects over the next 7 years.

HEALTH CARE FACILITY UPDATES AT THE CALIFORNIA REHABILITATION CENTER

The Budget includes \$6.8 million one-time General Fund to replace damaged flooring, walls, wall-mounted air conditioning units, counters, and storage spaces in existing health care treatment areas at the California Rehabilitation Center. Existing health care facilities at this institution do not have adequate storage for medication and medical supplies, which restricts workflow and makes it difficult to maintain incarcerated patient privacy. These upgrades are essential in maintaining this facility, which is well-situated geographically to recruit essential staff, including health care professionals.

DEFERRED MAINTENANCE

The Budget also includes an additional investment of \$100 million one-time General Fund in 2021-22 to address CDCR's significant backlog of deferred maintenance projects.

The Budget includes the following significant adjustments:

- **Increased Healthy Menu Options**—To improve health and well-being of the incarcerated people, CDCR is implementing healthier menus within its institutions. The updated menu addresses individuals' overall healthy eating patterns and is based on the U.S. Department of Agriculture's dietary guidelines. The Budget includes \$7.5 million ongoing General Fund to support this change.
- **Transgender, Nonbinary, and Intersex Housing and Search Preferences**—The Budget includes \$2.8 million General Fund in 2021-22, declining to \$1.2 million ongoing General Fund, to develop and implement policies related to Chapter 182, Statutes of 2020 (SB 132), the Transgender Respect, Agency, and Dignity Act. SB 132 requires CDCR to house, and conduct physical searches of, transgender, nonbinary, and intersex incarcerated persons according to their gender identity and preference. Funding will be used to update data repositories with gender identity markers;

process transgender, nonbinary, and intersex housing change requests; and train correctional staff on safe housing practices.

- **Cellular Interdiction**—The Department currently uses technology called the Managed Access System to block unauthorized cellular usage within its prisons. While the Department works to prevent the introduction of contraband cell phones onto prison grounds, cell phones are still located and confiscated. This system disables contraband cell phones by intercepting calls and stopping them from being completed. The Budget includes \$1.8 million ongoing General Fund to maintain the use of the current Managed Access System.

DIVISION OF JUVENILE JUSTICE

Consistent with Chapter 337, Statutes of 2020 (SB 823), the Division of Juvenile Justice (DJJ) stopped the intake of wards on June 30, 2021, with limited exceptions, as a first step in the realignment of youth from the state to counties. Spring projections reflect an estimated average daily population of 613 wards in 2021-22, which represents a decrease of 116 wards as compared to Governor's Budget estimates.

SB 823 established the Juvenile Justice Realignment Block Grant Program, which will result in annual appropriations to be allocated to counties to serve realigned youth, including \$45.7 million General Fund in 2021-22 growing to \$211.9 million in 2024-25 and annually thereafter.

Chapter 18, Statutes of 2021 (SB 92), made critical changes to support implementation of SB 823 and enable counties to provide appropriate rehabilitative and supervision services to realigned youth. This includes establishing a framework for county secure youth treatment facilities, consistent with intent language included in SB 823. SB 92 also specifies that DJJ will close on June 30, 2023, and requires DJJ to develop a plan by January 1, 2022 for the transfer of remaining DJJ youth.

PINE GROVE YOUTH CONSERVATION CAMP

The Budget includes statutory changes to create opportunities for state and local partnerships to maintain firefighting operations at the Pine Grove Youth Conservation Camp in Amador County. This will enable juvenile courts to assign local youth to Pine Grove without committing them to DJJ and authorize counties to contract with the state to place youth offenders at Pine Grove. This action is consistent with the intent expressed in SB 823 to continue operations at Pine Grove given the camp provides critical reentry and job training to justice-involved youth.

The Budget also includes \$2.4 million General Fund in 2021-22 and \$2 million ongoing to support increased rehabilitative and preparedness programming for youth assigned to Pine Grove. This includes one-time resources to make targeted facility modifications and ongoing resources to partner with community-based organizations to provide mental health care services, life skills training and life coaching, peer-to-peer mentorship, and reentry preparation support.

SUPPORT FOR VICTIMS

Crime victims and their families bear significant physical, emotional, and financial burdens. The Budget reflects the Administration's continuing commitment to both assist crime victims and their families in recovering from such traumas, and to proactively make strategic investments to protect those who face a high risk of victimization by including the following proposals:

ADDRESSING GUN VIOLENCE

The Budget includes several investments in state and local programs intended to reduce gun violence in California. These include additional resources for grants available to cities and community-based organizations, increased training regarding temporary gun violence restraining orders, and support for county sheriffs departments' seizure of guns from persons who are prohibited from possessing them.

- **California Violence Intervention and Prevention (CalVIP) Grant Program**—The CalVIP Grant Program was established in 2017 to provide funding for cities and community-based organizations with the goal of reducing violence in cities and adjacent areas. AB 1603 (Chapter 735, Statutes of 2019), also known as the Break the Cycle of Violence Act, codified and made permanent the CalVIP Grant Program with a baseline funding of \$9 million General Fund annually. The Budget includes an additional \$200 million one-time General Fund across the next three fiscal years for the Board of State and Community Corrections to expand this program. These funds will help make California a national leader by supporting effective violence prevention efforts within communities that focus on those at the highest risk of violence.
- **Gun Violence Restraining Orders**—The Budget includes \$11 million one-time General Fund for the Office of Emergency Services (Cal OES) to facilitate education and training efforts related to gun violence restraining orders. This funding includes:

(1) \$5 million for Cal OES to conduct a public awareness campaign, (2) \$5 million for grants to domestic violence groups to conduct outreach, and (3) \$1 million to the City of San Diego for the city attorney to provide temporary gun violence restraining order trainings to entities statewide. The city attorney's office will provide a report to the Cal OES on how many trainings were provided and which entities were trained by November 1, 2024.

- **Gun Violence Reduction Program**—\$10.3 million one-time General Fund for the Department of Justice to administer the Gun Violence Reduction Program. These funds will support county sheriffs departments seizing weapons and ammunition from persons who are prohibited from possessing them.

SUPPORTIVE SERVICES FOR VICTIMS

- **Restitution Fund Backfill**—\$33 million General Fund in 2021-22 and \$39.5 million ongoing to backfill declining fine and fee revenues in the Restitution Fund, allowing the Victim Compensation Board to continue operating at its current resource level.
- **Reparations for Victims of Forced Sterilization**—\$7.5 million one-time General Fund to establish the Forced or Involuntary Sterilization Compensation Program to provide compensation to individuals who were sterilized pursuant to eugenics laws between 1909 and 1979, or sterilized while imprisoned after 1979.
- **Additional Resources for Victims in the Parole Hearing Process**—\$1.3 million ongoing General Fund to deliver services for victims during the parole hearing process. The staff and resources will also enable CDCR to expand existing initiatives such as the Victim Offender Dialogue program.
- **Support Services for Survivors of Those Killed in Officer-Involved Shootings**—\$522,000 General Fund in 2021-22 and \$491,000 ongoing to provide supportive services to survivors of those killed in officer-involved shootings investigated by DOJ pursuant to Chapter 326, Statutes of 2020 (AB 1506).
- **Nonprofit Security Grant Program**—\$50 million one-time General Fund for the California State Nonprofit Security Grant Program, to assist nonprofit organizations that have historically been targets of hate-motivated violence. This program, administered by the Cal OES, provides support for target hardening and other physical security enhancements to nonprofit organizations that are at high risk of violence and hate crimes based on ideology and beliefs.

