



## Highlights of 2024-25 Budget Related Bills

June 27, 2024

The latest bills related to the 2024-25 State Budget Package contain numerous items of interest to RCRC member counties. Below are some key highlights, organized by topic area:

### **Agriculture**

- Provides \$25 million to respond to invasive fruit fly infestations. (SB 108)
- Approves \$10 million General Fund to continue the California Fruit and Vegetable EBT Pilot Project. (SB 108)
- Approves \$500,000 General Fund for the Madera Food Bank Warehouse Expansion Project. (SB 108)
- Rejects \$17.9 million General Fund cut to drought and flood relief for small farmers and instead fund shifts the full amount to Greenhouse Gas Reduction Fund. (SB 108)
- Rejects \$14.4 million General Fund cut to the Farm to Community Food Hubs Program, and instead fund shifts the full amount to Greenhouse Gas Reduction Fund. (SB 108)
- Cuts \$30 million from the Farm to School Incubator Program. (SB 108)
- Rejects \$20.6 million fund shift from General Fund to Greenhouse Gas Reduction Fund for the State Water Efficiency and Enhancement Program (SWEEP).
- Cuts \$2.8 million from the State Water Efficiency Enhancement Program (SWEEP).
- Preserves \$24 million for Livestock Methane Reduction Program by shifting funding from the General Fund to Greenhouse Gas Reduction Fund. (SB 108)
- Cuts \$8.5 million General Fund from the Healthy Refrigeration Program. (SB 108)
- Cuts \$200,000 Technical Assistance Program for Underserved Farmers (Sustainable Agriculture Package). (SB 108)
- Cuts \$2.1 million from the Fairs Resilience Grant Program. (SB 108)
- Cuts \$445,000 from the Pollinator Habitat Program. (SB 108)
- Reduces the Water Efficiency Technical Assistance funding to \$920,000. (SB 108)

### **Air Quality**

- Adds \$426.1 million from the Greenhouse Gas Reduction Fund to the Energy Commission for zero emission vehicles, carbon removal, and long-term energy incentives. (SB 109)

### **Community and Economic Development**

#### **Homelessness.**

- Provides \$1 billion for Round 6 of the Homeless Housing, Assistance and Prevention (HHAP) program and provides additional accountability measures for awardees. (AB 166)
- Requires that HHAP applicants apply as part of a region, as laid out in the entities' regional action plan, and shifts administration of the program to the Housing and Community Development Department. Counties are eligible for 28 percent of the available funding. (AB 166)

#### **Broadband.**

- Does not appropriate any funding to the Broadband Last-Mile Federal Funding Account for Fiscal Year 2024-2025, pushing \$550 million in funding (of the total \$2 billion) to Fiscal Year 2027-2028. (SB 109)
- Specifies that \$250 million is allocated for the Middle-Mile Broadband Initiative (MMBI), consistent with the agreement established in the 2022 Budget. The Proposed State Budget also provides that the Director of Finance may augment funding for the MMBI by an additional \$250 million if certain reporting requirements are met. (SB 108)
- Includes \$50 million in funding for the Loan Loss Reserve (LLR) Program. Language requires that the California Public Utilities Commission (CPUC) award funds in a manner consistent with the Commission's current LLR Guidelines and that funding awards be issued by December 31, 2024. RCRC has been advocating for restoration of \$450 million of the originally committed \$750 million in LLR funding as GSCA has over \$433 million in LLR funding requests pending before the CPUC. (SB 109)

### **Energy**

- Provides a final \$400 million "loan" to PG&E for reopening the Diablo Canyon nuclear facility, which may be repaid in whole or in part by federal grants. (SB 108)
- Provides \$75 million to the Energy Commission for demand side grid support or distributed electricity backup generation to improve energy resiliency. (SB 108)
- Provides \$40 million for Extreme Heat and Community Resilience programs. (SB 108)
- Rejects a proposed electric bill rate increase intended to address the Energy Commission's structural deficit.
- Reduces the amount appropriated, but otherwise maintains \$273 million for long duration energy storage projects and \$532 million for distributed electricity backup power projects over a multi-year period. (SB 108)

- Cuts \$60 million from hydrogen grants, thereby maintaining \$40 million for those projects. (SB 108)
- Reduces funding for the Residential Solar and Storage Program by \$350 million, thereby leaving \$280 million to provide assistance for lower-income residents to install solar and energy storage. (SB 108)

