

Senator Ben Allen, Chair
Senator Catherine Blakespear
Senator Steven Choi
Senator Jerry McNerney



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1:30 p.m.
1021 O Street - Room 2200

Consultant: Joanne Roy

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PUBLIC COMMENT ONLY

VARIOUS DEPARTMENTS

VARIOUS DEPARTMENTS

Issue 1: Departments' Operational Efficiencies and Vacancies Sweep

Governor's Proposal. The 2024-25 budget package included two control sections — Control Section 4.05 and Control Section 4.12 — that aimed to identify and implement efficiencies by 8 percent across all state entities to produce ongoing budgetary savings without adverse effects on state services.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 6, 2025, and discussed again at the hearing on May 21, 2025.

Staff Comments. The Administration provided a summary of this proposal in February 2025. At the March 6th hearing, the Administration stated that it did not have details available and would provide them sometime in April 2025. The Administration provided details to this Subcommittee on May 14th.

Why Cut Special Funds? This exercise originally seemed premised on the need to find General Fund savings due to the deficit. However, the Administration's efficiencies proposal goes well beyond that and includes non-General Fund funded programs and positions. Two special funds, the Environmental License Plate Fund and the Harbors and Watercraft Revolving Fund, are off kilter and need rightsizing — In these two cases, it may be fiscally prudent to make cuts. However, cuts to special funds overall have no impact on the General Fund. Much of the Natural Resources and Environmental Protection programs rely heavily on special funds, which are restricted for specific purposes. A significant portion of special fund revenues are charges such as license or permitting fees.

Less Is More? Sometimes Less Means Less...And Not in a Good Way. Two departments that raise serious concerns about the Administration's proposed cuts in the natural resources area are those to the California Department of Fish and Wildlife (CDFW) and the Department of Parks and Recreation (Parks).

CDFW. CDFW jurisdiction covers 159,000 square miles of land, 30,000 miles of rivers, 1,100 of coastline, seven major ports of entry, and 200 miles out to sea. The state has 147 Marine Protected Areas that have been designated as sensitive areas.

The Administration proposes to cut 13 percent of CDFW's baseline budget — much higher than the 8 percent goal across all departments. Cuts to CDFW include 190 positions and practically double the amount of special funds (-\$49 million) compared to General Fund (-\$25 million) reductions. CDFW's Service Based Budget review (2023) showed that the department is severely understaffed in key areas of accomplishing the department's mission in multiple areas (e.g. law enforcement (33 percent of mission fulfilled), permitting and environmental protection (29 percent mission fulfilled), and species and habitat conservation (26 percent mission fulfilled)).

CDFW: Wildlife Officers. Among the 190 positions proposed for elimination, 55 of them are for

enforcement — e.g. Wildlife Officers (WOs) (also known as wardens). Currently, CDFW currently has 417 WOs employed and in place. Of these officers, 375 are field level staff, Warden, Lieutenant Specialist, and Lieutenant Supervisors, who are expected to be patrolling. The remainder are managerial staff. Of these 375 field staff, 26 are dedicated to Marine Enforcement. For land-based operations, there are about 455 square land miles per officer; and 26 officers to patrol the ocean 200 miles out to sea. Among other things, WOs provide essential services, such as the following:

- Human-Wildlife Conflict. This continues to be an increasing problem, and CDFW WOs respond to and investigate wildlife encounters where a report is made. Officers are also integral in educating the public and responding to incidents where the public is concerned about negative wildlife interactions.
 - Related to this issue, CDFW has human-wildlife conflict specialists — Last year, this growing issue prompted the County of Los Angeles Board of Supervisors to send a letter to CDFW Director Bonham noting that “there are only a few CDFW wildlife specialists who must cover hundreds of miles of territory” and citing the need for the state “to provide and augment the expertise provided by CDFW staff to protect...communities in Los Angeles County.” (Letter to Director Bonham, dated June 5, 2025)
- Marine Protected Area Protection. WOs are the sole enforcers of the Marine Protect Area protections, as well as enforcing commercial fishing laws/regulations.
- Illegal Trafficking of Wildlife. WOs enforce the illegal trafficking of wildlife, and in turn, are protecting the state’s biodiversity. With wildlife trafficking comes substantial risk of introduction of zoonotic diseases and invasive species, which could have devastating economic impacts to the general public and the agriculture industry.
- Protection of Habitat, Natural Resources & Wildlife. WOs protect the state’s wildlife habitat by enforcing pollution and habitat destruction laws. The federal agencies with similar missions (e.g. National Oceanic and Atmospheric Administration and US Fish and Wildlife) are experiencing uncertainties and staffing changes, which will shift more responsibility to CDFW’s WOs.
- Emergency Response and First Responders. WOs respond to numerous CalOES, mutual aid requests for emergencies, such as wildfires, and various emergencies.

WOs are just one type of position, among several, that are proposed for elimination at CDFW. CDFW has a broad portfolio such as licensing, permitting, fisheries, habitat and land management, and oil spill clean ups, all of which are important to protect and conserve the state’s natural resources and wildlife and ensure their healthy populations. Considering the missions of CDFW and the Service Based Budget Review showing the department is already operating at a grave deficit — only a third of what is needed to fulfill its mission — why is the Administration insisting on such severe reductions to this department? Especially ones that are special funded and do not impact the General Fund?

Parks. State Parks includes 280 park units, over 340 miles of coastline, 970 miles of lake and river frontage, 15,000 campsites, 5,200 miles of trails, 3,195 historic buildings, and more than 11,000 known prehistoric and historic archaeological sites. The department contains the largest and most diverse recreational, natural and cultural heritage holdings of any state agency in the nation.

