

Senate Bill No. 164

CHAPTER 41

An act to amend Sections 10167.3, 10208.5, 10209, 10210, 10213.5, 10213.6, 10215, 10226, 10232.1, 10249.3, 11011, 11018.7, 11022, and 11232 of, to amend, repeal, and add Section 208 of, to add Section 10227 to, to add and repeal Section 144.6 of, and to repeal Chapter 40 (commencing with Section 22949.85) of Division 8 of, the Business and Professions Code, to amend Section 14701 of, and to add Division 2.5 (commencing with Section 27500) to Title 4 of, the Corporations Code, to amend Sections 4454, 8263, 8265, 8270, 8272, 8303.3, 8770, 8880.5, 11549.52, 11549.54, 12100.151, 12907, 14844, 65025, 65028.2, 65035, 65037, 65038, and 65039 of, to amend the heading of Chapter 9.7 (commencing with Section 8770) of Division 1 of Title 2 of, to amend the heading of Chapter 1.5 (commencing with Section 65025) of Division 1 of Title 7 of, to amend the heading of Article 3 (commencing with Section 65037) of Chapter 1.5 of Division 1 of Title 7 of, to add Sections 8275.5, 8546.11, 65029, and 65039.5 to, to repeal Article 5.5 (commencing with Section 65052) of Chapter 1.5 of Division 1 of Title 7 of, to repeal Article 6 (commencing with Section 65055) of Chapter 1.5 of Division 1 of Title 7 of, and to repeal and add Chapter 5.6 (commencing with Section 8400) of Division 1 of Title 2 of, the Government Code, to add Section 131052.5 to, to add and repeal Sections 1338.6 and 114870.1 of, and to add and repeal Division 110 (commencing with Section 130300) of, the Health and Safety Code, to amend Section 161 of the Military and Veterans Code, to amend Section 10340 of, and to repeal Section 10196 of, the Public Contract Code, and to amend Section 18894 of the Revenue and Taxation Code, relating to state government, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 29, 2024. Filed with Secretary of State June 29, 2024.]

SB 164, Committee on Budget and Fiscal Review. State government.

(1) Existing law establishes in the Business, Consumer Services, and Housing Agency, the Department of Consumer Affairs. Under existing law, the department is composed of various boards, bureaus, committees, and commissions.

This bill would, until January 1, 2027, require the minimum number of hours, or equivalent, established in this state for education programs that qualify persons for any license issued by a board within the department, to be equal to the number of clock or credit hours that is approved by the department, as specified. The bill would require the applicable board, no later than January 1, 2027, to complete its review of a request by an

education program, as specified, to modify the program to reduce the program clock or credit hours, as provided.

(2) Existing law requires a Controlled Substance Utilization Review and Evaluation System (CURES) fee of \$9 to be assessed annually, at the time of license renewal, on specified active licensees to pay the reasonable costs associated with operating and maintaining CURES for the purpose of regulating those licensees. Existing law requires these fees to be deposited in the CURES Fund, which is subject to appropriation by the Legislature.

This bill, beginning April 1, 2025, would increase that fee to \$15.

(3) The Real Estate Law defines real estate brokers and salespersons and provides for their licensure and regulation, the administration of which is committed to the Real Estate Commissioner, the chief officer of the Department of Real Estate within the Business, Consumer Services, and Housing Agency. Existing law establishes the Real Estate Fund, a continuously appropriated fund, and, within that fund, a Consumer Recovery Account, which is funded by various fees and fines imposed on licensees, and is also continuously appropriated.

Existing law requires that a separate application for a license as a prepaid rental listing service be submitted to the department for each location to be operated by a licensee, other than a real estate broker, and that it be accompanied by a specified fee. Existing law requires an application and fee to be submitted to add or eliminate locations during the term of the license and requires that a particular amount of each application fee be credited to the Consumer Recovery Account. Existing law specifies the amount of the fees for a real estate broker license, including for an original license, an examination, and reexamination. Existing law authorizes the commissioner to establish the fees for applications for approval of equivalent courses of study given by a private vocational school, as specified. Existing law specifies the amount of the fees for a real estate salesperson license, including for the real estate salesperson license examination and reexamination. Existing law authorizes broker and salesperson applicants for examination to make written application for a new examination date, accompanied by specified fees. Existing law authorizes a real estate broker, before using any proposed advertisement, to submit a copy thereof to the department, accompanied by a fee, as specified. Existing law also authorizes an owner, subdivider, or agent, before using, publishing, distributing, or circulating an advertisement concerning subdivided lands, to submit the advertisement to the department for approval. Existing law requires the submission to be accompanied by a specified fee.

This bill would increase the amount of the above-described fees and make various nonsubstantive changes.

Existing law authorizes the commissioner to periodically by regulation prescribe fees lower than the maximum fees provided, as specified. Existing law requires the commissioner to hold at least one regulation hearing each calendar year, to determine if lower fees should be prescribed.

This bill would require the department, at the above-described hearing, to report on the financial status of the department, as specified, and to post

a hearing notice 15 days in advance of the hearing, as described. The bill would require the department, beginning January 1, 2025, before submitting a regulatory fee increase proposal, as specified, to conduct at least one meeting to which specified statewide membership organizations are invited. The bill would require the department to provide information related to the proposed fee increase, as provided, to the specified statewide membership organizations.

Existing law requires a person acting as a principal or agent who intends, in this state, to sell or lease or offer for sale lots, parcels, in interests in a subdivision situation outside of this state to register the subdivision with the commissioner. Existing law require the application for registration be accompanied by a specified filing fee. Existing law requires the commissioner to hold at least one regulation hearing each calendar year, to determine if lower fees should be prescribed.

This bill would increase the amount of the fees that may be charged for an application for registration, renewal of a registration, and amendment of a registration pursuant to the provisions described above. The bill would require the department, at the above-described meeting, to report on the financial status of the department, as specified, and to post a hearing notice 15 days in advance of the hearing, as provided.

Existing law requires any person who intends to offer subdivided lands within this state for sale or lease to file with the department an application for a public report consisting of a notice of intention and a completed questionnaire, as specified. Existing law specifies the filing fees for particular public reports issued pursuant to these provisions. Existing law requires the commissioner to hold at least one regulation hearing each calendar year, to determine if lower fees should be prescribed.

This bill would increase the amount of the filing fees for applications for original public reports, conditional public reports, and renewal and amendment of original and conditional public reports pursuant to these provisions, as specified. The bill would require the department, at the above-described meeting, to report on the financial status of the department, as specified, and to post a hearing notice 15 days in advance of the hearing, as provided.

Existing law provides that no amendment or modification of provisions in the declaration of restrictions, bylaws, articles of incorporation or other instruments controlling or otherwise affecting rights to ownership, possession, or use of interests in subdivisions that would materially change those rights of an owner, either directly or as a member of an association of owners, is valid without the prior written consent of the commissioner. Existing law requires an application for consent to be accompanied by a filing fee.

This bill would increase the amount of the filing fee that may be charged for an application for consent and make other nonsubstantive changes.

Existing law requires any person who, to any individual located in the state, sells, offers to sell, or attempts to solicit prospective purchasers to purchase a time-share interest, or any person who creates a time-share plan

with an accommodation in the state, to register the time-share plan with the commissioner, unless the time-share plan is otherwise exempt. Existing law, authorizes the commissioner, in connection with its review of the registration application of a time-share plan, to make an examination of any time-share property submitted for regulation and, unless there are grounds for denial, issue to the developed a public report authorizing the sale or lease of time-share interest within the submitted time-share plan. Existing law specifies the filing fees for an application for a public report issued pursuant to these provisions. Existing law requires the commissioner to hold at least one regulation hearing each calendar year, to determine if lower fees should be prescribed.

This bill would increase the amount of the filing fees for applications for original, renewal, amended, conditional, and preliminary public reports pursuant to these provisions, as specified, and make other conforming changes. The bill would also require the department, at the above-described meeting, to report on the financial status of the department, as specified, and to post a hearing notice 15 days in advance of the hearing, as provided.

Because this bill would increase the fees deposited into the Real Estate Fund and the Consumer Recovery Account, which are continuously appropriated, the bill would make an appropriation.

(4) Existing law, commencing March 1, 2025, and annually thereafter, requires a covered entity, defined as a venture capital company that meets specified criteria, to report to the Civil Rights Department specified information about their funding determinations, as specified. Existing law requires the Civil Rights Department to take certain actions with respect to these reports, and authorizes the Civil Rights Department to commence prescribed proceedings seeking specific relief, including a penalty, if certain conditions are met. Existing law requires money collected pursuant to these provisions to be deposited in the Civil Rights Enforcement and Litigation Fund (fund), which is administered by the Civil Rights Department. Existing law authorizes moneys in the fund, upon appropriation by the Legislature in the annual Budget Act, to be used to offset the costs of the Civil Rights Department.

This bill would repeal the above-described provisions and make a conforming change. The bill would also generally recast those provisions, and, commencing March 1, 2026, the bill would require a covered entity, defined to mean a venture capital company that meets specified criteria, to submit to the department specified information, including the covered entity's internet website, as prescribed by the department. By April 1, 2026, and annually thereafter, the bill would require a covered entity to report to the Department of Financial Protection and Innovation (department) specified information about its funding determinations. If a covered entity fails to timely file that annual report, the bill would require the department to notify the covered entity that the covered entity has 60 calendar days from the date of the notification to submit the report without penalty. The bill would require the department to take prescribed action with respect to these reports, including making the reports available on its internet website, as provided.

The bill would also require the department to charge and collect fees from covered entities to cover the expenses incurred in the administration of these provisions, as prescribed. The bill would establish the investigative and enforcement powers of the department and the Commissioner of Financial Protection and Innovation (commissioner) with respect to the bill's provisions, including authorizing the commissioner to take specified action against a covered entity that fails to meet specified requirements.

The bill would prescribe various penalty amounts in any civil or administrative action brought pursuant to a violation of the bill's provisions in which the commissioner orders penalties. The bill would require money collected pursuant to these provisions to be deposited in the Financial Protection Fund and would express the intent of the Legislature that these moneys be appropriated in the annual Budget Act to the department for administration of these provisions. The bill would define various terms for the bill's purposes.

(5) Existing law prohibits a person from acquiring any voting securities or assets of a retail grocery firm or retail drug firm, as those terms are defined, unless both parties give, or in the case of a tender offer, the acquiring party gives, specified notice to the Attorney General. Existing law requires the Attorney General to evaluate the transaction within 180 days, as provided, and to charge the acquiring party a filing fee not to exceed the reasonable regulatory costs of that evaluation and subject to specified conditions, including prohibiting the fee from exceeding .00045 percent of the combined sales of the parties to the merger or acquisition for the fiscal year prior to the filing of the notice.

This bill would, instead, prohibit the fee from exceeding .00045 of the dollar amount of those combined sales, and would also make a nonsubstantive change.

(6) Existing law requires the Department of General Services, for the purpose of ensuring access and use by persons with disabilities, to issue a written approval before a contract may be awarded where state funds are used for specified buildings or facilities, or where funds of counties, municipalities, or other political subdivisions are used for the construction of specified educational buildings or facilities. Existing law requires an application fee, in an amount determined by the department, to be submitted with the application for approval, and requires those fees to be deposited into the Disability Access Account, which is continuously appropriated to the department to carry out specified responsibilities relating to disability access.

Existing law establishes the California Commission on Disability Access within the department to carry out specified duties relating to disability access, including recommending programs to enable persons with disabilities to obtain full and equal access to public facilities and providing information requested by the Legislature on disability access issues and compliance.

This bill would authorize funds in the Disability Access Account to fund the activities of the California Commission on Disability Access. By

expanding the purposes for which continuously appropriated fund moneys may be used, the bill would make an appropriation.

(7) Existing law, by executive order, establishes California Volunteers in the office of the Governor and charges that entity with specified duties and responsibilities, including to recruit and mobilize citizens for volunteer service by identifying service opportunities throughout the state and by recognizing citizens for the contributions they make as volunteers and participants in public service. Existing law authorizes California Volunteers to form a nonprofit public benefit corporation or other entity exempt from income taxation, as provided, to raise revenues and receive grants or other financial support from private or public sources, for purposes of undertaking or funding any lawful activity authorized to be undertaken by California Volunteers. Existing federal law, the National and Community Service Trust Act, also requires the state to create a commission to carry out specified duties relating to national service programs to be eligible for grants or allotments under certain programs, or to receive distributions of approved national service positions. Existing law continues into existence a Board of Commissioners under California Volunteers for purposes of meeting the requirements of the federal act and the act's implementing rules and regulations, as provided.

Existing law establishes the Office of Community Partnerships and Strategic Communications within the Office of Planning and Research to serve as the manager of the state's highest priority public awareness and community outreach efforts, as prescribed, under the management of the Executive Officer of Community Partnerships and Strategic Communication, under the direction of the Director of the Office of Planning and Research.

Existing law, the California Youth Empowerment Act, until January 1, 2030, establishes the California Youth Empowerment Commission within the Office of Planning and Research to advise on providing meaningful opportunities for civic engagement to improve the quality of life for California's disconnected and disadvantaged youth.

This bill would establish the Governor's Office of Service and Community Engagement in state government in the Governor's office and the work of the Governor's Office of Service and Community Engagement would be organized within California Volunteers, the Office of Community Partnerships and Strategic Communications, and the California Youth Empowerment Commission. Under the bill, the Governor's Office of Service and Community Engagement would be under the direct control of a Director of the Governor's Office of Service and Community Engagement, who would be appointed by the Governor. Commencing on July 1, 2024, the Governor's Office of Service and Community Engagement would succeed to, and be vested with, all the duties and responsibilities of the Governor's Office of Land Use and Climate Innovation related to the administration or implementation of those programs or offices.

This bill would make the implementation of the California Youth Empowerment Act subject to appropriation by the Legislature.

This bill would also make related technical, conforming changes.

(8) Existing law establishes, until January 1, 2030, the Racial Equity Commission (commission) within the Office of Planning and Research and requires the commission to develop resources, best practices, and tools for advancing racial equity, by, among other things, developing a statewide Racial Equity Framework, as specified. Existing law requires the framework, on or after December 1, 2024, but no later than April 1, 2025, to be submitted to the Governor and the Legislature.

This bill would, instead, require the Racial Equity Framework to be submitted to the Governor and the Legislature no later than December 1, 2025.

Existing law requires the commission to prepare an annual report that, among other things, summarizes feedback from public engagement with communities of color. Existing law requires the commission to, on or after December 1, 2025, and no later than April 1, 2026, and annually thereafter, submit the report to the Governor and the Legislature.

This bill would instead require the commission to submit the report to the Governor and the Legislature on or after December 1, 2026, and no later than December 31, 2026, and annually on or after December 1, and no later than December 31, thereafter.

(9) Existing law establishes the California State Auditor’s Office, headed by the appointed California State Auditor and under the direction of the Milton Marks “Little Hoover” Commission on California State Government Organization and Economy, with specified duties that include, among others, conducting financial and performance audits as directed by statute. Existing law authorizes the auditor to establish a high-risk local government agency audit program for the purpose of identifying, auditing, and issuing reports on any local government agency that the auditor identifies as at high risk for fraud or waste, among other things.

This bill would require the California State Auditor to conduct an audit of the County of Mendocino that includes an audit of any potential waste, fraud, abuse, and mismanagement, the county’s administration of elections in 2024, and contracting and procurement processes, by January 1, 2026. The bill would require the California State Auditor to report their findings to the Legislature by January 1, 2026, as specified.

(10) Existing law, the Dixon-Zenovich-Maddy California Arts Act of 1975, establishes the Arts Council and sets forth the duties of the council in promoting the arts in the state. Existing law establishes the position of California Youth Poet Laureate, who is appointed by the Governor from a list of 3 nominees 13 to 19 years of age, inclusive, provided by the council garnered through a prescribed process. Existing law also requires the council to establish a panel of 3 literary experts, which may include members from a listing of eligible persons, including city youth poet laureates.

This bill would rename the position of California Youth Poet Laureate to the California Teen Poet Laureate and would make conforming changes. The bill would delete city youth poet laureates from the list and would, instead, include city poet laureates, teen poet laureates, and other appropriate designations.

By requiring the County of Mendocino to participate in an audit, the bill would impose a state-mandated local program.

(11) The California State Lottery Act of 1984, enacted by initiative, authorizes a California State Lottery and provides for its operation and administration by the California State Lottery Commission and the Director of the California State Lottery, with certain limitations. The act establishes the California State Lottery Education Fund and provides for direct payments from the fund to various entities, including the former Department of the Youth Authority.

This bill would delete an obsolete provision relating to the Department of the Youth Authority and make other conforming changes.

