



## **2024-25 Budget Package Highlights**

June 14, 2024

On Thursday, June 13 (ahead of the constitutional deadline of June 15th to pass a balanced budget for the next fiscal year), the Legislature passed the Budget Act of 2024 (Assembly Bill 107), as well as two additional budget related bills, Senate Bill 154 (Suspension of Proposition 98) and Senate Bill 167 (Taxation and Revenues). These measures now head to the Governor's Desk, where he must act by June 27th. While the 2024-25 fiscal year begins July 1st, the result of ongoing budget negotiations may be reflected in a "budget bill junior" (likely AB/SB 108) or in other budget related bills, known as budget trailer bills.

Below are some key highlights, by topic area, that may be of interest to California's rural counties:

### **Agriculture**

- Provides \$25 million General Fund and \$28.8 million Federal Trust Fund authority to address invasive fruit fly infestations.

### **Air Quality**

The 2024-25 State Budget Package includes numerous funding allocations, shifts and cuts for programs under the California Environmental Protection Agency umbrella. Included are the following:

#### **California Air Resources Board.**

The 2024-25 State Budget Package adopts a 5-year Greenhouse Gas Reduction Fund (GGRF) spending plan and \$5.2 billion in fund shifts. Notable items for the California Air Resources Board (CARB) include:

- \$250 million per year for AB 617 implementation for the next five years.
- \$1.1 million from the Air Pollution Control Fund to enable CARB to implement and enforce the In-Use Off-Road Diesel-Fueled Fleets Regulation.
- \$3.8 million to support the expanded use of the Exceptional Events rule and the extension of the Prescribed Burn Reporting and Monitoring Grant Program to continue to meet the state's prescribed fire goals.
- \$220,000 implement Zero Emission Vehicles for Public Agency Utilities: Chapter 585, Statutes of 2023 (AB 1594).

### **Community and Economic Development**

- **Broadband.** Eliminates the Loan Loss Reserve (LLR) Program (Assembly Bill 107). This is consistent with the Governor's May Revision. Early action in April had decreased the funding to the LLR program by \$175 million in prior year funding, leaving only Fiscal Year 2024-25 proposed appropriation in the program.

### **Energy**

- Delays \$400 million for Clean Energy Reliability.
- Reduces funding for distributed electricity backup systems by \$25 million
- Reduces funding for residential solar and storage projects by \$125 million.
- Rejects \$400 million in loan funding for PG&E's reoperation of the Diablo Canyon nuclear powerplant.

### **Forest and Public Lands Stewardship**

The 2024-25 State Budget Package preserves approximately 95 percent of the original funding for wildfire and forest resilience programs, retaining around \$2.7 billion for those programs. RCRC continues to encourage the state to maintain investments in forest and public lands stewardship, including wildfire and forest resilience programs benefiting rural communities.

Of the dollars set aside for 2024-25, the major proposed funds, reductions and funding shifts in the 2024-25 State Budget Package for all forest and public lands stewardship programs include:

#### **Department of Forestry and Fire Prevention (CAL FIRE).**

- A \$25 million cut from the Post-Fire Reforestation Grant Program.
- \$43 million in General Fund and other funds to support five and crews on a one-year basis.
- \$199 million to begin implementing a shift to a 66-hour workweek to honor a memorandum of understanding with Unit 8.
- Shifts \$20 million General fund to the Greenhouse Gas Reduction Fund (GGRF) for the Prescribed Fire Liability Pilot Program.
- Shifts \$10 million General fund to the GGRF for Tribal Wildfire and Forest Resilience.
- Cuts \$300,000 in unencumbered funds from the California Vegetation Treatment Program (CalVTP).
- Cuts \$3.2 million in unencumbered funds from Forest Health Grants.
- Shifts \$82 million General Fund to the GGRF for Fire Prevention Grants.
- Shifts \$26 million General Fund to the GGRF for Unit Fire Prevention Projects.
- Cuts \$5.3 million in Prescribed Fire and Hand Crews.

- \$7,619,000 Public Building Construction Fund for the performance criteria phase of the Sonoma Lake Napa Unit Headquarters and Glen Ellen Fire Station: Relocate Facility project, located in Sonoma County.
- Authorizes \$124.7 million in Reimbursement authority to CalFire to account for non-state entity reimbursements from government agencies that contract with CalFire.
- \$1,454,000 General Fund for the preliminary plans phase of the Boggs Mountain Helitack Base: Relocate Facility project, located in Lake County.
- \$640,000 General Fund for the preliminary plans phase of the Hayfork Fire Station: Replace Facility project, located in Trinity County.
- \$2,446,000 General Fund for the working drawings phase of the Hollister Air Attack Base/Bear Valley Helitack Base: Relocate Facilities project, located in San Benito County.
- \$3,952,000 Public Buildings Construction Fund for the working drawings phase of the Humboldt-Del Norte Unit Headquarters: Relocate Facility project, located in Humboldt County.
- \$18,636,000 Public Buildings Construction Fund authority for the construction phase of the Parkfield Forest Fire Station: Relocate Facility project, located in Monterey County.
- \$1,945,000 General Fund for the construction phase of the Rohnerville Air Attack Base: Replace Fuel System project, located in Humboldt County.
- \$11,042,000 General Fund to repay the interim financing loan for the construction phase of the Ishi Conservation Camp: Replace Kitchen project.
- Withdraws Governor's proposal for \$57,623,000 Public Buildings Construction Fund for the construction phase of the Butte Fire Center: Replace Facility project, located in Butte County.