The Administration proposes a net reduction to the department’s baseline budget by 4.6 percent (-\$17.7 million General Fund and -\$13.2 million Special Funds) and elimination of 172 positions (e.g. Rangers

and Maintenance Workers). Parks has had over \$1 billion backlog of deferred maintenance for many years now. How does reducing the number of positions and special funds for Parks help the General Fund deficit, improve services at state parks, or reduce the ever-present backlog of deferred maintenance?

Vacant Does Not Necessarily Mean Dispensable. A vacant position does not necessarily mean that it is superfluous or deserves elimination. Positions become vacant for a variety of reasons, such as retirement, promotion, or waiting to find a qualified candidate.

For example, the Administration's "efficiency" cuts eliminate 55 positions for WOs at CDFW. As Senator Blakespear mentioned in at the May 21st subcommittee hearing, some of those positions may be open because CDFW is waiting for cadets to graduate and fill them. There are not enough wardens to adequately cover the entire state now; and the department is only meeting its enforcement mission at 33 percent — What is the benefit of cutting 55 warden positions knowing that the department is only achieving one-third of its enforcement mission?

The Administration has conveyed that almost all departments (e.g. CalFire is not subject to these cuts) have to chip in and share in the pain for this exercise, but it seems counterintuitive to further impair departments that are already severely struggling to meet their missions.

Are Fee Payers Getting Short-Changed? Many of these efficiency cuts may negatively impact fee payers with degradation of services for which they pay fees if those related special funds and positions are reduced because of the Administration's proposed efficiency cuts. For example, applicants paying fees for permits, licenses or environmental reviews — If there are fewer people to do the work, then those permits, licenses, or environmental reviews may take longer to process and/or diminish in quality. Stakeholders representing water-related local agencies, state, "We are not in favor of a lower level of service from the state's regulatory agencies" and "are opposed strongly to vacant positions getting swept up in fee-based programs, even if it would result in fee reductions." It is a rare occasion for fee payers to say outright that they would not want a reduction in charges.

In addition, a broad coalition of stakeholders (including the regulated community) have raised concerns about the proposed efficiency reductions to the Department of Pesticide Regulation (DPR), stating that they negotiated last year's AB 2113 (Garcia, 2024), "which secured \$33.3 million annually and support 117 new positions over three years, paid for by pesticide manufacturers, farmers and professional applicators...The Governor's proposed budget efficiency reductions would prevent DPR from spending \$3 million annually and eliminate 19 vacant positions, **all of which are paid through industry fees and taxes, not the General Fund.** Even more troubling is that nearly \$1 million of this total comes from the registration branch. **We urge the legislature to stand behind the agreement made in AB 2113 last year and insist that the Department of Finance fully restore DPR's funding in the 2025-26 budget.**"

This proposal is much too sweeping and, in many cases, will likely result in more department deficiencies than efficiencies.

Staff Recommendation. Conform to action taken by Subcommittee 5 on Corrections, Public Safety, Judiciary, Labor, and Transportation.

NATURAL RESOURCES

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)
0650 GOVERNOR’S OFFICE OF LAND USE AND CLIMATE INNOVATION (GO-LCI)
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4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT (CSD)
8570 CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

Issue 2: 2024 Climate Bond (Proposition 4) Expenditure Plan and Administrative Procedure Act (APA) Exemption trailer bill language (TBL) (Governor’s Budget (GB) and May Revision (MR))

Governor’s Proposal. *Proposes Multiyear Spending Plan, With About One-Quarter of Funds to Be Provided in 2025-26.* According to the Legislative Analyst’s Office (LAO), the Governor proposes a multiyear spending plan for Proposition 4 with funding distributed from 2025-26 through 2039-40. As shown in the figure below, \$2.7 billion (about 27 percent of the total authorized by Proposition 4) would be appropriated in 2025-26, including \$1.1 billion for water-related programs and \$325 million for wildfire and forest resilience. The share of the total amounts proposed for appropriation in 2025-26 vary across each of the individual bond categories. For example, the budget proposes to appropriate

45 percent of the total for climate smart agriculture and a comparatively much lower 14 percent for coastal resilience in 2025-26. The Governor's overall multiyear approach would build the proposed out-year funding amounts into departments' baseline budget plans, subject to appropriation by the Legislature each year. That is, for most of the programs, the administration does not plan to submit discrete requests or specific budget change proposals in future years. The Governor's January proposal was as follows:

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

Source: LAO

Administrative Procedures Act (APA) Exemption TBL. The Governor's Budget proposes trailer bill language to exempt all Proposition 4 actions/programs from the APA.

Climate Bond (Proposition 4) Implementation (MR). In January, The Administration proposed appropriation of \$2.7 billion in Climate Bond funds in the 2025-26 Governor's Budget. The May Revision proposal includes requests for:

- Adjustments to the Governor's Budget Expenditure Plan, including technical changes to reflect wildfire and forest resilience funding appropriated in AB 100 (Gabriel), Chapter 2, Statutes of 2025;
- 79.5 permanent positions across 12 departments to implement the Climate Bond; and,
- \$2 million in 2025-26 for statewide bond activities across various departments.

This proposal includes adjustments to the Governor's Budget Expenditure Plan to reflect immediate program needs in 2025-26; subsequent modifications to the roll-out may be requested in future budget proposals. This proposal allocates the 0.75 percent (\$75 million) reserved for statewide bond costs to Parks, DWR, CNRA, and the Department of Finance's Office of State Audits and Evaluations (OSAE).