(12) Existing law requires the Office of Broadband and Digital Literacy to oversee the acquisition and management of contracts for the development and construction of a statewide open-access middle-mile broadband network and for the maintenance and operation of the statewide open-access middle-mile broadband network to facilitate high-speed broadband service. Existing law requires the Public Utilities Commission, in collaboration with a third-party administrator retained by the office, to assist the office and to provide to the office the locations for the statewide open-access middle-mile broadband network in a staff report, as specified.

This bill would also require the office, with the third-party administrator, to develop and construct a statewide open-access middle-mile broadband network, and to work directly with last-mile grant project awardees to ensure that network segments support last-mile connections, as specified. The bill would require the office and the third-party administrator to minimize disruption due to excavation, to the extent feasible. The bill would require the Public Utilities Commission to also provide the office and the third-party administrator with information on last-mile projects with grant awards, as specified, including whether a project plans to connect to the statewide open-access middle-mile network.

(13) Existing law creates the Governor's Office of Business and Economic Development, known as "GO-Biz," and requires GO-Biz to serve the Governor as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. Existing law continues into existence the zero-emission vehicle (ZEV) division within GO-Biz as the Zero-Emission Vehicle Market Development Office. Existing law requires the office to develop and adopt an equity action plan as part of the ZEV Market Development Strategy that considers optimizing for equity benefits in ZEV deployment.

Existing law requires the equity plan to include, among other things, recommendations to advance equity by reducing pollution driven by the transportation sector and related industries in low-income, disadvantaged, and historically underserved communities, as described, and by supporting an equitable zero-emission vehicle industry and workforce. Existing law also requires the office to assess progress towards the plan as part of the update to the ZEV Market Development Strategy, as specified. Existing

law requires the assessment to include metrics that track, among other things, state funding for multiyear projects that advance deployment of zero-emission vehicles in specified communities. Existing law requires the office to coordinate and partner with specified entities, as described, in developing the equity action plan.

This bill would also require the equity plan to include strategies implemented and steps taken to embed equity in the state’s overall ZEV Market Development Strategy. The bill would also require the above-described assessment to include metrics tracking the identification of project locations. The bill would additionally require the office to include information on the constituencies coordinated with to develop or advance equity actions in zero market development in the equity action plan.

(14) The Small Business Procurement and Contract Act requires the Director of General Services and the heads of other state agencies that enter into contracts for the provision of goods, information technology, and services to the state or for construction of state facilities to take various actions with respect to small businesses and microbusinesses, including establishing minimum goals for participation of those businesses in those contracts and providing preferences in the awards of those contracts for those businesses, as specified. Existing law requires the Department of General Services to contract for a statewide procurement and contracting disparity study, in order to guide outreach strategies, state government program development, and improvements to contracting policies, and, on or before January 1, 2025, to post a report on its internet website setting forth the results of the study and implementation actions taken in response to it.

This bill would, instead, require that report to be posted on or before December 31, 2025.

(15) Existing law establishes the Office of Planning and Research within the Governor’s office for the purposes of developing state land use policies, coordinating planning of all state agencies, and assisting and monitoring local and regional planning. Existing law sets forth the specific powers and duties of the Office of Planning and Research, including specified shared administrative responsibility for planning, oversight, and decisionmaking for the Community Economic Resilience Fund Program. Entities within the office include, among others, the California Initiative to Advance Precision Medicine.

This bill would rename the Office of Planning and Research the Office of Land Use and Climate Innovation and would rename the Director of State Planning and Research as the Director of Land Use and Climate Innovation. The bill would require, commencing on July 1, 2024, that all references to the Governor’s Office of Planning and Research throughout the published laws of the state be deemed to be references to the Governor’s Office of Land Use and Climate Innovation, except as specified.

This bill would delete provisions establishing the California Initiative to Advance Precision Medicine in the Office of Planning and Research until June 30, 2029, and, instead, would establish the initiative until that date in

the California Health and Human Services Agency. Commencing July 1, 2024, the initiative and agency would succeed to, and be vested with, all the duties and responsibilities of the Governor's Office of Land Use and Climate Innovation related to the administration or implementation of the initiative's programs, as prescribed. The bill would make various changes to expand the scope of the initiative relating to preventing or alleviating the impact of a pandemic, as specified. Also on July 1, 2024, the Governor's Office of Business and Economic Development would succeed to, and be vested with, all the duties and responsibilities of the Governor's Office of Land Use and Climate Innovation related to the administration or implementation of the Community Economic Resilience Fund Program, as prescribed.

This bill would also make related technical, conforming changes.

(16) Existing law requires a skilled nursing and intermediate care facility to adopt an approved training program for nurse assistants that meets standards established by the State Department of Health Care Services. Existing law requires an applicant for certification as a certified home health aide to, among other things, successfully complete an approved training program. Existing law provides for the certification and regulation of radiologic technologists by the State Department of Public Health. Existing law authorizes the department to adopt regulations to implement those provisions, as specified.

This bill would, until January 1, 2027, require the minimum number of hours, or the equivalent, established in this state for nurse assistant and home health aide educational or training programs, and for approved schools for radiologic technicians, to be equal to the number of clock or credit hours that is approved by the department, as specified.

(17) Existing law specifies the membership of the office of the Adjutant General, including one officer who may be of the rank of brigadier general who is the Deputy Adjutant General. Existing law specifies that the Deputy Adjutant General, whose duties are assigned by the Adjutant General, is subordinate only to the Governor and the Adjutant General. Existing law specifies 3 additional officers who may be of the rank of brigadier general, one of whom is the Assistant Adjutant General, Army Division, one of whom is the Assistant Adjutant General, Air Division, and one of whom is the Chief of Staff and Director of the Joint Staff.

This bill would revise the ranks of officers in that office by providing that the Deputy Adjutant General may instead be of the rank of major general.

(18) Existing law authorizes the Department of General Services, the Military Department, and the Department of Corrections and Rehabilitation to use the design-build project delivery process for specified public works projects in accordance with specified procedures and requirements. Existing law requires information submitted to prequalify design-build entities to be certified under penalty of perjury.

Existing law repeals those design-build provisions on January 1, 2025.

This bill would delete the repeal provision, thereby extending the operation of those provisions indefinitely. By expanding the crime of perjury, this bill would impose a state-mandated local program.

(19) Existing law authorizes an individual, until January 1, 2025, to designate on the individual's personal income tax return that a specified amount in excess of the individual's tax liability be contributed to the Keep Arts in Schools Voluntary Tax Contribution Fund, which is continuously appropriated, to be allocated to the Franchise Tax Board, the Controller, and the Arts Council, as specified. If the Franchise Tax Board determines that the amount of the contributions estimated to be received during a calendar year will not equal at least \$250,000, existing law requires these provisions to become inoperative with respect to taxable years beginning on or after January 1 of that calendar year and requires these provisions to be repealed on December 1 of that year.

This bill would extend the above-described provisions related to the Keep Arts in Schools Voluntary Tax Contribution Fund until January 1, 2032. By extending these provisions, and thereby increasing the amounts to be deposited into a continuously appropriated fund, this bill would make an appropriation.

(20) This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Mendocino with respect to the California State Auditor conducting the above-described audit of the county by January 1, 2026.

(21) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(22) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 144.6 is added to the Business and Professions Code, to read:

144.6. (a) For purposes of Section 668.14 of Title 34 of the Code of Federal Regulations, the required minimum number of hours, or the equivalent, established in this state for education programs that qualify persons for any license issued by a board within the department shall be equal to the number of clock or credit hours, or the equivalent, that the education program provides as of the effective date of this section.

(b) For an education program approved by a board within the department as of the effective date of this section that submits to the applicable board, no later than July 1, 2026, a request to modify the program to reduce the program clock or credit hours, or the equivalent, the applicable board shall,

no later than January 1, 2027, complete its review of the requested modification.

(c) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

SEC. 2. Section 208 of the Business and Professions Code is amended to read:

208. (a) Beginning April 1, 2023, a Controlled Substance Utilization Review and Evaluation System (CURES) fee of nine dollars (\$9) shall be assessed annually on each of the licensees specified in subdivision (b) to pay the reasonable costs associated with operating and maintaining CURES for the purpose of regulating those licensees. The fee assessed pursuant to this subdivision shall be billed and collected by the regulating agency of each licensee at the time of the licensee's license renewal. If the reasonable regulatory cost of operating and maintaining CURES is less than nine dollars (\$9) per licensee, the Department of Consumer Affairs may, by regulation, reduce the fee established by this section to the reasonable regulatory cost.

(b) (1) Licensees authorized pursuant to Section 11150 of the Health and Safety Code to prescribe, order, administer, furnish, or dispense Schedule II, Schedule III, or Schedule IV controlled substances or pharmacists licensed pursuant to Chapter 9 (commencing with Section 4000) of Division 2.

(2) Licensees issued a license that has been placed in a retired or inactive status pursuant to a statute or regulation are exempt from the CURES fee requirement in subdivision (a). This exemption shall not apply to licensees whose license has been placed in a retired or inactive status if the licensee is at any time authorized to prescribe, order, administer, furnish, or dispense Schedule II, Schedule III, or Schedule IV controlled substances.

(3) Wholesalers, third-party logistics providers, nonresident wholesalers, and nonresident third-party logistics providers of dangerous drugs licensed pursuant to Article 11 (commencing with Section 4160) of Chapter 9 of Division 2.

(4) Nongovernmental clinics licensed pursuant to Article 13 (commencing with Section 4180) and Article 14 (commencing with Section 4190) of Chapter 9 of Division 2.

(5) Nongovernmental pharmacies licensed pursuant to Article 7 (commencing with Section 4110) of Chapter 9 of Division 2.

(c) The funds collected pursuant to subdivision (a) shall be deposited in the CURES Fund, which is hereby created within the State Treasury. Moneys in the CURES Fund shall, upon appropriation by the Legislature, be available to the Department of Consumer Affairs to reimburse the Department of Justice for costs to operate and maintain CURES for the purposes of regulating the licensees specified in subdivision (b).

(d) The Department of Consumer Affairs shall contract with the Department of Justice on behalf of the Medical Board of California, the Dental Board of California, the California State Board of Pharmacy, the Veterinary Medical Board, the Board of Registered Nursing, the Physician Assistant Board, the Osteopathic Medical Board of California, the Naturopathic Medicine Committee of the Osteopathic Medical Board, the

State Board of Optometry, and the Podiatric Medical Board of California to operate and maintain CURES for the purposes of regulating the licensees specified in subdivision (b).

(e) This section shall become operative on April 1, 2023.

(f) This section shall become inoperative on April 1, 2025, and, as of January 1, 2026, is repealed.

SEC. 3. Section 208 is added to the Business and Professions Code, to read:

208. (a) Beginning April 1, 2025, a Controlled Substance Utilization Review and Evaluation System (CURES) fee of fifteen dollars (\$15) shall be assessed annually on each of the licensees specified in subdivision (b) to pay the reasonable costs associated with operating and maintaining CURES for the purpose of regulating those licensees. The fee assessed pursuant to this subdivision shall be billed and collected by the regulating agency of each licensee at the time of the licensee's license renewal. If the reasonable regulatory cost of operating and maintaining CURES is less than fifteen dollars (\$15) per licensee, the Department of Consumer Affairs may, by regulation, reduce the fee established by this section to the reasonable regulatory cost.

(b) (1) Licensees authorized pursuant to Section 11150 of the Health and Safety Code to prescribe, order, administer, furnish, or dispense Schedule II, Schedule III, or Schedule IV controlled substances or pharmacists licensed pursuant to Chapter 9 (commencing with Section 4000) of Division 2.

(2) Licensees issued a license that has been placed in a retired or inactive status pursuant to a statute or regulation are exempt from the CURES fee requirement in subdivision (a). This exemption shall not apply to licensees whose license has been placed in a retired or inactive status if the licensee is at any time authorized to prescribe, order, administer, furnish, or dispense Schedule II, Schedule III, or Schedule IV controlled substances.

(3) Wholesalers, third-party logistics providers, nonresident wholesalers, and nonresident third-party logistics providers of dangerous drugs licensed pursuant to Article 11 (commencing with Section 4160) of Chapter 9 of Division 2.

(4) Nongovernmental clinics licensed pursuant to Article 13 (commencing with Section 4180) and Article 14 (commencing with Section 4190) of Chapter 9 of Division 2.

(5) Nongovernmental pharmacies licensed pursuant to Article 7 (commencing with Section 4110) of Chapter 9 of Division 2.

(c) The funds collected pursuant to subdivision (a) shall be deposited in the CURES Fund, which is hereby created within the State Treasury. Moneys in the CURES Fund shall, upon appropriation by the Legislature, be available to the Department of Consumer Affairs to reimburse the Department of Justice for costs to operate and maintain CURES for the purposes of regulating the licensees specified in subdivision (b).

(d) The Department of Consumer Affairs shall contract with the Department of Justice on behalf of the Medical Board of California, the Dental Board of California, the California State Board of Pharmacy, the

Veterinary Medical Board, the Board of Registered Nursing, the Physician Assistant Board, the Osteopathic Medical Board of California, the Naturopathic Medicine Committee of the Osteopathic Medical Board, the State Board of Optometry, and the Podiatric Medical Board of California to operate and maintain CURES for the purposes of regulating the licensees specified in subdivision (b).

(e) This section shall become operative on April 1, 2025.

SEC. 4. Section 10167.3 of the Business and Professions Code is amended to read:

10167.3. (a) A separate application for a license as a prepaid rental listing service shall be made in writing for each location to be operated by a licensee other than a real estate broker. Each application shall be on forms provided by the department, shall be signed by the applicant, and shall be accompanied by an application fee of one hundred seventy-five dollars (\$175), not to exceed two hundred twenty-eight dollars (\$228), for the first location, and ninety dollars (\$90), not to exceed one hundred seventeen dollars (\$117), for each additional location of the applicant.

Applications to add or eliminate locations during the term of a license shall be on forms prescribed by the department. A fee of ninety dollars (\$90), not to exceed one hundred seventeen dollars (\$117), for the remainder of a license term for each location to be added shall accompany the application. Forty dollars (\$40), not to exceed fifty-two dollars (\$52), of each application fee shall be credited to the Consumer Recovery Account.

(b) A real estate broker may provide a prepaid rental listing service at a licensed office for the conduct of the broker's real estate brokerage business if the business at the office is conducted under the immediate supervision of the broker or of a real estate salesperson licensed to, and acting on behalf of, the broker.

SEC. 5. Section 10208.5 of the Business and Professions Code is amended to read:

10208.5. The real estate broker license examination fee is one hundred fifty dollars (\$150), not to exceed one hundred ninety-five dollars (\$195). The real estate broker license reexamination fee is one hundred fifty dollars (\$150), not to exceed one hundred ninety-five dollars (\$195).

If an applicant fails to appear for the examination within two years from the date of filing their application and fee for the examination, their application shall thereupon lapse and no further proceedings thereon shall be taken.

This section shall remain in effect unless it is superseded pursuant to subdivision (a) of Section 10226.5.

SEC. 6. Section 10209 of the Business and Professions Code is amended to read:

10209. (a) The commissioner shall, by regulation, establish fees for applications for approval of equivalent courses of study as defined in Section 10153.5 in an amount sufficient to cover the cost of administration. The fee for an application for approval of each course given by a private vocational

school, including any branch school that gives the same course, shall be five hundred dollars (\$500), not to exceed six hundred fifty dollars (\$650).

(b) The commissioner shall notify every applicant of their decision on the application no later than 60 days after receipt by the commissioner of a completed application. The application shall be on a form to be supplied by the commissioner.

SEC. 7. Section 10210 of the Business and Professions Code is amended to read:

10210. (a) The fee for a real estate broker license shall be four hundred fifty dollars (\$450), not to exceed five hundred eighty-five dollars (\$585).

In the case of an original applicant, the fee is payable upon filing the real estate broker license application.

(b) If an applicant fails to pass the real estate broker license examination within two years from the date of filing their broker license application, their broker license application shall lapse and no further proceedings thereon shall be taken.

(c) This section shall remain in effect unless it is superseded pursuant to Section 10226 or subdivision (a) of Section 10226.5, whichever is applicable.

SEC. 8. Section 10213.5 of the Business and Professions Code is amended to read:

10213.5. The real estate salesperson license examination fee shall be one hundred dollars (\$100), not to exceed one hundred thirty dollars (\$130). The real estate salesperson license reexamination fee shall be one hundred dollars (\$100), not to exceed one hundred thirty dollars (\$130).

If an applicant fails to appear for the examination within two years from the date of filing their application and fee for the examination, their application shall thereupon lapse and no further proceedings thereon shall be taken.

