Fiscal Year	Business Unit Number	Department
2026-2027	0820	Department of Justice

Hyperion Budget Request Name	Relevant Program or Subprogram
0820-056-BCP-2026-GB	Legal Services Program – Public Rights Division

Budget Request Title

California Artificial Intelligence Transparency Act (AB 853)

Budget Request Summary

The Department of Justice (DOJ) requests a permanent augmentation of 4.0 positions and Unfair Competition Law Fund spending authority of $1,210,000 in 2026-27 and $1,176,000 ongoing to enforce the requirements of the California AI Transparency Act, which imposes significant new requirements on online platforms, capture devices, and AI companies related to the provenance of image, video, and audio content. The resources requested include $150,000 annually for the retention of external consultants.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed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

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

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. **Approval Date:**
Project Approval Document: **Total Project Cost:**

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
Ross Woolley	1/9/2026	Danielle F. O'Bannon	1/9/2026
Department Director	**Date**	**Agency Secretary**	**Date**
Chris Ryan	1/9/2026		

Department of Finance Use Only

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

Principal Program Budget Analyst	Date submitted to the Legislature
Mark Jimenez	1/9/2026

A. Problem Statement

Assembly Bill 853 (Chapter 674, Statutes of 2025) requires companies that use generative AI systems or operate large online platforms to disclose when digital content has been created or altered by AI. Because these requirements create new consumer-protection obligations, DOJ will be responsible for monitoring compliance and enforcing violations under its existing Unfair Competition Law (UCL) authority. Beginning January 1, 2027, the bill requires a large online platform, as defined, to detect whether any provenance data that is compliant with widely adopted specifications adopted by an established standards-setting body is embedded into or attached to content distributed on the large online platform. The law also requires, beginning January 1, 2028, a capture device manufacturer, with respect to any capture device the capture device manufacturer first produced for sale in the state on or after January 1, 2028, to provide a user with the option to include a latent disclosure in content captured by the capture device that conveys certain information, including the name of the capture device manufacturer. The law defines "capture device" to mean a device that can record photographs, audio, or video content, including, but not limited to, video and still photography cameras, mobile phones with built-in cameras or microphones, and voice recorders. Also, beginning January 1, 2027, the law prohibits a GenAI system hosting platform, as defined, from knowingly making available a system that lacks required disclosures. Collectively, these provisions impose significant new compliance obligations on AI platforms, online services, and capture device manufacturers, and a corresponding responsibility for the Attorney General to ensure and enforce statewide compliance.

However, DOJ currently lacks the legal and technical resources necessary to evaluate AI-generated disclosures, detect non-compliance, and investigate deceptive or misleading AI practices at the scale required by AB 853. Without additional staffing and technical expertise, the Department will be unable to effectively enforce the law or protect consumers from unlawful or deceptive uses of AI-generated content.

The Consumer Protection Section (CPS) primarily enforces state consumer-protection laws, both civil and criminal, that prohibit unlawful, deceptive, or unfair business acts, including laws relating to data privacy and security. CPS investigates and litigates consumer protection cases of statewide and national importance, seeking injunctions, civil penalties, restitution to victims, incarceration (in criminal cases), and other equitable relief on behalf of the People of the State of California. These cases often involve complex litigation that affects potentially millions of people. Typical cases include litigating at the trial and appellate levels in state and federal courts; conducting in-depth investigations and other legal and factual research; negotiating and drafting settlement and restitution plans; and working with other law-enforcement agencies, including district attorneys throughout California, attorneys' general in other states, and federal consumer-protection agencies. The Section also engages in significant legislative advocacy, amicus practice in state and federal appellate courts, and widespread consumer outreach and education.

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Division and Classification	2026-27	Ongoing
Public Rights Division – Consumer Protection		
Deputy Attorney General (DAG)	2.0	2.0
Associate Governmental Program Analyst (AGPA)	1.0	1.0
Legal Secretary (LS)	1.0	1.0
Total Positions	**4.0**	**4.0**
External Consultant	**$150,000**	**$150,000**
Total Funding	**$1,210,000**	**$1,176,000**

External Consultants

It is anticipated that the cases will involve complex technical investigations. Expert witnesses with a background in AI and related fields will be needed to assist with building and prosecuting the cases. DOJ expects that these investigations will require multiple experts with potential hourly rates ranging from $500 to $1,000 (or greater) and providing approximately 150 to 300 hours of work per year, for a total of $150,000 a year.

Resource History
(Dollars in thousands)

Program Budget	2020-21	2021-22	2022-23	2023-24	2024-25
Authorized Expenditures	17,420	21,402	21,678	23,851	20,651
Actual Expenditures	18,303	18,813	19,422	16,203	17,320
Authorized Positions	67	67	69	87	82
Filled Positions	51	58	57	56	62
Vacancies	16	9	12	31	20

Workload History

Workload Measure (Hours)	2020-21	2021-22	2022-23	2023-24	2024-25
Analyst	7,361	7,934	9,189	7,533	8,880
Attorney	77,115	81,670	75,034	73,631	78,081
Auditor	7,450	7,235	5,897	5,371	6,982
Paralegal	5,712	5,655	6,986	6,972	6,067
Special Investigator	0	0	320	1,738	1,846
Total Hours	**97,637**	**102,493**	**97,426**	**95,245**	**101,855**
FTE	**55.0**	**57.7**	**54.9**	**53.6**	**57.4**
As of 10/1/2025, CPS has 8 DAG vacancies which are in various hiring stages.					