- **Victims of Crime Act Supplemental Funding**—\$100 million one-time General Fund for Cal OES to supplement federal funding supporting a variety of services for domestic violence victims. This one-time augmentation will allow existing programs to continue, while building capacity to handle the increased need resulting from an increase in domestic violence during the pandemic.
- **Domestic and Sexual Violence Prevention Grant Program**—\$15 million one-time General Fund for the grant program to expand domestic and sexual violence prevention efforts. Cal OES administers various programs that provide financial and technical assistance to local domestic violence centers and rape crisis centers to implement domestic violence prevention strategies in their community and funding for a statewide domestic violence prevention campaign.
- **Sexual Assault Forensic Medical Evidentiary Examination Reimbursement**—\$6.7 million ongoing General Fund to increase reimbursements to local law enforcement agencies to offset the cost of reimbursing qualified health care professionals, hospitals, or other emergency medical facilities for medical evidentiary examinations for all sexual assault victims.
- **Human Trafficking Survivors**—\$10 million each year for three years, starting in 2021-22, for a total of \$30 million one-time General Fund to expand human trafficking survivor support programs including, but not limited to, advocates, victim assistance to help human trafficking victims recover from the trauma they experienced and assist with reintegration into society, and programs to improve outcomes for human trafficking victims.
- **Family Justice Centers**—\$11 million one-time General Fund to support the Family Justice Center Program providing services for victims and their children.

LOCAL PUBLIC SAFETY

ADULT PROBATION

In 2009, the state recognized the importance of investing in probation to reduce state prison costs with the passage of the California Community Corrections Performance Incentive Act of 2009 (SB 678). SB 678 provides performance-based funding to share General Fund savings with county probation departments that reduce or maintain low revocation rates to prison from the probation population. Based on county-reported

data from calendar year 2019, the 2020 Budget Act allocated \$112.6 million General Fund to counties.

The COVID-19 Pandemic and its impacts to law enforcement and court processing resulted in significantly fewer revocations during calendar year 2020. Because this impacts the current calculations in a way that has little relation to performance, the Budget provides \$122.9 million one-time General Fund to county probation departments, based on the highest payment to individual counties over the prior three fiscal years. These funds will continue to support county probation departments' efforts to reduce or maintain low revocation rates while recognizing the unprecedented impacts of the pandemic.

OTHER ADJUSTMENTS

- **Proposition 47 Savings**—In November 2014, voters passed Proposition 47, which requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits incarcerated persons previously sentenced for these reclassified crimes to petition for resentencing. The Department of Finance estimates net General Fund savings of \$116.2 million when comparing 2020-21 to 2013-14. These funds will be allocated according to the formula outlined in the initiative, which requires 65 percent be allocated for grants to public agencies to support various recidivism reduction programs (such as mental health and substance use services), 25 percent for grants to support truancy and dropout prevention programs, and 10 percent for grants for victims' services.
- **Post Release Community Supervision**—The Budget includes \$23.6 million one-time General Fund for county probation departments to supervise the temporary increase in the average daily population of offenders on Post Release Community Supervision (PRCS) as a result of the implementation of Proposition 57. This is an increase of \$10.7 million General Fund when compared to last year's Proposition 57 funding, primarily attributable to promulgated regulations that expanded good conduct credit earning opportunities.
- **Organized Retail Theft Task Forces**—The Budget includes \$5.6 million one-time General Fund for the California Highway Patrol and \$149,000 one-time General Fund for the Department of Justice for regional task forces aimed at reducing organized retail theft activities. This funding will support the continued operation of task forces that were created by Chapter 803, Statutes of 2018 (AB 1065) and funded on a two-year limited-term basis in the 2019 Budget Act. Although these are one-time resources, the Administration intends to fund the task force through January 1, 2026.

BOARD OF STATE AND COMMUNITY CORRECTIONS

INCREASED LOCAL DETENTION FACILITY OVERSIGHT

The Budget includes \$3.1 million ongoing General Fund to strengthen the state's oversight of county jails. These resources will improve engagement by the Board, increase the frequency of adult jail inspections, and provide for the development of standards more consistent with national best practices. In addition, the Budget includes statutory language to allow employees or agents of the Board to inspect local facilities without prior notification, promoting increased transparency and accountability in managing detention facilities.

COUNTY RESENTENCING PILOT PROGRAM

The Budget includes \$18 million one-time General Fund and statutory changes to create a county resentencing pilot program to support and evaluate a collaborative approach to exercising prosecutorial resentencing. The pilot funds nine county District Attorney and Public Defender offices to develop and implement policies to support the identification and recommendation of individuals for sentence recall. The pilot counties may also involve community-based organizations. The program will begin September 1, 2021, and end September 1, 2024, with the final report due to the Legislature from an evaluator by January 31, 2025.

ADDITIONAL SUPPORT FOR INDIGENT CRIMINAL DEFENSE

The Budget includes \$50 million General Fund annually until 2023-24 for the Board, in consultation with the Office of State Public Defender, to provide resources to counties to provide indigent defense in criminal matters for the purposes of workload associated with recent resentencing reforms. This funding will also support the completion of an evaluation to assess how these resources impacted the outcomes for the associated workload.

COUNTY JAIL RELINQUISHMENTS

The Board administers five financing programs for adult jail facilities in counties statewide. Since these programs commenced, several county recipients have relinquished their awards, some amounts were not awarded, and some counties realized minor project savings that remain unspent. The Budget removes approximately \$229 million of county jail construction lease revenue authority from four programs, and

reallocates resources to expand capacity to serve felony Incompetent to Stand Trial patients. For more information, please refer to the Health and Human Services Chapter.

DEPARTMENT OF JUSTICE

As chief law officer of the state, the Attorney General has the responsibility to see that the laws of California are uniformly and adequately enforced. This responsibility is fulfilled through the diverse programs of the Department of Justice (DOJ). The Department provides legal services on behalf of the people of California; serves as legal counsel to state agencies; provides oversight, enforcement, education, and regulation of California's firearms laws; provides evaluation and analysis of physical evidence; and supports data needs of California's criminal justice community. The Budget includes total funding of approximately \$1.1 billion, including \$387 million General Fund, to support the DOJ.

POLICE USE OF FORCE INVESTIGATIONS

Chapter 326, Statutes of 2020 (AB 1506) requires a state prosecutor to investigate incidents of officer-involved shootings that result in the death of an unarmed civilian, and makes the Attorney General the state prosecutor unless otherwise specified. The Budget includes \$15.3 million General Fund in 2021-22 and \$15.6 million ongoing, to establish four teams to conduct these investigations across the state, one in each of the northern and central California regions, and two in southern California. As mentioned above, the Budget also includes an additional \$522,000 General Fund in 2021-22 and \$491,000 ongoing to provide supportive services to survivors of those killed in officer-involved shootings investigated by DOJ pursuant to AB 1506.

The Budget includes the following significant adjustments:

- **Bureau of Forensic Services**—\$16 million one-time (\$6 million General Fund and \$10 million Fingerprint Fees Account) to backfill the continued decline in fine and fee revenues in the DNA Identification Fund. This funding will enable DOJ to continue processing forensic evidence for client counties.
- **Retroactive Expungement of Arrest Records**—\$7.5 million one-time General Fund and statutory changes to extend Chapter 578, Statutes of 2019 (AB 1076), which provides prospective arrest records relief for certain non-violent crimes, to retroactively provide such relief going back to 1973.

- **Sexual Assault Kit Backlog Resources**—\$4 million one-time General Fund for grants to reduce local law enforcement agencies' sexual assault kit backlog.
- **Healthcare Rights and Access Workload**—\$2.1 million ongoing Public Rights Law Enforcement Special Fund to address workload concerns in the recently established Healthcare Rights and Access Unit within the Division of Legal Services.
- **Chapter 337, Statutes of 2020 (SB 823)**—\$1.9 million General Fund in 2021-22, and \$1 million in 2022-23, to convene a working group to submit a plan for the replacement of the Juvenile Court and Probation Statistical System with a modern database, as part of the realignment of the Division of Juvenile Justice to the counties.
- **Chapter 319, Statutes of 2020 (AB 3121)**—\$1.1 million General Fund in 2021-22 and 2022-23, to support the Task Force to Study and Develop Reparation Proposals for African Americans, with a Special Consideration for African Americans Who are Descendants of Persons Enslaved in the United States.
- **Chapter 289, Statutes of 2020 (AB 2699)**—\$982,000 General Fund in 2021-22, increasing to \$3 million in 2024-25, and decreasing to \$912,000 ongoing to gather information about unsafe firearm transactions involving peace officers, develop information technology infrastructure to maintain a database of such transactions, and conduct investigations to verify that transactions are being appropriately recorded.
- **Chapter 292, Statutes of 2020 (AB 2847)**—\$674,000 Dealers Record of Sale Special Account in 2021-22, and \$1.3 million in 2022-23, for information technology resources to update systems to track firearm microstamp information.