This section shall remain in effect unless it is superseded pursuant to subdivision (a) of Section 10226.5.

SEC. 9. Section 10213.6 of the Business and Professions Code is amended to read:

10213.6. If an applicant for any examination fails to take the examination on the date scheduled, they may make application in writing to the principal office of the department in Sacramento for a new date. A fee of forty-five dollars (\$45), not to exceed fifty-nine dollars (\$59), shall accompany the written request for applying for the first new examination date in the case of a broker applicant, and a fee of forty dollars (\$40), not to exceed fifty-two dollars (\$52), shall accompany the written request for the first new examination date in the case of a salesperson applicant. A fee of forty-five dollars (\$45), not to exceed fifty-nine dollars (\$59), shall accompany the written request for all subsequent new examination dates in the case of broker applicants. A fee of forty dollars (\$40), not to exceed fifty-two dollars (\$52), shall accompany the written request for all subsequent new examination dates for salesperson applicants.

This section shall remain in effect unless it is superseded pursuant to subdivision (a) of Section 10226.5.

SEC. 10. Section 10215 of the Business and Professions Code is amended to read:

10215. (a) The fee for a real estate salesperson license shall be three hundred fifty dollars (\$350), not to exceed four hundred fifty-five dollars (\$455).

In the case of an original applicant, the fee is payable upon filing the real estate salesperson license application.

(b) If an applicant fails to pass the real estate salesperson license examination within two years from the date of filing their salesperson license application, their salesperson license application shall lapse and no further proceedings thereon shall be taken.

(c) This section shall remain in effect unless it is superseded pursuant to Section 10226 or subdivision (a) of Section 10226.5, whichever is applicable.

SEC. 11. Section 10226 of the Business and Professions Code is amended to read:

10226. (a) The commissioner may periodically by regulation prescribe fees lower than the maximum fees provided in Sections 10209.5, 10210, 10214.5, 10215, and 10250.3 whenever they determine those lower fees are sufficient to offset the costs and expenses incurred in the administration of Part 1 (commencing with Section 10000) of this division. The commissioner shall hold at least one regulation hearing each calendar year, to determine if lower fees should be prescribed. At this hearing, the department shall report on the financial status of the department, including the revenues, expenditures, and reserves as of the end of the previous fiscal year. The department shall post a hearing notice 15 days in advance of the hearing that includes the required information about the financial status of the department.

(b) If, as of June 30 of any fiscal year, the balance of funds in the Real Estate Fund exceeds an amount equal to 150 percent of the department's authorized budget for the following year, then within 30 days thereafter the commissioner shall, notwithstanding the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), issue regulations reducing real estate license and subdivision fees so that as of June 30 of the next fiscal year the balance of funds in the Real Estate Fund shall not exceed an amount equal to 150 percent of the department's authorized budget for that year.

(c) If the commissioner fails to reduce these fees within the timeframe specified in subdivision (b), then fees shall automatically be reduced to the levels as indicated in subdivision (b) of Section 10226.5. That reduction shall be effective no later than September 1 of the fiscal year wherein the commissioner is obliged to issue regulations pursuant to subdivision (b).

SEC. 12. Section 10227 is added to the Business and Professions Code, to read:

10227. (a) Beginning January 1, 2025, before submitting a regulatory fee increase proposal to the Office of Administrative Law for initial publication, the department shall conduct at least one meeting to which

statewide membership organizations that represent any of the following are invited to attend:

(1) One hundred fifty thousand or more persons or entities licensed by the department under the Real Estate Law (Part 1 (commencing with Section 10000) of Division 4).

(2) Less than 150,000 persons or entities licensed by the department under the Real Estate Law (Part 1 (commencing with Section 10000) of Division 4).

(3) Persons or entities that pay fees to the department pursuant to the Subdivided Lands Law (Chapter 1 (commencing with Section 11000) of Part 2 of Division 4) and the Vacation Ownership and Time-share Act of 2004 (Chapter 2 (commencing with Section 11210) of Part 2 of Division 4).

(b) The department shall provide the statewide membership organizations identified in subdivision (a) information related to the proposed fee increase 30 days in advance of any meeting scheduled pursuant to subdivision (a).

(c) The department may, at its discretion, promulgate regulations to implement this section.

SEC. 13. Section 10232.1 of the Business and Professions Code is amended to read:

10232.1. (a) A real estate broker, prior to the use of any proposed advertisement in connection with the conduct of activities described in subdivisions (d) and (e) of Section 10131 and Section 10131.1, may submit a true copy thereof to the Department of Real Estate for approval. The submission shall be accompanied by a fee of one hundred dollars (\$100), not to exceed one hundred thirty dollars (\$130). The commissioner may by regulation prescribe the amount of the fee. If disapproval of the proposed advertisement is not communicated by the department to the broker within 15 calendar days after receipt of the copy of the proposed advertisement by the department, the proposed advertisement shall be deemed approved, but the department shall not be precluded from disapproving a later publication or other use of the same or similar advertising.

The commissioner shall adopt regulations pertaining to the submittal and clearance of that advertising and establishing criteria for approval to ensure that the public will be protected against false or misleading representations.

Except as provided in subdivision (b), “advertisement” includes dissemination in any newspaper, circular, form letter, brochure or similar publication, display, sign, radio broadcast or telecast, which concerns (1) the use, terms, rates, conditions, or the amount of any loan or sale referred to in subdivisions (d) and (e) of Section 10131 or Section 10131.1 or (2) the security, solvency, or stability of any person carrying on the activities described in those sections.

(b) “Advertisement” does not include a letter or brochure that meets both of the following criteria:

(1) It is restricted in distribution to other real estate brokers and to persons for whom the broker has previously acted as an agent in arranging a loan

secured by real property or in the purchase, sale, or exchange of a deed of trust or real property sales contract.

(2) It is restricted in content to the identification and a description of the terms of loans, mortgages, deeds of trust, real property sales contracts, or any combination thereof offered for funding or purchase through the broker as agent.

(c) Subdivision (a) is not applicable to advertising that is used exclusively in connection with an offering authorized by permit issued pursuant to the applicable provisions of the Corporate Securities Law of 1968 (Division 1 (commencing with Section 25000) of Title 4 of the Corporations Code).

(d) All advertising approvals shall be for a period of five years after the date of approval. The approval period applies to all advertising, including that which was previously submitted on a mandatory basis.

SEC. 14. Section 10249.3 of the Business and Professions Code is amended to read:

10249.3. (a) The commissioner may by regulation prescribe filing fees in connection with registrations with the department pursuant to the provisions of this article that are lower than the maximum fees specified in subdivision (b) if the commissioner determines that the lower fees are sufficient to offset the costs and expenses incurred in the administration of this article. The commissioner shall hold at least one hearing each calendar year to determine if lower fees than those specified in subdivision (b) should be prescribed. At this hearing, the department shall report on the financial status of the department, including the revenues, expenditures, and reserves as of the end of the previous fiscal year. The department shall post a hearing notice 15 days in advance of the hearing that includes the required information about the financial status of the department.

(b) The filing fee for an application for a registration with the department pursuant to the provisions of this article shall be set at the amount prescribed below and shall not exceed the maximum specified for each subdivision or phase of the subdivision in which interests are to be offered for sale or lease:

(1) An application for an original registration: One hundred dollars (\$100), not to exceed one hundred thirty dollars (\$130).

(2) An application for a renewal registration: One hundred dollars (\$100), not to exceed one hundred thirty dollars (\$130).

(3) An application for an amended registration: One hundred dollars (\$100), not to exceed one hundred thirty dollars (\$130).

(c) All fees collected by the Department of Real Estate under authority of this article shall be deposited into the Real Estate Fund under Chapter 6 (commencing with Section 10450) of Part 1. All fees received by the department pursuant to the provisions of this article shall be deemed earned upon receipt. No part of any fee is refundable unless the commissioner determines that it was paid as a result of mistake or inadvertence.

SEC. 15. Section 11011 of the Business and Professions Code is amended to read:

11011. (a) The commissioner may by regulation prescribe filing fees in connection with applications to the Department of Real Estate pursuant

to this chapter and if the commissioner determines that lower fees are sufficient to offset the costs and expenses incurred in the administration of this chapter, may prescribe filing fees by regulation that are lower than the fees specified in subdivision (b). The commissioner shall hold at least one hearing each calendar year to determine if lower fees than those specified in subdivision (b) should be prescribed. At this hearing, the department shall report on the financial status of the department, including the revenues, expenditures, and reserves as of the end of the previous fiscal year. The department shall post a hearing notice 15 days in advance of the hearing that includes the required information about the financial status of the department.

(b) The filing fee for an application for a public report to be issued under authority of this chapter shall be set at the amount prescribed below and shall not exceed the maximum specified for each subdivision or phase of a subdivision in which interests are to be offered for sale or lease:

(1) A notice of intention without a completed questionnaire: Three hundred dollars (\$300), not to exceed three hundred ninety dollars (\$390).

(2) An original public report for subdivision interests described in Section 11004.5: Three thousand dollars (\$3,000), not to exceed three thousand nine hundred dollars (\$3,900), plus fifteen dollars (\$15), not to exceed twenty dollars (\$20), for each subdivision interest to be offered.

(3) An original public report for subdivision interests other than those described in Section 11004.5: One thousand five hundred dollars (\$1,500), not to exceed one thousand nine hundred fifty dollars (\$1,950), plus fifteen dollars (\$15), not to exceed twenty dollars (\$20), for each subdivision interest to be offered.

(4) A conditional public report for subdivision interests described in Section 11004.5: One thousand dollars (\$1,000), not to exceed one thousand three hundred dollars (\$1,300).

(5) A conditional public report for subdivision interests other than those described in Section 11004.5: One thousand dollars (\$1,000), not to exceed one thousand three hundred dollars (\$1,300).

(6) A preliminary public report for subdivision interests described in Section 11004.5: Five hundred dollars (\$500), not to exceed six hundred fifty dollars (\$650).

(7) A preliminary public report for subdivision interests other than those described in Section 11004.5: Five hundred dollars (\$500), not to exceed six hundred fifty dollars (\$650).

(8) A renewal of an original public report for subdivision interests described in Section 11004.5: One thousand five hundred dollars (\$1,500), not to exceed one thousand nine hundred fifty dollars (\$1,950). A renewal of a preliminary public report for subdivision interests described in Section 11004.5: Six hundred dollars (\$600), not to exceed seven hundred eighty dollars (\$780). A renewal of a conditional public report for subdivision interests described in Section 11004.5: One thousand dollars (\$1,000), not to exceed one thousand three hundred dollars (\$1,300).

(9) A renewal of an original or conditional public report for subdivision interests other than those described in Section 11004.5: One thousand dollars (\$1,000), not to exceed one thousand three hundred dollars (\$1,300). A renewal of a preliminary public report for subdivision interests other than those described in Section 11004.5: Six hundred dollars (\$600), not to exceed seven hundred eighty dollars (\$780).

(10) An amended original public report for subdivision interests described in Section 11004.5: One thousand five hundred dollars (\$1,500), not to exceed one thousand nine hundred fifty dollars (\$1,950), plus fifteen dollars (\$15), not to exceed twenty dollars (\$20), for each subdivision interest to be offered under the amended original public report for which a fee has not previously been paid.

(11) An amended original public report to offer subdivision interests other than those described in Section 11004.5: One thousand dollars (\$1,000), not to exceed one thousand three hundred dollars (\$1,300), plus fifteen dollars (\$15), not to exceed twenty dollars (\$20), for each subdivision interest to be offered under the amended original public report for which a fee has not previously been paid.

(12) An amended preliminary public report for subdivision interests described in Section 11004.5 and for subdivision interests other than those described in Section 11004.5: Five hundred dollars (\$500), not to exceed six hundred fifty dollars (\$650), plus fifteen dollars (\$15), not to exceed twenty dollars (\$20), for each subdivision interest to be offered under the amended preliminary public report for which a fee has not previously been paid.

(13) An amended conditional public report for subdivision interests described in Section 11004.5 and for subdivision interests other than those described in Section 11004.5: One thousand dollars (\$1,000), not to exceed one thousand three hundred dollars (\$1,300), plus fifteen dollars (\$15), not to exceed twenty dollars (\$20), for each subdivision interest to be offered under the amended conditional public report for which a fee has not previously been paid.

(c) The filing fee to review a declaration as described in Section 11010.10 shall be five hundred dollars (\$500), not to exceed six hundred fifty dollars (\$650).

(d) The actual subdivision fees established by regulation under authority of this section and Section 10249.3 shall not exceed the amount reasonably required by the department to administer this part and Article 8 (commencing with Section 10249) of Chapter 3 of Part 1.

(e) All fees collected by the department under authority of this chapter shall be deposited into the Real Estate Fund under Chapter 6 (commencing with Section 10450) of Part 1. All fees received by the department pursuant to this chapter shall be deemed earned upon receipt. No part of any fee is refundable unless the commissioner determines that it was paid as the result of a mistake or inadvertence.

This section shall remain in effect unless it is superseded pursuant to Section 10226 or subdivision (a) of Section 10226.5, whichever is applicable.

SEC. 16. Section 11018.7 of the Business and Professions Code is amended to read:

11018.7. (a) No amendment or modification of provisions in the declaration of restrictions, bylaws, articles of incorporation or other instruments controlling or otherwise affecting rights to ownership, possession, or use of interests in subdivisions as defined in Sections 11000.1 and 11004.5 that would materially change those rights of an owner, either directly or as a member of an association of owners, is valid without the prior written consent of the Real Estate Commissioner during the period of time when the subdivider or their successor in interest holds or directly controls as many as one-fourth of the votes that may be cast to effect that change.

(b) The commissioner shall not grant their consent to the submission of the proposed change to a vote of owners or members if they find that the change if effected would create a new condition or circumstance that would form the basis for denial of a public report under Sections 11018 or 11018.5.

An application for consent may be filed by any interested person on a form prescribed by the commissioner. A filing fee of fifty dollars (\$50), that may be modified by regulation, but not to exceed sixty-five dollars (\$65), shall accompany each application.

There shall be no official meeting of owners or members nor any written solicitation of them for the purpose of effectuating a change referred to herein except in accordance with a procedure approved by the commissioner after the application for consent has been filed with the commissioner; provided, however, that the governing body of the owners association may meet and vote on the question of submission of the proposed change to the commissioner.

SEC. 17. Section 11022 of the Business and Professions Code is amended to read:

11022. (a) It is unlawful for an owner, subdivider, agent or employee of a subdivision or other person, with intent directly or indirectly to sell or lease subdivided lands or lots or parcels therein, to authorize, use, direct, or aid in the publication, distribution, or circularization of an advertisement, radio broadcast, or telecast concerning subdivided lands, that contains a statement, pictorial representation, or sketch that is false or misleading.

(b) An owner, subdivider, agent, or employee of an owner or subdivider may, prior to the use, publication, distribution, or circulation of any advertisement concerning subdivided lands, submit the same to the department for approval. The submission shall be accompanied by a fee of two hundred dollars (\$200). The commissioner may prescribe by regulation the amount of the fee, not to exceed two hundred sixty dollars (\$260).

If disapproval of the proposed advertisement is not communicated by the department to the owner, subdivider, agent, or employee within 15 calendar days after receipt of the copy of the proposed advertisement, the advertisement shall be deemed approved, but the department shall not be estopped from disapproving a later distribution, circulation, or use of the same or similar advertising.

(c) Nothing in this section shall be construed to hold the publisher or employee of any newspaper, or any job printer, or any broadcaster, or telecaster, or any magazine publisher, or any of the employees thereof, liable for any publication herein referred to unless the publisher, employee, or printer has actual knowledge of the falsity thereof or has an interest either as an owner or agent in the subdivided lands so advertised.

SEC. 18. Section 11232 of the Business and Professions Code is amended to read:

11232. (a) The commissioner may by regulation prescribe filing fees in connection with applications to the Department of Real Estate for a public report pursuant to the provisions of this chapter that are lower than the maximum fees specified in subdivision (b) if the commissioner determines that the lower fees are sufficient to offset the costs and expenses incurred in the administration of this chapter. The commissioner shall hold at least one hearing each calendar year to determine if lower fees than those specified in subdivision (b) should be prescribed. At this hearing, the department shall report on the financial status of the department, including the revenues, expenditures, and reserves as of the end of the previous fiscal year. The department shall post a hearing notice 15 days in advance of the hearing that includes the required information about the financial status of the department.

(b) The filing fees for an application for a public report to be issued under authority of this chapter shall be set at the amount prescribed below and shall not exceed the maximum specified for each time-share plan, location, or phase of the time-share plan in which interests are to be offered for sale or lease:

(1) Two thousand five hundred dollars (\$2,500), not to exceed three thousand two hundred fifty dollars (\$3,250), plus fifteen dollars (\$15), not to exceed twenty dollars (\$20), for each time-share interest to be offered for an original public report application.