General Fund Solutions: Proposition 4 “Backfill.” The Governor’s Budget and the May Revision include several cuts to previously approved General Fund spending in Climate-Energy Packages from recent years. The Administration proposes to “backfill” \$315.8 million in General Fund cuts using Proposition 4 funding, as shown in the chart below:

Purpose	Governor’s Proposed Backfill (Dollars in millions)
Stewardship of State-Owned Lands (Parks)	68
Water Recycling (DWR)	51
Dam Safety (DWR)	47
Watershed Climate Resilience (WCB)	32
Deferred Maintenance (Parks)	14
Home Hardening (CalOES)	13
Demand-Side Grid Support Program (CEC)	18
Systemwide Flood Risk Reduction (DWR)	15
Community Resilience and Heat Program (LCI)	15
Offshore Wind Energy (CEC)	42.8
TOTAL	315.8

Dates Originally Heard. The Governor’s Budget proposal was heard in Subcommittee 2 on February 27, 2025, and the May Revision was heard on May 21, 2025.

Staff Comments. As we are well aware, the General Fund is in dire straits. Regardless of whether Proposition 4 is being used as a backfill, cuts across the board to General Fund spending are still necessary in order to balance the state budget. Because the Legislature is deferring details to a Proposition 4 Expenditure Plan, so too, will decisions about Proposition 4 backfill be deferred.

Staff Recommendation. Reject the Administration’s Proposition 4 Expenditure Plan and related trailer bill language. Add a control section to the budget bill allocating \$140 million General Fund for climate-related activities, which the Governor proposed as Proposition 4 backfill to General Fund reversions. Approve \$315.8 million General Fund reversion as proposed by the Administration. Adopt placeholder trailer bill language.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)
3480 DEPARTMENT OF CONSERVATION (DOC)
3600 CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE (CDFW)
3860 DEPARTMENT OF WATER RESOURCES (DWR)

Issue 3: Gregory Bateson Building Rent Increase (MR)

Governor's Proposal. The May Revision proposes an increase of \$3.28 million in 2025-26, \$3.39 million in 2026-27, and \$3.78 million annually beginning in 2027-28 across various fund sources to support increased rental costs at the newly renovated Gregory Bateson Building. In 2021, CNRA and eleven of its entities consolidated space from multiple locations throughout the Sacramento area to two locations in conjunction with CNRA's downtown campus development. This includes the new Resources Building at 715 P Street, as well as a renovated Gregory Bateson Building at 1600 9th Street. In total, the move includes the relocation of approximately 600 staff.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

CNRA VARIOUS DEPARTMENTS

Issue 4: Natural Resources Agency Bond and Technical Adjustments including Reappropriation of funding for Water Resilience/Habitat Restoration Projects related to Voluntary Agreements (MR)

Governor's Proposal. The May Revision proposes various bond and technical adjustments such as reappropriations and extensions of liquidation.

Among the various bond and technical adjustments, the Governor proposes to reappropriate \$165 million General Fund to the Department of Water Resources (DWR) in Item #3860-101-0001, which would support items in the 2022 Water Resilience Package (which is part of the Climate-Energy Package) for the Sacramento-San Joaquin Climate Habitat Restoration (\$125 million), and Sustainable Groundwater Management projects (\$40 million). The Sacramento-San Joaquin habitat restoration funding is connected to the Voluntary Agreements (VAs). The proposal extends the end of liquidation date to June 30, 2029.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Comments. The Legislature proposes to reappropriate the funding for habitat restoration related to VAs only. *(Please see Issue #69 for more details.)*

Staff Recommendation. Approve as budgeted; except reject proposed reappropriation of \$125 in 3860-101-0001 and revert up to \$125 million (unencumbered or unexpended) back to the General Fund.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)**Issue 5: Museum of Tolerance (GB)**

Governor's Proposal. The Governor's budget includes \$10 million General Fund in 2025-26 through CNRA to support a variety of improvements at the Museum of Tolerance. Of this amount, \$6.3 million would be used to extend the themes from the new antisemitism exhibit to the rest of the museum, including installing interactive and immersive learning features. The project is expected to be completed in June 2027. The proposal also includes \$2 million to make improvements to the museum's entryway, lobby, and memorial plaza. Those improvements are expected to be completed in January 2026. Both components would be funded solely by this proposal. The remaining funds from this proposal would cover project overhead (\$1.2 million) and CNRA administrative costs (\$500,000).

Date Originally Heard. This issue was heard in Subcommittee 2 on March 6, 2025.

Staff Recommendation. Approve as budgeted.

Issue 6: California Indian Heritage Center Support Organization (TBL) (MR)

Governor's Proposal. The May Revision proposes TBL related to the creation of the California Indian Heritage Center in West Sacramento.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Defer to legislative policy process.

Issue 7: California Natural Resources Agency Proposition 68 Statewide Bond Costs (MR)

Governor's Proposal. The May Revision proposes \$346,000 Proposition 68 general obligation bond and two positions, in addition to funding for consulting services to make system improvements needed to track statewide bond requirements and deliver the necessary outcomes and mapping reporting related to bond expenditures per bond accountability requirements.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3110 SPECIAL RESOURCES PROGRAMS – TAHOE REGIONAL PLANNING AGENCY (TRPA)**Issue 8: Tahoe Regional Planning Agency Salary Adjustments (GB)**

Governor's Proposal. The Governor's budget requests \$230,000 Environmental License Plate Fund (ELPF) in 2025-26 and \$130,000 ELPF ongoing to support the state's share of TRPA staff salary

adjustments to be aligned with California state employee pay.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 6, 2025.