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LABOR AND WORKFORCE DEVELOPMENT

As California continues to recover from the COVID-19 Pandemic, the Budget includes investments to improve access to employment, education, and training programs, while transitioning to a more resilient workforce. In addition, despite improvements in the unemployment rate, certain groups and industries continue to disproportionately experience the negative impacts of the pandemic.

The Budget takes bold steps to address this inequity and advance job quality by investing \$920 million in a Jobs Package—highlighted by \$600 million for regions and local collaboratives for planning and implementation grants to support communities recovering across California and \$320 million to expand the state's economic and workforce development strategies to support job and career pathways. These programs will work together to help workers and businesses recover from the economic impacts of the pandemic, while meeting the state's commitments to equity, carbon neutrality, sustainable economic growth, and the creation of high road jobs.

Finally, the Budget contains resources for the Department of Industrial Relations to enforce labor laws, ensuring all Californians can exercise their right to a safe and fair workplace.

JOBS PACKAGE

COMMUNITY ECONOMIC RESILIENCE FUND

Building on the Administration's High Road Transition Roadmap, the Budget includes \$600 million one-time federal ARPA funds for the Community Economic Resilience Fund (Fund). The Fund will provide financial support to regional stakeholder collaboratives to plan and implement region- and industry-specific economic transition strategies, with a specific focus on supporting high road jobs. These collaboratives will be supported by and linked directly to community capacity building programs, ensuring broad participation in planning and decision-making.

By bringing communities together through an inclusive process, these collaboratives will produce a roadmap for economic growth that prioritizes the creation of accessible, high-quality jobs in sustainable industries. These include, but are not limited to, jobs in "advanced energy" industries such as renewable energy, zero-emission vehicles, or energy efficiency; in future-looking industries such as carbon removal, advanced manufacturing and agriculture, climate restoration and resilience; and a wide range of other industries critical to the state's long-term economic growth.

The Fund will support High Road Transition Implementation Grants so planning is linked to training programs. Strategies will tie to the Budget's direct infrastructure investments across multiple categories—housing, transportation, advanced energy, broadband, and natural resources—all of which prioritize the creation of high quality jobs for regions across the state. The Administration and Legislature will continue work to finalize programmatic details for this Fund later this summer.

WORKFORCE TRAINING AND INDUSTRY PARTNERSHIPS

Getting Californians back to work is key to a broad-based and equitable labor market recovery. The pandemic resulted in record unemployment rates, and a full recovery of the state's economy could potentially take years. Particularly at risk are those at the edge of the labor market, such as young adults, women, people of color, and those with barriers to employment. These groups are typically the first to experience the effects of an economic downturn and the last to recover.

The Budget focuses on one-time investments for the Labor and Workforce Development Agency (Labor Agency) that build on previous initiatives to support sustainable projects in infrastructure, education, and job creation. The package also includes new investments for the Employment Training Panel (ETP) and the California Workforce

Development Board (Workforce Board) to align programs with the California Community Colleges and expand direct workforce training and job placement services for approximately 35,000 additional Californians over the next five years.

SKILLS TRAINING FOR BETTER JOBS

The Budget includes significant resources to expand the state's workforce development programs and partnerships. These proposals center around a commitment to expanding “earn-and-learn” and other industry-based training strategies to allow Californians to advance their skills and earning potential without having to forego income necessary to support themselves and their families. The Budget includes \$245 million for these purposes, including:

- **High Road Training Partnerships**—\$100 million one-time General Fund for the Workforce Board to fund additional High Road Training Partnerships (H RTP) in current and new sectors, such as property services, agriculture, forestry, and manufacturing.
- **Employment Training Panel**—\$50 million one-time General Fund for the ETP to support training opportunities for new and incumbent workers and address skills gaps in economically disadvantaged regions. These resources will allow the ETP program to expand training resources in the health care, information technology, advanced manufacturing industries, as well as training targeted toward public sector jobs.
- **Breaking Barriers to Employment Initiative**—\$30 million one-time General Fund for the Workforce Board to continue the Breaking Barriers to Employment Initiative, which supports individuals in workforce and education programs in gaining the skills and competencies necessary to successfully enter the labor market, retain employment, and earn wages that lead to self-sufficiency, and eventually, economic security.
- **Social Entrepreneurs for Economic Development**—\$20 million one-time General Fund for Workforce Board to continue the Social Entrepreneurs for Economic Development program, which provides grants to community based organizations to provide training and micro grants to help marginalized groups start or maintain a small business that address a social problem or meet a community need.
- **Prison to Employment**—\$20 million one-time General Fund for Workforce Board to extend and expand the Prison to Employment program, which strengthens the pathways for justice-involved individuals to the labor force.

- **Workforce Development Administration**—\$15 million one-time General Fund in Workforce Board administrative resources to implement the workforce package.
- **Housing Apprenticeships**—\$10 million one-time General Fund for the Workforce Board to support pathways for workers from disadvantaged communities to State-approved apprenticeships in the trades, with a focus on affordable housing construction. These programs will build on the High Road Construction Careers (HRCC) partnerships among local workforce boards, local building trades, community organizations, community colleges, construction contractors, and other entities.

STRENGTHENING CALIFORNIA COMMUNITY COLLEGES WORKFORCE DEVELOPMENT STRATEGIES

In addition to the direct skill training programs for workers impacted by the pandemic, the Budget provides \$75 million one-time General Fund to foster new cooperative efforts between the state's workforce programs and the California Community Colleges (CCCs).

The CCCs serve nearly 2.1 million students annually and play a critical role in educating and training the skilled workforce needed for the state to meet its changing needs. The Budget provides one-time investments for collaboration between the CCCs and the Workforce Board:

- \$25 million one-time General Fund for the Workforce Board to create or expand industry-based and worker focused High Road Training Partnerships connected with community college programs. These will help bridge California students into good jobs in industry sectors projected for growth or replacement job openings. These flexible programs will also give workers the skills they need to compete in the coming decades. In addition, the Budget includes \$10 million Proposition 98 General Fund for CCCs to align their programs with these HRTPs.
- \$25 million one-time General Fund to the Workforce Board to fund regional equity and recovery partnerships between regional community college consortia and local workforce boards. Working from existing regional and industry planning, successful partnerships will assess regional hiring demand for good quality jobs and then design targeted education, training, and job placement. The Budget also includes an additional \$10 million Proposition 98 General Fund for the CCCs to participate in these efforts.

- \$15 million one-time General Fund to the ETP to leverage existing community college contract education units to provide small businesses with new and incumbent employee training and accelerate their recovery.
- \$10 million one-time General Fund to improve data outcomes between the labor market and the CCCs. This infrastructure will simplify collaboration, improve job outcomes, and other data gathering elements.

EMPLOYMENT DEVELOPMENT DEPARTMENT

During the COVID-19 Pandemic, the federal government enacted temporary wage replacement programs for workers typically ineligible for unemployment insurance (UI) benefits. As the pandemic continued, federal legislation provided unemployed workers additional time to regain employment by maintaining extended UI benefits. As a result, since the start of the pandemic Californians have filed over 23 million UI claims with EDD, which has issued over \$155 billion in benefits.