(2) One thousand five hundred dollars (\$1,500), not to exceed one thousand nine hundred fifty dollars (\$1,950), plus fifteen dollars (\$15), not to exceed twenty dollars (\$20), for each time-share plan interest to be offered that was not permitted to be offered under the public report to be renewed for a renewal public report or permit application.

(3) One thousand five hundred dollars (\$1,500), not to exceed one thousand nine hundred fifty dollars (\$1,950), plus fifteen dollars (\$15), not to exceed twenty dollars (\$20), for each time-share interest to be offered under the amended public report for which a fee has not previously been paid for an amended public report application.

(4) One thousand dollars (\$1,000), not to exceed one thousand three hundred dollars (\$1,300), for a conditional public report application.

(5) Five hundred dollars (\$500), not to exceed six hundred fifty dollars (\$650), for a preliminary public report application.

(c) Fees collected by the commissioner under authority of this chapter shall be deposited into the Real Estate Fund pursuant to Chapter 6 (commencing with Section 10450) of Part 1. Fees received by the

commissioner pursuant to this article shall be deemed earned upon receipt. A fee is not refundable unless the commissioner determines that it was paid as a result of mistake or inadvertency. This section shall remain in effect unless it is superseded pursuant to Section 10226 or subdivision (a) of Section 10226.5, whichever is applicable.

SEC. 19. Chapter 40 (commencing with Section 22949.85) of Division 8 of the Business and Professions Code is repealed.

SEC. 20. Section 14701 of the Corporations Code is amended to read:

14701. (a) The written notice shall be filed with the Attorney General no less than 180 days before the acquisition is made effective. The notice shall be made under oath or affirmation, and shall comply with the requirements of subdivision (c).

(b) If any transaction requiring written notice pursuant to this subdivision commences before the effective date of this section, the written notice shall be given to the Attorney General within 30 days before the transaction is made effective. Upon receiving notice, the Attorney General has 180 days to evaluate the transaction, during which time the effective date of the transaction shall be tolled. If any material change occurs in the facts set forth in the written notice filed with the Attorney General, an amendment setting forth the change and copies of all documents and other material relevant to the change shall be filed with the Attorney General within two business days after the amendment is made by, or provided to, the acquiring party.

(c) The notice required to be given to the Attorney General shall comply with either of the following:

(1) If the acquiring party is required to file notice with the Federal Trade Commission or the United States Department of Justice pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. Sec. 18a), the notice shall contain the same form and additional documentary material required under that act and any implementing regulations under that act.

(2) If the acquiring party is not required to file notice with the Federal Trade Commission or the United States Department of Justice, as specified in paragraph (1), the notice shall contain all of the following information:

(A) The name and address of each acquiring party and a report of the nature of its business operations during the past five years or for a lesser period if the person and their predecessors have been in existence less than five years.

(B) An informative description of the business intended to be done by the person and the person's subsidiaries, including, but not limited to, documents concerning its business or corporate structure, governance, or management.

(C) A list of all individuals who are or have been selected to become directors or executive officers or who perform or will perform functions appropriate to the positions.

(D) The source, nature, and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description

of any transaction in which funds were or are to be obtained, including any pledge of the drug or grocery retail firm's stock or the stock of any of its subsidiaries or controlling affiliates, and the identity of persons furnishing the consideration. If a source of the consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential upon request of the person filing the statement.

(E) Fully audited financial information as to the earnings and financial condition of each acquiring party for the preceding five fiscal years or for a lesser period if the acquiring party and its predecessors have been in existence for less than five years, and similar unaudited information as of a date not earlier than 90 days before the written notice.

(F) Any plans or proposals that an acquiring party may have to liquidate the retail grocery or retail drug firms, to sell its assets or merge or consolidate it with any person, or to make any other material change in its business or corporate structure or management.

(G) The information required to assess the competitive effects of the proposed acquisition, giving particular attention to the effects on the proposed chain retail grocery store acquisition on consumers, including, but not limited to, consumer choice, food pricing, access to food, and food deserts, and factors affecting the supply of experienced grocery workers, including wages, benefits, and unemployment and chain retail pharmacy on patients, including, but not limited to, patient choice, medicine pricing, access to medications, and factors affecting the supply of licensed pharmacists, pharmacy technicians, and pharmacists-in-charge.

(H) Information required to assess the economic and community impact of any planned divestiture or store closures, including, but not limited to, the impact on food deserts, food supply, economic mobility, unemployment, and small businesses.

(d) The Attorney General shall charge the acquiring party a filing fee for the cost to the Attorney General to receive, review, and analyze any notice under this section, which shall not exceed the reasonable regulatory costs to the Attorney General incident to performing its administrative duties under this section. The fee shall be based on the size of the transaction as of the date of the filing of the notice, but shall not exceed .00045 of the dollar amount of the combined sales of the parties to the merger or acquisition for the fiscal year prior to the filing of the notice.

(e) The Attorney General may use the notice, documents, and information disclosed under this section in a judicial action in state or federal court or an administrative action involving the merger or acquisition.

SEC. 21. Division 2.5 (commencing with Section 27500) is added to Title 4 of the Corporations Code, to read:

DIVISION 2.5. FAIR INVESTMENT PRACTICES BY VENTURE CAPITAL COMPANIES

CHAPTER 1. FAIR INVESTMENT PRACTICES BY VENTURE CAPITAL COMPANIES

27500. For purposes of this chapter, the following definitions apply:

- (a) “Commissioner” means the Commissioner of Financial Protection and Innovation.
- (b) “Covered entity” means a venture capital company that meets both of the following criteria:
 - (1) The venture capital company primarily engages in the business of investing in, or providing financing to, startup, early-stage, or emerging growth companies.
 - (2) The venture capital company meets any of the following criteria:
 - (A) The venture capital company is headquartered in California.
 - (B) The venture capital company has a significant presence or operational office in California.
 - (C) The venture capital company makes venture capital investments in businesses that are located in, or have significant operations in, California.
 - (D) The venture capital company solicits or receives investments from a person who is a resident of California.
- (c) “Department” means the Department of Financial Protection and Innovation.
- (d) “Diverse founding team member” means a founding team member who self-identifies as a woman, nonbinary, Black, African American, Hispanic, Latino-Latina, Asian, Pacific Islander, Native American, Native Hawaiian, Alaskan Native, disabled, veteran or disabled veteran, lesbian, gay, bisexual, transgender, or queer.
- (e) “Founding team member” means either of the following:
 - (1) A person who satisfies all of the following conditions:
 - (A) The person owned initial shares or similar ownership interests of the business.
 - (B) The person contributed to the concept of, research for, development of, or work performed by the business before initial shares were issued.
 - (C) The person was not a passive investor in the business.
 - (2) A person who has been designated as the chief executive officer or president.
- (f) “Primarily founded by diverse founding team members” means a founding team for which more than one-half of the founding team members responded to the survey described in paragraph (1) of subdivision (c) of Section 27501 and at least one-half of the founding team members are diverse founding team members.
- (g) “Venture capital company” has the same meaning as defined in paragraph (4) of subdivision (a) of Section 260.204.9 of Title 10 of the California Code of Regulations.

(h) “Venture capital investment” has the same meaning as defined in paragraph (5) of subdivision (a) of Section 260.204.9 of Title 10 of the California Code of Regulations.

27501. (a) (1) Commencing March 1, 2026, a covered entity shall submit to the department the following information in a manner prescribed by the department:

(A) The name of the covered entity.

(B) The name, title, and email address of the person who serves as the designated point of contact for the covered entity.

(C) The designated email address, telephone number, physical address, and internet website of the covered entity.

(2) The covered entity shall keep the information provided under paragraph (1) updated by submitting any changes to that information when filing the report required by subdivision (b).

(3) (A) If a covered entity fails to update the information provided under paragraph (1) in the report required by subdivision (b) by April 1 of any year, the department shall notify the covered entity that the covered entity has 60 calendar days from the date of the notification to submit the updated information without penalty.

(B) If a covered entity has not submitted the updated information after the 60-day period described in subparagraph (A) has elapsed, the department may pursue any remedy provided under this chapter.

(b) By April 1, 2026, and annually thereafter, a covered entity shall report to the department all of the following information about its funding determinations:

(1) At an aggregated level, all of the following information for the founding teams of all of the businesses in which the covered entity made a venture capital investment in the prior calendar year to the extent the information was provided pursuant to the survey described in paragraph (1) of subdivision (c):

(A) The gender identity of each member of the founding team, including nonbinary and gender-fluid identities.

(B) The race of each member of the founding team.

(C) The ethnicity of each member of the founding team.

(D) The disability status of each member of the founding team.

(E) Whether any member of the founding team identifies as LGBTQ+.

(F) Whether any member of the founding team is a veteran or a disabled veteran.

(G) Whether any member of the founding team is a resident of California.

(H) Whether any member of the founding team declined to provide any of the information described in subparagraphs (A) to (G), inclusive.

(2) (A) During the prior calendar year, the number of venture capital investments to businesses primarily founded by diverse founding team members, as a percentage of the total number of venture capital investments the covered entity made, in the aggregate and broken down into the categories described in subparagraphs (A) to (H), inclusive, of paragraph (1).

(B) The information provided pursuant to this subparagraph shall be anonymized to the extent possible.

(3) During the prior calendar year, the total amount of venture capital investments to businesses primarily founded by diverse founding team members, as a percentage of venture capital investments made by the covered entity, in the aggregate and broken down into the categories described in subparagraphs (A) to (H), inclusive, of paragraph (1).

(4) The total amount of money in venture capital investments the covered entity invested in each business during the prior calendar year.

(5) The principal place of business of each company in which the covered entity made a venture capital investment during the prior calendar year.

(c) (1) A covered entity shall obtain the information required by subdivision (b) by providing each founding team member of a business that has received funding from a covered entity with an opportunity to participate in a survey for the purpose of collecting the information.

(2) The survey described in paragraph (1) of subdivision (b) shall be provided pursuant to a standardized form specified by the department. The survey shall include a “decline to state” option for each question on the survey.

(3) A covered entity shall provide a written disclosure to each founding team member prior to, or concurrently with, the survey described in paragraph (1) of subdivision (b) that states all of the following:

(A) The founding team member’s decision to disclose their demographic information is voluntary.

(B) No adverse action will be taken against the founding team member if they decline to participate in the survey.

(C) The aggregate data collected for each demographic category will be reported to the department.

(4) A covered entity shall not provide the survey described in paragraph (1) of subdivision (b) and the disclosure described in paragraph (3) to a founding team member until after the covered entity has executed an investment agreement with the business and made the first transfer of funds.

(5) Neither a covered entity nor the department shall in any way encourage, incentivize, or attempt to influence the decision of a founding team member to participate in the survey described in paragraph (1) of subdivision (b).

(d) A covered entity required to conduct the survey described in paragraph (1) of subdivision (c) shall do both of the following:

(1) Collect survey response data from the founding team members in a manner that does not associate the survey response data with an individual founding team member.

(2) Report the survey response data pursuant to paragraph (1) in a manner that does not associate the survey response data with an individual founding team member.

(3) A covered entity may satisfy the requirements of this chapter by providing a report prepared by a business that controls each covered entity

at any time during the prior calendar year if the report contains all of the information required by subdivision (b).

27502. (a) (1) The department shall make the reports received pursuant to subdivision (b) of Section 27501 readily accessible, easily searchable, and easily downloadable on the department's internet website.

(2) The department may publish aggregate results or aggregate information based on the information received pursuant to this chapter.

(b) The department may use any information collected pursuant to this chapter in furtherance of its statutory duties, including, but not limited to, using the information in a civil action brought by the department under this chapter or other law.

(c) (1) A covered entity shall make and keep records related to its obligation under this chapter. All records related to a report delivered to the department pursuant to subdivision (b) of Section 27501 shall be preserved for at least five years after the covered entity delivers the report.

(2) The commissioner may examine the records of a covered entity to determine their compliance with this chapter using powers set forth in Sections 11180 to 11191, inclusive, of the Government Code and may further require a covered entity to do either of the following:

(A) Produce documentary material for inspection and copying or reproduce in the form or medium requested by the department.

(B) File written reports or answers to questions.

(d) The department shall charge and collect fees from covered entities to cover the expenses incurred in the administration of this chapter, not to exceed the reasonable costs of that administration.

(1) The fee per report shall be at least one hundred seventy-five dollars (\$175).

(2) The department may adjust this fee as necessary to meet the reasonable costs of administration.

(e) (1) If a covered entity fails to file a report required by subdivision (b) of Section 27501 by April 1 of any year, the department shall notify the covered entity that the covered entity has 60 calendar days from the date of the notification to submit the report without penalty.

(2) If a covered entity has not submitted a report after the 60 calendar days described in paragraph (1) has elapsed, the department may pursue all remedies provided under this chapter.

27503. With respect to the investigative powers of the commissioner under this chapter, the commissioner may do the following at their discretion:

(a) Make public or private investigations within or outside of this state as they deem necessary to determine whether a covered entity has violated or is about to violate any provision of this chapter, any rule or order pursuant to this chapter or to aid in the enforcement of this chapter in the prescribing of rules and forms pursuant to this chapter.

(b) Publish information concerning any violations of this chapter or of any rule or order pursuant to this chapter.

27504. (a) With respect to the enforcement powers of the commissioner and the department under this chapter, all of the following apply:

(1) The commissioner may take any action authorized by this chapter against a covered entity who fails to meet the requirements of Section 27501 or who makes an untrue statement of a material fact in any report filed with the department.

(2) Relief under this chapter may include, but is not limited to, any of the following:

(A) An order requiring the covered entity to desist and refrain from the violation.

(B) An order requiring costs, representing reasonable attorney's fees and investigative expenses for the services rendered, for deposit into the Financial Protection Fund for use by the department.

(C) An order requiring the payment of monetary penalties, as set forth by subdivision (b).

(b) (1) In any civil or administrative action brought pursuant to this chapter in which the commissioner orders penalties, the following penalty amounts apply:

(A) For any violation of this chapter, rule or final order pursuant to this chapter, or condition imposed in writing by the department, a penalty shall not exceed five thousand dollars (\$5,000) for each day during which the violation or failure to pay continues.

(B) Notwithstanding subparagraph (A), for any reckless violation by a covered entity subject to this chapter, rule or final order pursuant to this chapter, or condition imposed by the department, a penalty that is sufficient to deter the covered entity from failing to comply with this chapter as determined by the commissioner under paragraph (2), and exceeds the penalty amount provided in subparagraph (A) for each day during which the violation continues.

(C) Notwithstanding subparagraphs (A) or (B), for any knowing violation by a covered entity subject to this chapter, rule or final order pursuant to this chapter, or condition imposed by the department, a penalty that is sufficient to deter the covered entity from failing to comply with this chapter as determined by the commissioner under paragraph (2), and exceeds the penalty amount provided in subparagraph (B) for each day during which the violation continues.

(2) In determining the amount of any penalty ordered under this chapter, the commissioner shall take into account mitigating factors and the appropriateness of the penalty with respect to all of the following:

(A) The financial standing of the covered entity.

(B) The number of assets under management by the covered entity.

(C) The nature of the covered entity's failure to comply with this chapter.

(D) The amount of financial resources available to the covered entity.

(E) The covered entity's history of previous violations.

(3) The commissioner may compromise, modify, or remit any penalty that may be ordered or that has already been ordered.

27505. (a) (1) If, after an order has been served pursuant to Section 27504, a request for hearing is filed in writing within 30 days of the date of service of the order on the covered entity, a hearing shall be conducted in

accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and the commissioner shall have all of the powers granted under that chapter.

(2) If a covered entity fails to file a written request for a hearing within 30 days from the date of service of the order, the order shall be deemed a final order of the commissioner and is not subject to review by any court or agency, notwithstanding subdivision (b).

(b) Every final order, decision, or other official act of the commissioner is subject to judicial review in accordance with law.

(c) The commissioner may file a certified copy of the final order with the clerk of the superior court or any court of competent jurisdiction. The final order filed has the same effect as a judgment of the court and may be recorded, enforced, or satisfied in the same manner as a judgment of the court.

(d) (1) If a covered entity does not comply with an order under this chapter, the commissioner may petition the superior court or any court of competent jurisdiction to enforce the order.

(2) The court shall not require the commissioner to post a bond in an action or proceeding under this chapter.

(3) If the court finds, after service and opportunity for hearing, that the covered entity was not in compliance with the order, the court may adjudge the covered entity in civil contempt of the order. The court may impose a further civil penalty against the covered entity for contempt and may grant any other relief the court determines is just and proper under the circumstances.