Staff Recommendation. Approve as budgeted.

3125 CALIFORNIA TAHOE CONSERVANCY

Issue 9: Conceptual Feasibility Planning (GB)

Governor's Proposal. The Governor's budget requests \$300,000 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) for initial conceptual feasibility planning for development of potential capital outlay projects over its ownership of approximately 4,700 parcels. Conceptual feasibility planning is intended to focus on Conservancy ownerships in key watersheds, several potential lakefront access points, and other sites requiring restoration and improvements for future watershed habitat and recreation. The Conservancy intends to use the funding to hire outside contractors and for existing Conservancy staff to carry out the planning work. The current schedule estimates study activities will be carried out between July 1, 2025, and June 30, 2026.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 6, 2025.

Staff Recommendation. Approve as budgeted.

Issue 10: Opportunity Acquisitions (GB)

Governor's Proposal. The Governor's budget requests \$5.98 million from various funds for the acquisition of lands in environmentally sensitive or significant resource areas. The requested funding is comprised of:

- \$378,000 of Lake Tahoe Acquisition Fund;
- \$1.3 million of California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Fund (Proposition 68); and,
- \$4.3 million of reimbursement authority.

In addition, the request includes reversion of \$1.3 million Proposition 68 local assistance funding from the 2019 Budget. Conservancy staff and partner agencies have identified up to 13 properties (commercial development, and residential lots on environmentally sensitive land) for acquisition in the City of South Lake Tahoe, El Dorado County, and Placer County.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 6, 2025.

Staff Recommendation. Approve as budgeted.

Issue 11: Upper Truckee River Sunset Stables Reach 6 Restoration Project (GB)

Governor's Proposal. The Governor's budget requests \$250,000 in authority (\$150,000 in Federal Trust Fund authority and \$100,000 in Habitat Conservation Fund (HCF)) to develop preliminary plans for the multiple-benefit Upper Truckee River Sunset Stables Reach 6 Restoration Project (Project). The Conservancy estimates total project costs at \$2.9 million.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 6, 2025.

Staff Recommendation. Approve as budgeted.

Issue 12: Department of General Services (DGS) Updated Pro Rata Structure (MR)

Governor's Proposal. The May Revision proposes to appropriate \$400,000 California Environmental License Plate Fund (ELPF) one-time and add budget bill language (BBL) to specify this funding is for project management, construction management, inspection, and overhead costs associated with bond and grant funded project activities by DGS.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 13: Lake Tahoe Blvd Demolition and Site Stabilization (MR)

Governor's Proposal. The May Revision proposes a supplemental appropriation of \$591,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund (Proposition 68) to cover increased costs reflected in an updated working drawings estimate of the Lake Tahoe Blvd Demolition and Site Stabilization Project. Total project costs are now estimated at \$3.45 million. In 2024-25, the Conservancy received authorization to use \$2.86 million (\$2 million Proposition 68, \$756,000 Tahoe Conservancy Fund, and \$100,000 Habitat Conservation Fund) for the project.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 14: Minor Capital Outlay (MR)
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Governor's Proposal. The May Revision proposes an appropriation of \$479,000 Proposition 68 and \$271,000 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund (Proposition 50) for various minor capital outlay projects on Conservancy land. These projects involve demolishing existing structures, stabilizing and improving previously acquired property, installing public safety features, and completing upgrades on developed facilities.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 15: Opportunity Acquisitions (MR)

Governor's Proposal. The May Revision requests \$5.6 million for the acquisition of lands in environmentally sensitive or significant resource areas. The requested funding is comprised of: (1) \$1.3 million Proposition 68, (2) \$4.3 million of reimbursement authority to the California Environmental License Plate Fund, and (3) Reversion of \$1.3 million Proposition 68 local assistance from the 2019 Budget. This funding is intended to go towards the acquisition of environmentally sensitive or resource significant property to promote biodiversity, protect critical habitats, and promote climate resilience, and provide equitable access.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 16: Upper Truckee Marsh South Project (MR)

Governor's Proposal. The May Revision requests \$500,000 Proposition 68 to study restoration and recreation needs and complete environmental review for the Upper Truckee Marsh South Project.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 17: Van Sickle Bi-State Park Safety and Equitable Access Improvements (MR)

Governor's Proposal. The May Revision requests \$200,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund (Proposition 84) for the Van Sickle Bi-State Park Safety and Equitable Access Improvements Project (Project). The Project is a coordinated effort with the State of Nevada to ensure public safety and accessibility, improve visitor experience, enhance water quality, protect the environment, and allow for year-round operations. The Project includes a paved Americans with Disabilities Act (ADA) compliant multi-use trail connecting the Park entrance, California and Nevada day-use areas, and new state line monument and plaza. In addition, the Project includes stormwater and snow storage improvements at the California day-use area to allow year-round Van Sickle Bi-State Park operations and water quality protection. Funding will be used to complete the Preliminary Planning phase of the Project.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3340 CALIFORNIA CONSERVATION CORPS (CCC)**Issue 18: Greenwood Residential Center (Construction) – Reappropriation (GB)**

Governor's Proposal. The Governor's budget requests reappropriation of the construction phase of the

Greenwood: New Residential Center project. Although the construction contract of \$60.21 million has been awarded and funds were transferred to the Architectural Revolving Fund in 2023-24, the balance of \$6.4 million is currently available until June 30, 2025. Given construction schedule estimates completion in Spring 2026, this request is intended to provide sufficient time for project completion. Total project costs are estimated at \$73.52 million.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 6, 2025.