As EDD worked to manage this unprecedented level of claims, it also implemented recommendations from the EDD Strike Team, which the Governor tasked with creating a blueprint for improvements to and modernization of the UI program. The EDD took steps to address the top four priorities: creating dashboards that measured the daily UI claims processes, procuring an identity verification solution, adopting and implementing plans to address claims, and providing a document upload system for applicants. EDD continues to work on the implementation of the additional Strike Team and audit related recommendations.

However, deferred workloads, benefit renewals, and other administrative issues remain. The Budget includes \$342.9 million over two years, and \$6.7 million ongoing, as detailed below, to address the immediate challenges EDD faces while also building long-term, sustainable, and flexible processes that will allow the EDD to better serve the people of California.

ADDRESSING DEFERRED AND PROSPECTIVE WORKLOADS

The Budget includes \$276.3 million one-time General Fund to enable the EDD to address deferred workloads and the ongoing work associated with claim volume and benefit renewals, extensions, and recertifications. These resources will allow the EDD to address the over 11 million outstanding work items—including determinations, employer protests, screening benefit crossmatch data, and identity documentation—in approximately 12 months.

IMPROVING ACCESS TO EDD SERVICES

The unprecedented unemployment levels caused by the COVID-19 Pandemic overwhelmed EDD's systems and exposed flaws in its systems and processes that resulted in a delay or inability for many Californians to access their UI benefits. This has been especially true for those in harder-to-reach communities, including the seven million Limited-English Proficient Californians. The Budget includes the following investments to improve EDD's infrastructure and claimants' experiences:

- **Language Access**—\$21 million over two years and \$6.8 million ongoing to improve education and outreach in communities requiring multilingual access to EDD services and programs by:
 - Dedicating resources to translation services to create a multilingual access portal to EDD's website and to translate forms and notices.
 - Providing grants to community-based organizations for outreach and education to Limited English-Proficient communities.
 - Establishing a multilingual access unit and expanding interpretive services.
- **Unemployment Insurance Navigators**—\$11.4 million in 2021-22 and 2022-23 to support trained staff in the America's Job Centers of California. These staff will provide in-person guidance to individuals filing benefit claims, particularly helping those without the technology or ability to access EDD's online resources.
- **Direct Deposit**—\$11 million over two years for EDD to develop and implement a direct deposit option for Unemployment Insurance, Disability Insurance, and Paid Family Leave claimants. This option will make the disbursement of benefits faster and simpler for claimants, who will avoid the extra process needed to transfer funds between a debit card and bank account.

RE-IMAGINING BENEFIT SYSTEMS MODERNIZATION

EDD has spent years preparing to modernize its benefit systems. The pandemic has emphasized the importance of these efforts while also informing a future approach that considers the lessons learned from the pandemic to improve services. The Budget includes \$11.8 million one-time General Fund to reengage the planning and modernization of the EDD's information technology systems. This revised effort will focus on improving the experience of those filing for unemployment benefits.

UNEMPLOYMENT INSURANCE TRUST FUND

Although the federal government has funded many emergency benefits, the core of the regular UI program is funded by employer contributions to the state's UI trust fund. The federal Families First Coronavirus Response Act allowed states to borrow from the federal UI trust fund with no interest until December 31, 2020. Subsequently, the Continued Assistance Act further waived interest through March 14, 2021, and the federal American Rescue Plan Act of 2021 again waived interest payments until September 6, 2021. The EDD now estimates that California will have a \$24.3 billion UI deficit at the end of 2021, down from a projected \$48.3 billion at the Governor's Budget. Nevertheless, this is a significant deficit and is projected to result in annual debt service payments between \$500 to \$600 million and higher tax rates for businesses beginning in 2023. The Budget includes \$36 million for the federal fiscal year 2021 UI loan interest payment, reflecting the federal interest rate postponements. The federal fiscal year 2022 UI loan interest payment is projected to increase to approximately \$560 million absent further federal action.

DEPARTMENT OF INDUSTRIAL RELATIONS

ENFORCING WORKPLACE SAFETY STANDARDS

The Budget includes resources for the Department of Industrial Relations (DIR) to increase the enforcement of workplace safety standards. These resources includes the flexibility to bolster the departments' Division of Occupational Safety and Health by up to \$14.4 million and 70 position, as well as \$5 million to establish a Garment Worker Wage Claim Pilot Program to help non-profits aid garment workers in pursuing unpaid wage claims.

The Budget also includes \$8.6 million and 43 positions to implement and enforce recently enacted legislation that makes it easier for first responders, health care workers, and people who contract COVID-19 due to an outbreak at a workplace to access necessary workers' compensation benefits. Additional resources allow DIR to investigate workplaces that violate specific COVID-19 specific guidelines and regulate businesses for adequate personal protective equipment stockpiles for future crises.

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TRANSPORTATION

INVESTMENTS AND JOB CREATION

Job creation is foundational to the state's ongoing recovery from the significant impacts of the COVID-19 Pandemic. The California Department of Transportation (Caltrans) estimates that approximately 11,000 jobs are created for every billion dollars spent on transportation infrastructure. The California Transportation Commission committed \$22 billion for more than 1,200 projects in 2020, which will create thousands of jobs and spur economic recovery. These projects will support a safe, sustainable state transportation system that reduces congestion, improves the environment, and facilitates job creation and economic development. Nearly 40 percent of the funds approved by the Commission during the past year come from the Road Repair and Accountability Act of 2017, enacted by Chapter 5, Statutes of 2017 (SB 1), and the Commission estimates that its project allocations over the past three years from all state and federal sources have generated 350,000 jobs.

The Budget continues to support job creation by including total funding of \$27 billion for all departments and programs administered within the California State Transportation Agency. The majority of this funding supports a range of projects to repair and improve the state's transportation infrastructure. In addition, over \$3 billion in fuel excise tax revenues goes to cities and counties for local streets and roads. While this project funding benefits the state's travelling public, it is also a major driver of employment and economic stimulus.

TRANSPORTATION

The COVID-19 Pandemic has led to dramatic reductions in travel across the country and the state. As a result, the fuel excise tax revenues used to fund transportation projects, while still growing moderately, are expected to be lower than pre-pandemic forecasts by a total of \$3.3 billion through 2024-25. As the Administration continues to prioritize economic recovery and investments in California's transportation infrastructure, Caltrans has used its share of the additional SB 1 revenues to accelerate projects and support creation of new jobs in the transportation sector. The Budget maintains sufficient planning and engineering staffing levels to continue developing and designing previously programmed projects. Caltrans plans to award all of the projects it currently has programmed for construction in the coming year, and this project development work will prepare for additional federal stimulus funding as it becomes available.

The Budget invests in both new transportation infrastructure and maintenance of existing infrastructure. The investments will create quality jobs, accelerate new transportation options and better connectivity throughout the state, support clean transportation projects to achieve the state's climate goals, and attract new federal investment, often doubling the amount spent from state and local sources.

More specifically, these investments:

- Move the state away from yesterday's fossil fuel-based technologies to tomorrow's cleaner transportation technologies, including zero-emission vehicles and the associated infrastructure.
- Help complete high-priority projects to move people throughout the state seamlessly in time for the Los Angeles Olympics in 2028.
- Accelerate vital safety projects and important "fix-it-first" projects on state highways and bridges, and target critical highway/rail grade separations and grade crossing improvements on key corridors throughout the state.
- Improve safety and access for bicyclists and pedestrians.
- Create thousands of good-paying jobs, reduce at least 26 million metric tons of CO₂ from the environment, and make investments that address inequities in the transportation system by improving transportation choice and access in disadvantaged communities.

California is committed to making significant investments in sustainable transportation infrastructure. In July 2021, the Transportation Agency will release the Climate Action Plan for Transportation Infrastructure (CAPTI). The CAPTI framework is directed by the

Governor's Climate Executive Orders N-19-19 and N-79-20. The Action Plan is the product of a collaborative effort that included a robust stakeholder engagement process. By integrating a diverse array of perspectives, this Action Plan is meant to be a holistic framework for aligning state transportation investments with climate goals, while improving public health, and prioritizing equity. The framework includes overarching guiding principles as well as investment strategies as California moves to a more sustainable transportation system.

