

(Without Reference to File)

SENATE THIRD READING

SB 111 (Laird)

As Amended June 26, 2026

Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY

Amends AB 109, the 2026 Budget Act, to implement the 2026 budget package, as agreed upon between the Governor and the Legislature.

Major Provisions

Specifically, this bill includes the following major changes to AB 109:

K-12 Education

- 1) Adjusts funding for the Expanded Learning Opportunities Program to ensure that the Rate 2 local educational agencies receive at least \$1,800 per pupil.
- 2) Establishes the Office of the Superintendent of Public Instruction, and shifts \$1.5 million from the Department of Education to the Office of the Superintendent of Public Instruction. Shifts \$934,000 and ongoing positions from the State Board of Education to the Department of Education in 2026-27, with \$1.9 million and ongoing positions beginning in 2027-28.
- 3) Appropriates \$1 billion Proposition 98 General Fund ongoing for Community Schools.
- 4) Appropriates \$5 million General Fund on a one-time basis to Save the Children.
- 5) Appropriates \$5 million Proposition 98 General Fund for University of California, San Francisco Dyslexia Center for the Multitudes reading difficulties screener.
- 6) Provides \$5.5 million one-time Proposition 98 General Fund for online educational resources.
- 7) Re-appropriates Proposition 98 General Fund for various programs, including community schools, the discretionary block grants, support for students experiencing homelessness, kitchen infrastructure and training grants, technical assistance for local educational agencies to implement alternative pathways to diplomas, among other priorities.
- 8) Makes various technical adjustments and aligns appropriations with available federal fund authority.

Higher Education

- 9) Includes \$7.5 million one-time General Fund for the University of California (UC)/California State University (CSU) Collaborative for Neuroscience, Diversity and Learning.

- 10) Includes \$15 million one-time General Fund for the UC Berkeley Journalism Fellowship program.
- 11) Includes \$3.3 million one-time General Fund to support the UC Central Coast PRIME program.
- 12) Includes \$20 million one-time General Fund to support basic needs, housing, and disability services at the UC.
- 13) Includes \$1.4 million one-time General Fund to support the UC Berkeley Institute of Governmental Studies Local Digitization Project.
- 14) Includes \$750,000 one-time General Fund for UC Berkeley to support AAPI Data Research.
- 15) Includes \$200,000 one-time General Fund to support the UCLA Bruin One Access as a State-CalFresh Enrollment Accelerator.
- 16) Includes \$10 million one-time General Fund to support the UC Climate Change Research Institute.
- 17) Includes \$5 million one-time General Fund to support UC Degree Plus.
- 18) Includes \$5 million one-time General Fund to support Career Online High School.
- 19) Adjust the Proposition 98 split funding between TK-12 and the California Community Colleges (CCC) to 88.9% for TK-12 and 11.1% for CCC.
- 20) Beginning in 2026-27, includes \$47.7 million ongoing Proposition 98 General Fund to allow credit for Full Time Equivalent Students (FTES) to be calculated using the higher of the three-year average or the amount in the current year.
- 21) Includes an additional \$63.8 million ongoing Proposition 98 General Fund to support a total of 2.5 percent enrollment growth at the California Community Colleges.
- 22) Includes a \$35 million one-time Proposition 98 General Fund to support Dream Resource Centers at the California Community Colleges, of the total \$70 million one-time for this program.
- 23) Includes \$15 million one-time Proposition 98 General Fund to support LGBTQ+ Resource Centers, of the total \$30 million one-time for this purpose.
- 24) Includes \$30.1 million ongoing Proposition 98 General Fund to provide a 5.74% COLA to the Student Equity and Achievement Program at the California Community Colleges.
- 25) Includes \$42.6 million one-time Proposition 98 General Fund to support the California Indian Nations College.
- 26) Includes a reappropriation of \$117.4 million one-time Proposition 98 General Fund for Deferred Maintenance, for a total of \$120.7 million.

- 27) Includes an additional estimated \$166.9 million General Fund to support the Middle Class Scholarship Program for 2026-27 academic year awards. This funding level translates into 23.07% award levels.
- 28) Augments the Golden State Teacher Grant program with an additional \$10 million one-time General Fund for the 2027-28 grant cycle.

