

FEBRUARY 27, 2025

Proposed Proposition 4 Spending Plan

PRESENTED TO:

Senate Budget and Fiscal Review Subcommittee
No. 2 on Resources, Environmental Protection and
Energy
Hon. Benjamin Allen, Chair



LEGISLATIVE ANALYST'S OFFICE

Governor Proposes Multiyear Proposition 4 Spending Plan

Governor's Proposition 4 Proposal: Multiyear Spending Plan

(In Millions)

Purpose	Bond Total	2025-26	2026-27	2027-28	2028-29 Through 2039-40	Pending
Safe Drinking Water, Drought, Flood, and Water	\$3,800	\$1,074	\$972	\$819	\$925	\$10
Wildfire and Forest Resilience	1,500	325	376	214	496	89
Coastal Resilience	1,200	173	129	190	708	—
Biodiversity and Nature-Based Climate Solutions	1,200	286	136	165	512	101
Clean Energy	850	275	229	3	21	323
Park Creation and Outdoor Access	700	286	117	42	23	231
Extreme Heat Mitigation	450	102	172	152	24	—
Climate Smart Agriculture	300	134	84	15	7	60
Totals	\$10,000	\$2,655	\$2,215	\$1,600	\$2,716	\$814

- Includes \$2.7 billion in 2025-26, about one-quarter of bond total.
- Proposed time line for appropriations varies by bond category and program.
- Proposes budget trailer bill language to exempt spending from the Administrative Procedure Act (APA).



Plan for Some Programs Still Pending

Governor's Proposition 4 Proposal: Pending Allocations

(In Millions)

Purpose	Implementing Department	Bond Category	Amount
Salton Sea Conservancy or Salton Sea Authority	TBD	Water	\$10
Watershed improvement, forest health, biomass utilization, chaparral and forest restoration, and workforce development	Wildfire Conservancy	Wildfire	15
	California Fire Foundation	Wildfire	15
Fire ignition detection technology	CalFire	Wildfire	25
Reducing risk from electricity transmission	TBD	Wildfire	35
San Andreas Corridor Program	WCB	Biodiversity and NBS	79
Southern Ballona Creek Watershed	WCB	Biodiversity and NBS	22
Public financing of transmission projects	TBD	Clean Energy	323
Reducing climate impacts on disadvantaged communities and expanding outdoor recreation	CNRA/CDFW	Parks and Access	139
Enhancing natural resource values, expanding trail access	CNRA/Others TBD	Parks and Access	92
Increasing land access and tenure	DOC	Agriculture	30
Deployment of vanpool vehicles and related facilities	CalVANS	Agriculture	15
Research farms at postsecondary education institutions	CDE	Agriculture	15
Total			\$814

TBD = to be determined; CalFire = California Department of Forestry and Fire Protection; WCB = Wildlife Conservation Board; NBS = nature-based solutions; CNRA = California Natural Resources Agency; CDFW = California Department of Fish and Wildlife; DOC = Department of Conservation; CalVANS = California Vanpool Authority; and CDE = California Department of Education.

- The administration has noted a few reasons for waiting to provide implementation plans for these programs, including forthcoming information and a desire to work with the Legislature to understand intent and to design program details.
- The administration also indicates it is still assessing staffing needs at departments and plans to propose administrative expenditures from the bond and associated personnel later this spring.



Shifts Some Prior Spending to Proposition 4

Governor Proposes Shifting Some Prior Spending Commitments to Proposition 4

Shifts from General Fund Unless Otherwise Noted (In Millions)

Purpose	Implementing Department	Amount
Safe Drinking Water, Drought, Flood, and Water Resilience		
Water recycling	SWRCB	\$51
Dam safety	DWR	47
Systemwide flood risk reduction	DWR	15
Wildfire and Forest Resilience		
Stewardship of state-owned land	Parks	\$68
Home hardening	CalOES	13
Extreme Heat Mitigation		
Community Resilience and Heat Program	LCI	\$15
Biodiversity and Nature-Based Climate Solutions		
Watershed climate resilience	WCB	\$32
Park Creation and Outdoor Access		
Deferred maintenance	Parks	\$14
Clean Energy		
Demand-Side Grid Support Program	CEC	\$50 ^a
Total		\$305

^a Shifts support from the General Fund and Greenhouse Gas Reduction Fund to Proposition 4. These fund shifts would provide \$50 million of previously unallocated Clean Energy Reliability Investment Plan funds to Demand Side Grid Support Program.

SWRCB = State Water Resources Control Board; DWR = Department of Water Resources; Parks = Department of Parks and Recreation; CalOES = California Governor's Office of Emergency Services; LCI = Governor's Office of Land Use and Climate Innovation; WCB = Wildlife Conservation Board; and CEC = California Energy Commission.

- Proposal would shift \$305 million in previously appropriated funding to Proposition 4 funds—\$273 million from the General Fund and \$32 million from the Greenhouse Gas Reduction Fund (GGRF).
- This proposal has three key effects: it (1) maintains previously planned amounts for existing activities, (2) frees up General Fund and GGRF resources to support other budget activities proposed by the administration, and (3) precludes this amount of Proposition 4 funds from being used to expand or enhance upon previously planned activities.



LAO Comments

- **Legislature Crafted Proposition 4 Bond Measure to Reflect Its Funding Priorities**
- **Proposed Plan Has Several Merits**
- **Proposed Multiyear Approach Has Important Trade-Offs and Might Not Be Suitable for All Categories of Spending**
- **Proposal Reflects the Administration's Preferences for How to Target Spending**
- **Even for Established Programs, Oversight Will Be Important**
- **Proposed Proposition 4 Spending Plan's Alignment With Specific Climate Goals Not Fully Clear**
- **Fund Shifts to Proposition 4 Reflect Administration's Priorities, but Legislature's May Differ**
- **APA Exemption Seems Reasonable, Though Legislature Could Add Measures to Increase Transparency**



Recommendations

- **Ensure Spending Plan Reflects Legislative Priorities**
- **Tailor Approach to Differentiate Between Already Established and Less Well-Defined Programs**
- **Consider Clarifying Spending Guidance in Statute, Particularly When Multiple Options Are Allowed**
- **Consider Enhanced Reporting to Track Progress Toward Most Important Proposition 4 Climate Goals**
- **Weigh Fund Shifts in Light of Overall Budget and Legislative Priorities**
- **Approve APA Exemption, but Consider Adding Transparency Requirements for Program Development Processes**