FEDERAL INFRASTRUCTURE PACKAGE

The Budget positions California for a once-in-a-generation investment in broad infrastructure improvements to strengthen the nation's economy and prepare for lasting growth and prosperity. In addition to the American Jobs Plan, federal legislation to reauthorize and increase funding for surface transportation programs is expected this year, with increased spending expected in federal discretionary programs for which California will be well-positioned to compete. The state is uniquely positioned to take advantage of these funds based on its clean transportation leadership and ongoing funding commitments. With the enactment of programs like Cap and Trade and SB 1, the state will be ready to leverage state dollars to match and maximize the federal investment.

To further enhance the state's position and readiness for these anticipated funds, the budget invests an additional \$7.5 billion in the transportation system and related zero-emission vehicle (ZEV) efforts. The state transportation infrastructure package includes roadway fix-it-first projects, transit, intercity rail, and active transportation projects throughout the state, enhanced safety projects, and projects to support connectivity in advance of the 2028 Los Angeles Olympics. Specifically, the Budget provides the following new augmentations to transportation funding:

- **Multimodal Statewide Transportation Projects**—\$3.4 billion General Fund for high-priority transportation projects throughout the state. Funding for these projects is subject to subsequent legislative action:
 - **Los Angeles Olympics**—\$1 billion General Fund to deliver critical projects in time for the 2028 Olympic Games.
 - **Priority Transit and Rail Projects**—\$1 billion for transit and rail projects statewide that improve rail and transit connectivity between state and regional/local services.

TRANSPORTATION

- **Active Transportation**—\$500 million to advance projects that increase the safety and use of active modes of transportation, such as walking and biking.
- **High-Priority Grade Separations and Grade Crossing Improvements**—\$500 million to support critical safety improvements throughout the state.
- **Climate Adaption Projects**—\$400 million for projects to address transportation needs related to climate change.
- **State Highway Rehabilitation and Local Roads and Bridges**—\$2 billion (\$1.1 billion special funds through 2028, and \$968 million federal funds) to support the advancement of priority State Highway Operation and Protection Program (SHOPP) projects, Interregional Transportation Improvement Program (ITIP) projects, and local road and bridge investments.
- **Zero-Emission Rail and Transit Equipment Purchases and Infrastructure**—\$407 million (\$100 million General Fund, \$280 million Public Transportation Account, and \$27 million federal funds) to demonstrate and purchase or lease state-of-the-art, clean bus and rail equipment and infrastructure that eliminate fossil fuel emissions and increase intercity rail and intercity bus frequencies.
- **Zero-Emission Buses and Trucks**—\$1.4 billion (\$1.3 billion General Fund, \$87 million Air Pollution Control Fund) to demonstrate and purchase or lease green buses and trucks. These funds are budgeted outside of the transportation budget and are included and described in the Climate Change Chapter.
- **Port of Oakland**—\$280 million for improvements that facilitate freight and passenger access and promote the efficient and safe movement of goods and people.

CLEAN CALIFORNIA INITIATIVE

The Budget includes the new Clean California Initiative, in which Caltrans will partner with local governments in a statewide beautification effort. One-time funding of \$1.1 billion General Fund will be used for a three-year effort to clean up garbage statewide, beautify the state's transportation network, educate the public about the harms of litter, and create long-lasting litter deterrents. Integral to this effort are close partnerships with local entities, with a focus on increasing resources dedicated to eliminating trash and implementing measures to reduce future litter, creating a cleaner, healthier California. The initiative will also provide resources to beautify the state highways and local roads and other projects that will serve as community gateways. Thousands of jobs will be created through this initiative in state and local government,

as well as the private sector and will provide lasting benefits to communities—especially underserved communities.

Throughout California, in underserved communities, urban and rural areas, this plan will result in:

- Over one million cubic yards and 21,000 tons of litter eliminated.
- Numerous beautification and litter abatement projects on the state's transportation system.
- Thousands of jobs for people experiencing or exiting homelessness, at-risk youth, veterans, and those re-entering the workforce post-incarceration.

Local streets and roads, along with state highways and freeways, will be positively impacted by this proposal, from eliminating litter to engaging local communities, to quickly implementing sustainable and green beautification projects.

This effort will consist of:

- \$418 million for litter abatement activities, strengthening trash collection efforts by Caltrans and partners to eliminate over one million cubic yards of trash from state routes, increasing access to waste facilities and providing free monthly disposal days.
- \$296 million for local beautification projects, supporting communities, in order to create livable spaces and establishing a local grant program to match efforts that enhance communities and reduce litter on local streets, tribal land, and near transit centers.
- \$287 million for state beautification projects, implementing sustainable, green beautification projects that enhance safety and transform dividing highways into public spaces that unify communities.
- \$33 million for a public education campaign and outreach to schools.
- \$62 million over three years for project design, construction, local support and engagement, and administration required to deliver this initiative.

TRANSFORMATIONS AT THE DEPARTMENT OF MOTOR VEHICLES (DMV)

The federal deadline for obtaining a REAL ID compliant driver's license or identification card, or other federally accepted document, to board domestic flights or enter secure

federal facilities has been extended to May 2023. The Budget includes approximately \$186 million General Fund, including \$152 million one-time for up to more than 1,300 temporary positions to address REAL ID demands prior to the enforcement date, and \$34 million for 258 positions to implement a number of operational improvements. The DMV will be able to address the REAL ID demand with fewer positions than in recent years, due largely to operational improvements such as updated digital platforms and improved online services, which have created a more customer-friendly experience while reducing transaction time.

DMV will invest \$10 million General Fund to begin development of a mobile DL/ID (mDL) program, allowing California residents to obtain a digital driver's license/ID that can be conveniently and securely accessed through a smartphone. It is envisioned that mDL can be used to verify a person's identity to complete DMV transactions online such as transferring a vehicle title or requesting a registration credit. By verifying identity prior to transactions, the state will be able to streamline processes, reduce fraud, and improve the customer experience.

Mobile DL/ID may also be used in expanding access to government services and for other purposes over time as businesses and organizations develop ways to accept the mDL. The mDL will be rolled out in a series of pilots with the goal of refining and expanding the use of this innovation across state services while maintain security and privacy. Additional use cases will be piloted as the technology is accepted in both the public and private sectors.

GENERAL GOVERNMENT AND STATEWIDE ISSUES

This chapter describes items in the Budget that are statewide issues or related to various departments.

EMPLOYEE COMPENSATION AND COLLECTIVE BARGAINING

As a result of the COVID-19 Recession, reductions in state employee compensation costs and deferrals to negotiated general salary increases were necessary to balance the 2020 Budget Act. At the 2020 May Revision, declining revenues and fiscal uncertainty required difficult budget reductions, including the state asking employees through collective bargaining to defer scheduled pay increases and agree to a pay reduction. State employees stepped up at a time of uncertainty and all 21 bargaining units successfully reached agreements to achieve the necessary savings through the Personal Leave Program (PLP) 2020. As part of the PLP 2020 agreements, 19 of the 21 bargaining units agreed to continue the state employee compensation reductions and defer pay increases through the 2021-22 fiscal year.

At the 2021 May Revision, the near-term revenue picture had drastically improved thanks to higher-than-anticipated tax revenue and additional federal funding from multiple stimulus bills. Given the May Revision revenue projections, the California Department of Human Resources invited the bargaining units through collective bargaining to discuss revising the PLP 2020 agreements. As a result of these discussions,

agreements were reached to end PLP 2020, resume employee prefunding contributions for other post-employment benefits, and end the deferral of pay increases by providing one or two general salary increases on July 1, 2021.

The 2021 Budget Act includes \$1.96 billion ongoing (\$1.06 billion ongoing General Fund) for collectively bargained pay increases, various one-time and ongoing special salary adjustments and pay differentials, increases related to minimum wage changes in Chapter 4, Statutes of 2016 (SB 3), and adjustments to the health and dental contributions based on the 2022 estimated premiums and updated enrollment for active state employees.