(e) When a covered entity, including a nonresident of this state, engages in conduct prohibited or made actionable by this chapter or any rule or order pursuant to this chapter, whether or not the covered entity has filed a consent to service of process, and personal jurisdiction over the covered entity cannot otherwise be obtained in this state, that conduct shall be considered equivalent to the covered entity's appointment of the commissioner or the commissioner's successor in office to be the covered entity's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the covered entity or the covered entity's successor, executor, or administrator that grows out of that conduct and that is brought under this chapter or any rule or order pursuant to this chapter, with the same force and validity as if served on the covered entity personally. Service may be made by leaving a copy of the process in the office of the commissioner, but it is not in effect unless the following conditions are met:

(1) The plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by commissioner, sends notice of the service and a copy of the process by registered or certified mail to the covered entity at the covered entity's last known address or take other steps that are reasonably calculated to give actual notice.

(2) The plaintiff's affidavit of compliance with this chapter is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

27506. (a) The commissioner may make, amend, and rescind any rules, forms, and orders as are necessary to carry out the provisions of this chapter, including rules and forms governing applications and reports, and defining any terms, whether or not used in this chapter, insofar as the definitions are not inconsistent with the provisions of this chapter.

(b) Moneys collected pursuant to this chapter shall be deposited in the Financial Protection Fund established pursuant to Section 12895 of the Government Code. It is the intent of the Legislature that the moneys collected pursuant to this chapter be appropriated in the annual Budget Act to the department for administration of this chapter.

SEC. 22. Section 4454 of the Government Code is amended to read:

4454. (a) Where state funds are utilized for any building or facility subject to this chapter, or where funds of counties, municipalities, or other political subdivisions are utilized for the construction of elementary school, secondary school, or community college buildings and facilities subject to this chapter, no contract shall be awarded until the Department of General Services has issued written approval stating that the plans and specifications comply with the intent of this chapter.

(b) Notwithstanding subdivision (a), for all transportation facilities, other than rail or transit stations, located within state highway rights-of-way, the Department of Transportation is authorized to issue the required written approval stating that the plans and specifications comply with intent of this chapter. If the Department of General Services, Division of the State Architect, establishes a certified access specialist program, as described in Section 4459.5, specific to standards governing access to transportation facilities, the Department of Transportation shall within 180 days of establishment of the program begin using engineers certified through that program to verify that the Department of Transportation's standards, guidelines, and design exceptions comply with the intent of this chapter.

(c) In each case the application for approval shall be accompanied by the plans and full, complete, and accurate specifications, which shall comply in every respect with any and all requirements prescribed by the Department of General Services.

(d) Except for facilities located within state highway rights-of-way, other than rail or transit stations, the application shall be accompanied by a filing fee in amounts as determined by the Department of General Services. All fees shall be deposited into the Access for Handicapped Account, which is hereby renamed the Disability Access Account as of July 1, 2001, and established in the General Fund. Notwithstanding Section 13340, the account is continuously appropriated for expenditures for the use of the Department of General Services, in carrying out the department's responsibilities under this chapter and Chapter 13 (commencing with Section 14985) of Part 5.5 of Division 3 of Title 2.

(e) The Department of General Services shall consult with the Department of Rehabilitation in identifying the requirements necessary to comply with this chapter.

(f) The Department of General Services, Division of the State Architect, shall include the cost of carrying out the responsibilities identified in this chapter as part of the plan review costs in determining fees.

SEC. 23. Section 8263 of the Government Code is amended to read:

8263. (a) There is in the Governor's Office of Service and Community Engagement the California Youth Empowerment Commission. The commission shall consist of 13 voting commissioners to be appointed as follows:

(1) Eleven public members appointed by the Governor, subject to the following requirements:

(A) The terms of these commissioners initially shall be staggered so that five members serve one-year terms and six members serve two-year terms. To achieve the staggering of terms, the Governor shall designate the terms of the present members of the commission who have been appointed by the Governor.

(B) One of the commissioners shall reside, work, or attend school in each region described in subdivision (b), with the exception of the at-large commissioner.

(C) Five of the commissioners shall be between 14 to 18 years of age.

(D) Five of the commissioners shall be between 18 to 25 years of age.

(E) At least five commissioners shall have experienced a physical disability, youth homelessness, foster care, or juvenile incarceration.

(F) One at-large commissioner, who may be between 14 to 25 years of age.

(2) One at-large public member appointed by the Senate Committee on Rules.

(3) One at-large public member appointed by the Speaker of the Assembly.

(4) The Governor may appoint alternates for those described in paragraph (1).

(b) For the purposes of subparagraph (B) of paragraph (1) of subdivision (a), these regions are defined as follows:

(1) The Superior California region consists of the Counties of Butte, Colusa, El Dorado, Glenn, Lassen, Modoc, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Siskiyou, Sutter, Tehama, Yolo, and Yuba.

(2) The North Coast region consists of the Counties of Del Norte, Humboldt, Lake, Mendocino, Napa, Sonoma, and Trinity.

(3) The San Francisco Bay area region consists of the Counties of Alameda, Contra Costa, Marin, San Mateo, Santa Clara, and Solano, and the City and County of San Francisco.

(4) The Northern San Joaquin Valley region consists of the Counties of Alpine, Amador, Calaveras, Madera, Mariposa, Merced, Mono, San Joaquin, Stanislaus, and Tuolumne.

(5) The Central Coast region consists of the Counties of Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz, and Ventura.

(6) The Southern San Joaquin Valley region consists of the Counties of Fresno, Inyo, Kern, Kings, and Tulare.

(7) The Inland Empire region consists of the Counties of Riverside and San Bernardino.

(8) The Los Angeles region consists of the County of Los Angeles.

(9) The Orange County region consists of the County of Orange.

(10) The San Diego/Imperial region consists of the Counties of Imperial and San Diego.

(c) In addition to subdivision (a), one Member of the Senate appointed by the Senate Committee on Rules, one Member of the Assembly appointed by the Speaker of the Assembly, the Governor, the Superintendent of Public Instruction, and the Secretary of California Health and Human Services shall serve as nonvoting members of the commission.

(d) All appointing powers shall take into consideration that the members of the commission represent the geographical, racial, ethnic, socioeconomic, cultural, physical, and educational diversity of California's youth. Particular emphasis and funding should be used on reaching out to at-risk or disadvantaged youth to serve as members of the commission, as their participation will provide keen insight into many of the issues that youth face in their day-to-day lives.

SEC. 24. Section 8265 of the Government Code is amended to read:

8265. (a) Within six months of the commission's establishment, and not later than March 1 of each subsequent year, the executive director, appointed pursuant to Section 8274, shall release to the public on its internet website the procedures for the general application process to assist public members in the appointment process and facilitate communications between public members and the appointing powers.

(b) The executive director shall also notify the Superintendent of Public Instruction, the Association of Independent California Colleges and Universities, the Regents of the University of California, the California State University, and the California Community Colleges Chancellor's office that the application for an appointment is open. The notice shall include the requirements for an appointment, a copy of the application, and a request to transmit the notice to all students in California.

(c) The executive director may recommend public members to be appointed to the appointing powers, but there shall be no right or obligation on the part of the appointing powers to appoint those public members.

SEC. 25. Section 8270 of the Government Code is amended to read:

8270. The commission shall conduct full commission meetings at least every other month, with the first meeting on or before September 2024.

SEC. 26. Section 8272 of the Government Code is amended to read:

8272. The commission shall do the following:

(a) Examine and discuss policy and fiscal issues affecting the interests, needs, and conditions of the youth of California.

(b) Formally advise and make recommendations to the Legislature, Superintendent of Public Instruction, and Governor on specific legislative and fiscal issues affecting youth, such as the following:

- (1) Achievement gap.
- (2) Behavioral and physical health.
- (3) Bullying.
- (4) Career preparation.
- (5) Child welfare.
- (6) Child and sexual abuse.
- (7) Civic engagement.
- (8) Climate crisis.
- (9) College affordability and student loans.
- (10) Depression and suicide.
- (11) Education.
- (12) Employment.
- (13) Financial literacy.
- (14) Foster care.
- (15) Gun violence.
- (16) Health care.
- (17) Homelessness.
- (18) Housing and transportation.
- (19) Immigration and undocumented youth.
- (20) Juvenile justice.
- (21) Labor and jobs.
- (22) LGBTQ civil rights.
- (23) Mental health.
- (24) Poverty.
- (25) Racial, economic, and gender equity.
- (26) Reproductive justice.
- (27) Safety.
- (28) Social media and networking.
- (29) Substance abuse and vaping.
- (30) Youth development.
- (31) Any other policy or fiscal issues deemed appropriate by the commission.

(c) Consult with any existing local-level youth advisory commissions and community-based, grassroots youth-led organizations for input and potential solutions on issues related to youth.

(d) Publish an internet website to report details relevant to the commission for the public to view, including, but not limited to, commission agendas, minutes, resolutions, vote counts, initiatives, commissioner information, photos, and video.

(e) On or before May 30, 2026, and annually thereafter, publish an annual report to the Legislature, Superintendent of Public Instruction, Secretary of California Health and Human Services, and Governor detailing the activities, issues, demographics, budget, and outcomes of the commission. The

commission shall submit the report to the Legislature required by this subdivision in compliance with Section 9795.

SEC. 27. Section 8275.5 is added to the Government Code, to read:

8275.5. This chapter shall be implemented upon appropriation by the Legislature.

SEC. 28. Section 8303.3 of the Government Code is amended to read:

8303.3. (a) The commission shall develop resources, best practices, and tools for advancing racial equity, based upon publicly available information and data, by doing all of the following:

(1) (A) In consultation with private and public stakeholders, as appropriate, develop a statewide Racial Equity Framework. The final Racial Equity Framework shall be approved by the commission, submitted to the Governor and the Legislature no later than December 1, 2025, and posted to the commission's internet website.

(B) The Racial Equity Framework shall set forth all of the following:

(i) Methodologies and tools that can be employed to advance racial equity and address structural racism in California.

(ii) Budget methodologies, including equity assessment tools, that entities can use to analyze how budget allocations benefit or burden communities of color.

(iii) Processes for collecting and analyzing data effectively and safely, as appropriate and practicable, including disaggregation by race, ethnicity, sexual orientation and gender identity, disability, income, veteran status, or other key demographic variables and the use of proxies.

(iv) Input and feedback from stakeholder engagements.

(2) Upon request by an agency, provide technical assistance on implementing strategies for racial equity consistent with the Racial Equity Framework.

(3) Engage stakeholders and community members, including by holding quarterly stakeholder meetings, to seek input on the commission's work, as described.

(4) Engage, collaborate, and consult with policy experts in order to conduct analyses and develop tools, including building on and collaborating with existing bodies, as appropriate.

(5) Promote the ongoing, equitable delivery of benefits and opportunities by doing both of the following:

(A) Upon request, providing technical assistance to local government entities engaging in racial equity programming.

(B) Encouraging the formation and implementation of racial equity initiatives in local government entities, including cities and counties.

(b) (1) The commission shall prepare an annual report that summarizes feedback from public engagement with communities of color, provides data on racial inequities and disparities in the state, and recommends best practices on tools, methodologies, and opportunities to advance racial equity. The report shall be submitted, on or after December 1, 2026, and no later than December 31, 2026, and annually on or after December 1, and no later

than December 31, thereafter, to the Governor and the Legislature and shall be posted publicly on the internet website of the commission.

(2) A report submitted pursuant to paragraph (1) shall be submitted pursuant to Section 9795.

SEC. 29. Chapter 5.6 (commencing with Section 8400) of Division 1 of Title 2 of the Government Code is repealed.

SEC. 30. Chapter 5.6 (commencing with Section 8400) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 5.6. GOVERNOR'S OFFICE OF SERVICE AND COMMUNITY
ENGAGEMENT

Article 1. Establishment and Functions of the Governor's Office of
Service and Community Engagement

8400. As used in this chapter, except as otherwise provided:

(a) "Director" means the Director of the Governor's Office of Service and Community Engagement.

(b) "Office" means the Governor's Office of Service and Community Engagement established in this article.

8401. (a) The Governor's Office of Service and Community Engagement is hereby established in state government in the Governor's office. The office shall be under the direct control of a Director of the Governor's Office of Service and Community Engagement, who shall be responsible to the Governor.

(b) The Governor's Office of Service and Community Engagement shall engage Californians in service, volunteering, and civic action to tackle our state's most pressing challenges.

(c) The Governor shall appoint the Director of the Governor's Office of Service and Community Engagement, who shall perform all duties, exercise all powers, assume and discharge all responsibilities, and carry out and effect all purposes vested by law in the office, including contracting for professional or consultant services in connection with the work of the office.

(d) The salary of the Director of the Governor's Office of Service and Community Engagement shall be fixed pursuant to Section 12001.

8402. The work of the office shall be organized within the following offices or programs:

(a) California Volunteers.

(b) The Office of Community Partnerships and Strategic Communications.

(c) The California Youth Empowerment Commission established by the California Youth Empowerment Act (Chapter 3.4 (commencing with Section 8261)).

8403. Commencing on July 1, 2024, each of the following shall occur:

(a) The Governor's Office of Service and Community Engagement in the office of the Governor, succeeds to, and is vested with, all the duties and responsibilities of the Governor's Office of Land Use and Climate

Innovation, formerly the Governor’s Office of Planning and Research, related to the administration or implementation of the programs or offices set within the Office of Service and Community Engagement pursuant to Section 8402.

(b) All books, documents, and records, including, but not limited to, outreach campaign supplies and print materials, of the Governor’s Office of Land Use and Climate Innovation, formerly the Governor’s Office of Planning and Research, pertaining to functions transferred to the Office of Service and Community Engagement under this chapter shall be transferred to the Governor’s Office of Service and Community Engagement.

(c) Any action by or against the Governor’s Office of Land Use and Climate Innovation and any of its predecessors, including the Governor’s Office of Planning and Research, pertaining to matters vested in the Governor’s Office of Service and Community Engagement under this chapter, shall not abate but shall continue in the name of the Governor’s Office of Service and Community Engagement and shall be transferred to the Governor’s Office of Service and Community Engagement as soon as reasonably feasible.

(d) No contract, license, or other agreement to which the Governor’s Office of Land Use and Climate Innovation, formerly the Governor’s Office of Planning and Research, is a party related to any of the programs or offices within the Governor’s Office of Service and Community Engagement pursuant to Section 8402, shall be void or voidable by reason of this chapter, but shall continue in full force and effect under the terms of the contract, with the Governor’s Office of Service and Community Engagement assuming all of the rights, obligations, liabilities, and duties of the Governor’s Office of Land Use and Climate Innovation under the contract, license, or other agreement.

(e) Notwithstanding subdivisions (a) to (d), inclusive, the Governor’s Office of Land Use and Climate Innovation, by contract or other agreement, may provide contracting, administrative, and other services to the Governor’s Office of Service and Community Engagement and may receive funds on its behalf.

(f) All unexpended balances of appropriations and other funds available for use in connection with any function or the administration of any law transferred to the Governor’s Office of Service and Community Engagement by this chapter shall be transferred to the Governor’s Office of Service and Community Engagement for the use and for the purpose for which the appropriation was originally made or the funds were originally available. If there is any doubt as to where those balances and funds are transferred, the Department of Finance shall determine where the balances and funds are transferred. The Department of Finance shall make the final determination of the budgetary and accounting transactions and treatments to ensure the proper implementation of the transfer of duties, powers, and responsibilities from the Governor’s Office of Land Use and Climate Innovation, formerly the Governor’s Office of Planning and Research, to

the Governor’s Office of Service and Community Engagement, as described in this chapter.

Article 2. CaliforniaVolunteers

8405. CaliforniaVolunteers, as established by Executive Order S-24-06, is hereby established in the Governor’s Office of Service and Community Engagement.

8406. The CaliforniaVolunteers shall engage Californians in service, volunteering, and civic action to tackle our state’s most pressing challenges. The CaliforniaVolunteers shall do the following:

(a) Administer the Youth Jobs Corps, Climate Action Corps, College Corps, and AmeriCorps California Programs.

(b) Promote the use of service members and volunteers in California, including in emergency response.

(c) Oversee the CaliforniaVolunteers Commission established in Article 3 (commencing with Section 8410).