### **Forest and Public Lands Stewardship**

- \$2.6 million General Fund to the California Department of Forestry and Fire Protection (CAL FIRE) for deferred maintenance and other repair projects to accommodate additional hand crews. (SB 108)
- \$36.1 million General Fund to CAL FIRE to help establish a new CAL FIRE training facility. (SB 108)
- \$5.7 million to CAL FIRE from the Greenhouse Gas Reduction Fund for ecological monitoring, research, and adaptive management. (SB 108)
- \$6.75 million to the California Department of Parks and Recreation for the Library Parks Pass Program. (SB 108)
- Indefinitely extends the California State Park Adventure Pass program for 4<sup>th</sup> grade students, which would have sunset on July 1, 2024. (SB 153)
- \$37 million to the Wildlife Conservation Board (WCB) for competitive grants to improve watershed health and climate resiliency. (SB 108)
- \$200,000 to the WCB to develop recommendations for the conservation and enhancement of the Sonoma Valley Wildlife Corridor, Sonoma Creek, and other public trust resources of the former Sonoma Developmental Center. (SB 108)
- Approves \$40 million Greenhouse Gas Reduction Fund at CA Coastal Conservancy for acquiring land to convert Wild Cherry Canyon (San Luis Obispo County) into a public park. (SB 108)
- Provides \$2,816,000 California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Proposition 40) for supplemental appropriations for the Working Drawings (\$336,000) and Construction (\$2,480,000) phases of the Fort Ross State Historic Park (SHP): Cultural Trail project. (SB 108)
- Requires detailed annual reporting by CAL FIRE to the Legislature on defensible space inspections and total acres treated. (SB 156)

### **Health and Human Services**

#### **Health.**

- **SB 525 Implementation.** Includes provisions to delay the effective date for required wage increases for health care workers pursuant to SB 525 (Chapter 890, Statutes of 2023) until one of two conditions are met:
  - 1) State cash receipts during the first quart of the fiscal year exceed 3 percent of the projected amount or;
  - 2) The Department of Health Care Services begins data retrieval necessary to implement a January 1, 2025 Hospital Quality Assurance Fee waiver with the federal government. (SB 159)

- Delays General Fund expenditures for the Behavioral Health Continuum Infrastructure Program, using Proposition 1 funding instead in the budget year. The net result of this delay is \$326 million in the budget year and \$709.8 million in 2025-26. (SB 108)
- Reduces funding for Behavioral Health Bridge Housing Program by \$340 million, \$132.5 million in fiscal year 2024-25 and \$207.5 million in fiscal year 2025-26. (SB 108)
- Retains \$276.1 million annually for public health investments at the local (\$184.1 million) and state level (\$92 million). Reverts \$41.1 million in prior year unspent state operations funding. (SB 108)
- **MCO Tax.** Expands the MCO tax to Medi-Care providers, generating an additional \$689 million in General Fund savings in the budget year, \$950 million in 2025-26, and \$1.3 billion in 2026-27. (SB 159)
  - Includes \$133 million in 2024-25, \$728 million in 2025-26, and growing to \$1.2 billion in 2026-27 for new targeted Medi-Cal provider rate increases and investments from the MCO Tax. This is in addition to the approximately \$300 million in provider rate increases that became effective January 1, 2024.

### **Human Services.**

The budget plan rejects most cuts to core programs, including CalWORKs, foster care, and In Home Supportive Services. Related provisions for Human Services can be found in AB 161. Below are highlights from the final agreement.

- Rejects the Governor's January proposal for an on-going annual reduction of \$40.8 million General Fund from the CalWORKs Single Allocation. Also rejects the May Revision proposal to additionally cut \$272 million one-time from the Single Allocation in 2024-25.
- Rejects the Governor's January proposal to eliminate the CalWORKs Family Stabilization program, with a proposed cut of \$71.2 million General Fund beginning in 2024-25 and ongoing.
- Rejects the Governor's January proposal to eliminate the CalWORKs Expanded Subsidized Employment program with a reduction of \$134.1 million General Fund in 2024-25 and on-going. Instead, reduces funding on a short-term basis, by up to \$30 million in 2023-24 and up to \$37 million in 2024-25, to hold funding to approximate 2022-23 spending level.
- Rejects the Governor's May Revision on-going reduction of \$126 million General Fund, starting in 2024-25, for the CalWORKs Mental Health and Substance Abuse Services Program (MH/SA), and instead modifies the action to reduce funding by up to \$30 million in 2023-24, up to \$37 million in 2024-25, and up to \$26 million in 2025-26.
- Rejects the Governor's May Revision on-going reduction of \$47.1 million General Fund, starting in 2024-25 for the CalWORKs Home Visiting Program (HVP), and

instead modifies the action to reduce funding for the CalWORKs HVP by up to \$30 million in 2023-24, and temporarily reduces it by up to \$25 million in 2024-24 and 2025-26.