Collective bargaining negotiations will continue with the union representing scientists, whose contract expired in July 2020, and the union representing firefighters, whose contract expired in July 2021.

STATE RETIREMENT CONTRIBUTIONS

As California's economic conditions recover from the COVID-19 Pandemic and Recession, the state has an opportunity to further improve retirement security for public employees. Actions taken in the 2021 Budget Act continue to reflect the state's commitment to address the estimated \$169 billion in unfunded pension obligations over the long term. To achieve this goal, the Budget reflects the following:

- **California Public Employees' Retirement System (CalPERS) Supplemental Pension Payment**—The Budget includes \$1.9 billion in one-time Proposition 2 debt repayment funding in 2021-22 to further reduce the unfunded liabilities of the CalPERS state plans. Any supplemental payment made towards the state's CalPERS unfunded liability is estimated to result in a minimum long-term gross savings ratio of 2:1.
- **California State Teachers' Retirement System (CalSTRS) Supplemental Pension Payments**—The Budget includes \$410 million one-time Proposition 2 supplemental pension payment to be paid to CalSTRS in 2021-22 toward the state's share of the CalSTRS Defined Benefit Program's unfunded liability. In addition, the Budget includes \$174 million one-time General Fund to offset the statutory reduction in the state's contribution in 2020-21. These payments are estimated to result in \$1.1 billion gross savings to the state through 2045-46.

Other Significant Adjustments

- **Surplus Money Investment Fund Loan**—The Budget includes \$225 million within the 2021-22 Proposition 2 debt payment requirement to pay down the General Fund's share of the internal cash loan authorized by Chapter 50, Statutes of 2017 (SB 84) to make a \$6 billion supplemental pension payment to CalPERS state plans in 2017-18.
- **State Employees' Retirement Contributions**—The Budget includes \$6 billion (\$3.2 billion General Fund) for state contributions to CalPERS for state pension costs. This includes \$677 million General Fund for California State University pension costs.
- **Teachers' Retirement Contributions**—The Budget includes \$3.7 billion General Fund for state contributions to CalSTRS beyond the \$584 million supplemental pension payments discussed above.

STATE HEALTH CARE BENEFITS

The state is projected to spend \$6.8 billion ongoing on health care benefits in 2021-22 for more than 850,000 state employees, retirees, and their eligible dependents. This includes \$2.7 billion for retiree health care benefits for 2021-22.

Through the collective bargaining process, the state's 21 employee bargaining units agreed to prefund retiree health benefits. Additionally, as determined annually by CalHR, related excluded and exempt employees also prefund retiree health benefits. As a result, more than \$3.9 billion is currently set aside in the prefunding trust fund to pay for future retiree health benefits, which has an estimated \$91.9 billion unfunded liability as of June 30, 2019, to be paid down by 2046. By the end of 2021-22, the trust fund balance is expected to approach \$5.9 billion in assets.

The 2021 Budget Act includes \$310 million one-time Proposition 2 funding for the employer's share of General Fund prefunding contributions and an additional \$616 million one-time Proposition 2 funding to increase prefunding for retiree health benefits. Because employee prefunding contributions were suspended in 2020-21 due to the PLP 2020, \$616 million one-time will be provided by the state on behalf of employees, based on the actuarial liability for each bargaining unit.

The State Retirement and Health Care Contributions Figure provides an historical overview of contributions to CalPERS, CalSTRS, the Judges' Retirement System (JRS), the Judges' Retirement System II (JRS II), and the Legislators' Retirement System (LRS) for pension and health care benefits.

State Retirement and Health Care Contributions ^{1/2/3/}

(Dollars in Millions)

	CalPERS	CSU CalPERS	CalSTRS	JRS	JRS II	LRS ^{5/}	Active Health & Dental ^{6/}	Retiree Health & Dental	CSU Retiree Health	Employer OPEB Prefunding ^{7/}
2012-13	\$2,948	\$449	\$1,303	\$160	\$51		\$2,567	\$1,365	\$222	
2013-14	3,269	474	1,360	188	52	\$1	2,697	1,383	225	\$22
2014-15	4,042	543	1,486	179	63	1	2,797	1,462	256	38
2015-16	4,338	585	1,935	190	67	1	2,968	1,556	263	63
2016-17	4,754	621	2,473	202	68	1	3,104	1,623	272	342 ^{8/}
2017-18	5,188	661	2,790	199	80	1	3,192	1,695	285	189
2018-19	5,506	683	3,082	194	84	1	3,255	1,759	313	394
2019-20	5,946	716	3,323	242	91	1	3,371	1,844	326	562
2020-21	4,925	680	3,428 ^{4/}	225	86	1	3,665	2,023	357	600
2021-22 ^{9/}	5,363	677	3,862	193	86	1	4,018	2,335	410	1,292 ^{10/}

^{1/} The chart does not include contributions for University of California pension or retiree health care costs.

^{2/} The chart does not reflect the following pension payments: \$6 billion supplemental payment to CalPERS in 2017-18 authorized by Chapter 50, Statutes of 2017 (SB 84), additional payments to CalPERS and CalSTRS authorized in Chapter 33, Statutes of 2019 (SB 90), and Chapter 859, Statutes of 2019 (AB 118), and Proposition 2 payments to CalPERS and CalSTRS.

^{3/} In addition to the Executive Branch, this chart includes Judicial and Legislative Branch employees. Contributions for judges and elected officials are included in JRS, JRS II, and LRS. Amounts displayed in the CalPERS column include statewide contributions to the five CalPERS state plans, including contributions from employers that are not included in the annual Budget Act.

^{4/} As part of the 2020 Budget Act, the Teachers' Retirement Board's statutory authority to adjust the state contribution rate for fiscal year 2020-21 was suspended. The 2021 Budget Act includes \$174 million one-time General Fund to offset the rate suspension in 2020-21. The amount shown excludes supplemental pension payments from Proposition 2 debt payment funding authorized in the Budget.

^{5/} The state continues to make employer contributions to the Legislators' Retirement System. CalPERS reported the estimated 2021-22 contribution amount is \$87,680.

^{6/} These amounts include health, dental, and vision contributions for employees within state civil service, the Judicial and Legislative Branches, and the California State University (CSU).

^{7/} Amount reflects the employer contribution to pay down the Other Post-Employment Benefits (OPEB) unfunded liability.

^{8/} Amount includes a one-time prefunding contribution of \$240 million pursuant to Chapter 2, Statutes of 2016 (AB 133).

^{9/} Estimated as of the 2021 Budget Act. Of the total estimated 2021-22 contributions, contributions sourced from the General Fund are estimated to be \$2,556 million for CalPERS, \$677 million for CSU CalPERS, \$1,887 million for Active Health and Dental, and \$926 million for OPEB Prefunding. Fiscal year 2021-22 contributions to CalSTRS, JRS, JRS II, LRS, and Retiree Health & Dental (including CSU) are all General Fund costs.

^{10/} Amount includes \$616 million to help ensure full funding by 2046, which is provided by the employer on behalf of the employees, based on the actuarial liability for each bargaining unit, since employee prefunding contributions were suspended in 2020-21 due to the Personal Leave Program 2020.

GOVERNMENT OPERATIONS AGENCY

The Budget includes \$588,000 ongoing General Fund to establish and support the state's first ever Chief Equity Officer within the Government Operations Agency (GovOps), which will build upon and implement the work of the California Leads Taskforce. The Chief Equity Officer will develop a uniform framework for creating equitable policies, practices, and metrics for hiring and procurement. The Budget also

includes \$200,000 General Fund in 2021-22 through 2025-26 to establish the Racial Equity Advisory Council, which will advise GovOps in developing statewide policies that promote diversity, equity, and inclusion in the state workforce. The Administration will continue to work with the Legislature this summer to finalize the creation of the Council.