8407. (a) CaliforniaVolunteers, as established by Executive Order S-24-06 and Section 8405, is authorized to form a nonprofit public benefit corporation or other entity exempt from income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code or Section 23701d of the Revenue and Taxation Code to raise revenues and receive grants or other financial support from private or public sources, for the purposes of undertaking or funding any lawful activity authorized to be undertaken by CaliforniaVolunteers. Grants or financial support received by the nonprofit public benefit corporation or other entity shall be used solely for the governmental purposes approved by CaliforniaVolunteers for activities within the scope of authority of CaliforniaVolunteers. No more than 10 percent of the grants and financial support received by the nonprofit public benefit corporation or other entity may be used to pay for the administrative costs of that nonprofit public benefit corporation or other entity.

(b) The mission of the nonprofit public benefit corporation or other entity is as follows:

(1) To support the funding of CaliforniaVolunteers programming and administrative costs.

(2) To support any priorities set forth by the Governor or the CaliforniaVolunteers Board of Commissioners.

Article 3. CaliforniaVolunteers Commission

8410. As used in this article:

(a) “Act” means the National and Community Service Trust Act, codified in Section 12501 et seq. of Title 42 of the United States Code.

(b) “Commission” means the Board of Commissioners under CaliforniaVolunteers, as named in subdivision (a) of Section 8411, which

is the State Commission on National and Community Service for purposes of the act, including the requirements of Section 12638 of Title 42 of the United States Code, and the act's implementing rules and regulations.

8411. (a) There is continued into existence a Board of Commissioners under California Volunteers.

(b) For purposes of fulfilling the requirements of the act, the commission shall do all of the following:

(1) Take all actions necessary to meet the requirements of the act and its implementing rules and regulations.

(2) Be responsible for the duties described in Section 12638(e) of Title 42 of the United States Code.

(3) Be appointed by the Governor and function pursuant to the requirements in Section 12638 of Title 42 of the United States Code.

(c) The commission may also do any of the following for purposes of supporting California Volunteers:

(1) Advise and participate in the work of California Volunteers, including, but not limited to, policy, communication and program decisionmaking, and special initiatives, by attending meetings and participating on committees, working groups, and task forces.

(2) Conduct outreach to specific constituencies, including, but not limited to, government, nonprofit, business, and labor, to seek these constituencies' participation in and support of California Volunteers activities and programs.

(3) Coordinate with other state agencies and volunteer service programs to ensure a comprehensive and integrated service system within the state.

(4) Promote community service throughout the state by representing California Volunteers at service-related events and venues.

(5) Support programs funded by California Volunteers by participating in site visits and speaking at launch or graduation activities.

8412. (a) The Governor shall appoint 25 voting members to the commission as follows:

(1) In compliance with the act, the commission's voting members shall include at least all of the following:

(A) An individual with expertise in the educational, training, and development needs of youth, particularly disadvantaged youth.

(B) An individual with expertise in promoting the involvement of older adults in service and volunteerism.

(C) A representative of community-based agencies or organizations within the state.

(D) The Superintendent of Public Instruction.

(E) A representative of local government.

(F) A representative of local labor organizations.

(G) A representative of business.

(H) An individual between 16 and 25 years of age, inclusive, who is a participant or supervisor of a service program for schoolage youth, or of a campus-based or national service program.

(I) A representative of a qualifying national service program.

(2) (A) Subject to subparagraph (B), the Governor shall appoint two voting members as follows:

(i) One representative recommended for appointment consideration by the President pro Tempore of the Senate.

(ii) One representative recommended for appointment consideration by the Speaker of the Assembly.

(B) For purposes of subparagraph (A), within 30 days from the date of receipt of names of recommended representatives from the President pro Tempore of the Senate or Speaker of the Assembly, the Governor shall appoint a representative or shall notify the President pro Tempore of the Senate or Speaker of the Assembly, as applicable, that the Governor rejects all recommended representatives and requests additional recommendations. Within 45 days from the date of receipt of a notice that all recommended representatives are rejected, the President pro Tempore of the Senate or Speaker of the Assembly, as applicable, shall nominate and send to the Governor the names of additional recommended representatives.

(3) The Governor shall appoint all other voting members to the commission in compliance with the act.

(b) (1) A representative of the Corporation for National and Community Service, as designated under Section 12651f(c) of Title 42 of the United States Code, shall serve as an ex officio, nonvoting member.

(2) The Governor may appoint to the commission other ex officio, nonvoting members in compliance with Section 12638 of Title 42 of the United States Code.

(c) The Governor may designate an honorary chairperson for the commission.

(d) (1) No more than 50 percent of the commission, plus one member, shall be from the same political party.

(2) Appointments made pursuant to this section shall also comply with all other requirements of Section 12638 of Title 42 of the United States Code.

(e) Voting members of the commission shall serve at the pleasure of the Governor for renewable terms of three years.

8413. Members of the commission shall serve without compensation, but may be reimbursed for travel expenses and receive a per diem as appropriate and in compliance with Section 12638 of Title 42 of the United States Code.

Article 4. The Office of Community Partnerships and Strategic Communications

8415. (a) It is the intent of the Legislature that through the creation of a single state entity to coordinate California's most important statewide public awareness and community outreach campaigns, the state can realize more inclusive and effective outcomes while preventing equity gaps in statewide outreach. The office will use data-driven decisions to help the

state make more informed resource allocations, targeted strategies, and rapid response efforts to better serve Californians, as well as help remove or reduce barriers that many small, community-based organizations face when attempting to partner with the state.

(b) The Legislature finds and declares all of the following:

(1) California is a uniquely diverse state that is home to a multitude of different communities with various needs and perspectives. The state's diversity and size likewise present unique challenges in the statewide communication of critical information and resources in a timely and equitable manner.

(2) In light of the unprecedented scale of the challenges that California has faced in recent years and continues to face today, the state must be able to coordinate and communicate effectively with the full range of communities that it serves, particularly with those who are experiencing the greatest health and social inequities.

(3) The state must incorporate the lessons learned from recent statewide public education campaigns into future efforts if the state intends to effectively reach and engage Californians, including those experiencing the greatest health and social inequities.

(4) The creation of a single entity to coordinate the highest priority statewide public information and outreach campaigns can ensure that the state is more inclusive, equitable, coordinated, and effective in its most important communication efforts. Likewise, such an entity can serve to help reduce or remove barriers to entry that many small, community-based organizations face when attempting to partner with the state in these efforts. Similarly, such an entity can help inform and implement best practices for engaging media specializing in non-English language and culturally resonant content.

(5) It is the intent of the Legislature that the creation of the office within the Governor's Office of Service and Community Engagement will serve not only to streamline partnership efforts with community-based organizations and media throughout the state, but also to use data-informed decisions to help prevent and address equity gaps in statewide outreach, resource allocations, targeted strategies, and rapid response efforts.

(6) Work at the state level to coordinate high-priority public information and outreach campaigns is not intended to be a substitute for, and should be done in coordination with, similar efforts by cities, counties, cities and counties, and other governments.

8416. As used in this article:

(a) "Community-based organizations" means a public or private nonprofit organization of demonstrated effectiveness that represents a community or significant segments of a community and provides support and services to individuals in the community.

(b) "Executive officer" means the individual who manages the Office of Community Partnerships and Strategic Communications. The executive officer shall be appointed by the Governor and shall report to the director.

(c) “Intermediary” means a third-party governmental or private entity contracted by the office to perform grant and fund management and other services as required to manage and provide resources to the community-based organizations.

(d) “Office” means the Office of Community Partnerships and Strategic Communications.

8417. The Office of Community Partnerships and Strategic Communications is hereby continued in existence in the Governor’s Office of Service and Community Engagement.

8418. Under the direction of the director, the executive officer shall initiate and execute campaigns related to the state’s highest priority public awareness and community outreach efforts.

8419. (a) The Office of Community Partnerships and Strategic Communications is hereby established as an office within the Governor’s Office of Service and Community Engagement.

(b) The office shall serve as the manager of the state’s highest priority public awareness and community outreach efforts. In this role, the office shall do all of the following:

(1) Work with local community-based organizations and other partners statewide to engage Californians, including those experiencing the greatest health and social inequities, with culturally competent and relevant information with the goal of improving the quality of their lives and livelihoods. Similarly, work with media, including smaller outlets and platforms that reach these audiences.

(2) Work in partnership with select state entities to develop and execute multiple public awareness and outreach efforts simultaneously.

(3) Develop and support a network of community-based organizations, philanthropic organizations, and other partners to support the office’s core mission and goals.

(4) Create funding programs and opportunities that support both state and community outreach and communication needs and interests.

(5) Serve as a key informational resource to assist community-based organizations, local governments, philanthropic organizations, and other partners in obtaining relevant information from state entities as well as to share community insights and information with state partners related to campaigns overseen by the office.

(6) Collaborate with state agencies to review state contracting options for community-based organizations, philanthropic organizations, and other partners.

(7) Leverage and, as relevant, institutionalize the infrastructure, work, and lessons learned from the 2020 federal decennial census and COVID-19 public awareness and community engagement campaigns.

(8) Leverage the unique structure, expertise, relationships and powers of the Governor’s Office of Service and Community Engagement to more effectively achieve the goals and mission of the office.

8420. (a) In the selection of its awareness and outreach campaigns, the office shall consider all of the following criteria:

(1) “Equity,” meaning the ability to target audiences that include Californians who are disproportionately impacted or experience the greatest health and social inequities.

(2) “Data-informed decisions,” meaning respective agencies and departments that have or can provide issue-specific data to inform strategy and evaluation.

(3) “Actionable areas,” meaning issues that have the opportunity to provide reliable and actionable information and resources that can empower impacted communities.

(4) “Risk severity and urgency,” meaning issues that present a threat or concern to the lives and livelihoods of the target audience.

(5) “Cross-agency coordination,” meaning issues that require coordination and collaboration across multiple agencies or departments.

(6) “Outcomes,” meaning issues that have clear, measurable goals.

(7) “Emergent matters,” meaning responsiveness to urgent, new, and emerging issues, including one-time investments.

(b) The office shall create and post on a publicly available internet website guidelines for an award of funds made under any appropriation of funds to the office for community partnerships or strategic communications.

8421. (a) As part of its core objective of managing the state’s highest priority public awareness and community outreach efforts, and as informed by any guidelines and practices developed by it, the office shall prioritize streamlining partnerships between community-based organizations and the state, including identifying and working with state partners to eliminate barriers and structural challenges that may prevent community-based organizations from being able to engage in, and benefit from, partnerships with the state.

(b) In accordance with any adopted guidelines and criteria, the office shall administer, manage, and award grants to support the state’s public awareness and community outreach efforts. To implement this section, the office may do any of the following:

(1) Provide technical assistance for application preparation.

(2) Contract with an intermediary or third party to administer technical and financial assistance programs for the disbursement of grants and loans to support the state’s public awareness and community outreach efforts.

(3) Allow for the subgranting of awarded grants.

(4) Advance public-private partnerships with philanthropic organizations and coordinate with those partners to augment state public awareness and community outreach efforts.

8422. State agencies and departments collaborating with the office, upon request, shall share relevant data and statistical information that may improve the efficacy of current or future outreach efforts.

SEC. 31. Section 8546.11 is added to the Government Code, immediately following Section 8546.10, to read:

8546.11. (a) The California State Auditor shall conduct an audit of the County of Mendocino by January 1, 2026, which shall include, but not be limited to, all of the following.

- (1) Any potential waste, fraud, abuse, and mismanagement.
- (2) The county's administration of elections in 2024.
- (3) Contracting and procurement.

(b) Notwithstanding Section 10231.5, the California State Auditor shall report their findings to the Legislature, including the Assembly Committee on Budget, the Senate Committee on Budget and Fiscal Review, the Assembly Committee on Local Government, and the Senate Committee on Local Government, by January 1, 2026.

SEC. 32. The heading of Chapter 9.7 (commencing with Section 8770) of Division 1 of Title 2 of the Government Code is amended to read:

CHAPTER 9.7. CALIFORNIA TEEN POET LAUREATE

SEC. 33. Section 8770 of the Government Code is amended to read:

8770. (a) The position of California Teen Poet Laureate is hereby established.

(b) The California Teen Poet Laureate shall be appointed by the Governor from a list of three nominees 13 to 19 years of age, inclusive, provided by the Arts Council garnered through the following process:

(1) The council shall establish a panel of three literary experts that may include any of the following:

(A) Literature professors and teachers, including professional poets teaching in such programs as California Poets in the Schools and other arts in schools programs.

(B) Public and private arts organizations that have a significant literary component.

(C) Professional poets and city poet laureates, teen poet laureates, and other designations, as appropriate.

(D) Boards and directors of literary organizations.

(E) Literary critics.

(F) Others deemed by the director to have expertise in contemporary American poetry.

(2) (A) The panel shall solicit nominations from a broad array of literary sources and individuals, including, but not limited to, all of the following:

(i) High school, university, and college literature departments.

(ii) Literary organizations, societies, and centers.

(iii) Poetry book publishers and poetry editors.

(iv) Directors of poetry reading series.

(v) Independent book sellers specializing in poetry.

(vi) Community centers.

(vii) Local arts agencies.

(B) The council shall make every effort to ensure that information regarding the solicitation of nominations is broadly distributed.

(3) The council may establish other rules and regulations regarding the nomination process and expend funds for those purposes.

(c) Each nominee for California Teen Poet Laureate submitted by the Arts Council to the Governor shall reside in California at the time of the submission of the application and reside in California during their term as California Teen Poet Laureate.

(d) Each nominee for California Teen Poet Laureate submitted by the Arts Council to the Governor shall be 13 to 19 years of age, inclusive, at the time of the application submission deadline.

(e) A teen poet laureate appointed pursuant to this section shall serve for a term of two years, and may not serve more than one term.

(f) Upon appropriation of funds by the Legislature for the purposes of this chapter, the Arts Council shall provide an annual stipend of ten thousand dollars (\$10,000) to the California Teen Poet Laureate and shall pay the travel expenses of the California Teen Poet Laureate incurred in the course of attending readings and meetings. Additionally, the council may make available other funds for activities that the council and the California Teen Poet Laureate mutually agree to undertake, including, but not limited to, the lease of facilities for readings and the acquiring of insurance therefor, and other similar activities.

(g) The California Teen Poet Laureate shall, as a condition of the appointment, assume the following minimum responsibilities:

(1) Provide a minimum of six public readings during their two-year term endeavoring to ensure that people in all geographic regions of the state have reasonable access to at least one reading during the course of the term.

(2) Undertake a specific project that shall last through the term, agreed to by the California Teen Poet Laureate and the council, the goal of which will be to bring the poetic arts to Californians and to California students who might otherwise have little opportunity to be exposed to poetry. The California Teen Poet Laureate may, and is encouraged to, coordinate the project with any similar project being undertaken by the California Poet Laureate.

(3) Any other reasonable activities as agreed to mutually by the California Teen Poet Laureate and the council.

(h) All contracts entered into by the California Teen Poet Laureate pursuant to this chapter are not subject to Chapter 3 (commencing with Section 6750) of Part 3 of Division 11 of the Family Code.

SEC. 34. Section 8880.5 of the Government Code is amended to read:

8880.5. Allocations for education:

The California State Lottery Education Fund is created within the State Treasury, and is continuously appropriated for carrying out the purposes of this chapter. The Controller shall draw warrants on this fund and distribute them quarterly in the following manner, provided that the payments specified in subdivisions (a) to (f), inclusive, shall be equal per capita amounts.

(a) (1) Payments shall be made directly to public school districts, including county superintendents of schools, serving kindergarten and grades 1 to 12, inclusive, or any part thereof, on the basis of an equal amount for each unit of average daily attendance, as defined by law and adjusted pursuant to subdivision (k).

(2) For purposes of this paragraph, in each of the 2008–09, 2009–10, 2010–11, 2011–12, 2012–13, 2013–14, and 2014–15 fiscal years, the number of units of average daily attendance in each of those fiscal years for programs for public school districts, including county superintendents of schools, serving kindergarten and grades 1 to 12, inclusive, shall include the same amount of average daily attendance for classes for adults and regional occupational centers and programs used in the calculation made pursuant to this subdivision for the 2007–08 fiscal year.

(b) Payments shall also be made directly to public school districts serving community colleges, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(c) Payments shall also be made directly to the Board of Trustees of the California State University on the basis of an amount for each unit of equivalent full-time enrollment. Funds received by the trustees shall be deposited in and expended from the California State University Trust Fund or, at the discretion of the trustees, deposited in local trust accounts in accordance with subdivision (j) of Section 89721 of the Education Code.

(d) Payments shall also be made directly to the Regents of the University of California on the basis of an amount for each unit of equivalent full-time enrollment.

(e) Payments shall also be made directly to the Board of Directors of the college named in Section 92200 of the Education Code on the basis of an amount for each unit of equivalent full-time enrollment.