#### **Department of Conservation.**

- Provides \$7.5 million for FY 2024-25 and 2025-26 from the Oil, Gas, and Geothermal Administrative Fund (3046) to implement the mandates of recent chaptered legislation associated with conducting state abandonments to plug and abandon hazardous and idle deserted wells, decommissioning of facilities, and site remediation. Adopt alternative Trailer Bill Language clarifying that the General Fund provided in the 2022-23 fiscal year shall qualify as the state match for the \$7.5 million to be provided in the 2025-26 fiscal year from OGGAFA
- A \$5.7 million reduction from the Multi-benefit Land Repurposing Program.
- A \$7 million reduction from the Climate Smart Land Management program.

#### **Department of Fish and Wildlife.**

- Shifts \$17.2 million General Fund to Greenhouse Gas Reduction Fund for Wetlands Restoration.
- Delays \$16 million General Fund from 22-23 to 26-27 for Wildlife Corridors and Fish Passage/ Fish and Wildlife Protection.

- Abolishes the Coastal Wetlands Fund and transfers the remaining fund balance to the General Fund, as revenue no longer comes into this Fund.
- Provides \$2.4 million from the Fish and Game Preservation Fund - Habitat Restoration and Enhancement Dedicated Account in 2024-25 with an extended encumbrance period through June 30, 2026, and an extended liquidation period through June 30, 2031, to support golden eagle conservation.
- \$2.0 million from the Timber Regulation and Forest Restoration Fund (TRFRF) in 2024-25 and ongoing to support the Department's facilitation of and participation in statewide forest health and fire-resiliency initiatives.
- Provides one-time funding of \$7.64 million from the Environmental Enhancement Fund in 2024-25 with an extended encumbrance period through June 30, 2026, and an extended liquidation period through June 30, 2031, to allow the Department to meet the needs of grant applicants completing habitat restoration work and follow necessary administrative and grant award timeline.
- Does not include funding for the Gray Wolf Compensation Program.

### **State Parks.**

- \$29 million in 2024-25 from the Off-Highway Vehicle (OHV) Trust Fund for local assistance grants.
- A \$75 million cut from the Outdoor Equity Grants Program.
- A \$10 million cut from the Recreation Trails and Greenways Program.
- \$5 million in 2024-25 from the Natural Resources and Parks Preservation Fund and \$51 million in reimbursement authority phased over the next two years (\$5 million in 2024-25) to address damages and rebuilding efforts related to 2023 and 2024 winter storms, including Hurricane Hillary.
- A \$3.4 million supplemental appropriation from California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection (Proposition 40) bond funds, set-aside specifically for the California Indian Heritage Center (CIHC) project in Yolo County, under Public Resources Code Section 5096.652(a)
- \$300,000 Harbors and Watercraft Revolving Fund (HWRF) in 2024-25 and ongoing to continue constructing and delivering Americans with Disabilities Act (ADA) compliant floating restrooms to California's lakes and reservoirs to help protect these waters from contamination by recreational boater sewage.
- \$360,000 Winter Recreation Fund (WRF) and one permanent position in 2024- 25 and ongoing to accommodate unmet visitor services workload at SNO-Parks, as well as project backlogs and cost increases for ongoing contracts.

### **Health and Human Services**

- **CalWORKs, Child Welfare Services, Adult Protective Services.** Makes adjustments to the May Revision to retain or modify rather than eliminate funding for several county provided programs, including CalWORKs Single Allocation and Family Stabilization, Foster Care caregiver approvals, the Family Urgent Response System, and Adult Protective Services Expansion.

- **CARE Act.** Adopts downward adjustments proposed in the May Revision to CARE Act implementation funding levels to reflect lower-than-anticipated referrals.
- **Community Corrections Performance Incentive Program.** Provides \$116.1 million General Fund in 2023-24 for county probation departments for the Community Corrections Performance Incentive Grant and reverts to the previous methodology for calculating incentive payments for counties beginning in 2024-25 as specified in existing statute.
- **Public Defender Funding.** Funds \$40 million in 2023-24 for the third and final year of the Public Defense Pilot Program.
- **Public Health.** Fully retains \$300 million annually for public health investments at the local (\$200 million) and state level (\$100 million). Also rejects a proposed reversion of \$52.5 million in prior year Foundation for the Future of Public Health Savings.
- **Post Release Community Supervision.** Adopts May Revision proposal to eliminate one-time PRCS funding (\$4.4 million) for county probation departments for the temporary increase in the number of offenders released from prison pursuant to Proposition 57.

### **Other**

- Provides \$73.5 million to backfill Education Revenue Augmentation Fund revenues in San Mateo, Alpine, and Mono Counties.
- Provides \$25 million for the State Infrastructure Revolving Fund at IBank to provide low-cost loans to local government public works projects.

It should be noted, as in the past, this is budget legislation representing the Legislature's priorities in negotiations with the Governor. The June 15 deadline was created in a [1970 voter-approved measure](#) to require a legislative budget bill for gubernatorial action about two weeks before the start of the state fiscal year. In addition to the Budget Act, the legislature may also pass additional legislation, known as budget trailer bills. To learn more about the trailer bill content, visit the [Department of Finance](#) website where most of the content has been posted for the past several weeks or months. Although the trailer bills may address budget implementation, due to differences between the Legislative proposal and the Governor's proposed May Revise, the "serious" conversations between the Governor and Legislative leaders continue in private.