CALIFORNIA DEPARTMENT OF TECHNOLOGY

The COVID-19 Pandemic revealed weaknesses in the state's technology infrastructure while also necessitating the state's need to rapidly implement new digital services. The 2021 Budget Act includes \$25 million one-time General Fund, available for expenditure through 2023-24, to the California Department of Technology (CDT), to fund technology modernization solutions. These modernization initiatives will be identified and approved by CDT and the Department of Finance through CDT's assessments of existing technology systems and the evaluation of strategic technology modernization proposals submitted by departments. To be eligible for modernization funding, the technology proposals must meet at least one of the following criteria: (1) improve, retire, or replace existing technology systems; (2) improve information security; (3) improve the efficiency and effectiveness of state entities; or (4) transition state entities' legacy technology systems to cloud computing.

DEPARTMENT OF GENERAL SERVICES

- **Regional K-16 Education Collaboratives**—The Budget provides \$250 million one-time General Fund for a regional K-16 collaboratives grant program. The funds are appropriated to the Department of General Services (DGS) to award grants to between five and eight regional collaboratives. More detailed information regarding this grant program is located in the Higher Education Chapter.
- **STEM Teacher Recruitment Grants**—The Budget provides \$3 million one-time General Fund to the DGS for the purpose of providing grants to recruit Science, Technology, Engineering, and Math (STEM) professionals into the teaching profession by connecting them with teaching, tutoring, and speaking opportunities in K-12 schools. These grants are intended to address the shortage of STEM teachers in California by providing learning and training opportunities for potential future teachers, especially in under-resourced communities. DGS intends to administer this grant program with the assistance of a third party administrator.

- **Office of Public School Construction Facility Inspection Tool**—The Budget provides \$250,000 one-time General Fund to the Office of Public School Construction (OPSC) within the DGS to update OPSC's Facility Inspection Tool. The Facility Inspection Tool is used to rate school facilities and determine whether those facilities are in good condition.

STATEWIDE DEFERRED MAINTENANCE

A fall 2020 survey of state departments indicated that the statewide deferred maintenance need totals approximately \$66.9 billion, 72 percent of which was reported by the Department of Transportation (\$36.2 billion) and the Department of Water Resources (\$12 billion).

The 2021 Budget Act includes additional one-time resources of approximately \$2.2 billion (\$1.7 billion General Fund and \$511 million Proposition 98 General Fund) for statewide deferred maintenance. This investment will help to address the statewide backlog of deferred maintenance and will reduce the need to build costlier new infrastructure. These resources are allocated to the entities listed below:

- University of California—\$325 million
- California State University—\$325 million
- California Community Colleges—\$511 million
- Department of Water Resources—\$237 million
- Judicial Branch—\$188 million
- Department of Parks and Recreation—\$185 million
- Department of State Hospitals—\$100 million
- Department of Corrections and Rehabilitation—\$100 million
- Department of Forestry and Fire Protection—\$50 million
- Department of General Services—\$50 million
- Housing and Community Development, Office of Migrant Services, Farmworker Housing—\$30 million
- State Special Schools—\$25 million

- California Military Department—\$15 million
- Department of Fish and Wildlife—\$15 million
- Department of Veterans Affairs—\$15 million
- California Highway Patrol—\$10 million
- Department of Motor Vehicles—\$10 million
- Department of Developmental Services—\$5 million
- Exposition Park—\$5 million
- Office of Emergency Services—\$5 million
- Department of Food and Agriculture—\$2 million
- Employment Development Department—\$2 million
- California Conservation Corps—\$1 million

CANNABIS

The Budget includes the consolidation of the functions and positions of the Bureau of Cannabis Control, the Department of Food and Agriculture, and the Department of Public Health into a new stand-alone Department of Cannabis Control within the Business, Consumer Services, and Housing Agency beginning July 1, 2021. This consolidation will simplify participation in the legal market and support the successful and safe operation of cannabis businesses in compliance with state law. The consolidation includes the creation of a Deputy Director of Equity and Inclusion to further the Department's mission to implement inclusive cannabis policies and license and regulate commercial cannabis activity in a way that best protects public health, safety, the environment, and local communities throughout the state.

The Budget includes statutory language to implement the consolidation and address other important issues. Chief among these is extending the Department's ability to issue new provisional cannabis licenses by six months, to June 30, 2022, under certain circumstances, and extend the sunset date of the provisional license program to January 1, 2026. The changes outline more rigorous environmental compliance requirements before annual licensure, and prohibit the Department from renewing certain cultivation provisional licenses after January 1, 2023, and all other provisional licenses after January 1, 2025. The statutory changes also require the Department to

promulgate regulations identifying steps that must be taken for provisional licensees to show progress toward achieving annual licensure.

Additionally, statutory changes authorize cannabis or cannabis products designated as trade samples to be given for licensee-to-licensure advertising, and establish related requirements for quality assurance testing and labeling, as well as for recording trade samples in the track and trace program. These changes will go into effect no later than January 1, 2023, and only after the adoption of regulations by the Department.

CANNABIS LOCAL JURISDICTION ASSISTANCE GRANT PROGRAM

To help local governments and aid licensees in successfully and swiftly moving from provisional licensure into annual licenses, and to do so in a way that supports environmental compliance requirements, the Budget includes \$100 million one-time General Fund in 2021-22 to establish a local jurisdiction assistance grant program for cannabis. The grant program is intended to:

- Aid local governments in processing substantial workloads associated with permitting and regulating cannabis businesses.
- Incentivize local governments to modify their permitting methods to better align with the state's effort to remove barriers to licensure.
- Support provisional license holders by allowing local governments to pass through funding to applicants for purposes of assessing and mitigating environmental impacts.
- Provide more financial assistance to licensed cultivators and localities that license them, as both often experience enhanced environmental compliance and resource challenges when transitioning operations to annual licensure.
- Provide enhanced support to eligible jurisdictions that are implementing social equity programs.

Other Significant Adjustments

- The Budget includes \$20 million one-time General Fund in 2021-22 for the Cannabis Local Equity Grant Program, administered by the Governor's Office of Business and Economic Development (GO-Biz), to assist local equity applicants and licensees. This amount is in addition to the \$15.5 million ongoing Cannabis Tax Fund allocated to GO-Biz for this purpose, bringing the 2021-22 total to \$35.5 million.

- The Budget includes \$30 million one-time General Fund in 2021-22, contingent upon future legislation, to implement a fee waiver or deferral program pursuant to the provisions of Chapter 852, Statutes of 2019 (SB 595), to reduce barriers to entry into the legal cannabis market.

UPDATED ALLOCATION OF THE CANNABIS TAX FUND

Proposition 64 specified the allocation of resources in the Cannabis Tax Fund, which are continuously appropriated. Pursuant to Proposition 64, expenditures are prioritized for regulatory and administrative workload necessary to implement, administer, and enforce the Cannabis Act, followed by research and activities related to the legalization of cannabis and the past effects of its criminalization. Once these priorities have been met, the remaining funds are allocated to youth education, prevention, early intervention, and treatment; environmental protection; and public safety-related activities. The Budget estimates \$629.1 million will be available for these purposes in 2021-22, and the structure of these allocations is unchanged from 2020-21:

- **Education, prevention, and treatment of youth substance use disorders and school retention**—60 percent (\$377.5 million)
- **Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation**—20 percent (\$125.8 million)
- **Public safety-related activities**—20 percent (\$125.8 million)

These figures reflect a total increase of \$185.9 million compared to the Governor's Budget estimate.

FINANCIAL EMPOWERMENT FUND GRANT PROGRAM

The Budget includes a one-time transfer of \$10 million General Fund to the Financial Empowerment Fund to increase the amount available for non-profits to serve unbanked and underbanked Californians. Non-profit grantees may use these funds to provide free financial education to help unbanked and underbanked consumers achieve, identify, and access lower cost financial products and services, establish or improve their credit, increase savings, or lower debt. Chapter 478, Statutes of 2019 (SB 455) authorized the Department of Financial Protection and Innovation to award grants of up to \$100,000 per grant applicant, up to a total of \$1 million per fiscal year, with a sunset date of January 1, 2025. The 2021 Budget Act authorizes awards up to

\$200,000 per grant applicant and a total of \$2 million per fiscal year, and extends the program to January 1, 2030.

