

(Without Reference to File)

SENATE THIRD READING

SB 129 (Skinner)

As Amended June 25, 2021

Majority vote. Budget Bill Appropriations Takes Effect Immediately.

SUMMARY

Amends AB 128 (Ting), the likely 2021 Budget Act, to reflect an agreement between the Legislature and the Governor on the 2021 budget package.

Major Provisions

Specifically *this bill*:

- 1) Defers action on \$67.5 million for court improvements including an increase for the court reporter transcript rate, court reporters in family and civil proceedings, the court reporter transcript reimbursement fund, and the court interpreter incentive fund. This funding is set aside for future appropriation;
- 2) Provides \$50 million in 2021-22 and \$20 million ongoing to the Equal Access Fund and requires annual reporting on expenditures and services;
- 3) Appropriates \$40 million in 2021-22 and up to \$30 million ongoing for Dependency Counsel to support children and parents and correct federal funding shortfalls;
- 4) Provides \$60 million to the Judicial Council to address pandemic related court backlogs in civil and criminal cases;
- 5) Provides \$140 million in 2021-22 and \$70 million ongoing for pre-trial services administered by contracts between courts and county departments;
- 6) Includes \$120 million for the California Competes Grant program;
- 7) Appropriates \$50 million for grants to small non-profit performing arts organizations;
- 8) Removes \$70 million in funding contained in AB 128 (Ting) for the California Investment and Innovation Program;
- 9) Adds \$200,000 for the Racial Equity Advisory Council at the Governmental Operations Agency;
- 10) Provides a total of \$4 million for a homeless data system at the Business, Consumer Services, and Housing Agency;
- 11) Includes a total of \$50 million to address encampments for persons experiencing homelessness;

- 12) Includes a total of \$281.3 million of Public Transportation Account and \$26.7 million federal funds for the State Transportation Agency;
- 13) Adds \$100 million total funds for zero-emission rail and transit demonstration projects;
- 14) Provides \$2.5 million for health information exchange activities at the Health and Human Services Agency, subject to future legislation;
- 15) Includes \$600,000 for water resiliency data, research, communications at the Natural Resources Agency;
- 16) Provides \$5.7 million for the restoration of Clear Lake at the Natural Resources Agency;
- 17) Appropriates a total of \$7 million for the Office of Inspector General, subject to future legislation;
- 18) Provides the Labor Agency with an additional \$500,000 General Fund;
- 19) Includes \$146.3 million total funds for the California For All College Service program at the Office of Planning and Research;
- 20) Provides \$15 million General Fund to the Office of Planning and Research for Student Success Coaches;
- 21) Includes \$185 million federal funds for the Office of Planning and Research to provide summer youth opportunities grants;
- 22) Increases funding for the Office of Emergency Services by \$11 million, with \$1 million of that amount administered for statewide gun violence restraining order trainings to the San Diego City Attorney's Office;
- 23) Allocates \$7.5 million to the Department of Justice for retroactive expungement relief of certain arrest and conviction records currently available to individuals prospectively as of January 1, 2020;
- 24) Provides \$149,000 for the Department of Justice to participate in the California Highway Patrol Retail Theft Task Force;
- 25) Includes \$10.3 million for the Department of Justice to administer the Gun Violence Reduction program to support local law enforcement efforts to reduce the Armed Prohibited Persons System backlog;
- 26) Eliminates an appropriation of \$6.5 million for the consolidation of the Northern Region Forensics Science Laboratory Campus at the Department of Justice;
- 27) Eliminates \$6 million provided to the State Controller for the electronic payment of child care providers;