Staff Recommendation. Approve as budgeted.

Issue 19: Auberry, New Residential Center: Demolition (MR)

Governor's Proposal. The May Revision proposes an appropriation of \$4.08 million Collins-Dugan California Corps Reimbursement Account one-time for the preliminary plans, working drawings, and construction phase of the Auberry, New Residential Center: Demolition project. The demolition of these deteriorating and unusable buildings is necessary to allow for the construction of a new residential center at this site, and to reduce the risk of vandalism and unlawful entry of the existing buildings.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3480 DEPARTMENT OF CONSERVATION**Issue 20: Division of Mine Reclamation SMARA-4 (GB)**

Governor's Proposal. The Governor's budget requests one permanent position and an appropriation increase of \$866,000 Surface Mining and Reclamation Account (SMARA) to contract a Software-as-a-Service (SaaS) solution vendor to implement and configure an integrated case management system with external facing portals for stakeholder document submission and communications to replace four aging and unsupportable software systems.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 6, 2025.

Staff Recommendation. Approve as budgeted.

Issue 21: Oil and Gas Environmental Remediation Account (MR)

Governor's Proposal. The May Revision proposes an annual ongoing appropriation of \$1 million Oil and Gas Environmental Remediation (OGER) Account, an increase of \$950,000 to the existing \$50,000 annual appropriation, to remediate wells that pose a danger to life, health, water quality, wildlife or natural resources. Additionally, DOC requests budget bill language (BBL) that would authorize the Department of Finance to augment the appropriation if it concurs with a finding by the DOC and CalGEM that expenditures above that amount are necessary to prevent or respond to a danger to life, health, water quality, wildlife, or natural resources. This language would also include notice to the Joint Legislative Budget Committee 10 days prior to authorization of any augmentations.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3480 DEPARTMENT OF CONSERVATION (DOC)
3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CALFIRE)
3600 CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE (CDFW)
3720 CALIFORNIA COASTAL COMMISSION
3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)

Issue 22: Natural Resources Chaptered Legislation Proposals (GB)

Governor's Proposals. The Governor's budget requests for funding from the General Fund and various special funds as well as positions to implement statutory requirements associated with legislation chaptered in 2024. Please see the figure below for requested resources by department.

2025-26 Governor's Budget Natural Resources Agency Chaptered Legislation Proposals Dollars in Thousands								
BU	Department	Issue Title (Chapter/Bill)	Fund Source	2025-26	2026-27	2027-28	2028-29	Total Ongoing Positions
3480	Department of Conservation	Idle Oil and Gas Wells (Chapter 548, AB 1866)	3046	\$4,766	\$4,491	\$4,491	\$4,491	20.0
3480	Department of Conservation	Low-production Oil and Gas Wells (Chapter 549, AB 2716)	3046	\$2,018	\$1,896	\$1,896	\$1,896	9.0
3540	Department of Forestry and Fire Protection	Fire Prevention: Prescribed Fire: State Contracts: Maps (Chapter 778, SB 1101)	3228	\$511	\$566	\$549	\$549	2.0
3540	Department of Forestry and Fire Protection	State Fire Marshal: Fire Safety: Regulations: Lithium-based Battery Systems: Telecommunications Infrastructure (Chapter 781, SB 1152)	3144	\$148	\$288	\$0	\$0	2.0
3540	Department of Forestry and Fire Protection	Emergency Management Assistance Compact: California Wildfire Mitigation Financial Assistance Program (Chapter 402, AB 2469)	0001	\$529	\$809	\$809	\$809	0.0
3600	Department of Fish and Wildlife	Cannabis Cultivation: Environmental Remediation (Chapter 839, AB 2643)	3351	\$0	\$0	\$0	\$0	7.0
3720	California Coastal Commission	Local Coastal Program Guidance for Accessory Dwelling Units (Chapter 454, SB 1077)	0001	\$106	\$0	\$0	\$0	0
3720	California Coastal Commission	Local Coastal Program Updates for Housing (Chapter 282, AB 3093)	0001	\$565	\$1,202	\$1,838	\$1,838	8.0
3790	Department of Parks and Recreation	Firearms: Destruction (Chapter 547, SB 1019)	0001	\$420	\$398	\$398	\$398	2.0

Source: Department of Finance

The funding requested by the departments to implement the bills included in this proposal were cited during the 2024 legislative process, including in the Senate and Assembly Appropriations Committees prior to their enrollment. The Department of Finance has evaluated these requests and concurs with the level of resources requested to implement new statutory requirements.

For summaries of the chaptered legislation referenced in this BCP, please refer to the Subcommittee 2 agenda for March 6, 2025.

Staff Recommendation. Approve as budgeted.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CALFIRE)**Issue 23: Capital Outlay Projects (GB & MR)**

Governor's Proposal. The Governor's budget requests funding for multiple capital outlay projects, as follows:

(a) Alma Helitack Base (HB): Relocate Facility. The Governor's budget requests \$2.69 million General Fund for the preliminary plans phase of the Alma HB: Relocate Facility project, located in Santa Clara County. This is a continuing project. Total estimated project costs are \$67.98 million.