(f) Payments shall also be made directly to the two California Schools for the Deaf, the California School for the Blind, and the three Diagnostic Schools for Neurologically Handicapped Children, on the basis of an amount for each unit of equivalent full-time enrollment.

(g) Payments shall also be made directly to the State Department of Developmental Services and the State Department of State Hospitals for clients with developmental or mental disabilities who are enrolled in state hospital education programs, including developmental centers, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(h) No Budget Act or other statutory provision shall direct that payments for public education made pursuant to this chapter be used for purposes and programs, including workload adjustments and maintenance of the level of service, authorized by Chapters 498, 565, and 1302 of the Statutes of 1983, Chapter 97 or 258 of the Statutes of 1984, or Chapter 1 of the Statutes of the 1983–84 Second Extraordinary Session.

(i) School districts and other agencies receiving funds distributed pursuant to this chapter may at their option use funds allocated by this chapter to provide additional funds for those purposes and programs prescribed by subdivision (h) for the purpose of enrichment or expansion.

(j) As a condition of receiving any moneys pursuant to subdivision (a) or (b), each school district and county superintendent of schools shall establish a separate account for the receipt and expenditure of those moneys, which account shall be clearly identified as a lottery education account.

(k) Commencing with the 1998–99 fiscal year, and each year thereafter, for purposes of subdivision (a), average daily attendance shall be increased by the statewide average rate of excused absences for the 1996–97 fiscal year as determined pursuant to the provisions of Chapter 855 of the Statutes of 1997. The statewide average excused absence rate, and the corresponding adjustment factor required for the operation of this subdivision, shall be certified to the Controller by the Superintendent of Public Instruction.

(l) It is the intent of this chapter that all funds allocated from the California State Lottery Education Fund shall be used exclusively for the education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing of research, or any other noninstructional purpose.

SEC. 35. Section 11549.52 of the Government Code is amended to read:

11549.52. (a) The office shall, consistent with Item 7502-062-8506 of the Budget Act of 2021, oversee the acquisition and management of contracts for the development and construction of a statewide open-access middle-mile broadband network, and for the maintenance and operation of the statewide open-access middle-mile broadband network to provide an opportunity for last-mile providers, anchor institutions, and tribal entities to connect to, and interconnect with other networks and other appropriate connections to, the statewide open-access middle-mile broadband network to facilitate high-speed broadband service.

(b) The office shall, with the third-party administrator, develop and construct a statewide open-access middle-mile broadband network that prioritizes last-mile connections to unserved and underserved areas and locations.

(1) In prioritizing last-mile connections, the office shall prioritize a geographically diverse group of network segments in rural and urban areas of the state to achieve the greatest reductions in the number of locations that are unserved and underserved by broadband internet access service that meets federal and state standards.

(2) In prioritizing stand-alone Department of Transportation construction projects from the Department of Technology’s Middle-Mile Broadband Network Initiative, the office shall prioritize network segments necessary for connection to last-mile projects with grant awards from one or more of the following programs, including, but not limited to:

(A) The Broadband Equity, Access, and Deployment Program.

(B) The California Advanced Services Fund program, as described in Section 281 of the Public Utilities Code.

(C) The Federal Funding Account program.

(c) The office and the third-party administrator shall work directly with last-mile project grant awardees to ensure that network segments, including prioritized stand-alone Department of Transportation construction projects, support last-mile connections.

(d) The office and the third-party administrator shall, to the extent feasible, minimize disruption due to excavations. This shall not be used as a basis to exclude or deprioritize a network segment.

(e) The office has the same authority granted to the department pursuant to paragraph (1) of subdivision (e) of Section 6611 of the Public Contract Code for purposes of implementing this section.

SEC. 36. Section 11549.54 of the Government Code is amended to read:

11549.54. (a) The commission, in collaboration with the third-party administrator, shall assist the office and provide to the office the locations for the statewide open-access middle-mile broadband network in a commission staff report, and shall update the locations from time to time as the commission deems appropriate.

(b) The commission shall identify statewide open-access middle-mile broadband network locations that will enable last-mile service connections and are in communities where there is no known middle-mile infrastructure that is open access, with sufficient capacity, and at affordable rates.

(c) The commission shall identify priority statewide open-access middle-mile broadband network locations, including areas that can be built expeditiously, areas with no known middle-mile network access, regions underserved by middle-mile networks, and regions without sufficient capacity to meet future middle-mile needs.

(d) In identifying priority statewide open-access middle-mile broadband network locations pursuant to subdivision (c), the commission shall prioritize locations that enable last-mile connections to residences unserved by 25 mbps downstream and 3 mbps upstream. The locations prioritized by the commission may also include entities that lack sufficient high-bandwidth connections, including, but not limited to, all of the following:

- (1) Elementary and secondary schools.
- (2) Community colleges and other institutions of higher education.
- (3) Government entities.
- (4) Healthcare institutions.
- (5) Libraries.
- (6) Public safety answering points and technologies to assist in the prevention or response to natural disasters, including, but not limited to, fairgrounds.
- (7) Tribal lands.

(e) The commission, in collaboration with relevant stakeholders, shall identify state highway rights-of-way where installation of open-access middle-mile broadband infrastructure should be prioritized.

(1) In prioritizing state highway rights-of-way, the commission shall prioritize a geographically diverse group of projects in rural and urban areas of the state to achieve the greatest reductions in the amount of households unserved by broadband internet access service meeting federal and state standards.

(2) Upon identifying and prioritizing locations pursuant to this section, the commission shall transmit the list of priority projects to the Department of Transportation and publish the list on the commission's internet website.

(f) (1) The commission shall solicit and receive public comments within 90 days of the effective date of this section with respect to both of the following:

(A) The current locations, routes, availability, technical performance characteristics, and other aspects of commercial sources of supply of middle-mile broadband network services.

(B) The locations, routes, technical performance characteristics, network design, regeneration points, interconnection points and tie-ins, and other design, technical, business, and operational considerations that would increase the attractiveness and usefulness of the statewide open-access middle-mile broadband network for commercial internet service providers.

(2) These public comments shall inform the locations for the statewide open-access middle-mile network provided to the office pursuant to subdivision (a).

(g) (1) The commission shall provide the office and the third-party administrator with information on last-mile projects with grant awards from one or more of the following programs:

(A) The Broadband Equity, Access, and Development Program.

(B) The California Advanced Services Fund program, as described in Section 281 of the Public Utilities Code.

(C) The Federal Funding Account program.

(2) The information provided by the commission on last-mile projects with grant awards shall include whether a project plans to connect to the statewide open-access middle-mile network.

(h) (1) The commission shall treat any confidential information obtained from the department pursuant to this section consistent with its processes and statutory requirements for maintaining confidential information otherwise received from communications service providers.

(2) The commission may share with the department any confidential information it receives from communications service providers that is related to the development and operation of the statewide open-access middle-mile broadband network, and the department shall not disclose that information.

(i) The office shall plan and develop the statewide open-access middle-mile broadband network using the information provided pursuant to subdivisions (a) to (d), inclusive.

(j) (1) In the planning and development of the statewide open-access middle-mile broadband network, the office shall consider technical advice received from entities, including, but not limited to, wireless communications service providers, wireline communications service providers, state agencies, local governments, nonprofit entities, tribes, educational institutions, organized labor groups, regional consortia, and, if applicable, a working group convened pursuant to paragraph (2).

(2) The office may convene a working group to provide additional advice pursuant to this subdivision.

SEC. 37. Section 12100.151 of the Government Code is amended to read:

12100.151. (a) (1) The zero-emission vehicle division within the Governor's Office of Business and Economic Development is hereby continued in existence within the Governor's Office of Business and Economic Development as the Zero-Emission Vehicle Market Development

Office. The office shall continue to be administered by a deputy director appointed by, and serving at the pleasure of, the Governor.

(2) The office shall steer the development of a shared, cross-agency definition of equity, and set an equity agenda for the deployment of light-, medium-, and heavy-duty zero-emission vehicles, the supporting infrastructure, and workforce development.

(3) Until January 1, 2028, the Zero-Emission Vehicle Equity Advocate is hereby established within the office. The advocate shall be appointed by, and shall serve at the pleasure of, the Governor.

(4) The office shall serve as a point of contact for stakeholders to provide concerns and suggestions related to the state's progress in equitably achieving the state's zero-emission vehicle deployment goals.

(5) The office shall provide information and coordinate policy and procedural changes with relevant state entities, including, but not limited to, the State Air Resources Board, the State Energy Resources Conservation and Development Commission, the Transportation Agency, and the California Transportation Commission, as needed, to ensure consistency among equity definitions, criteria, and targets used in the state's zero-emission vehicle and infrastructure programs and to ensure best practices related to equity are incorporated into state planning for zero-emission vehicle deployment, funding, and program design.

(6) In order to facilitate alignment of equity goals, the office may convene meetings or task forces that include state agencies, local government, utilities, labor, community-based organizations, air pollution control districts, air quality management districts, or private sector actors key to advancing zero-emission transportation goals.

(b) (1) The office shall develop and adopt an equity action plan as part of the ZEV Market Development Strategy that considers optimizing for equity benefits in zero-emission vehicle deployment.

(2) The equity action plan shall include all of the following:

(A) Recommendations on actionable steps and metrics to measure and improve access to zero-emission vehicles, public and private charging infrastructure, and zero-emission vehicle transportation options in low-income, disadvantaged, and historically underserved communities, including, but not limited to, shared vehicles and other alternatives to single-owner vehicle ownership.

(B) Recommendations to advance equity by reducing pollution driven by the transportation sector and related industries in low-income, disadvantaged, and historically underserved communities, including emissions from medium- and heavy-duty vehicles, and by supporting an equitable zero-emission vehicle industry and workforce.

(C) Strategies implemented and steps taken to embed equity in the state's overall ZEV Market Development Strategy.

(3) The office shall assess progress towards the equity action plan as part of the update to the ZEV Market Development Strategy and notify the relevant policy committees of the Legislature of the information provided

in that update. This assessment shall include, but is not limited to, metrics tracking both of the following:

(A) State funding spent toward the deployment of zero-emission vehicle ownership and supporting infrastructure in disadvantaged and low-income communities, and the number and type of vehicles, including light-, medium-, and heavy-duty zero-emission vehicles, state and federal subsidies for zero-emission vehicles, different ownership structures for zero-emission vehicles, or charging infrastructure deployed with this funding.

(B) State funding for multiyear projects that advance deployment of zero-emission vehicles in communities identified as disadvantaged communities prioritized by severity of air pollution from mobile sources, lack of charging infrastructure and electric vehicles, and transportation or transit deserts. The office shall also identify where projects are located.

(4) In developing the equity action plan, the office shall coordinate and partner with community organizations, local entities, state agencies, and other private and public stakeholders to steer an equitable zero-emission vehicle deployment. The office shall include information on the constituencies coordinated with to develop or advance equity actions in zero market development in the equity action plan.

SEC. 38. Section 12907 of the Government Code is amended to read:

12907. (a) The Civil Rights Enforcement and Litigation Fund is hereby established in the State Treasury, to be administered by the Civil Rights Department.

(b) The fund shall consist of any attorney’s fees and costs awarded by a court to the Civil Rights Department when the department is the prevailing party in a civil action brought under the California Fair Employment and Housing Act.

(c) Upon appropriation by the Legislature in the annual Budget Act, moneys in the fund may be used to offset the costs of the department.

SEC. 39. Section 14844 of the Government Code is amended to read:

14844. (a) The department shall contract for a statewide procurement and contracting disparity study, in order to guide outreach strategies, state government program development, and improvements to contracting policies.

(b) On or before December 31, 2025, the department shall post a report to its internet website setting forth the results of the study and implementation actions taken in response to it.

SEC. 40. The heading of Chapter 1.5 (commencing with Section 65025) of Division 1 of Title 7 of the Government Code is amended to read:

CHAPTER 1.5. OFFICE OF LAND USE AND CLIMATE INNOVATION

SEC. 41. Section 65025 of the Government Code is amended to read: 65025. “Office” as used in this chapter means the Office of Land Use and Climate Innovation.

SEC. 42. Section 65028.2 of the Government Code is amended to read:

65028.2. “District,” as used in this chapter, means a regional planning district created by the office pursuant to Section 65040.4.

SEC. 43. Section 65029 is added to the Government Code, to read:

65029. Commencing on July 1, 2024, all references to the Governor’s Office of Planning and Research throughout the published laws of the State of California shall henceforth be deemed to be references to the Governor’s Office of Land Use and Climate Innovation, except as referenced in the act adding this section amending the codes otherwise. Notwithstanding this provision, and other provisions of the act adding this section, the Governor’s Office of Land Use and Climate Innovation may continue to receive funds and operate grants and contracts under the name Governor’s Office of Planning and Research through 2029. To the extent feasible, the Governor’s Office of Land Use and Climate Innovation shall commence use of that name as soon as the act adding this section becomes operative, but no contract, grant, or other agreement shall be void or unenforceable simply because the name the Governor’s Office of Planning and Research is utilized.

SEC. 44. Section 65035 of the Government Code is amended to read:

65035. The Legislature finds that it is necessary to have one agency at the state level that is responsible for developing state land use policies, coordinating planning of all state agencies, and assisting and monitoring local and regional planning. The Legislature recognizes the Office of Land Use and Climate Innovation, in the office of the Governor, as the most appropriate state agency to carry out this statewide land use planning function. It is not the intent of the Legislature to vest in the office any direct operating or regulatory powers over land use, public works, or other state, regional, or local projects or programs.

SEC. 45. The heading of Article 3 (commencing with Section 65037) of Chapter 1.5 of Division 1 of Title 7 of the Government Code is amended to read:

Article 3. Establishment and Functions of the Office of Land Use and
Climate Innovation

SEC. 46. Section 65037 of the Government Code is amended to read:

65037. The Office of Land Use and Climate Innovation is hereby established in state government in the Governor’s office. The office shall be under the direct control of a director, who shall be responsible to the Governor.

SEC. 47. Section 65038 of the Government Code is amended to read:

65038. For the purpose of administering this chapter, the Governor shall appoint the Director of Land Use and Climate Innovation, who shall perform all duties, exercise all powers, assume and discharge all responsibilities, and carry out and effect all purposes vested by law in the office, including contracting for professional or consultant services in connection with the work of the office.

SEC. 48. Section 65039 of the Government Code is amended to read:

65039. The Governor may appoint the Director of Land Use and Climate Innovation at a salary that shall be fixed pursuant to Section 12001.

SEC. 49. Section 65039.5 is added to the Government Code, to read:

65039.5. Commencing on July 1, 2024, each of the following shall occur:

(a) (1) The California Initiative to Advance Precision Medicine, an office within the California Health and Human Services Agency, succeeds to, and is vested with, all the duties and responsibilities of the Governor's Office of Land Use and Climate Innovation, formerly the Governor's Office of Planning and Research, related to the administration or implementation of the California Initiative to Advance Precision Medicine's programs.

(2) All books, documents, and records, including, but not limited to, outreach campaign supplies and print materials, of the Governor's Office of Land Use and Climate Innovation, formerly the Governor's Office of Planning and Research, pertaining to functions transferred to the California Initiative to Advance Precision Medicine shall be transferred to the California Health and Human Services Agency.

(3) Any action by or against the Governor's Office of Land Use and Climate Innovation and any of its predecessors, including the Governor's Office of Planning and Research, pertaining to matters vested in the California Initiative to Advance Precision Medicine by this act shall not abate but shall continue in the name of the California Initiative to Advance Precision Medicine and shall be transferred to the California Health and Human Services Agency.

(4) No contract, license, or other agreement to which the Governor's Office of Land Use and Climate Innovation, formerly the Governor's Office of Planning and Research, is a party related to the California Initiative to Advance Precision Medicine shall be void or voidable by reason of this act, but shall continue in full force and effect under the terms of the contract, with the California Health and Human Services Agency assuming all of the rights, obligations, liabilities and duties of the Governor's Office of Land Use and Climate Innovation under the contract, license, or other agreement as it relates to the to the administration or implementation of the California Initiative to Advance Precision Medicine's programs.

(5) All unexpended balances of appropriations and other funds available for use in connection with any function or the administration of any law transferred to the California Health and Human Services Agency by this subdivision shall be transferred to the agency for the use and for the purpose for which the appropriation was originally made or the funds were originally available. If there is any doubt as to where those balances and funds are transferred, the Department of Finance shall determine where the balances and funds are transferred. The Department of Finance shall make the final determination of the budgetary and accounting transactions and treatments to ensure the proper implementation of the transfer of duties, powers, and responsibilities from the Governor's Office of Land Use and Climate Innovation, formerly the Governor's Office of Planning and Research, to the California Health and Human Services Agency, as described in this subdivision.

