



**RCRC**  
*THE RURAL  
RUNDOWN*

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**A SUMMARY OF THE  
2023-24 STATE BUDGET  
PACKAGE**

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## RCRC'S SUMMARY OF THE 2023-24 STATE BUDGET PACKAGE

On Tuesday, June 27<sup>th</sup>, the Legislature approved and sent to the Governor for signature, a series of measures to “fill out” Senate Bill 101 (Skinner), the Budget Bill framework approved by the Legislature on June 15, 2023. Senate Bill 101 contains the initial budget agreement reached between the two houses, which met the Legislature’s obligation to approve a budget by June 15<sup>th</sup> in order to ensure uninterrupted salary disbursement. The Governor signed SB 101 the evening of Tuesday, June 27<sup>th</sup>. This issue of *The Rural Rundown* captures highlights of the budget bill juniors and trailer bills, approved by the Legislature on June 27<sup>th</sup>, as they effect RCRC member counties.

As noted above, SB 101 enacted the main budget framework for 2023-25 as well as set the foundation for ongoing negotiations between the Legislature and the Governor. Interestingly, the roughly \$31.5 billion deficit did not end up being the biggest obstacle to reaching a budget deal. The most contentious component reportedly revolved around the Governor’s push for a series of proposals accelerating infrastructure development, including the Delta Conveyance facility (raising the ire of Delta-area legislators, environmental representatives and others in the Delta).

Tuesday’s actions reflect a compromise that, while it jettisoned the controversial Delta project, did include “streamlining environmental review” for other infrastructure projects, allowing an agreement to be reached. The inclusion of these provisions continues the trend of using the budget for policy changes that, otherwise, would have gone through the more transparent legislative committee process.

### Overview

The agreement reached between the Governor and the Legislative leadership over the past few days reflects a “final” state budget for the 2023-2024 fiscal year that begins on July 1, 2023. Despite the Administration’s assertion that California is likely to avoid a recession, the Legislative Analyst continues to express concern that this Budget increases the prospect of larger budget deficits in the out years by as much as another \$100 million through 2026-27.

As part of the agreement, a raft of budget-related measures were introduced over the past weekend and, while most pertain to the Budget, roughly 500 “special projects” are receiving appropriations totaling approximately \$750 million. For a list of some of those projects in RCRC jurisdictions, see the Attachment [here](#).

### **Update June 30, 2023**

Housing and Homelessness was taken up in the Legislature on Thursday, June 29<sup>th</sup>. That issue area has been added to this latest edition (page 3). Infrastructure remains to be addressed early next week. An update will be provided once action has been taken.

For additional detail about the 2023-24 State Budget Package, [see here](#) for analysis by RCRC’s advocacy partners, *Hurst Brooks Espinoza, LLC*.

In the meantime, the following highlights reflect changes from or additions to the June 15<sup>th</sup> framework, to date, broken down by issue areas.

## **California Environmental Quality Act (CEQA)**

The 2023-2024 Budget Package exempts from CEQA:

- Actions of the Office of Planning Research and subsidiary entities to provide financial assistance for planning, research, or project implementation related to land use or climate resiliency, adaptation, or mitigation projects if the projects funded will be reviewed by another public agency pursuant to CEQA or a tribe. (Assembly Bill 127)
- The provision of 1,200 emergency sleeping cabins by the Department of General Services to Sacramento and San Diego Counties and the Cities of San Jose and Los Angeles. (Assembly Bill 127)
- The demolition, refurbishment, and construction related to converting San Quentin Prison into a rehabilitation facility. (Senate Bill 133)

## **Community & Economic Development**

### **Broadband**

The 2023-24 State Budget Package is consistent with the Governor's Proposed Budget released in January. Specifically, the State Budget Package allocates (Assembly Bill 102):

- \$175 million to the Loan Loss reserve Fund, representing the total amount in the fund of the originally committed amount of \$750 million.
- \$252.6 million General Fund to the Federal Funding Account, representing a decrease of \$550 million to the amount previously committed to in SB 156 (Chapter 112, Statutes of 2021).

Additionally, The State Budget Package requires that the California Public Utilities Commission maintain the equal funding of Urban and Rural counties within the \$2 billion Federal Funding Account through September 30, 2024. (Assembly Bill 127)

### **Energy**

The 2023-24 State Budget Package directs all previously appropriated Self-Generation Incentive Program (SGIP) funds to low-income residential customers who install solar systems paired with energy storage systems or energy storage systems, thereby excluding non-low-income customers from eligibility. (Senate Bill 123)

The 2023-24 State Budget Package provides \$280 million for these projects, which is a reduction from the \$900 million planned in last year's budget. (Assembly Bill 102)

