The California Legislature approved the 2017-18 Budget on June 15, 2017. Taken in whole, the $125 billion Budget includes key economic and workforce development initiatives, which serve as a solid foundation for economic growth and job creation.

Among other features, the Budget includes the largest commitment to setting aside a total reserve of $9.9 billion. In addition to the Rainey Day Fund, the Budget makes key program improvements, streamlines regulatory hurdles, and further implements priority initiatives.

Key Business Development Actions:

**Earned Income Tax Credit Expansion:** Approves the expansion of the Earned Income Tax Credit (EITC) to include self-employment income and increases the income range for which EITC is allowed from $14,161 to $22,300. The increase represents just slightly more than the annual income of a full-time minimum wage worker. Under this proposal, the number of families participating in this program is expected to quadruple.

**Small Business Development Centers:** Approves $3 million for Capital Infusion Program, administered through the Governor's Office of Business and Economic Development. This is $1 million above the Governor's May Revise Proposal.

**State Clearinghouse Federal Grant Administrator:** Rejects Governor's proposed trailer bill language to delaying implementation of AB 1348 (Irwin), Chapter 444, Statutes of 2016 until an appropriation is made to do so, and approves two permanent positions and $200,000 General Fund, ongoing, to implement the requirements of the bill.

**Green Small Business Networks:** Appropriates $1 million for the Green Small Business Network, which supports certification of green businesses that demonstrate a reduction in the use of water and energy and production of pollutants.

**Veteran Resource Centers:** Approves $5 million in ongoing to support and expand Veteran’s Resource Centers. Additionally provides $7 million in one-time funding to create and expand Veterans Resource Centers, of which $2 million one-time will go to support the veteran center at Norco Community College.

**California-Grown School Meals:** Provides $1.5 million in one-time Proposition 98 funding for the Department of Education to establish the California-Grown Fresh School Meals Grant Program to incentivize school to purchase California-grown food and expand the number of freshly prepared meals.

**Zero Emission Vehicles:** Approves $2.3 million in Air Pollution Control Funds and 14 positions to implement provisions of the Volkswagen Consent Decree, including new funding projects in the Zero Emission Investment Plan. Also provides up to $20 million in State highway Account Funds to, among other things, expand the use of these funds for hydrogen fueling stations.

**California Hub for Energy Efficiency Financing:** Approves $3.66 million for 2017-18 to fund the administration of the California Hub for energy efficiency financing pilot program through the California Alternative Energy and Advanced transportation Financing Authority.

**Spanish Language Licensing Exams:** Approves $49,000 for 2017-18, and $16,000 in 2018-19, and ongoing to support the additional workload associated with the offering of four insurance licensing exams in Spanish, mandated through AB 1899 in 2016.
**California Business Connect:** Approves $2.4 million from the Business Programs and Modernization Fund to continue implementation of the California Business Connect. The total project cost of 2017-18 is $4.11 million, with $2.04 million coming from existing Secretary of State resources.

**Key Workforce Actions**

**Career Technical Education Pathways Program:** Rejects the Governor's proposal to eliminate funding for Career Technical Education Pathways Program. Provides $15.3 million in ongoing Prop 98 funds for the Department of Education to retain the program.

**Online Career High School:** Provides $3 million in one-time General Fund moneys to support the Career Online High School program offered through the California State Library.

**Career Technical Education Incentive Grant:** Provides $200 million in one-time Prop 98 funds for the Career Technical Education Incentive Grant. This is final year funding.

**Economic and Workforce Development Program:** Extends the Economic and Workforce Development Program within the Community College Chancellor's Office.

**Guided Pathways Program:** Approves $150 million in one-time Proposition 98 funds to implement the Guided Pathways Program to improve student outcomes at Community Colleges.

**Workforce Training for High Unemployment Areas:** Approves $8 million one-time to the Economic Workforce Development Program, located within the Community College Chancellor's Office, to fund the creation and expansion of career technical education programs in areas with high unemployment.

**Clean Energy Jobs:** Approves $57.8 million from the Clean Energy Job Creation Fund (Proposition 39) to support projects in the areas of lighting efficiency, systems efficiency, and other energy efficiency programs, including workforce training.

**Veteran In-State Tuition Rates:** Approves trailer bill language that ensures that veterans are eligible to pay in-state tuition rates at California Community Colleges.

**Work for Warriors:** Approves $670,000 in additional General Funds for the Work for Warriors program, administered through the California Military Department.

**Expansion of Career Development Opportunities for Parolees:** Provides $2 million and necessary trailer bill language for the Supervised Population Workforce Training Grant fund programs to develop competitive workforce training programs for individuals on parole, probation, mandatory supervision, and post release community supervision. In addition, $250,000 one-time General Fund for expansion of the Underground Scholars program to the community colleges.

**Maintaining and Expanding Rehabilitation Programming in Prisons:** Approves $5 million in one-time General Fund moneys to provide the necessary equipment and technology to support career technical education programs at the Department of Corrections and Rehabilitation. In addition, the budget continues the $5.5 million in existing restorative justice and innovative long-term offender programming.

**Allied Health Training:** Rejects the Governor's proposal to eliminate $100 million (over three years) in healthcare workforce training.
**E-Commerce for Paramedic Licensing**: Provides $211,000 (special funds) for an electric on-line paramedic licensing application system.

**CalWORKS Outcome Review**: provides trailer bill language to create a CalWORKs Outcomes and Accountability effort that will assist with evaluating the strengths and areas for improvement in the program over time.

**Allied Health Education Awards**: Provides $4 million General Fund for 2017-18 on a one-time basis to fund educational awards and stipends for qualified individuals completing their high school diploma or enrolled in an eligible educational or training program leading to a career technical education program certificate, an associate's degree, or a bachelor's degree.

**Employment First Policies for Individual with Disabilities**: Adopts trailer bill language that requires that performance objectives included in regional center contracts measure progress and outcomes in implementing the Employment First policy. Updates the rate paid for vouchered community-based training services and specified supportive employment services to $14.99 per hour and $36.57 per hour, respectively, to reflect the rate increases provided in 2016 enacted legislation, Assembly Bill X2 1 (Thurmond), Chapter 3, Statutes of 2016.

**Work-Based Learning Grant for Students with Disabilities**: Approves one permanent full-time position to support the management of the California Innovations Program, which is funded through a six-year, $9 million federal Work-Based Learning Grant for Students with Disabilities.

**K-12 Career Technical Education Program**: Provides trailer bill language to align statute with the requirements of the $500 million in Proposition 51, a 2016 state GO bond, designated for facilities that support career technical education programs.

**Secure Choice Retirement Savings**: Approves an initial $15 million General Fund loan to cover the necessary start-up and administrative costs of the Secure Choice Retirement Savings, a retirement program open to small business owners and workers with deposits made through payroll deductions.

**Apprenticeship Training**: Approves $877,000 in federal funds from 2016-17 and $923,000 on 2017-18, for the purpose of expanding existing apprenticeship programs and create new programs in nontraditional fields. An additional $300,000 is provided for apprenticeship programs in collaboration with the California Firefighter joint Apprenticeship Council to develop a pilot program.

**Proposition 1 PreApprenticeship Programs**: Approves funding from the Road and Accountability Act for preapprenticeship programs, including those targeted at underserved communities and women in nontraditional fields.