DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 05/14/2026 **BILL NUMBER:** SB 894
POSITION: Oppose **AUTHOR:** Allen, Benjamin

BILL SUMMARY: Wildfire resiliency: financial assistance.

This bill, upon appropriation, establishes the California Wildfire Resilience Loan Program (Program) which would require the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to administer the Program to provide financial assistance for projects and activities to reduce wildfire-related risks and losses, including home hardening and defensible space improvements.

FISCAL SUMMARY

CAEATFA estimates ongoing costs of approximately $3.9 million starting in fiscal year 2027-28 and increasing to $5 million in fiscal year 2031-32. $2.7 million of the costs in 2027-28 would support six new positions and operating costs for the implementation of the new program and the remaining $1.25 million would be used for loan loss reserves/credit enhancements.

CAEATFA's cost estimate is based on 1,000 projects in the first year and would gradually increase to 2,400 projects in 2031-32 as the program grows.

This bill requires CAEATFA to work with the Department of Forestry and Fire Protection in consultation with the Office of Emergency Services and the Department of Insurance to determine eligible wildfire improvements for this program. All three departments estimate costs are minor and absorbable.

COMMENTS

The Department of Finance is opposed to this bill because it creates ongoing costs. Additionally, the bill does not include an appropriation or identify a funding source. Funding would be contingent upon appropriation from the Legislature and could include funding from federal or private sources. This bill creates a program with no specified funding source and could create cost pressure on the General Fund or special funds to fund it. Finance also notes that the proposed Program represents an expansion of core responsibilities for CAEATFA, and it's not clear this is an appropriate mission for them to take on.

CAEATFA is housed within the State Treasurer's Office and administers the GoGreen Energy Financing Program which provides financing options for energy improvements to California homes and businesses. The program offers financing companies a loan loss reserve to mitigate the risk on loans which in turn allows financing companies to offer more favorable terms like lower interest rates or longer terms for repayment.

The new Program would create a similar loan loss reserve to help eligible home and business owners finance wildfire resilience improvements to their properties.

Analyst/Principal	Date	Program Budget Manager	Date
Westbrook, Matthew / Wekanda, Susan		Todd, Thomas	

Department Deputy Director			Date

Governor's Office:	By:	Date:	Position Approved________ Position Disapproved

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Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year) (Dollars in Thousands) 2026-2027	FC	2027-2028	FC	2028-2029	Fund Code
0971/Energy Fin	SO	No	C	3,915	C	4,151	C	4,409	9332
3540/ForestFire	RV	No		----- No/Minor Fiscal Impact -----					0001
0690/OES	RV	No		----- No/Minor Fiscal Impact -----					0001
0845/Insurance	RV	No		----- No/Minor Fiscal Impact -----					0001

Fund Code	Title
0001	General Fund
9332	Alternative Energy Authority Fund, Calif