## **Forest and Public Lands Stewardship**

- The 2023-24 State Budget Package reduces funding available to CAL FIRE for defensible space programs by \$25 million. (Assembly 102)
- For victims of the Kincade Fire in Sonoma County and the Zogg Fire in Shasta and Tehama Counties, the 2023-24 State Budget Package provides tax exemptions for settlement amounts received from Pacific Gas & Electric. (Senate Bill 131)

## **Health Care and Social Services**

**Managed Care Organization (MCO).** The 2023-24 State Budget Package provides \$2.7 billion of reimbursement rate increases and other investments annually beginning in 2025 through 2029, from the managed care organization (MCO) funding mechanism. The MCO package also includes \$50 million one-time for assistance for small rural hospital seismic improvements and \$150 million more (in addition to \$150 million previously appropriated) for the Distressed Hospital Loan Fund. (Senate Bill 118/Assembly Bill 119)

**In-Home Supportive Services (IHSS).** The 2023-24 State Budget Package includes a potential IHSS collective bargaining penalty. Beginning October 1, 2023, the amount of the 1991 Realignment funding withholding would increase to 10% of a county's prior fiscal year *IHSS Maintenance of Effort* requirement and would require that the withholding continue once each fiscal year, until the county enters into a collective bargaining agreement. (Assembly Bill 120)

## **Housing and Homelessness**

The State Budget Package includes \$1 billion in funding for the Homeless Housing Assistance and Prevention (HHAP) program for fiscal year 23-24 and states the Legislature's intent to appropriate an additional \$1 billion next fiscal year. Additionally, the State Budget Package requires HHAP applicants to coordinate regionally and submit a plan that identifies the roles and responsibilities of each jurisdiction in the regional collaboration. In fiscal year 2024-25, supplemental awards of HHAP and Homekey funding will be contingent on an approved regional plan and a compliant housing element. (AB 129)

## **Public Safety, Emergency Management, and Criminal Justice**

The 2023-24 State Budget Package declares Legislative intent to close additional prisons and requires the Department of Corrections to submit reports to the Legislature assessing its facility needs to aid the Legislature in decisions relating to prison closure. (Assembly Bill 134)

**Juvenile Justice.** The 2023-24 State Budget Package:

- Authorizes use of remote technology in juvenile justice proceedings until July 1, 2026. (Senate Bill 133)
- Provides that biennial inspections of juvenile ranches, camps, forestry camps, and secure youth treatment facilities must comply with the inspection provisions regarding jails and juvenile halls. (Assembly Bill 134)
- Prohibits a person who is 25 years of age or older, or a person who was, prior to July 1, 2023, sentenced to state prison and was found to be a ward of the court and committed to the Division of Juvenile Justice, from being detained in a county juvenile facility, unless the court finds that such commitment or detention is in the best interest of that person and does not find that it would create a risk to the other youth in the juvenile facility. (Assembly Bill 134)
- Specifies where a person 25 years of age or older, a person who was, prior to July 1, 2023, sentenced to state prison and was found to be a ward of the court and committed to the Division of Juvenile Justice, may be committed or detained. (Assembly Bill 134)
- Authorizes a juvenile to have sight or sound contact with other juveniles. (Assembly Bill 134)
- Prohibits an incarcerated adult who is detained in a juvenile facility from having sight or sound contact with juveniles under 18 years of age. (Assembly Bill 134)
- Provides that biennial inspections of juvenile ranches, camps, forestry camps, and secure youth treatment facilities must comply with the inspection provisions regarding jails and juvenile halls. (Assembly Bill 134)
- Prohibits a baseline term of confinement for youth transferred from the Division of Juvenile Justice and committed to a secure youth treatment facility from exceeding a youth's projected juvenile parole board date. (Assembly Bill 134)

**Courts.** The 2023-24 State Budget Package:

- Extends, until January 1, 2026, the authorization for remote proceedings for various types of conferences, hearings, proceedings, and trials in civil cases and additionally allows remote proceedings for adoption finalization hearings, involuntary treatment and conservatorship of gravely disabled persons, contempt proceedings, placement and revocation proceedings, involuntary medication and treatment hearings, competency proceedings, etc. (Senate Bill 133)
- Repeals the authority for courts to require a person who was a minor at the time of committing a misdemeanor to reimburse the court, city, and county for costs

associated with acting on a petition to seal that person's records in the case. (Assembly Bill 134/Senate Bill 134)

- Provides \$1.2 million to backfill trial courts (\$826,000) and counties (\$374,000) for those revenue losses. (Assembly Bill 102)

## **Water**

The 2023-24 State Budget Package:

- Adds "aquifers" to the definition of "natural infrastructure" for the purposes of implementing the state's 30x30 conservation program. (Senate Bill 122)
- Provides exemptions from water right for diversion of floodflows for groundwater recharge under certain conditions and limited CEQA exemptions for the implementation of Colorado River water conservation agreements with the US Bureau of Reclamation. (Senate Bill 122)
- Reduces the \$310 million to SWRCB for purposes of water recycling originally approved in Assembly Bill 101 to \$32 million. (Assembly Bill 102)

