

2024-2025 Final Budget

Overall Budget Picture: On June 29, 2024, California Governor Gavin Newsom signed the Fiscal Year (FY) 2024-25 state budget proposal which closes a General Fund (GF) shortfall of \$44.9 billion. Although difficult reductions are included in the Budget Act, they are targeted to protect nearly all the state's core programs and services. As a note, the 2024 May Revision also included a projected \$33.1B negative balance in the 25-26 fiscal year.

Funding reductions: CDFA programs saw the following reduction. Unless otherwise indicated, all reductions represent the remaining balance for each program with no funds identified for future budget years:

- Enteric Methane Incentives (new program): \$23M reduction
- Healthy Refrigeration Grant Program: \$8.5M reduction
- Water Efficiency Technical Assistance (WETA): \$6.9M reduction
- Fairs & Expositions Community Resilience Grants: Reversion of \$2.1M contingency funds
- State Water Efficiency and Enhancement Program(SWEEP): Reversion of \$1.3M
- Pollinator Habitat Program: Reversion of \$445k
- Technical Assistance for Underserved Farmers: Reversion of \$200k

The budget also included statewide reductions for the budget year including \$762.5M GF reductions from eliminating 10,000 vacant positions and an additional reduction of 7.95% to all state operations budgets.

Protected Funds: The following are investments in CDFA programs that were protected in the final budget:

- Farm to School Grant Program: \$52.8M General Fund (GF) protected for the current solicitation
- Methane Reduction Programs: Shift of \$14M of current year (FY23-24) GF to the Greenhouse Gas Reduction Fund (GGRF) in budget year (FY24-25) and the remaining balance of \$7M to GGRF in FY25-26
- SWEEP: May Revision proposes a shift of \$20.6M from current year GF to GGRF in FY26-27
- California Nutrition Incentives Program (CNIP): \$33.2M
- California Underserved and Small Producer (CUSP) Program: \$17.9M broadly available for disaster recovery
- Farm to Community Food Hubs (new program): \$14.4M

New Investments: CDFA is working tirelessly to combat unprecedented plant pest and animal disease outbreaks across the state. The following new investments help address these emergencies:

- Emergency Invasive Fruit Fly Response:
 - o Current year funding of \$22.1M included in the early action budget
 - o Budget year funding of \$24.9M in May Revision
- California Animal Health and Food Safety (CAHFS) Laboratory – Recovery from flood damage at the Tulare Facility: \$22.7M included in the early action budget
- Blythe Border Protection Station (BPS) Relocation Project – Construction Phase: \$99.1M (bond)
- Position authority for 7 positions to implement the Broomrape Program (AB402)