- Rejects the Governor's January proposed elimination of \$30 million General Fund in 2024-25 and on-going for the Family Urgent Response System (FURS).
- Rejects the Governor's May Revise proposal for an on-going reduction of \$50 million General Fund, starting in 2024-25, for the Foster Care Caregiver Approvals Program.
- Rejects the Governor's May Revise proposal for an on-going reduction of \$34.8 million General Fund, starting in 2024-25, for the Emergency Child Care Bridge program. Instead, adopts budget bill language to reappropriate a total of \$47 million from 2023-24 into 2024-25, generating General Fund savings for 2024-25 only for this program. Total General Fund levels for Emergency Child Care Bridge remain at \$83.4 million ongoing.
- Allocates \$5,389,000 in 2024-25 and \$12,129,000 in 2025-26 and ongoing from the General Fund to cover 108 positions that will staff the new Skilled Nursing Facility at the Veterans Home of California - Yountville. (AB 107)

### **Public Safety**

Related provisions for Public Safety can be found in AB168/SB 168. Below are highlights from the final agreement.

- Provides \$210 million one-time General Fund in 2024-25 for the Juvenile Justice Realignment Block Grant (JJRBG) established by Chapter 337, Statutes of 2020 (SB 823), to support realigned youth from the Division of Juvenile Justice to local care.
- Adopts trailer bill to maintain the current SB 823 funding formula for 2024-25 to provide additional time for the Administration to work with the Legislature and stakeholders on a refined methodology and provide greater certainty to counties regarding their funding for 2024-25.
- Includes current year savings of \$17.5 million one-time General Fund for CARE Act implementations and various adjustments totaling \$59.1 million in reductions ongoing thereafter and provisional budget bill language updating the number of counties eligible to receive grants for legal representation among other provisions.
- Approves the proposed reduction of \$4.4 million ongoing General Fund for Post Release Community Supervision.
- Provides \$116.1 million General Fund in 2023-24 for county probation departments for the Community Corrections Performance Incentive Grant and reverts to the previous methodology for calculating incentive payments for counties beginning in 2024-25. Includes a one-year freeze of the formula in

2024-25 and provisional budget bill language that expresses the Legislature's intent to review the formula. (SB 168)

- Rejects the reduction of \$111 million to the Adult Reentry grant, including the reversion of \$54.1 million in 2023-24, and the delay proposed in the Governor's Budget.

### **Solid Waste Management**

Related provisions for Solid Waste Management can be found in SB 156. Those items include:

#### **Hazardous Waste Fees**

- Modifies the exemptions to the Department of Toxic Substances Control's Generation and Handling Fee frequently used by local governments, as follows:
  - Narrows the scope of the "governmental exemption" to only apply to wastes removed by a governmental agency that were generated by another entity, and which was done to remove or remedy an imminent and substantial threat of release of a hazardous substance. It is unclear what the impact will be on local government cleanup of the illegal dumping/disposal of hazardous wastes on public and private properties.
  - Limits the "used oil" exemption to only "household do it yourself" generated used oil, not including used oil generated by a business.
  - Clarifies that all universal waste is exempt from the Generation and Handling Fee.
- Requires generators to maintain records of how much waste is exempt from the Generation and Handling Fee and to submit that to DTSC upon request.
- Establishes a process for DTSC to review Generation and Handling Fee exemption claims and allows the Department of Tax and Fee Administration to impute fees due when it is dissatisfied with the claims made by a generator or the generator fails to file reports.
- Establishes significant penalties of up to \$70,000 for failure to provide information to DTSC.

### **Transportation**

- Funds \$8 million for Crescent City (Del Norte County) Pebble Beach Drive as a loan. (SB 108)
- Delays \$680 million for the Zero Emission Transit Capital Program. (SB 108)
- Approves \$2,458,000 General Fund with \$2,458,000 from the Public Buildings Construction Fund for the performance criteria phase of the El Centro (Imperial County) DMV Field Office Replacement project, which also includes

consolidation of the Brawley office and addition of a Commercial Drive Test Center. (AB 107)

- Provides \$73 million to reimburse local jurisdictions for Vehicle License Fee revenue shortfalls in Mono, Alpine, and San Mateo Counties. (AB 107)