Resources

- 29) Appropriates \$6.75 million General Fund ongoing for the California State Parks Library Pass Program.
- 30) Provides \$17.5 million State Park and Recreation Fund expenditure authority ongoing to the Department of Parks and Recreation for purposes of covering estimated invoice costs related to the new Reservation System Agreement with the department's contractor.
- 31) Reappropriates \$1 million General Fund to the State Water Resources Control Board for the City and County of San Francisco, Department of Public Works project, Sunset Boulevard Recycled Water Irrigation Improvement.
- 32) Reappropriates \$10 million General Fund to the Wildlife Conservation Board for Point Reyes conservation projects that will enhance coastal wetland resilience, restore Tule Elk habitat and native vegetation, and improve public access.
- 33) Appropriates \$6 million General Fund to the California Department of Fish and Wildlife for Delta-based decontamination control sites to prevent the spread of invasive Golden Mussels.
- 34) Appropriates \$1.4 million General Fund to the California Natural Resources Agency for the treatment of algae blooms in Discovery Bay.
- 35) Appropriates \$2 million General Fund to the California Department of Fish and Wildlife to support recovery of the Mojave Desert Tortoise, which is officially listed as endangered under the California Endangered Species Act.
- 36) Maintains 356.2 vacant FTEs (\$39.8 million Special Fund) at various departments, including 60.1 FTEs at the Department of Fish and Wildlife, 15 FTEs (\$2.9 million Special Fund) at the Department of Pesticide Regulation, 29 FTEs (\$5.7 million Special Fund) at the State Water Resources Control Board, 75.1 FTEs (\$10.6 million Special Fund) at the Department of Toxic Substances Control, 9 FTEs (\$1.2 million Special Fund) at the Department of Resources Recycling and Recovery, and seven FTEs (\$1.3 million Special Fund) at the Public Utilities Commission. Pursuant to Control Section 4.12, Department of Finance (DOF) will allocate the necessary adjustments to each item of appropriation and position authority to reflect the Legislature's rejection of vacant position eliminations.

Energy, Utilities, and Air Quality

- 37) Appropriates \$135.5 million (\$20.5 million from the Air Pollution Control Fund and \$115 million from the Greenhouse Gas Reduction Fund) for light-duty zero-emission vehicle incentives at the California Air Resources Board.
- 38) Appropriates \$135.5 million from the Air Pollution Control Fund for medium- and heavy-duty zero-emission vehicle incentives through the Hybrid and Zero-Emission Truck and Bus Voucher Project at the California Air Resources Board.
- 39) Appropriates \$17 million from the Enhanced Fleet Modernization Subaccount annually for five years for the districts participating in the Clean Cars 4 All program at the California Air Resources Board.
- 40) Appropriates \$963,000 from the Alternative and Renewable Fuel and Vehicle Technology Fund for the implementation of SB 59 (Skinner), Chapter 765, Statutes of 2024 at the California Energy Commission.
- 41) Appropriates \$579.9 million from the Universal Lifeline Telephone Service Trust Administrative Committee Fund for the Lifeline program at the California Public Utilities Commission. This appropriation can be adjusted up to \$664.9 million if enrollment reaches 1,950,000.
- 42) Appropriates \$2 million from the General Fund to the California Energy Commission for heat pump incentives.
- 43) Appropriates \$150 million from the General Fund for the Community Air Protection Program at the California Air Resources Board.
- 44) Reappropriates various appropriations from the Greenhouse Gas Reduction Fund.
- 45) Repeals \$54,000 for wildcatting enforcement at the California Public Utilities Commission.

Health

- 46) Reflects \$575 million General Fund savings in 2026-27, \$2.3 billion in 2027-28 and 2028-29, and \$1.7 billion in 2029-30, as a result of the reauthorization of a new, federally compliant tax on managed care organizations.
- 47) Reflects \$471.6 million General Fund savings in 2026-27 from the transition of Medi-Cal beneficiaries with unsatisfactory immigration status (UIS) from managed care to fee-for-service.
- 48) Appropriates \$39 million to support care coordination resources and clinic and community-based organization navigators to support UIS beneficiaries as they transition from managed care to fee-for-service.
- 49) Reflects General Fund costs of \$1 billion to delay the elimination of prospective payment system reimbursement for community clinics for services provided to Medi-Cal beneficiaries with unsatisfactory immigration status (UIS) until July 1, 2027.