CALIFORNIA VOLUNTEERS

As the State Service Commission for California, California Volunteers manages programs and initiatives aimed at increasing the number of Californians engaged in service and volunteering. The Budget includes significant investments to expand service opportunities for all Californians.

CALIFORNIANS FOR ALL COLLEGE SERVICE PROGRAM

The Budget includes \$146.3 million one-time (\$127.5 million federal American Rescue Plan Act of 2021 (ARPA) funds and \$18.8 million General Fund) to create the Californians for All College Service Program in partnership with the University of California, California State University, California Community Colleges, and private California university systems. This program provides 6,250 part-time service opportunities to college students in critical issue areas such as climate action, education and youth development, specifically tutoring and mentoring, health, and disaster response. Modeled after the pilot Civic Action Fellowship (launched by California Volunteers in 2020), this program will support debt-free college pathways for low-income students. Californians for All College Service Program students will have both the opportunity to receive a stipend of up to \$7,000 and a scholarship of up to \$3,000, while gaining valuable experience serving in their communities. This program intends to unite young Californians of all backgrounds in service, and specifically creates opportunities for AB 540 eligible individuals to serve their communities.

YOUTH WORKFORCE DEVELOPMENT

The Budget includes \$185 million one-time federal ARPA funds for California Volunteers to administer grants to cities and counties to create or expand youth employment opportunities. Of this amount, \$150 million will be provided directly to large cities on a per capita basis and \$35 million will be available to other cities and counties through a competitive grant process. The goal of this program is to increase employment opportunities, such as part-time work or summer jobs, for youth to provide them an opportunity to gain valuable work experience.

Other Significant Adjustments

- **Student Success Coach Grant Program**—\$15 million one-time General Fund to create a grant program that will establish student success coaches in communities to establish relationships with K-12 students and collaborate with teachers to help prepare students with skills to achieve their goals.
- **Statewide Emergency Response Framework**—\$1.3 million ongoing General Fund to maintain an emergency response framework capable of preparing, training, and mobilizing a collective team of disaster volunteers efficiently and effectively.

INVESTMENTS IN THE ARTS

CALIFORNIA ARTS COUNCIL

The California Arts Council's mission is strengthening arts, culture, and creative expression as the tools to cultivate a better California for all. The Arts Council administers grants and programs to support the state's arts and cultural communities through the development of partnerships with the public and private sectors to enhance the cultural, educational, social, and economic growth of California. The Arts Council supports local arts infrastructure and programming statewide through grants, programs, and services. This year, the California Arts Council is prioritizing grant funding to nurture and heal communities through the arts; keep the doors of arts and cultural institutions open; protect jobs in the creative field; and to preserve cultural heritage.

CALIFORNIA CREATIVE CORPS PILOT PROGRAM

The Budget includes \$60 million one-time General Fund in 2021-22, to be spent over three years, to implement the California Creative Corps Pilot Program. This program will support artists and local arts organizations with a focus on art campaigns including: (1) public health awareness messages to stop the spread of COVID-19; (2) public awareness related to water and energy conservation, and emergency preparedness, relief, and recovery; (3) civic engagement, including election participation; and (4) social justice and community engagement. The Arts Council shall provide grants in every county and prioritize grants in zip codes in the lowest quartile of the California Healthy Places Index.

CREATIVE YOUTH DEVELOPMENT GRANT PROGRAMS

The Arts Council has several grant programs that support creative youth development through arts education and arts workforce development. These programs include Youth Arts Action, Artists in Schools, Arts Education Exposure, JUMP StArts, and Arts Integration Training. In 2020-21, the Arts Council awarded more than \$12 million to 705 grantees in these programs. The Budget includes \$40 million one-time General Fund in 2021-22, to be spent over three years, to support the Arts Council's existing Creative Youth Development programs. The Arts Council will use partnerships between community-based organizations, educators, and local artists to expand participation in these programs statewide.

CALIFORNIA NONPROFIT PERFORMING ARTS GRANT PROGRAM

The Budget includes \$50 million one-time General Fund in 2021-22 for the Governor's Office of Business and Economic Development to administer a California Nonprofit Performing Arts Grant Program to provide grants of up to \$75,000 to eligible nonprofit performing arts organizations to encourage workforce development. The funds will be distributed in one or more rounds until all of the funds have been allocated, and the amount of the grant is based on the total gross revenue of the organization.

STATE APPROPRIATIONS LIMIT

The State Appropriations Limit, or "Gann Limit," caps the amount of revenues from proceeds of taxes that can be appropriated by the state, which serves to constrain state spending. Any excess revenues appropriated above the state's limit over a two-year period must ultimately be reallocated evenly between schools and taxpayer refunds.

The May Revision projected 2020-21 fiscal year appropriations to exceed the limit by \$26.2 billion, and 2021-22 fiscal year appropriations to be under the limit by approximately \$10 billion, resulting in the state exceeding its two-year limit by \$16.2 billion across that two-year period.

The Budget now projects the state to be under the limit for the same two-year fiscal period by \$16.9 billion, based in part on statutory changes enacted as part of the Budget that more accurately account for selected expenditures under both state and local limits. Specifically, the Budget identifies expenditures of approximately \$20.5 billion in fiscal years 2020-21 and 2021-22, relative to the May Revision, that are excludable

from the State Appropriations Limit. The notable additional exclusions to the to the 2020-21 and 2021-22 State Appropriations Limit calculations include the following:

- Counting sales tax generated realignment revenues of \$11.6 billion in the 2020-21 fiscal year and \$12.3 billion in the 2021-22 fiscal year toward local city and county appropriations limits, consistent with how Vehicle License Fee realignment revenues have been accounted for historically, creating greater consistency in the treatment of all realignment revenues.
- Excluding all Golden State Stimulus 2.0 program expenditures of \$8.1 billion from the 2021-22 State Appropriations Limit as emergency expenditures, pursuant to existing law.

Estimates for the 2020-21 and 2021-22 state appropriations limit calculations are not final, because final revenue and expenditure adjustments for the 2020-21 and 2021-22 fiscal years will not be determined until the Budget Acts of 2022 and 2023 respectively. The Administration will continue to monitor the excess appropriations level and make required adjustments over the next two years.

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VETO MESSAGE

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Gavin Newsom
Governor

July 12, 2021

State of California
Governor's Office

I object to the following appropriations contained in Senate Bill 129.

SEC. 19.55—I delete this section.

I am deleting this section because the budget control section authorizing the acceleration of up to an additional \$500,000,000 General Fund to support wildfire prevention and forest resilience activities was already enacted in AB 161, Statutes of 2021, which I signed on July 9, 2021. Therefore, to maintain the state's ability to accelerate funding for wildfire prevention activities authorized in AB 161, as well as the appropriation of \$258,000,000 for similar activities, I delete this section on a technical basis. As California enters a second consecutive year of dry fuel conditions, resulting in drought or near-drought throughout many portions of the state, it is critical that the pace and scale of fire prevention projects that protect California's most wildfire-vulnerable communities is accelerated.

With the above deletions, revisions, and reductions, I hereby approve Senate Bill 129.

/s/ Gavin Newsom

Gavin Newsom

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BUDGET PROGRAM AREAS

Budget Planning and Preparation,
Cash Management, FISCAL Project Support,
Statewide Budget Issues, and
Statewide Accounting Policies and Training

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Justice, and General Government

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State Pension, Audits and Evaluations,
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Information Services, and Information
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Labor, Local Government, Tax Agencies,
and Transportation

Health and Human Services

Natural Resources, Environment,
and Capital Outlay

Revenue Forecasting,
Economic Projections, and
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