STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 07/23)

Fiscal Year	Business Unit Number	Department
2025-2026	4700	Community Services & Development

Hyperion Budget Request Name	Relevant Program or Subprogram
4700-017-BCP-2025-MR	4181030 – Low Income Weatherization Program

Budget Request Title
Low-Income Weatherization Program Farmworker Housing Component - Reappropriation

Budget Request Summary
The Department of Community Services and Development requests reappropriation of the unexpended balance from the fiscal year General Fund appropriation allocated in 2021-22 to administer and support the Low-Income Weatherization Program Farmworker Housing Component, promoting greenhouse gas emission reductions in disadvantaged communities. These resources would be available for liquidation until the end of 2025-26.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☒ Budget Bill Language ☒ N/A	N/A

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date
	N/A	N/A

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. N/A **Approval Date:** N/A

Project Approval Document: N/A **Total Project Cost:** N/A

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Charles Belk	5/14/2025	Chris Vail	5/14/2025
Department Director	**Date**	**Agency Secretary**	**Date**
Jason Wimbley	5/14/2025	Debra Cooper	5/14/2025

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	Date submitted to the Legislature
Christopher Odneal	5/14/2025

A. Problem Statement

The 2021 Budget Act appropriated $25 million General Fund one-time to support the Low-Income Weatherization Program Farmworker Housing Component (LIWP Farmworker). The following year, the 2022 Budget Act appropriated $15 million in Greenhouse Gas Reduction Fund (GGRF) to increase funding for LIWP Farmworker. CSD used both appropriations to procure a service contract with a single regional program administrator. The program administrator is tasked with providing outreach, securing enrollment, and installing energy efficiency measures and solar photovoltaic (PV) systems for eligible low-income farmworker housing located across 18 counties with the highest farmworker populations. The contract award for the program administrator is $37.6 million occurring over the period of November 1, 2022 – May 31, 2026.

As of November 2024, the LIWP Farmworker program administrator has provided services to 597 households. Additionally, the LIWP Farmworker program administrator established a significant pipeline of 984 identified projects - of which 650 household enrollees would receive an assessment of their home for services. The remaining 334 households are projects in various work stages where an outlay for the equipment and products to be used for scheduled retrofits has occurred.

While the LIWP Farmworker program administrator has accomplished notable achievements under the current contract, labor shortages, high turnover of skilled installation workers and subcontractors, utility interconnection, building permit delays, and equipment shortages have negatively impacted service operations. These operational challenges will prevent the full expenditure of 2021-22 General Fund appropriation and completion of the 984 identified projects within the current liquidation period, ending June 30, 2025. Since LIWP Farmworker projects are not reimbursed until their completion, expended uses of the 2021-22 appropriation associated with these projects will not be accounted for until projects are completed and inspected. To fulfill service commitments to the 984 farmworker households seeking LIWP Farmworker services and accounted for in the project pipeline, CSD seeks to secure reappropriation authority for 2021-22 funds committed to projects unable to be completed by June 30, 2025, the current end of the liquidation period. CSD estimates the unspent balance as of June 30, 2025, to be approximately $5 million.

With the approval to reappropriate the 2021-22 appropriation, through the end of 2025-26, the LIWP Farmworker program administrator will fulfill service obligations to existing program enrollees and continue outreach and identification of new projects to meet expenditure and Greenhouse Gas (GHG) reduction targets.

Resource History

(Dollars in thousands)

Program Budget	2019-20 (PY – 4)	2020-21 (PY – 3)	2021-22 (PY – 2)	2022-23 (PY-1)	2023-24 (PY)
Authorized Expenditures*	$0	$0	$25,000	$15,000	$0
Actual Expenditures*	$0	$0	$16,660	$2,135	$0

**Amount reflects Local Assistance & State Operations funding through March 2025.*

B. Justification

LIWP Farmworker provides no-cost rooftop solar PV systems and energy efficiency upgrades to low-income farmworker households to reduce GHG emissions and lower energy costs for participants. Due to the comprehensive nature of the home retrofits of LIWP Farmworker projects, construction periods average three to six months to complete. In recent years, supply

chain disruptions, contractor and equipment shortages, and delays with securing appropriate local building permits and solar PV interconnection with utility companies has significantly extended the construction period of most projects. Consequently, a significant number of active LIWP Farmworker projects will not be completed within the liquidation period of the 2021-22 General Fund appropriation.

Due to these challenges, reappropriation would enable the fulfillment of service commitments to program participants. If denied, all unexpended LIWP funding from 2021-22 will revert to the General Fund on July 1, 2025.

For the reasons expressed above, CSD also requests adding budget bill language (see Attachment A).

C. Departmentwide and Statewide Considerations

CSD has contractually obligated all LIWP Farmworker appropriations for 2021-22 and 2022-23 and has secured a regional administrator to provide administration and installation services of LIWP-funded energy efficiency retrofits and renewable energy systems in eligible low-income farmworker housing.

LIWP Farmworker has expended $15.0 million of the $23.7 million 2021-22 General Fund local assistance appropriation. The unexpended balance of approximately $8.7 million has been committed to household enrollees, where eligible properties are in various of stages and an outlay for equipment and product retrofits has occurred.

If this request is not approved, the state will be unable to follow through on these investments, which are intended to improve the energy efficiency of low-income farmworker homes and reduce the long-term financial burden of high energy costs that disproportionately impact this population. Not approving this request could also risk CSD not meeting assigned investment and GHG reduction targets set in Chapter 488, Statutes of 2006 (AB 32) and Chapter 337, Statutes of 2022 (AB 1279) for disadvantaged communities.

D. Outcomes and Accountability

With the approval to reappropriate, CSD will fully expend the 2021-22 General Fund appropriation to complete existing LIWP Farmworker projects in disadvantaged communities.

CSD will continue to manage and monitor the expenditure of General Fund dollars in keeping with the program goals of reducing energy usage and GHG emissions.

E. Implementation Plan

N/A

F. Supplemental Information

See Attachment A.

4700-490—Reappropriation, Department of Community Services and Development.

Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citation is extended to June 30, 2026.

0001—General Fund

(1) Item 4700-101-0001, Budget Act of 2021 (Chapter 21, Stats. 2021).