- 50) Reflects General Fund costs of \$303.2 million to delay the transition of certain immigrant populations (e.g. asylees, victims of human trafficking, etc.) to restricted scope Medi-Cal until July 1, 2027.
- 51) Allocates \$250 million General Fund to the Department of Health Care Services (DHCS) to support designated public hospitals.
- 52) Allocates \$196.9 million General Fund to DHCS to support county administration workload for the Medi-Cal program.
- 53) Allocates \$10 million General Fund in 2026-27, and \$8 million General Fund in 2027-28 and 2028-29, to the Department of Health Care Access and Information (HCAI) to support a gender affirming care provider network stabilization and uncompensated care grant program.
- 54) Allocates \$7.7 million General Fund to DHCS to support bridge funding for congregate living health facilities.
- 55) Reflects General Fund costs of \$360.8 million to delay elimination of dental benefits in Medi-Cal for the UIS population, until July 1, 2027.
- 56) Reflects General Fund costs of \$258.2 million to delay elimination of Proposition 56 supplemental provider payments for dental services in Medi-Cal, until July 1, 2027.
- 57) Allocates \$400,000 General Fund to DHCS to support application assistance for Program for All-Inclusive Care for the Elderly (PACE) beneficiaries.
- 58) Allocates \$5 million General Fund to DHCS to support a severe schizophrenia pilot program.
- 59) Reflects \$68.3 million General Fund savings from reforms to enhanced care management and community supports services in Medi-Cal.
- 60) Rejects the Governor's proposal to cap Medi-Cal reimbursement rates for PACE, resulting in General Fund costs of \$33.7 million in 2026-27 and \$84.9 million ongoing.
- 61) Rejects the Governor's proposal to eliminate acupuncture benefits in the Medi-Cal program, resulting in General Fund costs of \$5.4 million in 2026-27 and \$13.1 million ongoing.
- 62) Redirects \$35.4 million of Opioid Settlements Fund to offset General Fund expenditures in the Medi-Cal program.
- 63) Appropriates \$42.2 million General Fund to continue the community-based mobile crisis services benefit in Medi-Cal until June 30, 2027.
- 64) Allocates \$30 million General Fund one-time to support rate increases for private duty nursing in the Medi-Cal program.
- 65) Allocates \$7.7 million General Fund one-time to support rate increases for congregate living health facilities.

- 66) Allocates \$113.3 million General Fund to the Department of Public Health (CDPH) to support critical public health information technology systems.
- 67) Appropriates \$30 million General Fund over five years to CDPH to support Sickle Cell Disease Centers for Excellence.
- 68) Allocates \$10 million General Fund to CDPH to support LGBTQ+ community centers.
- 69) Allocates \$3.5 million General Fund to CDPH to support amyotrophic lateral sclerosis (ALS) wraparound services.
- 70) Appropriates \$500,000 General Fund to support a rate study for ground ambulance services at the Emergency Medical Services Authority (EMSA).
- 71) Appropriates \$5 million General Fund to the Department of Health Care Access and Information (HCAI) to support physician access and workforce development in shortage areas.
- 72) Appropriates \$30 million General Fund to HCAI to support an uncompensated care program for abortion services.
- 73) Appropriates \$10 million General Fund to HCAI to support the Abortion Practical Support program.
- 74) Appropriates \$750,000 General Fund to HCAI to support implementation of a study of midwifery education and training.
- 75) Allocates \$90 million General Fund to support grants to distressed hospitals and authorizes the Department of Finance to augment the grant program by up to \$50 million.
- 76) Allocates \$10 million General Fund to HCAI to establish a health care access stability unit to evaluate hospitals' strategic importance to their communities to assist policymakers to maintain access to critical services in the event of a hospital's financial distress.
- 77) Allocates \$15 million General Fund to HCAI to support workforce training and expansion for promotoras.
- 78) Allocates \$15.5 million General Fund to HCAI to support the procurement of low-cost epinephrine pens and tuberculosis drugs through CalRx.
- 79) Appropriates \$3.9 million General Fund to support dental health services for patients at Department of State Hospital Metropolitan (DSH-Metropolitan) and at Department of State Hospital Patton (DSH-Patton).
- 80) Includes \$1.8 million General Fund for the preliminary plans phase of the DSH-Patton's Electrical Infrastructure Upgrade project.
- 81) Includes \$19.6 million to support patient-related operating expenses, specifically in the areas of utilities, pharmaceuticals, foodstuffs, and outside medical.

