

SUBCOMMITTEE NO. 2

Agenda

S. Joseph Simitian, Chair
Dave Cogdill
Alan Lowenthal



Agenda Part I

Thursday April 8, 2010
9:30 am or upon adjournment of session
Rose Ann Vuich Hearing Room (2040)

Consultant: Bryan Ehlers

Environmental Protection

<u>Item</u>	<u>Department</u>	<u>Page</u>
<i>Vote-Only Items*</i>		
Various	SB 63-Implementation Budget Proposals <i>(Including requests from: Department of Resources Recycling and Recovery (DRRR); Department of Conservation (DOC), and State Water Resources Control Board (SWRCB))</i>	2
Various	Integrated Waste Management Account Reductions <i>(Including requests from: DRRR; and Office of Environmental Health Hazard Assessment (OEHHA))</i>	3

*These items were previously discussed on March 18, 2010, but a voting quorum was not present and no action was taken.

Resources—Environmental Protection—Energy—Transportation

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SB 63-Implementation Budget Proposals

The Governor's Budget contains multiple budget change proposals (BCPs) designed to align the 2010-11 budget with the California Integrated Waste Management Board (Waste Board) reorganization enacted by Chapter 21, Statutes of 2009 (SB 63; Strickland). The BCPs are as follows:

1. Waste Board/DRRR – BCP-1: Eliminate the Waste Board. Deletes all Waste Board funding (\$212.1 million) and positions (482.9). This includes 18 Board member and supporting staff positions, and \$1.5 million for their salaries and wages. (All other positions and expenditures show up as additions/transfers to the DRRR and CalEPA—see below.)

2. DOC – BCP-9: Separate the Division of Recycling from the DOC. Deletes Division of Recycling funding (\$1.2 billion) and positions (282.9) from the DOC budget. (These positions and expenditures show up as additions/transfers to the DRRR and CalEPA—see below.)

3. DRRR – BCP-2: Create the DRRR. Provides \$1.4 billion and 765.8 positions to the new DRRR, including \$1.2 billion and 282.9 positions from the DOC Division of Recycling (see DOC BCP-9 above) and \$212.1 million and 482.9 positions from the Waste Board (see Waste Board/DRRR BCP-1 above).

4. DRRR – BCP-6: Transfer the Office of Environmental Education from the DRRR to CalEPA.

CalEPA – BCP-2: Transfer the OEE from the DRRR to CalEPA. These two BCPs transfer to the CalEPA 6.5 PYs (out of the current 13 PYs) assigned to the OEE—one BCP deletes the resources from the DRRR budget and the other adds them to the CalEPA budget.

Staff Comments. These items were previously discussed on March 18 and no concerns were raised with items 1-3. Item 4 was held open for additional consideration.

Staff Recommendation: APPROVE Items 1-3 and HOLD OPEN Item 4.

VOTE:

Integrated Waste Management Account (IWMA) Reductions

The Governor's Budget contains multiple budget change proposals designed to maintain the solvency of the IWMA. The BCPs are as follows.

BCP	Expenditure Reduction
<p>1. DRRR – BCP-4: IWMA Reduction Due to Declining Revenues and Loan from E-Waste Fund (Budget Bill Language—BBL). Deletes 16 positions from the waste management and reduction program and \$5.8 million (including \$1.3 million associated with the positions and \$4.5 million in OE&E—including \$3 million in contracts). Additionally, requests a \$1.5 million loan from the Electronic Waste Recycling and Recovery Account (E-Waste Fund). The Governor proposes BBL to authorize the IWMA to borrow from any special fund controlled by the DRRR for cash flow purposes.</p>	\$5,750,000
<p>2. DRRR – BCP-3: Shift Funding for Ten Positions from the IWMA to the Waste Tire Management Fund (Tire Fund). Shifts 10 positions, including 6.5 previously associated with the Office of Environmental Education (OEE)—see prior discussion on page 20—from IWMA funding to the Tire Fund. The request would result in no net increase in Tire Fund expenditures, as the proposal includes a shift of \$821,000 from Tire Fund local assistance—Reduction of Waste Tire Enforcement Grants (TEA)—to state operations.</p>	\$821,000
<p>3. DRRR – BCP-5: Shift AB 32 Funding for Six Positions from the IWMA to the Air Pollution Control Fund. Replaces \$501,000 in current IWMA funding for six DRRR positions carrying out climate change activities associated with AB 32 with an equal amount from the Air Pollution Control Fund. These expenditures would be supported by a new AB 32 Cost of Implementation Fee expected to be implemented in September or October of 2010.</p>	\$501,000
<p>4. CalEPA – BCP-1: Waste Board Funding Reduction per SB 63. Reduces by \$954,000 various expenditures from special funds administered by the former Waste Board and now under the control of DRRR, including: (1) \$287,000 in salaries and wages associated with positions abolished in fiscal year (FY) 2009-10; and (2) \$667,000 in operating expenses and equipment (OE&E) that currently support major policy and program leadership by the Secretary for Environmental Protection. Of these amounts, \$771,000 is from the IWMA. The Administration has not clearly articulated what will happen to the policy and program leadership</p>	\$771,000

previously supported by these funds.	
5. State Water Resources Control Board (State Water Board) – BCP-3: Shift Land Disposal Program Funding for 13 Positions from the IWMA to the Waste Discharge Permit Fund (WDPF). Shifts \$2 million in State Water Board expenditures from the IWMA to the WDPF. The State Water Board has authority to raise fees annually to conform to the revenue levels assumed in the Budget Act.	\$2,027,000
6. Office of Environmental Health Hazard Assessment (OEHHA) – BCP-1: Reduce IWMA Funding for Environmentally Preferred Products Testing. Deletes \$108,000 and 0.5 position associated with testing emissions from environmentally preferred products. The Administration indicates this position is currently vacant.	\$108,000

Staff Comments. These items were previously discussed on March 18 and no concerns were raised with items 1 and 5, or with the staff recommendation to deny item 6. Items 2, 3, and 4 were held open for further review.

Staff Recommendation: APPROVE Item 1 (with placeholder BBL) and DENY Item 6. HOLD OPEN Items 2, 3, and 4, as well as Item 5 out of deference to Senator Cogdill (who is absent and wishes to vote on the item).

VOTE: