

(Without Reference to File)

SENATE THIRD READING

SB 112 (Laird)

As Amended June 26, 2026

Majority vote. Budget Bill Appropriations Take Effect Immediately

SUMMARY

Amends Budget Acts of 2022, 2023, 2024, and 2025 to make technical and fiscal changes needed to implement the June 2026 budget package.

Major Provisions

Specifically, *this bill*:

- 1) Includes \$4.2 billion General Fund for the Medi-Cal program to adjust for current year 2025-26 expenditures, including the repayment of the Medical Providers Interim Payment Fund loan;
- 2) Reappropriates funds from a prior year to 2025-26 and makes net-zero intra-schedule transfers to address a current year deficiency within the California Department of Corrections and Rehabilitations (CDCR) budget. Specifically, this measure reappropriates \$99.3 million from 2023-24 to 2025-26 and makes intra-schedule transfers totaling \$139.1 million to address a budgetary shortfall in 2025-26. The shortfall is primarily driven by lump sum retirement payments, workers' compensation, and overtime;
- 3) Makes a technical adjustment to CDCR's budget to properly account for \$114 million in savings achieved through efficiency reductions pursuant to Control Section 4.05 in the Budget Act of 2024-25;
- 4) Includes a technical adjustment of \$1 million (federal funds) to align the Department of Developmental Services' Federal Trust Fund authority with funds available through their award grant. The change increases the amount from \$3 million to \$4 million;
- 5) Reappropriates \$8 million in General Fund from the 2025 Budget Act through June 30, 2028, for administrative costs associated with preparing for and implementing Round 7 of the Homeless Housing, Assistance, and Prevention (HHAP) program;
- 6) Amends the date enabling statute must pass in regard to the State-to-State project at the Department of Motor Vehicles;
- 7) Revises a 2025 appropriation for Kern County for the Meadows Field Airport;
- 8) Appropriates \$15.7 million Motor Vehicle Account in 2025-26 for operations and equipment at the California Highway Patrol;
- 9) Reappropriates \$14 million General Fund from the 2022-23 budget for projects consistent with the State's Natural and Working Lands Climate Smart Strategy and Pathways to 30x30 Strategy;

- 10) Moves \$20 million Prop. 4 that was previously appropriated in the 2025-26 budget for the Hollister Ranch Public Access Plan from local assistance to state operations;
- 11) Includes a provision in the 2025-26 budget to allow the Director of Finance to authorize expenditures to facilitate the use of emergency funding authority provide in the 2024 budget act for the Eaton and Palisades Fires in Los Angeles County for requests received by the Office of Emergency Services receive before June 30, 2026;
- 12) Amends the 2025-26 budget bill to include a reference for recording the amount of transfer of Section 20 of Article XVI of the California Constitution (Proposition 2 of 2014 transfer to the Budget Stabilization Account) and noting that transfer did not occur in the fiscal year. Including this reference allows for greater transparency in the budget bill; and
- 13) Includes technical changes, encumbrance extensions, and reappropriations of previous budget items.

COMMENTS

The bill amends four previous budget bills to make various changes necessary to implement the 2026 June Budget agreement. These changes include an adjustment to the 2025 budget act to reflect \$4.2 billion in unanticipated costs in the Medi-Cal program. This bill is intended to accompany AB 109, the 2026 Budget Act, which was passed on June 15, 2026 and either AB 111 or SB 111, which amends that act to implement the budget agreement between the Legislature and the Governor.

According to the Author

This bill amends previous budget acts to conform to actions taken in the 2026 June budget package.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill's costs are included in the overall fiscal scoring of the 2026 budget package. According to the Department of Finance, that package results in total General Fund expenditures of \$245.3 billion in 2025-26, which assumes the enactment of the budget bill changes contained in this bill.

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

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

FN: 0003221