- 28) Provides \$1.86 billion for Statewide Child Savings Accounts at the Scholarshare Investment Board;
- 29) Includes \$130 million for the Department of Cannabis Control, including \$100 million for grants;
- 30) Appropriates \$250 million at the Department of Housing and Community Development for the Multifamily Housing Program;
- 31) Provides a total of \$50 million for the Serna Jr. Farmworker Housing Grant Program at Housing and Community Development;
- 32) Includes \$10 million for a grant program to incentivize local governments to incentivize the conversion of idle commercial properties to affordable housing;
- 33) Makes conforming changes to the Department of Transportation budget item to facilitate the allocation of various transportation funds if future legislation is agreed upon;
- 34) Includes a total of \$1.2 billion Motor Vehicle Account funds for the Department of Motor Vehicles operations, including reporting language for the Digital eXperience Platform project;
- 35) Provides \$10 million to implement mobile driver's licenses;
- 36) Clarifies that of the \$73 million appropriated for the California Conversation Corps, \$1 million is set aside for deferred maintenance and \$1.3 million is provided for the Los Padres facility;
- 37) Includes \$785 million to the Energy Commission for Zero Emission Vehicle technology and programs;
- 38) Provides \$400 million to the Energy Commission for Research and development;
- 39) Includes \$74.6 million Greenhouse Gas Reduction funds for fire protection and resource management funding;
- 40) Includes total funding of \$142.4 million General Fund for the support of the Department of Fish and Wildlife state operations;
- 41) Provides \$143.6 million for biodiversity conservation at the Department of Fish and Wildlife, including \$2 million for the recovery of the endangered southern steelhead trout;
- 42) Adds \$65 million of local assistance funding for the Wildlife Conservation Board;
- 43) Includes \$10 million for Coastal Commission for the Whale Tail Grant Program;
- 44) Provides and additional \$115,000 for the Native American Heritage Commission from the California Environmental License Plate Fund;

- 45) Reflects \$3.16 million from the Environmental License Plate Fund for the K-12 Access program at State Parks;
- 46) Provides \$64.1 million for State Parks, including \$5.6 million for the California State Adventurers Pilot Program, \$3 million California State Library Partnership Pilot Program, \$500,000 to support the Golden Bear Pass program, and an additional \$55 million for the Statewide Parks Program;
- 47) Removes \$9 million General Fund to convert the Alameda-Tesla Expansion Area from an off-road vehicle park;
- 48) Includes \$223 million in local park grants, with an additional \$200 million set aside for future legislative action;
- 49) Provides \$131,000 in Environmental License Plate fund support for the Delta Protection Commission;
- 50) Provides \$11,000 in Environmental License Plate fund support for the San Diego River Conservancy;
- 51) Includes \$488 million General Fund in support for the Department of Water Resource state operations, including \$101 million for immediate drought support and \$237 million for deferred maintenance. This swaps the \$237 million from federal funds to General Fund;
- 52) Provides \$11 million total to the Department of Water Resources for the formulation of the California Water Plan;
- 53) Adds \$663 million of local assistance funding from the Department of Water Resources for drought relief, multi-benefit projects water conveyance, and sustainable groundwater management;
- 54) Adds \$1.06 billion General Fund to the Air Resources Board, with \$883 million for Zero Emission Vehicle and Carl Moyer program funding and \$180 million for the San Joaquin Valley Air Pollution Control district to support alternatives to agriculture burning;
- 55) Includes \$333.5 million total from the Air Pollution Control Fund including \$86.5 million for clean trucks, buses, and off-road equipment;
- 56) Adds \$565 million of Greenhouse Gas Reduction Funds for Zero Emission Vehicle program funding;
- 57) Provides total funding of \$20.25 million General Fund for Department of Pesticide Regulations for regulations, specified grants, and local assistance;
- 58) Adds \$1.46 billion total funds to the Water Control Board for additional water funding including \$650 million for drinking water and \$85 million for groundwater clean up;
- 59) Provides \$1 billion for water enterprise shortfalls and arrearages;

