STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 03/25)

Fiscal Year	Business Unit Number	Department
2026-27	7502	California Department of Technology

Hyperion Budget Request Name	Relevant Program or Subprogram
7502-018-BCP-2026-GB	6230

Budget Request Title
California Cybersecurity Integration Center: Artificial Intelligence (AB 979)

Budget Request Summary
To support the goals of Chapter 285, Statutes of 2025 (AB 979) and ensure effective statewide security oversight of Artificial Intelligence (AI) systems, the Office of Information Security (OIS) requires $408,000 General Fund (GF) in Fiscal Year (FY) 2026-27 and $286,000 in FY 2027-28. Funding will support temporary help that will reside within the Security Risk and Governance (SRG) unit.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed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
Robyn Perle	10/10/2025	Douglas Novak	10/10/2025
Department Director	**Date**	**Agency Secretary**	**Date**
Liana Bailey-Crimmins	10/10/2025	Nick Maduros	10/10/2025

Department of Finance Use Only

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

Principal Program Budget Analyst	Date submitted to the Legislature
Danielle Brandon	1/10/2026

A. Problem Statement

According to the author of AB 979, "California has a compelling interest in supporting the development and deployment of AI for the benefit of our constituents and our economy. The Legislature's role in crafting AI policy must continue to focus on creating opportunities for transparency between developers and users to build trust, acceptance, and a sense of security. By creating a California AI Cybersecurity Playbook, the state can facilitate information sharing across the artificial intelligence community and strengthen our collective cyber defenses against emerging threats."

OIS is an office within the California Department of Technology (CDT) which regularly collaborates with the California Cybersecurity Integration Center (Cal-CSIC) on statewide cybersecurity coordination. State departments are adopting new AI components into their systems at a rapid rate, which continue to present and introduce new cybersecurity risks to the state. Due to current resource limitations, OIS is not able to assist Cal-CSIC with both creating the playbook and monitoring the evolving AI risk to the state. Without dedicated resources to address this security initiative and update policies/standards based on risk to the State, OIS would be unable to support the AI security initiatives outlined in AB 979.

Resource History
(Dollars in thousands)

Program Budget	**PY - 4**	**PY - 3**	**PY - 2**	**PY-1**	**PY**	**CY**
Authorized Expenditures	N/A	N/A	N/A	N/A	N/A	N/A
Actual Expenditures	N/A	N/A	N/A	N/A	N/A	N/A
Revenues	N/A	N/A	N/A	N/A	N/A	N/A
Authorized Positions	N/A	N/A	N/A	N/A	N/A	N/A
Filled Positions	N/A	N/A	N/A	N/A	N/A	N/A
Vacancies	N/A	N/A	N/A	N/A	N/A	N/A

Workload History

Workload Measure	**PY - 4**	**PY - 3**	**PY - 2**	**PY-1**	**PY**	**CY**
e.g., Applications Received, Applications Processed, Call Volume, Site Visits, Audits, Stakeholder Meetings, Hearings, etc.	N/A	N/A	N/A	N/A	N/A	N/A

B. Justification

To support the goals of AB 979 (Irwin) and ensure effective statewide security oversight of AI systems, OIS would require $408,000 in General Fund in FY 2026-27 and $286,000 In FY 2027-28.

Funding will support temporary help that will reside within the OIS Security Risk and Governance unit.

The temporary help would develop, implement, and continuously update the AI security standards required by the bill. They would work directly with state agencies assessing AI use cases (i.e. innovative ideas and projects), identifying vulnerabilities, and conducting risk assessments/consultations. In addition, the limited term position will work with various teams within SRG to ensure new and existing policies and standards specific to AI use cases are addressed for all state entities.

C. Departmentwide and Statewide Considerations

As stated in Government Code 11549, OIS was established within CDT to promote and protect privacy as part of the development and operations of state systems and applications to maintain the confidence and trust of the residents of this state. These critical security efforts include ensuring the confidentiality, integrity, and availability of all state systems/applications. The duty of OIS, under the direction of the State Chief Information Officer, is to provide direction for information security and privacy to state government agencies, departments, and offices.

D. Outcomes and Accountability

The temporary position will work collaboratively with OIS management, Cal-CSIC, and state agencies to assess AI use cases, identify vulnerabilities, and conduct risk assessments while providing consultations throughout the process.

Projected Outcomes

Workload Measure	CY	BY	BY+1	BY+2	BY+3	BY+4
e.g., Applications Received, Applications Processed, Call Volume, Site Visits, Audits, Stakeholder Meetings, Hearings, etc.	N/A	N/A	N/A	N/A	N/A	N/A

E. Implementation Plan

Once resources are provided, OIS plans to have the position trained and working with Cal-CSIC on the development of the playbook prior to September 2026. This will allow 4 months of dedicated resources to ensure that the statewide AI playbook is created by the January 2027 deadline that is mentioned in the bill.

F. Supplemental Information (If Applicable)

Please refer to the attached for the associated workload.

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: California Cybersecurity Integration Center: Artificial Intelligence (AB 979 Irwin)

BR Name: 7502-018-BCP-2026-GB

Budget Request Summary

	FY26					
	CY	**BY**	**BY+1**	**BY+2**	**BY+3**	**BY+4**
Salaries and Wages						
Earnings - Temporary Help	0	133	133	0	0	0
Total Salaries and Wages	**$0**	**$133**	**$133**	**$0**	**$0**	**$0**
Total Staff Benefits	0	67	67	0	0	0
Total Personal Services	**$0**	**$200**	**$200**	**$0**	**$0**	**$0**
Operating Expenses and Equipment						
5301 – General Expense	0	2	2	0	0	0
5304 – Communications	0	1	1	0	0	0
5320 – Travel: In-State	0	1	1	0	0	0
5322 – Training	0	125	3	0	0	0
5344 – Consolidated Data Centers	0	74	74	0	0	0
5346 – Information Technology	0	5	5	0	0	0
Total Operating Expenses and Equipment	**$0**	**$208**	**$86**	**$0**	**$0**	**$0**
Total Budget Request	**$0**	**$408**	**$286**	**$0**	**$0**	**$0**

Fund Summary

Fund Source - State Operations						
0001 – General Fund	0	408	286	0	0	0
Total State Operations Expenditures	**$0**	**$408**	**$286**	**$0**	**$0**	**$0**
Total All Funds	**$0**	**$408**	**$286**	**$0**	**$0**	**$0**

Program Summary

Program Funding						
6230 – Department of Technology	0	408	286	0	0	0

Total All Programs		**$0**	**$408**	**$286**	**$0**		**$0**	**$0**

Personal Services Details

Staff Benefits								
5150350	- Health Insurance	0	22	22	0	0	0	
5150450	- Medicare Taxation	0	2	2	0	0	0	
5150500	- OASDI	0	8	8	0	0	0	
5150600	- Retirement - General	0	35	35	0	0	0	
Total Staff Benefits		**$0**	**$67**	**$67**	**$0**	**$0**	**$0**	
Total Personal Services		**$0**	**$67**	**$67**	**$0**	**$0**	**$0**	