(b) Boggs Mountain Helitack Base (HB): Relocate Facility. The Governor's budget requests \$1.61 million General Fund for the preliminary plans phase of the Boggs Mountain Boggs HB: Relocate Facility project in Lake County. The project includes site acquisition, design, and construction of a new Boggs HB including a helicopter hangar, support vehicle garage, barracks building, generator/pump/storage building, wash rack canopy, hazmat/retardant storage, an operation building, and helicopter-training tower. Additionally, the scope of work will include site work and utilities as needed. This is a continuing project. Total project costs are estimated at \$79.77 million and is expected to be completed in April 2029.

(c) Butte Fire Center: Replace Facility. The Governor's budget requests \$95.33 million public buildings construction fund for the construction phase of the Butte Fire Center: Replace Facility project, located in Butte County. This is a continuing project. Total estimated project costs are \$100.73 million and is expected to be completed in February 2028.

(d) Higgins Corner Fire Station (FS): Replace Facility. The Governor's budget requests \$9.55 million General Fund for the construction phase of the Higgins Corner FS: Replace Facility project, located in Colusa County. This is a continuing project. The total estimated project costs are \$12 million and estimated to be completed in February 2028.

(e) Kneeland Helitack Base (HB): Replace Facility. The Governor's budget requests a supplemental appropriation of \$485,000 for the preliminary plans phase of Kneeland HB: Replace Facility project, located in Humboldt County. The project includes acquisition of a new parcel and construction of a helicopter landing pads, helicopter hangar, support vehicle garage, barracks building, generator/pump/storage building, wash rack canopy, hazmat/retardant storage, and helicopter training tower. The project site requires significant amount of off-site work that was not included in the original estimate. This is a continuing project. Total estimated project costs are \$35.4 million and expected to be completed in September 2029.

(f) Macdoel Fire Station (FS): Relocate Facility. The Governor's budget requests \$10.79 million General Fund for the construction phase of the Macdoel Fire Station: Relocate Facility project, located in Siskiyou County. The project includes the constructions of a single- building, fire station, a generator/pump/storage building with generator, a storage building, an administration building, a field office for the California Highway Patrol, and all site improvements and appurtenances required for the project. This is a continuing project. Total estimated project costs are \$12.467 million and is expected to be completed in April 2027.

(g) Prado Helitack Base (HB): Replace Facility. The Governor's budget requests a supplemental appropriation of \$17.42 million Public Buildings Construction Fund for the construction phase of the

Prado Helitack Base: Replace Facility project located in San Bernardino County. This is a continuing project. The project includes a helicopter hangar, a warehouse/shop building, a support vehicle garage, a barracks building, a generator/pump/storage building, a wash rack canopy, hazmat/retardant storage, and a helicopter training tower. The scope of work includes necessary grading and drainage, above-ground fuel storage and dispensing facilities, a water tank and fire suppression pump system, asphalt paving, sidewalks, curbs, a wash rack, landscaping, lighting, solar power, fencing, water, electrical power (including a generator), liquefied petroleum gas/natural gas, telephone cabling/installation, radio cabling/installation, and associated appurtenances. This is a continuing project. Total estimated project costs are \$43.55 million and is expected to be completed in February 2027.

(h) Baker Forest Fire Station: Replace Facility. The May Revision proposes a supplemental appropriation of \$8.83 million Public Building Construction Fund for the construction phase of the Baker Forest Fire Station: Replace Facility project, located in Tehama County. This is a continuing project. The total estimated project costs are \$19.76 million. Additional funding is requested as the original construction appropriation was approved in 2019 and has not been updated to reflect increasing costs.

(i) Hollister Air Attack Base/Bear Valley Helitack Base: Relocate Facilities. The May Revision proposes a supplemental appropriation of \$3.56 million General Fund for the preliminary plans phase of the Hollister Air Attack Base/Bear Valley Helitack Base: Relocate Facilities project, located in San Benito County. Total estimated project cost is \$204.45 million. This supplemental appropriation is for the relocation of the flame retardant pits and helipad as there is insufficient room to accommodate the larger modern aircraft as intended in the original proposal.

(j) Shasta Trinity Unit Headquarters/Northern Operations: Relocate Facility. The May Revision proposes a supplemental appropriation of \$2.23 million General Fund for the working drawings phase of the Shasta Trinity Unit Headquarters/Northern Operations: Relocate Facility project, located in Shasta County. This is a continuing project. This supplemental appropriation is intended to address an increase in the facility size by more than 50 percent from the previous estimate. The increase is due to a combination of acquiring a larger than anticipated site for the project and a near doubling of staffing at the Shasta Trinity Unit Headquarters/Northern Operations facility since the project was first proposed.

(k) Statewide: Construct Communication Facilities, Phase III. The May Revision proposes requests a supplemental appropriation of \$307,000 General Fund for the construction phase of the Statewide: Construct Communication Facilities, Phase III project, located in various counties. This is a continuing project. The total estimated project costs are \$21.01 million. The supplemental appropriation is intended to pay the last outstanding invoices for the project and to complete architectural certification for the remaining towers.

(l) Columbia Air Attack/Helitack Base: Replace Facility. The May Revision proposes to increase item 3540-301-0001 by \$200,000 one-time in fiscal year 2025-26 in study phase of the Columbia Air Attack/Helitack Base project. The study phase of the project will address the major construction challenges, adequate clearances, and the airport's future taxiway expansion.

(m) Kneeland Helitack Base: Relocate Facility. The May Revision proposes to increase Item 3540-401-0001 by \$1.2 million one-time for the acquisition phase of the project. The Kneeland Helitack Base is expected to receive a repurposed Firehawk Helicopter in the Spring of this year, but the current Helitack base is not suitable to store and maintain the helicopter.