- 82) Includes \$469,000 General Fund to conduct an analysis and report to the Legislature on the feasibility of establishing transitional housing facilities pursuant to SB 380 (Jones), Chapter 581, Statutes of 2025.
- 83) Reflects savings of \$102.2 million related to Incompetent to Stand Trial solutions and infrastructure grant funding.
- 84) Includes \$27.6 million General Fund and a reappropriation of up to \$6.3 million from the 2024 Budget Act to support the first year of implementation for the Continuum Electronic Health Record System project.
- 85) Includes provisional language to provide DSH with limited Public Contract Code exemption authority for two years for contracts associated with online services and subscriptions providing health care or pharmaceutical information.
- 86) Reverts \$50.4 million and appropriates \$58.1 million Public Buildings Construction Fund for the construction phase of the Central Utility Plant Replacement Project at DSH-Metropolitan, a net increase of \$7.7 million.
- 87) Reverts \$20 million unspent General Fund from the 2024 Budget Act.
- 88) Shifts \$10.3 million from General Fund to Behavioral Health Services Act (BHSA) Behavioral Health Workforce Initiative reimbursement to support an existing workforce development program, and appropriates \$3.8 million in BHSA reimbursement to add an additional Psychiatric Technician Apprenticeship.
- 89) Restores \$16.7 million of expenditure authority from the Behavioral Health Services Fund for the Commission for Behavioral Health's Innovation Partnership Fund and for advocacy contracts.
- 90) Appropriates \$300 million from the Health Care Affordability Reserve Fund to support premium subsidies for consumers in the Covered California health benefit exchange.

Human Services

- 91) Appropriates \$228 million General Fund for the expansion of 22,770 new childcare spaces in 2026-27. Of the 22,770 new childcare spaces, 20,700 are voucher spaces and 2,070 are General Child Care spaces. Includes \$41.4 million General Fund to backfill approximately 3,430 of the approximately 6,800 childcare spaces, previously funded with Proposition 64 and federal funds, proposed to be eliminated by the Governor. Relative to the Governor's May Revision, the budget includes a total of 26,200 additional childcare spaces. This brings the ongoing childcare expansion to approximately 149,400 new funded childcare spaces above 2020-2021 levels.
- 92) Includes provisional language that allows the California Department of Social Services (CDSS) to use up to 15% of funds appropriated to expand General Child Care spaces to fund minor repairs, infrastructure upgrades, and other readiness activities for childcare and development programs. Appropriates an additional \$2 million General Fund for CDSS state operations to support development of the infrastructure set-aside and other activities to maximize existing childcare funding.

- 93) Appropriates \$70 million to childcare agencies for administration and support costs associated with implementing ongoing provisions of the Memorandum of Understanding with Child Care Providers United. Requires this amount to be allocated to each program proportionally based on each program's total contract amount.
- 94) Appropriates \$223 million General Fund one-time to augment county CalFresh administration to implement the time limit for Able Bodied Adults Without Dependents under H.R. 1 and to help eligible people maintain access to CalFresh. Funds allocated pursuant to this provision are available for encumbrance or expenditure through June 30, 2029.
- 95) Appropriates \$20 million General Fund one-time for the CalFresh Fruit and Vegetable Pilot Program.
- 96) Appropriates \$15 million on a one-time basis for the Bringing Families Home program.
- 97) Appropriates \$10 million on a one-time basis for the CalWORKs Housing Support Program.
- 98) Appropriates \$10 million on a one-time basis to the Southern Central Coast Regional Network Hub for Immigrant Families.
- 99) Reappropriates up to \$6.1 million from the Budget Act of 2022 and appropriates an additional \$392,000 General Fund one-time for child welfare child-specific funding to support enhanced care planning and service navigation to access care in the least restrictive setting for adoptive children and their families and to prevent reentry into the foster care system.
- 100) Reappropriates unspent funds from the Budget Act of 2025 for the CalWORKs Housing Support Program.
- 101) Appropriates \$1 million for automation associated with Federal Children's Savings Accounts.
- 102) Appropriates \$4.75 million to the Department of Developmental Services (DDS) as placeholder funds for development of a standard needs assessment.
- 103) Appropriates \$2.4 million one-time for the Special Education Parent Action Network.
- 104) Appropriates \$4 million for Feeding San Diego.
- 105) Appropriates \$710,000 for Meals on Wheels San Diego County.
- 106) Appropriates \$1.5 million for Every Day Action for infrastructure, vehicles, and operations.
- 107) Appropriates \$1.33 million for the San Diego Food Bank.
- 108) Appropriates \$2 million for Centro La Familia for immigrant support services.
- 109) Appropriates \$25 million for the Child Mind Institute.