- 60) Makes conforming changes to the Department of Toxics and Substances Control to reflect funds reflected in the corresponding trailer bill;
- 61) Reappropriates funding for the Laguna Nueva property in the City of Commerce provided for in the 2017 budget;
- 62) Provides \$920,000 for the Office of Environmental Health Hazard Assessment to study pipeline biogas;
- 63) Includes \$11 million for the Emergency Medical Service Authority to establish a Physician Order for Life Sustaining Treatment e-registry;
- 64) Provides \$834.3 million to the Office of Statewide Health Planning and Development department including funding for health workforce training and the Children and Youth Behavioral Youth Health Initiative workforce program;
- 65) Includes \$830.6 (\$304 million General Fund) for Department of Health Care Services state operations costs;
- 66) Provides \$349.5 million for Department of Health Care Services payments related to the Child and Youth Behavioral Health Initiative;
- 67) Allocates \$300 million for Department of Health Care grants to private hospitals;
- 68) Includes \$1 million at the Department of Health Care Services for field testing of translated Medi-Cal materials;
- 69) Provides a total of \$4.3 billion (\$1.1 billion General Fund) at the Department of Health Care Services for local assistance;
- 70) Eliminates an appropriation for \$40 million provided in the 2021 Budget Act for the CalBridge Behavioral Health Navigator program as it is expected this will be funded with new federal HBSC funding;
- 71) Provides \$203.7 million General Fund for local assistance and \$177.8 million General Fund for the state administration of the Department of Public Health;
- 72) Includes \$6.3 billion General Fund for services and \$362.9 million General Fund for state administration at the Department of Developmental Disabilities;
- 73) Appropriates \$2.4 billion General Fund for the support of State Hospitals;
- 74) Provides \$223.8 million for local assistance and \$31 million for state operations from the Mental Health Service fund and federal funds for the Mental Health Oversight and Accountability Commission;
- 75) Allows funding provided to the Department of Community Services and Development for farmworker weatherization to seek expedited stakeholder input on the procurement method;

- 76) Provides a total of \$581 million federal funds for the Department of Community Services and Development for local assistance;
- 77) Amends provisional language related to the allocation of federal funds by the Department of Community Services and Development for utility arrearage payments;
- 78) Provides a total of \$816.7 million for state operations and local assistances at the Department of Child Support Services;
- 79) Includes \$285 million General Fund for the Department of Social Services for the CalWORKs homeless program;
- 80) Provides \$9 million in one-time General Fund for the Department of Social Services to contract for the implementation of direct deposit for payments to child care providers over a two-year period;
- 81) Reduces General Fund for all Child Care programs to reflect statutory federal funding to increase all program rates to the 75th percentile of the 2018 RMR, and reduces General Fund to reflect additional 80,000 child care slots implemented over a multi-year period through 2025;
- 82) Provides \$150 million in one-time General Fund to support the acquisition, construction, development and renovation of child care facilities as authorized in AB/SB 131;
- 83) Provides \$15 million in ongoing General Fund for restoring the Child Care nutrition program state reimbursement rate;
- 84) Provides a total of \$2.8 billion General Fund for the Department of Social Services local assistance for programs operated by the department;
- 85) Includes \$8 million at the Department of Social Services for counties to assist In Home Supportive Services recipients with the disenrollment process contingent on the automation of the disenrollment process;
- 86) Provides \$13.7 billion General Fund for state operations of the Department of Corrections and Rehabilitation;
- 87) Provides funding for to the Department of Corrections and Rehabilitation for a one-year pilot for the Board of Parole hearings;
- 88) Includes \$12 million at the Department of Corrections and Rehabilitation to provide cost-free communications for one year for incarcerated individuals;
- 89) Provides \$35.9 million to standardize staffing models across five prisons as part of the Psychiatric Inpatient Program and includes an additional \$5.4 million for the preservation of filled psychiatric technician positions.

- 90) Provides \$150 million over three years to the Board of Community Corrections for the Public Defense pilot including \$500,000 for an independent evaluation by a university or research institution;
- 91) Provides \$260 million in ongoing Proposition 98 General Fund for the Special Education Early Intervention Preschool Grant for specified services for 0-5 year olds;
- 92) Aligns state operations workload funding with various education programs included in the 2021-22 budget and specifically programs \$2.5 million in additional funding and associated positions for the implementation of specified programs;
- 93) Provides \$6 million in one-time General Fund for the Department of Education to contract for the implementation of direct deposit for payments to state preschool providers over a two-year period;
- 94) Provides \$10 million in federal funds on one-time basis 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 learning and service needs for students with disabilities stemming from the COVID-19 pandemic. Makes a variety of other investments in state level activities for special education, including in Family Empowerment Centers;
- 95) Provides \$215 million in federal American Rescue Plan Act funds for after school programs to increase daily rates for the After School Education and Safety Program to \$10.18 in the 2021-22 and 2022-23 fiscal years;
- 96) Provides \$86.4 million in Federal funds to increase daily rates to \$10.18 for the 21st Century Community Learning Center grant program that provides after school care;
- 97) Reduces Non-Proposition 98 General Fund for the non-local educational agency based California State Preschool Program to reflect maintaining reimbursement rates at 2020-21 levels, pending future agreements;
- 98) Provides \$1.5 million in Proposition 98 carryover funding for workload for the California Collaborative for Educational Excellence related to the biweekly instructional surveys authorized in AB/SB 130;
- 99) Reflects other adjustments and technical changes to a variety of federal funding items related to TK-12 public education;
- 100) Makes technical changes to the California State Library budget items to reflect the administrative costs for library grant funding contained in the budget;
- 101) Includes funding at the State Library for Outreach Grants to Ethnic Media (\$10 million), Inland Congregation United for Change Parents and Youth Engagement (\$6 million), Jewish Family and Children's Services Holocaust Center (\$1 million), California Center for Civic Participation (\$200,000);

