
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 91 (Harabedian) - State and local agencies: demographic data

Version: June 17, 2025

Urgency: No

Hearing Date: August 18, 2025

Policy Vote: G.O. 15 - 0, JUD. 13 - 0

Mandate: Yes

Consultant: Janelle Miyashiro

Bill Summary: AB 91 requires state and local agencies that collect demographic data on Californians to use separate collection categories and tabulations for major Eastern and North African (MENA) groups in any provided form that offers respondents the options of selecting one or more ethnic or racial designations or languages, as specified.

Fiscal Impact:

- Unknown significant costs, ranging in the millions of dollars, for state agencies to update demographic data collection policies and to collect and report on this data (General Fund and various special funds). Actual costs to each impacted agency or department will depend on, among other things, the extent they may absorb this workload or other IT expenses within existing resources. See Staff Comments for additional detail.
- Unknown potentially significant reimbursable mandate costs for local agencies to update their demographic data collection policies (General Fund). Actual costs to local agencies will depend on, among other things, the extent they are already collecting and tracking this information, and if they would need any IT resources to use separate collection categories for MENA groups. To the extent the Commission on State Mandates determines that any of the provisions of this bill create a new program or impose a higher level of service on local agencies, local agencies could claim reimbursement of those costs.

Background: The 2030 Census will include major changes in how data is collected for people of MENA descent. For the first time, the census will feature a distinct “Middle Eastern or North African” checkbox on the race and ethnicity question. Currently, individuals from these backgrounds are categorized as “White,” often obscuring their unique needs and experiences. In addition, the 2030 Census will use a combined race and ethnicity question—rather than two separate ones—allowing people to select multiple identities that reflect their background more accurately.

This change stems from updated federal standards issued by the Office of Management and Budget in March 2024, which require all federal agencies to adopt the new format. Agencies must not only include the broader category, but also collect detailed subgroup information, such as Lebanese, Iranian, or Egyptian origin. These updates aim to improve visibility for the more than 3.5 million Americans with MENA heritage, helping ensure fair access to government programs, civil rights protections, and funding decisions.

Proposed Law:

- Establishes the MENA Inclusion Act (Act).
- Requires a state or local agency that directly or by contract collects demographic data on the ancestry or ethnic origin of Californians to use separate collection categories and tabulations for major MENA groups in any provided form that offers respondents the options of selecting one or more ethnic or racial designations or languages as follows:
 - Beginning January 1, 2027 and until collection categories are updated pursuant to the Act, requires a state or local agency to use separate collection categories and tabulations for the following groups:
 - A major Middle Eastern group, including, but not limited to, Afghan, Bahraini, Emirati, Iranian, Iraqi, Israeli, Jordanian, Kuwaiti, Lebanese, Omani, Palestinian, Qatari, Saudi Arabian, Syrian, Turkish, and Yemeni.
 - A major North African group, including, but not limited to, Algerian, Djiboutian, Egyptian, Libyan, Mauritanian, Moroccan, Somali, Sudanese, and Tunisian.
 - A major transnational Middle Eastern and North African group, including, but not limited to, Amazigh or Berber, Armenian, Assyrian, Chaldean, Circassian, and Kurdish.
 - Within 18 months following the release of a decennial census by the United States Census Bureau, requires a state or local agency to update its collection categories and tabulations to reflect the major MENA groups.
- Requires a state or local agency to include data in every demographic report on ancestry or ethnic origins of Californians by the state or local agency that is published on or after January 1, 2028 and make the aggregated data available to the public in accordance with state and federal law.
- Prohibits a state or local agency from disclosing personal identifying information about any person whose demographic data is collected pursuant to the Act, and from making data available that would result in statistical unreliability.
- Requests the University of California to comply with the Act.

Staff Comments: While the total fiscal impact of the bill is unknown at this time, it will be significant and will likely total in the millions of dollars. While not all state agencies would require the same level of resources, costs are anticipated to be generally significant for impacted entities. For context, below is a sample of various state entities and their reported fiscal impacts.

- The Department of Health Care Services (DHCS) reports a total initial fiscal impact of approximately \$6.86 million for Fiscal Year (FY) 2026-27 for system development. DHCS notes ongoing costs of approximately \$1.67 million in FY 2027-28 and 2028-

29, and \$1.32 million in FY 2029-30 and annually thereafter (General Fund and federal funds).

- The Governor's Office of Business and Economic Development reports costs of approximately \$100,000 one-time for software and \$504,000 ongoing to update and maintain databases used to track demographic information (General Fund).
- The California Department of Food and Agriculture reports total costs of approximately \$173,000 in the first year and \$123,000 annually ongoing to make initial modifications for and perform maintenance on its grant administration system, as well as aggregate, report, and publish the required data (General Fund).
- The California Community Colleges Chancellor's Office reports one-time costs between \$10,000 and \$25,000 to update various dashboards to display data at the required level of detail (General Fund).
- The Department of General Services reports unknown ongoing costs ranging in the tens of thousands of dollars to update forms, training materials, and the State Contracting Manual and the State Administrative Manual (General Fund).
- The California Department of Insurance reports costs of approximately \$17,000 in FY 2025-26 and \$38,000 in FY 2026-27 (Insurance Fund).
- The Department of Consumer Affairs reports costs to its Office of Information Services of approximately \$10,000, which may be absorbable within existing resources (various funds).
- The California Department of Technology, the Department of Justice, the Department of Real Estate, the Government Operations Agency, and Office of Data Innovation anticipate any costs to be minor and absorbable.
- Other surveyed state agencies, such as the Department of Alcoholic Beverage Control and the California State Library, do not collect demographic data and would not be required to comply with the mandates of this bill.

Staff notes that many of the impacted agencies are special funded and generally do not receive General Fund support. This bill will likely create significant new cost pressures that impact these entities' operating costs and may necessitate or accelerate the need for future regulatory or license fee increases. To the extent impacted special fund agencies cannot absorb costs to comply with the mandates of this bill, there will be General Fund cost pressures.

Additionally, given current priorities and existing capabilities and resources, several state agencies expressed concerns that they would not be able to meet the mandates of this bill in the timeline established.

-- END --