110) Appropriates \$1.5 million to strengthen the Community Assistance, Recovery, and Empowerment (CARE) Act referral and petition pipeline. Funding may be used for, including, but not limited to, training and support for first responders, homeless outreach workers, and street medicine teams.

111) Makes other technical and conforming changes.

General Government

112) Includes, for the Department of Veteran's Affairs, \$9 million General Fund for cemetery operations in Orange County, \$7 million general fund for grants related to the Support to Self Reliance program, and \$2 million general fund for grants related to support the Veterans Military Discharge upgrade program.

113) Allows for transfer of \$1.7 million General Fund to the State Athletic Commission Fund under the State Athletic Commission.

114) Allows for transfer of \$4 million General Fund to the Horse Racing Fund under the California Horseracing Board for partial fee relief.

115) Appropriates \$23 million General Fund for the Enteric Fermentation Incentive Program as well as extending the encumbrance period for \$1.5 million in prior appropriated administrative funds.

116) Appropriates \$1.5 million General Fund to the State Controller for the Unclaimed Property Program.

117) Includes \$14.3 million Public Buildings Construction Fund for preconstruction work related to 1021 O Street and also clarifies that Department of General Services shall not begin any portion of physical construction or otherwise interfere with current operations within the 1021 O Street Building until the execution of a written agreement between the Joint Rules Committee, Department of Finance, and the Department of General Services on the future use of the 1021 O Street Building.

118) Includes \$1.3 million Public Buildings Construction Fund for preconstruction work related to the O Street State Parking Garage.

119) Includes, for the Secretary of State, \$29 million General Fund for vote counting processes, \$5 million General Fund for voter outreach and education by a schedule set by the Department of Finance, \$5 million General Fund in voter outreach and education support without such schedule, and \$250 thousand General Fund for supporting and strengthening administration of the November 3, 2026 statewide election.

120) Allows, subject to notification provisions to the Joint Legislative Budget Committee, for an augmentation of up to \$22 million general fund to the Department of Technology for the Middle Mile Broadband Initiative. Includes provisional language for quarterly reporting, and a revised Middle-Mile Broadband Network Business Plan to be submitted on or before February 1, 2027.