- 102) Provides total funding for the University of California of \$4.67 billion General Fund and includes intent language that UC increase California enrollment by 6,230 students in 2022-23 and begin a plan to reduce nonresident enrollment at UC Berkeley, UCLA and UC San Diego;
- 103) Reflects technical changes to the budget necessary to transition the University of California Office of the President from a direct funding allocation in the budget to a campus assessment model;
- 104) Eliminates a \$150 million federal funding appropriation to the University of California for deferred maintenance and energy efficiency programs;
- 105) Provides \$10 million for the California Institute on Law, Neuroscience, and Education at Hastings College of Law;
- 106) Allocates \$5.2 billion General Fund for the California State University system and includes intent language that CSU increase California enrollment by 9,434 students in 2022-23;
- 107) Eliminates a \$150 million federal funding appropriation to the California State University for deferred maintenance and energy efficiency programs;
- 108) Provides a total of \$5.1 billion for the California Community College system for support and Adult Education programs;
- 109) Eliminates a \$250 million federal funding appropriation to the California Community College system for capital projects;
- 110) Provides \$250 million federal funds for emergency financial aid to community college students;
- 111) Allocates \$3.1 billion General Fund and \$472.5 million federal funds for the California Student Aid Commission, with \$500 million of this amount allocated for the Golden State Education and Training Program Act college savings account program;
- 112) Provides \$488.4 million General Fund to the Employment Development Department, including \$276.3 million to address deferred caseloads due to the COVID 19 pandemic;
- 113) Authorizes the Department of Finance to augment funding at the Employment Development Department by an additional \$53.7 million for additional pandemic caseload deferred workload, if needed;
- 114) Appropriates a total of \$352.6 million to the California Workforce Board for specified workforce training programs;
- 115) Includes \$24 million for the Department of Industrial Relations for specified programs to support workers in specified industries;

- 116) Specifies that digital identification project funding authorized by the Department of Technology may only use geolocation information for the purposes of preventing malicious activity;
- 117) Allocates \$25 million for the Department of Technology for modernization projects;
- 118) Appropriates \$3.75 billion to the Department of Technology for the construction of a digital open-access middle-mile broadband network;
- 119) Provides the Franchise Tax Board with \$1 billion General Fund for state operations;
- 120) Includes \$250,000 for the Department of General Services administrative costs associated with public school construction;
- 121) Appropriates \$253 million to the Department of General Services for K-16 Community Pathways and STEM teacher training;
- 122) Transfers \$93 million from the General Fund to the State Project Infrastructure fund;
- 123) Makes technical changes to the fund location for funding budgeted for the compensation of victims of Forced or Involuntary Sterilization;
- 124) Provides \$126 million for the support of the Art's Council, including \$60 million for the California Creative Corp;
- 125) Appropriates \$236 million General Fund to the Department of Food and Agriculture;
- 126) Includes \$622.4 million for the Public Utilities Commission Advanced Service Fund for broadband infrastructure and affordability;
- 127) Eliminates a proposed separate Office of Racial Equity;
- 128) Provides \$2 million to support the Commission on Asian and Pacific Islander Affairs;
- 129) Makes clarifying and technical changes to provisional language relating to the allocation of \$100 million for fiscal relief to independent special districts that had unanticipated revenue or cost pressures due to the COVID-19 pandemic;
- 130) Eliminates funding for County Assessors;
- 131) Updates provisional language related to state employee compensation to reflect recent collective bargaining outcomes;
- 132) Includes provisional language to allow the Department of Finance to adjust budget items, with Joint Legislative Budget Committee notification, related to the drought state of emergency by up to \$25 million;