(n) Rincon Fire Station: Replace Facility. The May Revision proposes to increase Item 3540-301-0660 be increased by \$5.04 million one-time in the construction phase of the project. Additional project

funding is requested to avoid implementing several deductive alternates including removing the vehicle wash building and eliminating all site fencing.

(o) *Penon Blanco & Deadwood Peak Lookout: Repair Facilities.* The May Revision proposes to increase Item 3540-301-0001 by \$587,000 one-time for the preliminary plans phase of the project. The scope of the project includes repairing structural elements of the towers to provide safe functioning operational platform for use in support of communications and early fire detection.

Date Originally Heard. The Governor's Budget proposals were heard in Subcommittee 2 on March 6, 2025, and the May Revision proposals were heard on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 24: Various Capital Outlay Reappropriations and Reversions (MR)

Governor's Proposal. The May Revision proposes requests 35 reappropriations and 27 reversions to align existing appropriations with current capital outlay project schedules. The projects included in this proposal have experienced unanticipated delays and have been identified for reappropriation if the schedule indicates funding is needed in 2025-26 or reversion if the schedule indicates funding is not needed until 2026-27 or later. It is anticipated that any reversions included in this proposal will result in future proposals to re-establish funding when the project has reached the appropriate milestone.

The reversions included in this proposal total \$120.33 million (\$84.68 million General Fund and \$35.66 million Public Buildings Construction Fund), including \$31.52 million General Fund for acquisition of property for a new training center. CalFire is exploring more cost-effective alternatives that will meet the same training capacity goals as the additional training center project through a combination of expanding and upgrading existing training facilities and utilizing newly identified long-term lease opportunities to minimize delays in training output. These options will provide sufficient training capacity increases to meet the demands associated with increases in staffing in recent years, including the transition to a 66-hour work week.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 25: Forester Registration Program Fee Increase (TBL) (GB)

Governor's Proposal. The Governor's budget requests the inclusion of TBL to increase the statutory limits of the Office of Professional Foresters Registration's (Office) fee schedule, as follows:

- From \$200 to \$600 for application fees for registration
- From \$250 to \$750 for certificate of specialization fees and registration renewal fees
- From \$25 to \$75 for duplicate displays of registration and certificates of specialization
- From \$25 to \$75 for penalty of failing to renew registration
- From \$50 to \$150 for reinstatement of registration or certification

These fees have not been revised for over 30 years. CalFire intends for the proposed TBL to provide a long-term solution for the Professional Forester Registration Fund while the Board of Forestry and Fire Protection and the Administration continue to address, through license outreach and fee increases, the decline in revenue, which has led to the structural imbalance of the Professional Forester Registration Fund. The request to increase the fee range in statute comes in preparation for a wave of retirements among current registered professional foresters. According to self-reported data to the Office, 40 percent of all Registered Professional Foresters in the state have been licensed for 30 years or more; 27 percent of all Registered Professional Foresters identify themselves as being retired, yet continue to pay dues to support the program.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 6, 2025.

Staff Recommendation. Adopt trailer bill language.

Issue 26: Exclusive Use Aircraft Contract Increase (GB and MR)

Governor's Proposal. The Governor's budget requests to amend the amount included within existing provisional language in Item 3540-006-0001, which waives specified state contracting requirements to enable CalFire to contract for Exclusive Use aircraft to quickly address emergency fire conditions and support fire suppression operations. CalFire requests that the current threshold of \$27.5 million, which was originally approved in the 2021 Budget Act, be increased to \$65 million based on a historical average methodology. The May Revision clarifies that this will be for 2025-26 and 2026-27 only.

Date Originally Heard. The Governor's Budget proposal was heard in Subcommittee 2 on March 6, 2025, and the May Revision proposal was heard on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 27: Home Hardening (LP)

Legislature's Proposal. The Legislature proposes to appropriate a total of \$12.5 million General Fund for purposes of home hardening, as follows:

Program	Cost
Home Hardening Certification Program	\$3 million
Wildfire County Coordinator Program	\$9.5 million
Total	\$12.5 million

Statewide Certification Program. This proposal would require the State Fire Marshal, using the existing Wildfire Mitigation Advisory Committee, to develop a home hardening certification program that identifies home hardening measures, including defensible space, that can be implemented during property improvement projects to substantially reduce the risk of loss during a fire and bring existing housing stock into alignment with state building standards.

Home hardening includes vegetation management compliance and building materials used to resist the intrusion of flames or embers projected by a wildland fire. Such measures may be applied to new construction or when retrofitting an older home. California Building Standards Code Chapter 7A,

developed with the State Fire Marshal, provides for ignition resistant construction standards, such as fire-resistant siding, tempered glass, and ignition-resistant roofs, in the wildland urban interface.

Wildfire County Coordinator Program. This proposal would build out local capacity for scaling up home hardening, defensible space, education, and community mitigation actions alongside local Fire Safe Councils, the Office of the State Fire Marshal, and the California Wildfire and Forest Resilience Task Force by funding a wildfire county coordinator to increase fire resilience in the built environment.

Like the California Earthquake Authority, the Wildfire County Coordinator program would establish a streamlined program that can coordinate the implementation of the statewide plans, programs and incentives needed to significantly increase the number of homes that are fire hardened in California, particularly in high fire risk areas.