- 121) Includes \$2.5 million General Fund for the Department of Food and Agriculture for a Managed Honeybee Health Program.
- 122) Includes \$1.8 million General Fund for the Actor's Gang Prison Project.
- 123) Includes \$5 million General Fund for the Arts Council related to support for LA28 related arts and cultural programming.
- 124) Includes \$1.5 million General Fund for the Commission on the Status of Women and Girls to implement Women's Wealth Working Group and Gender Equity Summits.
- 125) Includes \$5 million General Fund for the Arts Council for Protagonist Black, which seeks to foster books-in-homes for marginalized communities.
- 126) Includes \$1 million General Fund for the Blue Ribbon Commission related to the development of a California Department of Youth Sports.
- 127) Includes \$80 million one-time General Fund to backfill revenues in three counties with insufficient Education Revenue Augmentation Fund, San Mateo, Alpine, and Mono.
- 128) Maintains 356.2 vacant FTEs (\$39.8 million Special Fund) at various departments, including 20 FTEs (\$2.8 million Special Fund) at the Department of Food and Agriculture. Pursuant to Control Section 4.12, DOF will allocate the necessary adjustments to each item of appropriation and position authority to reflect the Legislature's rejection of vacant position eliminations.
- 129) Appropriates \$1.4 million in General Fund to fund CalExport, a newly-named international trade and export promotion program within the Governor's Office of Business and Economic Development (GO-Biz).
- 130) Provides \$2 million to GO-Biz to support infrastructure and facility modernization at the Urban Business Resource Center.
- 131) Appropriates \$1.5 million to GO-Biz for the INDSTRY Workforce Development Initiative.
- 132) Provides \$1 million to GO-Biz for California Fringe.
- 133) Appropriates \$12 million to GO-Biz for the Performing Arts Equitable Payroll Fund.
- 134) Provides \$3 million to the Governor's Office of Land Use and Climate Innovation (GO-LCI) for the Central Coast Community Resilience Hub Accelerator.
- 135) Appropriates \$5 million to the Governor's Office of Service and Community Engagement (GO-Serve) for the California Men's Service Challenge.
- 136) Provides \$5 million to GO-Serve for the Reading Corps and Math Corps.
- 137) Adjusts the administrative funding for the California College Corps program to correct technical errors.

- 138) Appropriates \$5 million to GO-Serve for the California Student Success Coach Grant Program.
- 139) Provides \$10 million to GO-Serve for City Year.

Housing and Homelessness

- 140) Appropriates \$500,000 to the Housing and Community Development Department for the Orange County United Way for a regional pilot program to build more online awareness about affordable housing opportunities.
- 141) Transfers 14 positions and \$1.5 million from the Housing and Community Development Department (HCD) to the Housing Development Finance Committee (HDFC) for administration of affordable housing funding programs.
- 142) Provides \$3.9 million to HCD for the Alliance for Community Empowerment.
- 143) Appropriates \$500,000 to HCD for the Napa County Housing Authority.
- 144) Specifies that any expenditures over \$10 million for new program components in the Disaster Rebuilding Fund are only authorized after approval of an expenditure plan by the Department of Finance and 30 days written notice to specified legislative committees and officials.
- 145) Transfers a total of 3 positions and \$682,000 in General Fund from the California Interagency Council on Homelessness (Cal-ICH) to the California Housing and Homelessness Agency (CHHA) and the Housing Development Finance Committee (HDFC).

Judiciary

- 146) Includes \$62.1 million General Fund and \$1.7 billion Public Building Constructions Fund authority for courthouse construction, and language to fund additional courthouses upon appropriation in 2027-28.
- 147) Maintains \$100 million General Fund for new judgeship costs and associated facility projects and \$150 million General Fund for deferred maintenance.
- 148) Includes provisional reporting language and a net-zero shift of Proposition 36 (2024) General Fund resources, to provide \$20 million for pretrial services, \$10 million for courts, and \$20 million for behavioral health.
- 149) Includes \$3.5 million General Fund to establish a Community Assistance, Recovery and Empowerment (CARE) Court Referral and Petition Pipeline and makes technical changes to CARE funding.
- 150) Provides \$2.2 million General Fund for trial court employee benefits.

Corrections

- 151) Restores \$81.2 million General Fund in operational savings at the California Department of Corrections and Rehabilitation.
- 152) Reduces additional funding for the Office of Inspector General from \$4.3 million to \$2 million General Fund.
- 153) Includes \$9.7 million General Fund for an honor housing unit at Cororan State Prison.
- 154) Modifies or removes various reporting requirements.
- 155) Removes language requiring an additional prison closure by 2027-28.

Public Safety

- 156) Includes provisional language related to the 9-1-1 system and the Next Generation 9-1-1 project, and appropriates State Emergency Telephone Number Account funding of up to \$2 million for an independent technical evaluation and \$1 million for an audit.
- 157) Includes a net-zero shift of \$4.2 million General Fund from Control Section 5.27 to the Department of Justice for federal accountability resources.