- 133) Adjust provisional language related to the Department of Finance's authority for Disaster Response Emergency Operations Account expenditures to conform to the expected end of the use of that authority in the 2021-22 fiscal year;
- 134) Includes provisional language authorizing the Department of Finance to adjust the budget to account for new federal funding from the Home and Community-Based Services American Rescue Plan fund;
- 135) Adds provisional language to allow the administration to make adjustments to fully expended the expected \$27 billion Coronavirus State Fiscal Recovery Fund allocation and eliminates a control section that specified the General Fund relief amount from those federal funds;
- 136) Updated Control Section 19.55 to reflect the expected expenditures for 2021-22 that are not yet contained in the budget act, with many amounts decreasing based upon an expectation that these expenditures would occur in future fiscal years based on current rates of expenditures in the program;
- 137) Articulates \$1.3 billion of legislative spending priorities, with the expectation that these items may be amended into departmental budget line items in a future amendment to the budget act, however, these funds are appropriated for disbursement of September 30, 2021, if no further amendment to these control sections is made; and
- 138) Makes technical adjustments to control sections to reflect the revised scoring of the budget agreement.

COMMENTS

This bill amends AB 128 (Ting), the June 14 "legislative budget package", to implement the principal fiscal provisions of the framework budget agreement being finalized between the Legislature and the administration. As such, this bill contains many additions and subtractions in individual line items, including the addition in Sections 19.56 and 19.57 of over \$1 billion of legislative priority investments in communities across the state. Other elements of the framework agreement will appear in later trailer bills and budget bill amendments, as typically occurs every year.

Among the principal changes in this bill are amended provisions concerning key federal funds from the American Rescue Plan Act (ARPA). For example, this bill programs 1) \$9.2 billion of ARPA Coronavirus Fiscal Recovery Fund (CFRF) moneys to offset state General Fund expenses in 2021-22 and 2) \$1.5 billion of ARPA Home and Community-Based Services (HCBS) FMAP funding to offset eligible General Fund expenses across fiscal years 2021-22 and 2022-23. By contrast, the June 14th legislative budget package programmed 1) \$7.3 billion of ARPA CFRF funding in 2021-22 and 2) \$2.6 billion of ARPA HCBS funding in 2021-22 alone for the same purposes.

The budget package also generally reflects the Department of Finance's May Revision General Fund revenue estimates. The June 14 legislative budget package used higher Legislative Analyst's Office revenue estimates, although AB 128, unlike this bill, treated the Golden State Stimulus 2.0 as a deduction to revenues (rather than a state expenditure). The differing revenue

estimates result in different amounts being required for Proposition 98 school funding and Proposition 2 reserve and debt payments.

Because of the size of the budget bill causes logistical issues, the Legislature has typically used a second bill for amendment to the Legislative version of the budget to facilitate changes to the budget act after reaching agreement with the Governor. This amended bill is sometimes called a "Budget Bill Jr." because it resembles a smaller version of the larger budget bill.

On June 28, 2021, this bill had an identical version in the other legislative house, AB 129, to facilitate the process for passing the budget package.

According to the Author

It's a privilege to have a hand in crafting such a historic and transformational state budget that will have lasting impact on Californians for decades. We are meeting the challenges of today – helping individuals, families and small businesses still struggling as a result of the pandemic – while also investing in tomorrow with priorities like infrastructure, university expansion, affordable housing supply and climate resilience.

I'm especially excited about the strides we're making in early care and education, as we reform child care rates, achieve universal transitional kindergarten, bring per-pupil spending to an all-time high, and expand access to higher education with more slots and financial aid. We are also taking the steps to build up mental health services for those students who have or will be dealing with the effects of a prolonged period of distance learning.

While we are addressing these critical needs, we're further expanding vital social safety net programs, addressing homelessness in record levels and ensuring our economic recovery touches all communities. We're seizing every opportunity to move California forward like never before.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Department of Finance, this budget has a total expenditure level of \$262.6 million total state funds, with \$196.4 from the General Fund. The budget also assume \$194.3 billion in federal funding. The budget act projects a total reserve level of \$25.2 billion with a Special Fund for Economic Uncertainties reserve level of \$4 billion.

VOTES

SENATE FLOOR: 29-8-2

YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: June 25, 2021

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099

FN: 0000922