**Flood.** The 2023-24 State Budget Package establishes the Dam Safety and Flood Management Grant Program which (Senate Bill 122):

- Requires DWR to develop and administer the Dam Safety and Climate Resilience Local Assistance Program (Program);
- Specifies that the Program provides state funding for repairs, rehabilitation, enhancements, and other dam safety projects at existing state jurisdictional dams and associated facilities, subject to prescribed criteria;
- Requires DWR to develop and adopt program guidelines and project solicitation documents before disbursing any grant funds; and
- Requires a grant cost share of at least 50 percent for projects funded pursuant to the Program, except as provided.

## **Solid Waste and Recycling**

The 2023-2024 State Budget Package alters the way pharmaceuticals and sharps stewardship organizations are billed to ensure that funds are always available to cover the costs of participants in the program. (Senate Bill 122)

## **Transportation**

The 2023-24 State Budget Package significantly amends Department of Transportation's Clean Transportation Program by requiring 50% of all program funds be expended on programs and projects that directly benefit or serve residents of low-income or disadvantaged communities, and low-income Californians, including those programs that support adoption of charging infrastructure at single and multifamily residences; programs that promote car & van pooling, and zero-emission transit; programs for electrification of school buses; programs that support the deployment of clean medium- and heavy-duty vehicles; and programs that create high quality jobs relating to electrification and emissions reduction of passenger and commercial vehicles. (Senate Bill 125)

## **Wildlife**

- The 2023-24 State Budget Package includes language previously proposed in Assembly Bill 1008 (Bauer-Kahan) establishing the Western Joshua Tree Conservation Act. (Senate Bill 122)
  - The Act places requirements on project developers to permit and mitigate incidental take of the western Joshua tree, as well as to develop a conservation plan to avoid and minimize a take of the species.
  - The Act authorizes a per-tree fee to be paid in lieu of project-specific mitigation and allows for the California Fish and Game Commission to make a listing determination under the California Endangered Species Act.
- The 2023-24 State Budget Package restores \$17 million to California Fish and Wildlife Department for Monterey fish screens. (Assembly Bill 102)

### **AB 102 Budget Bill Junior**

- Provides \$11 million to GO-Biz to address barriers throughout the energy resource development process for local agencies, including navigating permitting processes and requirements.
- Provides \$103 million for the CalCompetes Grant Program and \$20 million for small agricultural businesses impacted by recent storms.
- Provides \$24.6 million for Salton Sea restoration activities.
- Provides \$180 million to the Natural Resources Agency for projects and programs that improve environmental conditions to promote recovery of native fish species in the Sacramento-San Joaquin watershed, including habitat restoration projects, multi-benefit projects that promote native species improvements while increasing climate resiliency, and projects that enable water users to make additional flows available for environmental purposes.
- Provides \$5 million to acquire conservation easements on lands surrounding the Diablo Canyon Power Plant.
- Provides \$298.2 million for sea-level rise adaption and coastal resilience projects and \$54.5 million to the Ocean Protection Council for regional support related to sea level rise.
- Provides \$50 million for oil well abandonment and remediation activities.
- Reduces from \$25 million to \$20 million the amount of funding allocated to CalFire for local assistance fire prevention projects and eliminates the ability to use that funding for defensible space.
- Eliminates \$6 million in grants for boat launching facility projects.
- Provides \$75 million for grants, rebates, and other financial assistance to reduce agricultural sector emissions from harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other diesel equipment.
- Provides \$260 million for demolition, refurbishment, and construction at San Quentin Prison.
- Provides funding for roughly 500 “legislative priority” projects related to parks, resources, water, public safety, housing, human services, arts and culture, education, transportation, and community investment projects, **including the following in RCRC Counties:**

#### **Resources**

- \$1 million for the Santa Maria Sports Complex (**Santa Barbara County**)
- \$425,000 for the Buelton Santa Ynez Regional Trail (**Santa Barbara County**)
- \$750,000 for the Goleta Stowe Grove Park Playground (**Santa Barbara County**)
- \$310,000 for a community park in Santa Nella (**Merced County**)
- \$1.25 million for **Sonoma County’s** Larson Park Renovation



