
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1358 (Rubio) - News outlets: state expenditures on ethnic and community media outlets

Version: April 6, 2026

Urgency: No

Hearing Date: April 27, 2026

Policy Vote: G.O. 15 - 0

Mandate: No

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Bill Summary: SB 1358 expands the responsibilities of the Office of Community Partnerships and Strategic Communications (OCPSC) by requiring it to establish and maintain a database of ethnic and community media outlets. SB 1358 also requires the office to annually submit a report to the Governor and the Legislature detailing how state agencies spend funds on marketing and outreach advertising. Additionally, SB 1358 authorizes a state agency to award a contract for the acquisition of advertising or marketing services that has an estimated value of less than \$350,000 to an ethnic or community media outlet, as long as the agency obtains price quotations from two or more community media outlets. Finally, SB 1358 requires state agencies to direct at least 40 percent of their annual advertising spending to ethnic and community media outlets.

Fiscal Impact:

- OCPSC notes ongoing General Fund costs of approximately \$2.5 million to sustain its operations, as the proposed 2026-27 Governor's Budget does not provide funding to maintain the office beyond June 30, 2026. These costs would cover three full-time positions (Manager II, Information Officer I, and AGPA), along with equipment, office space, and other operating expenses required to meet the bill's mandates.
- Unknown, potentially significant costs to state agencies to report on and redirect advertising expenditures. Actual fiscal impacts will vary based on the extent to which an entity already utilizes ethnic and community media partners and availability of such outlets to meet the entity's operational needs and specific mandates. Fiscal impacts may range from absorbable to hundreds of thousands of dollars per entity (General Fund and various special funds).

Background: The OCPSC's core role is to serve as the state's central hub for communicating with Californians, particularly hard-to-reach or underserved populations, about high-priority issues such as public health. The office accomplishes this by coordinating statewide campaigns, bunding and partnering with community-based organizations, and building a network of trusted organizations who can deliver culturally and linguistically appropriate information directly to communities.

Proposed Law:

- Authorizes state agencies to award a contract for the acquisition of advertising or marketing services that has an estimated value of greater than \$5,000, but less than \$350,000 to an ethnic or community media outlet, as long as the agency obtains price quotations from two or more ethnic or community media outlets.

- Requires the office to establish and maintain a database of ethnic and community media outlets and requires the office to publish guidelines setting forth a process for outlets to apply to be listed and certified within this database.
- Authorizes the office to engage nonprofit news outlets and organizations to assist in strengthening the sector and ensuring diverse and wide representation across the state.
- Authorizes the office to hold one or more annual trainings for public information and communication officers and other state employees responsible for purchasing advertising to ensure a common understanding of the diverse media ecosystem and best practices for equitable outreach.
- Requires a state agency issuing a request for proposal for marketing or advertising services that requires outreach to priority populations, to provide an awarded vendor with a copy of the Ethnic and Community Media Database and require the vendor to prioritize outlets included in the database in their media buying plan.
- Requires state agencies to direct at least 40 percent of their annual advertising spending to ethnic and community media outlets.
- Requires the small business liaison, for each state agency that is required to have a small business liaison, to assist the agency in complying with the provisions of this bill and shall work with local community groups and organizations to identify additional ethnic and community media outlets for including in the database.
- Requires the office, on or before July 1, 2027, and annually thereafter, to submit to the Governor and the Legislature and publish on its internet website, a report that identifies all of the following:
 - Each state agency that paid for placement of marketing or outreach advertising material pursuant to a contract.
 - The amounts paid by each state agency to each media platform pursuant to a contract, including pursuant to a subcontract if the information is available, to place marketing or outreach material.
 - The recipients of the amounts paid by each state agency to media platforms, including any subcontractors if the information is available, with which the agency contracted or subcontracted to place marketing or outreach advertising materials.
 - The information required above shall be further disaggregated to report information on contracts if the information is available, for both of the following:
 - The placement of marketing or outreach advertising material targeting specific ethnic communities, including, but not limited to priority populations.

- The placement of marketing or outreach advertising material by ethnic and community media outlets.
 - Recommendations for best practices based on successful state agencies.
- States legislative findings and declarations.

Staff Comments: Costs for impacted agencies will vary depending on their advertising needs and current contracting practices. For comparison:

- The Department of Transportation (Caltrans) anticipates costs in the low hundreds of thousands of dollars for additional staff to meet reporting requirements. Additionally, Caltrans notes that the 40 percent minimum expenditure mandate may not be feasible. To comply, the department would have to shift away from its heavy reliance on outdoor advertising; meaning Caltrans would either need to cut these campaigns or significantly increase other spending on non-outdoor advertising to balance the ratio. Additionally, the department notes the mandate is difficult to meet because advertisements in mainstream print media are often far more expensive than those in targeted ethnic or community-based publications, which may also skew its expenditure ratio. Lastly, Caltrans notes that there may be an insufficient number of eligible outlets to fulfill the mandate, which could lead to a reduction in advertising through other government entities, such as public transit.
- The California Highway Patrol (CHP) anticipates minor and absorbable costs for workload associated with data collection and tracking. Costs to meet the minimum expenditure mandate are estimated between tens of thousands and hundreds of thousands of dollars, depending on contract length and scope. CHP also notes concerns regarding the availability of vendors to meet its specific needs.
- The Employment Development Department notes unknown, but likely significant cost pressures to comply with the bill's annual reporting and minimum expenditure requirements.
- The Department of Technology, Governor's Office of Business and Economic Development, Office of Emergency Services, California Natural Resources Agency, Department of General Services, Department of Justice, and Office of Traffic Safety anticipate either absorbable or no direct fiscal impacts.

While resource requirements will vary by agency, if even a few state entities incur fiscal impacts in the hundreds of thousands of dollars, then the bill's total statewide costs may reach into the millions of dollars.

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