(b) (1) The Governor's Office of Business and Economic Development, succeeds to, and is vested with, all the duties and responsibilities of the Governor's Office of Land Use and Climate Innovation, formerly the Governor's Office of Planning and Research, related to the administration or implementation of the Community Economic Resilience Fund Program, including the Just Transition program.

(2) All books, documents, and records, including, but not limited to, outreach campaign supplies and print materials, of the Governor's Office of Land Use and Climate Innovation, formerly the Governor's Office of Planning and Research, pertaining to functions transferred to the Community Economic Resilience Fund Program shall be transferred to Governor's Office of Business and Economic Development.

(3) Any action by or against the Governor's Office of Land Use and Climate Innovation and any of its predecessors, including the Governor's Office of Planning and Research, pertaining to matters vested in the Community Economic Resilience Fund Program by the act adding this section shall not abate but shall continue in the name of the Community Economic Resilience Fund Program and shall be transferred to the Governor's Office of Business and Economic Development.

(4) No contract, license, or other agreement to which the Governor's Office of Land Use and Climate Innovation, formerly the Governor's Office of Planning and Research, is a party related to the Community Economic Resilience Fund Program shall be void or voidable by reason of this act, but shall continue in full force and effect under the terms of the contract, Governor's Office of Business and Economic Development assuming all of the rights, obligations, liabilities, and duties of the Governor's Office of Land Use and Climate Innovation under the contract, license, or other agreement as it relates to the administration or implementation of the Community Economic Resilience Fund Program, including the Just Transition program.

(5) All unexpended balances of appropriations and other funds available for use in connection with any function or the administration of any law transferred to the Governor's Office of Business and Economic Development by this subdivision shall be transferred to the Governor's Office of Business and Economic Development for the use and for the purpose for which the appropriation was originally made or the funds were originally available. If there is any doubt as to where those balances and funds are transferred, the Department of Finance shall determine where the balances and funds are transferred. The Department of Finance shall make the final determination of the budgetary and accounting transactions and treatments to ensure the proper implementation of the transfer of duties, powers, and responsibilities from the Governor's Office of Land Use and Climate Innovation, formerly the Governor's Office of Planning and Research, to the Governor's Office of Business and Economic Development, as described in this subdivision.

SEC. 50. Article 5.5 (commencing with Section 65052) of Chapter 1.5 of Division 1 of Title 7 of the Government Code is repealed.

SEC. 51. Article 6 (commencing with Section 65055) of Chapter 1.5 of Division 1 of Title 7 of the Government Code is repealed.

SEC. 52. Section 1338.6 is added to the Health and Safety Code, to read:

1338.6. (a) For purposes of Section 668.14 of Title 34 of the Code of Federal Regulations, the required minimum number of hours, or the equivalent, established in this state for educational or training programs for certification training programs for nurse assistants, pursuant to Section 1337.1, or home health aides, pursuant to Section 1736.1, approved by the department shall be equal to the number of clock or credit hours, or the equivalent, that is approved for each program by the department as of the effective date of this section.

(b) An education and training program approved by the department that submits an application on or after the effective date of this section shall not exceed the highest of the minimum number of hours required by federal or state statute or regulation.

(c) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

SEC. 53. Section 114870.1 is added to the Health and Safety Code, to read:

114870.1. (a) For purposes of Section 668.14 of Title 34 of the Code of Federal Regulations, the required minimum number of hours, or the equivalent, established for approved schools for radiologic technologists approved pursuant to subdivision (d) of Section 114870 is equal to the number of clock or credit hours, or the equivalent, that is approved for each school by the department as of the effective date of this section.

(b) A school approved by the department that submits an application on or after the effective date of this section shall not exceed the highest of the minimum number of hours required by regulation.

(c) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

SEC. 54. Division 110 (commencing with Section 130300) is added to the Health and Safety Code, to read:

DIVISION 110. CALIFORNIA INITIATIVE TO ADVANCE
PRECISION MEDICINE

130300. The Legislature finds and declares all of the following:

(a) Over the past three decades, the United States has been a leader in biological research and medicine that describes fundamental biological structures and processes in unprecedented detail and that has led to breakthroughs in therapies and treatments. Advances in information technology and computing have also furthered our ability to gather important data to better understand disease functions. However, we are now at a point where our capacity to collect information has outpaced our capacity to integrate and analyze it and to convert data to new knowledge.

(b) According to a 2011 report from the National Academy of Sciences, entitled “Toward Precision Medicine: Building a Knowledge Network for Biomedical Research and a New Taxonomy of Disease,” the aggregation, integration, and analysis of data from research, clinical, personal, and population health settings are critical to creating a new knowledge network that will enable us to deliver more precise medicine, whether by targeting existing therapies more safely and effectively to patients, or by developing new therapies based on new insights into disease. Precision medicine, which embodies efforts to create this new knowledge network through data infrastructure, technology tools, and diagnostics, holds promise to transform health, health care, and biomedical research.

(c) Precision medicine, particularly in the form of better diagnostic tools for infectious disease, has the potential to alleviate the burdens of pandemics through early detection, faster response, and better countermeasures.

(d) California, with its vast scientific, medical, and technological resources, is positioned to lead advances in the field of precision medicine, which is gaining both national and international prominence. By establishing a California Initiative to Advance Precision Medicine, the state can help coordinate public, private, and nonprofit partners to advance this important intersection between science, research, and medicine, and to foster the creation of new technologies and therapies that can improve the health of Californians. A California Initiative to Advance Precision Medicine will bring together state precision medicine leaders as well as complete projects that demonstrate the power and application of precision medicine to the people of the State of California.

130301. As used in this division, “California Initiative to Advance Precision Medicine” or “initiative” means the California Initiative to Advance Precision Medicine established in Section 130302.

130302. (a) The California Initiative to Advance Precision Medicine is hereby established in the California Health and Human Services Agency. In establishing the initiative, the California Health and Human Services Agency shall incorporate agreements and partnerships regarding precision medicine entered into prior to January 1, 2016.

(b) (1) The California Health and Human Services Agency shall develop, implement, and evaluate demonstration or nondemonstration projects on precision medicine in collaboration with public, nonprofit, and private entities. A demonstration project may focus on one or more disease areas or a subset of a population, and an award of funds under any appropriation of funds to the office for precision medicine may be based on criteria that include, but are not limited to, the following:

(A) The potential for tangible benefit to patients within two to five years, including the likelihood that the study will have an immediate impact on patients.

(B) The prospects of preventing or alleviating the impact of a pandemic through pathways including, but not limited to, tracking of emerging pathogens, early infectious disease outbreak detection, rapid outbreak response, and transmission reduction.

(C) The depth and breadth of data available in the disease focus areas across institutions.

(D) The prospects for efficient and effective data integration and analysis.

(E) The expertise of potential team members.

(F) The resources available for the project outside of the initiative, including the potential for leveraging nonstate funding.

(G) The clinical and commercial potential of the project.

(H) The potential to reduce health disparities.

(I) The potential to scale and leverage multiple electronic health records systems.

(J) The potential to develop the use of tools, measurements, and data, including publicly generated and available data.

(2) A demonstration project that is selected by the California Health and Human Services Agency shall advance greater understanding in at least one of the following areas, or in another area that is determined by the California Health and Human Services Agency to be necessary to advance precision medicine:

(A) The application of precision medicine to specific disease areas.

(B) The feasibility of the technology in preventing, mitigating, or monitoring pandemics or other large-scale disease outbreaks.

(C) The challenges of system interoperability.

(D) Economic analysis.

(E) Standards for sharing data or protocols across institutions.

(F) The federal and state regulatory environment.

(G) The clinical environment.

(H) Challenges relating to data, tools, and infrastructure.

(I) The protection of privacy and personal health information.

(J) The potential for reducing health disparities.

(K) Methods and protocols for patient engagement.

(3) The California Health and Human Services Agency shall develop concrete metrics and goals for demonstration projects, monitor their progress, and comprehensively evaluate projects upon completion.

(4) (A) The California Health and Human Services Agency shall annually submit a report to the Legislature that provides an update of the demonstration projects selected. Upon completion of a demonstration project, the California Health and Human Services Agency shall submit an evaluation of the demonstration project to the Legislature. A demonstration project is deemed complete when it has completed the agreed upon tasks and deliverables, and the project funding has been completed.

(B) A written report made pursuant to subparagraph (A) shall be made in compliance with Section 9795 of the Government Code.

(c) The California Health and Human Services Agency shall develop an inventory of precision medicine assets, including projects, data sets, and experts. In developing the inventory, the California Health and Human Services Agency shall assemble knowledge across broad disease areas. The California Health and Human Services Agency shall use the inventory to

inform strategic areas for the future development of precision medicine-related projects.

(d) The California Health and Human Services Agency may enter into agreements with public entities, or with nonprofit or not-for-profit organizations for the purpose of jointly administering the programs established under the initiative or to administer any provision of this section.

(e) The California Health and Human Services Agency shall create and post on a publicly available internet website guidelines for an award of funds made under any appropriation of funds to the California Health and Human Services Agency for precision medicine. The guidelines shall include, but are not limited to, the following:

- (1) Eligibility requirements.
- (2) A competitive, merit-based application process that allows public and private academic and nonprofit institutions to submit proposals as principal investigators.
- (3) A comprehensive peer-reviewed selection process.
- (4) Requirements regarding the use of awarded funds.
- (5) Requirements regarding the use and sharing of research data and findings.
- (6) Requirements for the protection of privacy and personal health information.

(f) The California Health and Human Services Agency shall solicit public, nonprofit, and private sector input for any additional guidelines for an award of funds made pursuant to this section.

(g) The California Health and Human Services Agency shall establish standards that require a grant to be subject to an intellectual property agreement that balances the opportunity of the state to benefit from the patents, royalties, and licenses that result from basic research, therapy development, and clinical trials against the need to ensure that the agreement does not unreasonably hinder essential medical research.

(h) (1) The California Health and Human Services Agency may receive nonstate funds in furtherance of the initiative. “In furtherance of the initiative” means that funds may be used to award additional demonstration projects under the same terms and conditions as state funds in the initiative, held in reserve for follow-on funding of any awardees, or used to fund other nondemonstration project activities in a proportion no greater than 20 percent of the total of nonstate funds received over the term of the commitment.

(2) The California Health and Human Services Agency may work with external stakeholders to receive nonstate funds that enable the initiative to develop new demonstration projects that look to prevent or mitigate future infectious disease outbreaks and pandemics.

(i) Up to 30 percent of any amount appropriated for precision medicine may be held by the California Health and Human Services Agency until an equivalent amount of nonstate matching funds is identified and received. Amounts subject to nonstate match may be released in increments as determined by the California Health and Human Services Agency.

(j) Up to 10 percent of any amount appropriated to the California Health and Human Services Agency for precision medicine for demonstration projects may be used by the California Health and Human Services Agency for administrative costs.

(k) The California Health and Human Services Agency shall recruit a precision medicine expert selection committee to represent various precision medicine-related skills, such as bioinformatics, statistics, health economics, patient engagement, and genomics. The Legislature may make nominations for the selection committee to the California Health and Human Services Agency for consideration.

(l) Members of the selection committee shall be deemed to not be interested in any contract, including any award of funds by the committee, pursuant to this section.

(m) Prior to the selection committee's deliberative process, the California Health and Human Services Agency shall notify the Legislature of the selection of the committee members.

(n) The selection committee established in subdivision (k) shall comply with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code), except during the deliberative process as it relates to reviewing and ranking proposals and making final selections.

(o) The selection committee shall report on the justification for selecting the demonstration projects that are awarded funding and provide a list of the demonstration projects that were not selected. This report shall be posted on the internet website created in subdivision (e).

(p) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the California Health and Human Services Agency may implement or interpret this division without taking any regulatory action.

130303. It is the intent of the Legislature that the office make awards in compliance with the following:

(a) The awards are made to demonstration projects in California.

(b) The awards are prioritized for public and private nonprofit entities.

(c) The awards include, but are not limited to, awards to public institutions in both northern and southern California.

130304. This division shall remain in effect only until June 30, 2029, and as of that date is repealed.

SEC. 55. Section 131052.5 of the Health and Safety Code is amended to read:

131052.5. Commencing July 1, 2022, the Office of Community Partnerships and Strategic Communications, an office within the Governor's Office of Service and Community Engagement, succeeds to, and is vested with, all the duties and responsibilities of the State Department of Public Health related to the administration or implementation of the COVID-19 vaccine-related public education and outreach campaigns in the manner described in Section 65052.7 of the Government Code.

SEC. 56. Section 161 of the Military and Veterans Code is amended to read:

161. Within the Military Department, the office of the Adjutant General consists of one officer of the rank of lieutenant general who is the Adjutant General, one officer of the rank of major general who is the Deputy Adjutant General, one officer who may be of the rank of brigadier general who is the Assistant Adjutant General, Army, one officer who may be of the rank of brigadier general who is the Assistant Adjutant General, Air, one officer who may be of the rank of brigadier general who is the Chief of Staff and Director of the Joint Staff, and other officers as are prescribed by the laws or regulations of the United States. No person is eligible for appointment as the Deputy Adjutant General unless the person has not less than a total of five years of commissioned service in the National Guard of the United States, of which at least three years shall be service as a field grade officer in the California National Guard within the preceding 10-year period prior to the date of appointment and of which at least three years shall have been in command of army or air troops at the battalion or equivalent or higher command level or three years as a staff officer at brigade or equivalent or higher staff level. The Deputy Adjutant General is subordinate only to the Governor and the Adjutant General and shall have their duties assigned by the Adjutant General.

SEC. 57. Section 10196 of the Public Contract Code is repealed.

SEC. 58. Section 10340 of the Public Contract Code is amended to read:

10340. (a) Except as provided by subdivision (b), state agencies shall secure at least three competitive bids or proposals for each contract.

(b) Three competitive bids or proposals are not required in any of the following cases:

(1) In cases of emergency where a contract is necessary for the immediate preservation of the public health, welfare, or safety, or protection of state property.

(2) When the agency awarding the contract has advertised the contract in the California State Contracts Register and has solicited all potential contractors known to the agency, but has received less than three bids or proposals.

(3) (A) The contract is with another state agency, a local governmental entity, an auxiliary organization of the California State University, an auxiliary organization of a California community college, a foundation organized to support the Board of Governors of the California Community Colleges, or an auxiliary organization of the Student Aid Commission established pursuant to Section 69522 of the Education Code. These contracts, however, shall not be used to circumvent the competitive bidding requirements of this article.

(B) Notwithstanding subparagraph (A), until January 1, 2020, an interagency agreement that is in effect pursuant to an amount appropriated to the California Initiative to Advance Precision Medicine, including a contract with the Regents of the University of California or an auxiliary organization of the California State University, may include a subcontract

not subject to any competitive bidding requirements of this article for the limited purpose of researching or developing precision medicine.

(4) The contract meets the conditions prescribed by the department pursuant to subdivision (a) of Section 10348.

(5) The contract has been awarded without advertising and calling for bids pursuant to Section 19404 of the Welfare and Institutions Code.

(6) Contracts entered into pursuant to Section 14838.5 of the Government Code.

(7) Contracts for the development, maintenance, administration, or use of licensing or proficiency testing examinations.

(8) The contract is for services for the operation, maintenance, repair, or replacement of specialized equipment at facilities of the State Water Resources Development System, as defined in Section 12931 of the Water Code, and meets the conditions established by the Department of Water Resources for those contracts.

(9) The contract meets the conditions prescribed by the Department of Water Resources for contracts subject to Section 10295.6.

(10) Contracts entered into by the Commission on Peace Officer Standards and Training or the Office of Emergency Services solely for the services of instructors for public safety training. For the purpose of this paragraph, “public safety training” includes, but is not limited to, training related to law enforcement, emergency medical response, emergency volunteers, and fire responders.

(c) Any agency that has received less than three bids or proposals on a contract shall document, in a manner prescribed by the department, the names and addresses of the firms or individuals it solicited for bids or proposals.

SEC. 59. Section 18894 of the Revenue and Taxation Code is amended to read:

18894. (a) Except as otherwise provided in subdivision (b), this article shall remain in effect only until January 1, 2032, and is repealed as of December 1 of that year.

(b) (1) By September 1 of the 2018 calendar year and each subsequent calendar year that the Keep Arts in Schools Voluntary Tax Contribution Fund appears on the tax return, the Franchise Tax Board shall determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount for the calendar year as described in paragraph (3). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of the contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article shall be inoperative with respect to taxable years beginning on or after January 1 of that calendar year, and shall be repealed on December 1 of that year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000).

SEC. 60. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique need to ensure proper oversight and avoid abuse and mismanagement in the County of Mendocino.

SEC. 61. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 62. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.