- \$1.5 million for the Great Redwood Trail Agency for trail construction, community outreach, and pre-trail development activities (**Humboldt, Marin, Mendocino, Sonoma, and Trinity Counties**)
- \$2.123 million for the Community Alliance with Family Farmers
- \$500,000 for the Rocklin Sunset Whitney Connector Bridge (**Placer County**)
- \$1.1 million for **Madera's** Lions Town & Country Park and \$500,000 for trail upgrades at the park
- \$3.5 million for **Merced County** for the Franklin-Beachwood Public Park
- \$250,000 for an Anderson Valley Skate Park (**Mendocino County**)
- \$750,000 for **San Luis Obispo County** for staffing resources for offshore wind development
- \$500,000 for **Santa Barbara County's** acquisition of the Gaviota Overlook
- \$500,000 for **Santa Barbara County's** Heal the Oceans geological study
- \$1.62 million for **Santa Barbara County's** Regional Climate Collaborative
- \$1.25 million to CalFire for an Urban Forestry in Schools Grants Program

### **Water**

- \$1.236 million for **San Luis Obispo County** repairs of Arroyo Grande Creek Levee
- \$300,000 for City of Morro Bay for storm drain replacement (**San Luis Obispo County**)
- \$500,000 to **San Luis Obispo County** for the Salinas Dam Feasibility Study

### **Public Safety**

- \$1.1 million for structural upgrades for City Hall and Public Safety Building in Guadalupe (**Santa Barbara County**)
- \$378,539 for a water tender for the Clarksburg Fire Protection District (**Yolo County**)
- \$750,000 for a marine rescue boat (**Santa Barbara County**)
- \$4 million for the Merced Fire Station and Emergency Operations Center (**Merced County**)
- \$215,000 for the Southern **Trinity** Health Services Ambulance Service
- \$1 million for the **El Dorado County** Fire Protection District for a combined fire and public safety building
- \$950,000 for upgrades to the **Madera** Mobile Command Center
- \$3.5 million for development and improvement of major emergency evacuation routes and firefighter access in rural **Napa County** communities

- \$1 million for City of **Tulare** fire engine replacement
- \$230,000 for **Monterey County** for a Carmel River flooding impact study
- \$1 million for wildfire prevention and eucalyptus tree removal in **Monterey County**
- \$2 million for **Humboldt County** Fire Chiefs Association to purchase new wildland firefighting apparatus
- \$1 million for **Sonoma County** Fire District to purchase new wildland firefighting apparatus
- \$1 million for **Lake County** for hazardous tree removal
- \$3 million for construction of a new fire station in Williams (**Colusa County**)

### Housing

- \$225,000 for the Recovery Café in West Sacramento (**Yolo County**)
- \$2 million for **Sonoma County's** Tierra de Rosas Infrastructure Project
- \$500,000 for **Tulare County** Homeless Housing
- \$1 million for Habitat for Humanity of **Butte County**
- \$1.435 million for Life Plan **Humboldt**
- \$84,000 for lighting improvement on Old Fisherman's Wharf in **Monterey**
- \$1 million for the Casa Roseland Project in **Sonoma County**

### Human Services

- \$1 million to City of Marina for a senior center (**Monterey County**)
- \$1.5 million for **Monterey County's** Marina clinic
- \$590,000 to **Santa Barbara County** for the Welcome Every Baby program
- \$487,848 for **Yolo County's** Meals on Wheels program
- \$1 million to **Kings County** for the Kings Community Action Organization Food Bank and Housing
- \$1 million to **Sonoma County** for the Center for Food, Youth, and Community
- \$3 million for Imperial City's Corridor Safety Improvements Project (**Imperial County**)

### Arts and Culture

- \$2.285 million for **Santa Barbara County's** Lompoc Theater Project

### **Community Investments**

- \$1.5 million for modernization of **Trinity County** Veterans Memorial Hall
- \$3.5 million for **Solano County** radio interoperability and infrastructure improvements and early learning facilities
- \$2 million for an asylum seeker/migrant facility in Calexico (**Imperial County**)
- \$450,000 for Grizzly Flats Community Services District Caldor Fire recovery (**El Dorado County**)

### **Education**

- \$1.2 million for **Yuba** Community College District for STEM Building Modernization
- \$1.5 million for **Napa** Valley College Foundation for construction of a technical education center
- \$1.5 million for Santa Rosa Junior College Foundation for a fire academy and firefighter training tower (**Napa County**)
- \$5 million for the **San Benito** High School Cafeteria
- \$1 million for establishment of an apprenticeship program for the laser tech industry in **Santa Barbara County**
- \$1 million for the North Bay Construction Corps program expansion (**Sonoma County**)

### **Transportation**

- \$1 million for Elkhorn Sea Level Rise Resiliency (**Monterey County**)
- \$500,000 for pedestrian safety related projects in St. Helena (**Napa County**)
- \$1 million for Reimagine Bridge Street Town of Truckee (**Nevada County**)
- \$1 million to pave roads in unincorporated **Tulare County**
- \$2.3 million for **Amador County** repairs and safety improvements
- \$1.5 million for **Sonoma** Marin Area Rail Transit