Transportation

- 158) Appropriates \$7.2 million from the State Highway Account to continue development of generative artificial intelligence (GenAI) for safer and smarter roadways at the California Department of Transportation.
- 159) Specifies \$15 million of the \$270 million appropriated from the Trade Corridor Enhancement Account for the Trade Corridor Enhancement Program at the California Department of Transportation shall be for road improvements on freight corridors connecting the Ports of Los Angeles and Long Beach between the 105, 110, and 710 freeways.
- 160) Appropriates \$56 million from the Motor Vehicle Account for the design and development of the State-to-State Verification System at the Department of Motor Vehicles. The system shall not be activated for the purpose of transmitting or sharing data unless specifically authorized by statute prior to July 3, 2026.
- 161) Specifies state funds allocated to the Carl Moyer Memorial Air Quality Standards Attainment Program, the Port and Freight Infrastructure Program, the Solutions for Congested Corridors Program, the Clean Off-Road Equipment program, the Commercial Harbor Craft program, the Clean Truck and Bus Voucher Incentive Project, the Trade Corridor Enhancement Program, and the Clean Transportation Program shall not be allocated for the purchase of fully automated cargo handling equipment or for automation supporting improvements or replacements that are used to support fully automated cargo handling equipment.
- 162) Appropriates \$2 million from the General Fund to the California Department of Transportation for the City of Ventura for infrastructure improvements to Main Street consistent with parklet design.

- 163) Extends the liquidation period for \$300 million appropriated in the Budget Act of 2021 for the LOSSAN Corridor.
- 164) Corrects an error related to the fund source for the Clean California Program.
- 165) Reinstates provisional language regarding flexibility of funding to implement REAL ID at the Department of Motor Vehicles.

Labor and Workforce

- 166) Includes \$5 million one-time General Fund to support a Ports Workforce Training program.
- 167) Includes \$10.8 million one-time General Fund to support the Social Entrepreneurs for Economic Development (SEED) program.
- 168) Includes \$5 million one-time General Fund to support a Hospitality Training Academy.
- 169) Includes \$9 million ongoing Labor and Workforce Development Fund to support the Workers' Rights Enforcement Grant program at the Department of Industrial Relations.
- 170) Includes \$5 million one-time Labor and Workforce Development Fund to support a Jails 2 Jobs pilot program at the Department of Industrial Relations.
- 171) Includes \$30 million Labor and Workforce Development Fund annually for three years beginning in 2026-27 through 2028-29 to support the California Workplace Outreach Project program at the Department of Industrial Relations.
- 172) Includes \$1.35 million one-time Occupational Safety and Health Fund to support a Cal/OHSA Workforce Study at the Department of Industrial Relations.
- 173) Includes \$5 million one-time General Fund to support the Creating Restorative Opportunities and Programs (CROP) at the California Workforce Development Board.
- 174) Maintains 356.2 vacant FTEs (\$39.8 million Special Fund) at various departments, including 118 FTEs (\$11.6 million Special Fund) at the Department of Industrial Relations, 12 FTEs (\$1.9 million Special Fund) at the Department of Health Care Access and Information, 10 FTEs (\$1.8 million Special Fund) at the Department of Managed Health Care, and one position (\$111,000 Special Fund) at the Department of Tax and Fee Administration. Pursuant to Control Section 4.12, DOF will allocate the necessary adjustments to each item of appropriation and position authority to reflect the Legislature's rejection of vacant position eliminations.

Other

- 175) Includes a variety of one-time legislative priorities as part of the June 2026 budget agreement.
- 176) Makes a variety of other technical changes.

177) Makes other technical changes to various control sections.

COMMENTS

On June 15, 2026, the Legislature passed AB 109 (Gabriel), which represented the Legislature's budget. This bill, once enacted, would amend that bill to implement the budget changed needed to implement the 2026-27 budget agreement between the Governor and the Legislature.

The 2026-27 budget includes total spending of approximately \$351.7 billion, of which \$251.5 billion is from the General Fund.

According to the Author

This bill implements the 2026 budget agreement with the Governor.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

The 2026-27 budget includes total spending of approximately \$351.7 billion, of which \$251.5 billion is from the General Fund. The budget includes over \$28.7 billion in total reserves, with \$15 billion provided in the Budget Stabilization Account.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 26, 2026

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