### **Water and Wildlife**

- \$600,000 to the California Department of Fish and Wildlife (CDFW) in General Fund for the continued operation of the Gray Wolf Compensation Program and allows CDFW to use federal funds and donations to fund the program going forward. (SB 108)
- Provides \$300,000 in 2024-25 and ongoing from the Lake Tahoe Science and Lake Improvement Account to support water quality monitoring activities at Lake Tahoe at CA Natural Resources Agency. (AB 107)
- Cuts \$1.3 million for drought proofing conveyance and SGMA implementation at Department of Water Resources. (SB 108)
- Provides \$31.3 million General Fund capital outlay at Department of Water Resources to implement continuing large-scale multi-benefit flood risk reduction projects in the Central Valley; \$22.5M for projects in the Sacramento Valley and \$8.8M for a project in the San Joaquin Valley. (AB 107)
- Provides \$6 million General Fund in 2024-25 and \$1.5 million General Fund in 2025-26 and 2026-27 to continue implementation of improvements required by the California State Water Resources Control Board and to maintain the remedial actions to abate contamination resulting from historic mining activities at Malakoff Diggins State Historic Park for the Mine Remediation Project. (AB 107)
- Provides a supplemental appropriation of \$4,100,000 Natural Resources and Parks Preservation Fund (NRPPF) to replace expired grant funding that is needed to complete the construction phase of the El Capitan State Beach (SB): Entrance Improvements project in Santa Barbara County. (AB 107)
- Provides \$29 million in 2024-25 from the Off-Highway Vehicle (OHV) Trust Fund for local assistance grants. (AB 107)
- Provides \$300,000 Harbors and Watercraft Revolving Fund (HWRF) in 2024-25 and ongoing to continue constructing and delivering Americans with Disabilities Act (ADA) compliant floating restrooms to California's lakes and reservoirs to help protect these waters from contamination by recreational boater sewage. (AB 107)
- Provides \$7.5 million for FY 2024-25 and 2026-27 from the Oil, Gas, and Geothermal Administrative Fund (3046) to implement the mandates of recent legislation associated with plugging and abandoning hazardous and idle-deserted wells, decommissioning of facilities, and site remediation. (AB 156)
- Cuts \$5.7 million at Department of Conservation from the Multi-benefit Land Repurposing Program. (AB 107)

**Other**

- Loans \$300 million from the Air Pollution Control Fund to the General Fund. (SB 108)
- Backs away from a proposed \$150 million loan from the Beverage Container Recycling Fund to the General Fund.
- Exempts from CEQA the State Capitol Building Annex project. The Legislature previously provided a streamlined CEQA litigation review process for the project and limited the availability of injunctive relief. Even with that special legislation, a Superior Court still found that the Legislature failed to comply with CEQA on several aspects of the project. CEQA litigation continues on the project and future litigation is anticipated to focus on the proposed visitor center. To avoid future litigation, the budget package seeks to exempt the project from CEQA altogether. (SB 174)
- Renames the Office of Planning and Research (OPR) the Office of Land Use and Climate Innovation (GO LUCI). OPR is charged with many responsibilities related to CEQA, land use, planning, and economic development. (SB 164)

For additional detail about the “budget bills junior” and trailer bills, [see here](#) for analysis by RCRC’s advocacy partners, *Hurst Brooks Espinoza, LLC*.



**Appendix A**

**Bill Number Subject Status** *subject to change*

AB 107	Budget Bill	Signed June 26, 2024
SB 108	Amendments to 2024 Budget Act (Budget Bill Jr.)	To the Governor June 26
SB 109	Amendments to 2023 Budget Act (Budget Bill Jr.)	To the Governor June 26
SB 153	Education Finance: Education Omnibus Budget Trailer Bill	To the Governor June 26
SB 154	Education Finance: Prop 98 Suspension	Signed June 26, 2024
SB 155	Higher Education Budget Trailer Bill	To the Governor June 26
SB 156	Public Resources	To the Governor June 26
SB/AB 159	Health	In print. Eligible morning of June 27
AB 160	Medi-Cal Managed Care Organization (MCO) Provider Tax	To the Governor June 26
AB 161	Human Services	To the Governor June 26
AB 162	Developmental Services	To the Governor June 26
SB 163	Early Learning and Child Care	To the Governor June 26
SB 164	General Government	To the Governor June 26
AB 166	Housing	To the Governor June 26
SB 167	Taxation	Signed June 27, 2024
AB/SB168	Public Safety	AB 168 in Assembly SB 168 in Budget Comm.
AB 169	Public Safety Juvenile Justice	To the Governor June 26
AB 170	Courts	To the Governor June 26
AB 171	Labor & Employment	To the Governor June 26
AB 173	Transportation	To the Governor June 26
SB 174	Public Resources CEQA Exemptions: State Capitol Annex and Native Fish/Wildlife	To the Governor June 26
SB 175	Revenue and Taxation	To the Governor June 26

(source- Chris Micheli)