B. Justification

The requested resources, consisting of 2.0 DAGs and 1.0 AGPA, will provide the Attorney General with resources that will be necessary to identify potential violations, pursue investigations using formal and informal tools as well as open-source investigative techniques, and prosecute enforcement actions against companies that violate the requirements of this law.

C. Departmentwide and Statewide Considerations

AB 853 is intended to create a comprehensive disclosure and detection framework that would enable the large-scale classification of content as either authentic or artificial, helping guard against deepfakes that can cause harm to the state and its people.

D. Outcomes and Accountability

The requested resources will allow the Attorney General to identify potential violations, pursue investigations using formal and informal tools as well as open-source investigative techniques,

and prosecute enforcement actions against companies that have violated the requirements of this law.

Projected Outcomes

Workload Measure (Hours)	2025-26	2026-27	2027-28	2028-29	2029-20	2030-31
Analyst	8,880	10,656	10,656	10,656	10,656	10,656
Attorney	78,081	81,721	81,721	81,721	81,721	81,721
Auditor	6,982	6,982	6,982	6,982	6,982	6,982
Paralegal	6,067	6,067	6,067	6,067	6,067	6,067
Special Investigator	1,846	1,846	1,846	1,846	1,846	1,846
Total Hours	**101,855**	**107,271**	**107,271**	**107,271**	**107,271**	**107,271**
FTE	**57.4**	**60.4**	**60.4**	**60.4**	**60.4**	**60.4**
*Projected outcomes are not reflective of vacant positions that subject to the Age-Appropriate Design Code Act injunctions.						

E. Implementation Plan

Upon approval of the requested resources, CPS will begin recruitment efforts and begin to pursue investigations and prosecutions under AB 853.

F. Supplemental Information (If Applicable)

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: California Artificial Intelligence Transparency Act (AB 853)

BR Name: 0820-056-BCP-2026-GB

Budget Request Summary

Personal Services

Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Positions - Permanent	0.0	4.0	4.0	4.0	4.0	4.0
Total Positions	**0.0**	**4.0**	**4.0**	**4.0**	**4.0**	**4.0**
Salaries and Wages Earnings - Permanent	0	498	498	498	498	498
Total Salaries and Wages	**$0**	**$498**	**$498**	**$498**	**$498**	**$498**
Total Staff Benefits	0	279	279	279	279	279
Total Personal Services	**$0**	**$777**	**$777**	**$777**	**$777**	**$777**

Operating Expenses and Equipment

Operating Expenses and Equipment	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5301 - General Expense	0	190	156	156	156	156
5302 - Printing	0	2	2	2	2	2
5304 - Communications	0	10	10	10	10	10
5306 - Postage	0	1	1	1	1	1
5320 - Travel: In-State	0	10	10	10	10	10
5322 - Training	0	3	3	3	3	3
5324 - Facilities Operation	0	24	24	24	24	24
5340 - Consulting and Professional Services - Interdepartmental	0	2	2	2	2	2
5340 - Consulting and Professional Services - External	0	182	182	182	182	182
5346 - Information Technology	0	9	9	9	9	9
Total Operating Expenses and Equipment	**$0**	**$433**	**$399**	**$399**	**$399**	**$399**

Total Budget Request

Total Budget Request	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Budget Request	**$0**	**$1,210**	**$1,176**	**$1,176**	**$1,176**	**$1,176**

Fund Summary

Fund Source

Fund Source	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
State Operations - 3087 - Unfair Competition Law Fund	0	1,210	1,176	1,176	1,176	1,176
Total State Operations Expenditures	**$0**	**$1,210**	**$1,176**	**$1,176**	**$1,176**	**$1,176**
Total All Funds	**$0**	**$1,210**	**$1,176**	**$1,176**	**$1,176**	**$1,176**

Program Summary

Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
0435028 - Public Rights	0	1,210	1,176	1,176	1,176	1,176
9900100 - Administration	0	307	283	283	283	283
9900200 - Administration - Distributed	0	-307	-283	-283	-283	-283
Total All Programs	**$0**	**$1,210**	**$1,176**	**$1,176**	**$1,176**	**$1,176**

Personal Services Details

Positions

Positions	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
1282 - Legal Secty (Eff. 07-01-2026)	0.0	1.0	1.0	1.0	1.0	1.0
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2026)	0.0	1.0	1.0	1.0	1.0	1.0
5705 - Dep Atty Gen IV (Eff. 07-01-2026)	0.0	2.0	2.0	2.0	2.0	2.0
Total Positions	**0.0**	**4.0**	**4.0**	**4.0**	**4.0**	**4.0**

Salaries and Wages

Salaries and Wages	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
1282 - Legal Secty (Eff. 07-01-2026)	0	79	79	79	79	79
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2026)	0	82	82	82	82	82
5705 - Dep Atty Gen IV (Eff. 07-01-2026)	0	337	337	337	337	337
Total Salaries and Wages	**$0**	**$498**	**$498**	**$498**	**$498**	**$498**

Staff Benefits

Staff Benefits	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5150900 - Staff Benefits - Other	0	279	279	279	279	279
Total Staff Benefits	**$0**	**$279**	**$279**	**$279**	**$279**	**$279**

Total Personal Services

Total Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Personal Services	**$0**	**$777**	**$777**	**$777**	**$777**	**$777**