Office of Senate Floor Analyses
(916) 651-4171

UNFINISHED BUSINESS

Bill No: SB 172
Author: Committee on Budget and Fiscal Review
Amended: 6/26/26
Vote: 21

SENATE FLOOR: 28-10, 3/20/25
AYES: 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
NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
NO VOTE RECORDED: Reyes, Stern

ASSEMBLY FLOOR: 6/29/26 – Roll call not available.

SUBJECT: State Government

SOURCE: Author

DIGEST: This general government trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2026.

Assembly Amendments of 6/26/26 delete the senate version of this bill and instead add the current language.

ANALYSIS: This bill makes various statutory changes to implement the general state government provisions of the Budget Act of 2026. Specifically, this bill makes the following statutory changes:

1) Transfers the California Education Learning Lab from the Governor's Office of Land Use and Climate Innovation to the Government Operations Agency and codifies program details.

2) Creates an Enterprise Fund related to the Middle Mile Broadband Initiative at the California Department of Technology for the receipt of Initiative Revenues and includes Joint Legislative Budget Committee notification provisions for certain contracts related to the Middle Mile Broadband Initiative Program.

3) Exempts certain expenditures for specified categories of administrative costs from the statutory 5 percent limitation on indirect costs from the Department of Food and Agriculture Fund.

4) Provides that the Department of Food and Agriculture shall provide clerical services to the State Race Track Leasing Commission.

5) Sunset the existing exemptions for Fi$cal onboarding processes that exist through the California Department of Technology, as FI$Cal is no longer an IT project.

6) Repeals a disclosure requirement which was previously printed on tax bills for certain properties related to SB 989 (Hertzberg) Chapter 712, Statutes of 2022.

7) Includes statutory changes related to Middle Eastern and North African Inclusion Act (MENA Inclusion Act) relating to delayed implementation, deidentification, and certain other technical and clarifying provisions.

8) Continuously appropriates the Victims of Consumer Fraud Restitution (VCFR) Fund to the Attorney General. The VCFR Fund was established by AB 1366 (Maienschein), Chapter 686, Statutes of 2023 to receive restitution intended for victims of consumer fraud, but the Department of Justice does not currently have authority to distribute funds out of the account.

9) Includes the following statutory changes related to the Next Generation 911 project at the Office of Emergency Services (OES):
    a. Requires an independent technical evaluation before OES issues a request for proposals or awards a long-term Next Generation 911 contract. Specifically, the evaluator shall do all of the following:
        i. Describe and assess options to deliver cost-effective, safe, and reliable Next Generation 911 system services to the state.
        ii. Identify a recommended option.
        iii. Provide a preliminary report by December 15, 2026.

    iv. Provide a final report by May 1, 2027.
  b. Makes various changes to the State 911 Advisory Board, including having the board members elect a chair and allowing the board to make formal recommendations.
  c. Requires specified quarterly reporting on the project.

10) Establishes the Office of Regional Economic Development Initiatives within the Governor's Office of Business and Economic Development (GO-Biz) to support regional partners in developing, maintaining and implementing their regional economic development strategies.

11) Requires local jurisdictions to submit specified portions of their Annual Progress Reports to the Governor's Office of Land Use and Climate Innovation (GO-LCI), using standards, forms, and definitions adopted by GO-LCI.

12) Authorizes the Governor's Office of Land Use and Climate Innovation (GO-LCI) to charge fees for the submission documents pursuant to the California Environmental Quality Act (CEQA) to offset the cost of operating the CEQA Clearinghouse database. Permits GO-LCI to include additional planning, permitting, funding, and procurement information in the database "for the purposes of facilitating efficient and informed decision-making by public agencies and members of the public."

13) Codifies the Farm to School program within the Department of Food and Agriculture as the "Farm to School Act".

14) Includes statutory changes related to procurement processes and efficiencies at the Department of General Services, including changes relating to software license purchases, electronic submissions, certifications, and departmental access to Architectural and Engineering Services.

15) Includes statutory changes allowing for fee increases at the State Athletic Commission.

16) Eliminates the sunset date of December 31, 2030, for the Projected Temporary Surplus Account, making the account permanent.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: Yes

This bill would require transfers and expenditures related to continuously appropriated funds and the provisions of this bill are necessary to implement the requirements of the 2026-27 Budget.

SUPPORT: (Verified 6/26/26)

None received

OPPOSITION: (Verified 6/26/26)

None received

Prepared by: Jessica Uzarski / B. & F.R. / (916) 651-4103
6/29/26 14:08:35

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