The program would be administered by the State's Fire Marshal working in coordination with County Fire Departments and local Fire Safe Councils. The program would also support outreach and engagement, working with CalFire to train defensible space/home hardening inspectors. In addition it will streamline and expedite the administrative delivery of the program to harden homes on a neighborhood scale.

Staff Recommendation. Approve as proposed and adopt placeholder trailer bill language.

Issue 28: Fireline Pay for Incarcerated Firefighters

Legislature's Proposal. The Legislature proposes to increase pay, appropriating \$10 million General Fund, for incarcerated individuals who serve in the Conservation (Fire) Camp Program. This program provides workforce suppression and other conservation work.

Staff Recommendation. Approve as proposed.

Issue 29: Transition 3,000 Firefighter Positions from Seasonal to Permanent

Legislature's Proposal. The Legislature proposes to transition 3,000 seasonal firefighter positions to permanent (year-round) positions, phased in over three years, as follows: \$221.6 million General Fund in 2025-26, \$174.7 million General Fund in 2026-27 and ongoing.

Staff Comment. The wildfire season is evolving into year-round. There is a significant need to increase wildfire prevention efforts (e.g. prescribed fires) on lands in State Responsibility Areas as well as having an adequate number of "boots on the ground" ready to suppress wildfires in months that in the past were more dormant. For example, the Palisades and Eaton wildfires in January 2025 were the second and third most destructive fires in state history.

Staff Recommendation. Approve as proposed.

3560 STATE LANDS COMMISSION (SLC)

Issue 30: Bolsa Chica Lowlands Restoration Project (GB)

Governor's Proposal. The Governor's budget requests \$4.08 million in 2025-26, \$4.05 million in 2026-27 and \$4.35 million in 2027-28 from the General Fund for continued operations and management responsibilities for the Bolsa Chica Lowlands Restoration Project (BCLRP) in Orange County.

This request also includes \$330,000 in 2025-26 to hire a consultant to initiate a feasibility study for the implementation of Sea Level Rise (SLR) adaptations to protect the habitat, wildlife, oil operations and surrounding neighborhood from flooding, and associated liability to the state. Bolsa Chica sits below mean sea level due to oil drilling subsidence and will be impacted by SLR earlier than other coastal areas.

This request includes maintenance and operations, such as annual dredging, support contracts, and deferred repairs. The cost of annual dredging required to sustain the wetland habitat has increased significantly in the last three years, contributing to the overall increase in maintenance and operational costs.

The BCLRP does not have a stable funding source, and the original endowment funding is nearly depleted. The restoration effort is at risk of collapsing if additional funding is not provided for ongoing operations and maintenance and SLR adaptive planning. If that happens, the state's liability may be extensive. An inability to maintain the system would likely result in the eventual failure and loss of critical habitat and a valuable public resource, a significant loss to the state's goal of preserving our coastal wetlands, as well as an investment of over \$165 million. It could also have significant impacts to the state in the form of financial liabilities caused by the failure of the project.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 31: Rincon Decommissioning Project Implementation (GB)

Governor's Proposal. The Governor's budget requests \$12.5 million General Fund in 2025-26, with an extended encumbrance period through June 30, 2028, to implement the Rincon Decommissioning Project (Project). The Project addresses the decommissioning of Rincon Island, the associated Onshore Facility and the related onshore pipeline connections, all of which supported oil and gas production from state leases offshore. The work proposed includes remediation of soil and groundwater contamination at the Onshore Facility, and soil and interstitial water contamination at the Island. Additionally, these funds are needed to address the state's liability for remediation of the adjacent Coast Ranch Parcel, recently donated to the state through a settlement, and to cover project cost contingencies and staff costs for project implementation.

An appropriation of \$12.5 million is intended to resolve the funding gap between total estimated project costs of \$22.5 million, and the remaining available balance in SLC's Special Deposit Fund (estimated to be \$10 million at the time Phase 3 will commence).

Completion of Phase 3 decommissioning activities is intended to protect public health and safety by

remediating contaminated state lands and removing hazards from state lands. The decommissioning activities proposed will also make these sites available for future leasing opportunities, including habitat preservation and conservation, consistent with the state's 30x30 Initiative.

Caretaker costs are estimated at \$476,000 per year but have been under budget each year to date. Caretaker costs will continue to be expended until decommissioning is complete.

Approximately \$10 million will be available in the Special Deposit Fund for decommissioning work after accounting for anticipated caretaker costs. No other funding is currently available to support clean-up and decommissioning costs.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 32: Selby Slag Remediation Reappropriation (GB)

Governor's Proposal. The Governor's budget requests a reappropriation of \$1.63 million General Fund and \$2.65 million in reimbursement authority, with an extended encumbrance period through June 30, 2027, to accept cost-sharing contributions for the preliminary plans phase of the Remedial Action Plan (RAP) at Selby Slag. This funding was originally authorized for 2022-23 and was reappropriated in 2023-24.

This project represents the implementation of the RAP. The Department of General Services (DGS) will act as the Project and Construction Manager on SLC's behalf, pursuant to the DGS Project Management Plan. Total project costs are currently estimated at \$144.48 million. The current project schedule estimates the certification of the environmental impact report by DTSC by the end of 2025, with the Preliminary Plans beginning by March 2026, and being completed by August 2027.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 33: South Ellwood Project — Platform Holly Plug & Abatement Reappropriation (MR)

Governor's Proposal. The May Revision proposes that Item 3560-490 be added to extend the period to liquidate encumbrances of \$1.06 million remaining in Item 3560-001-0001, Budget Act of 2022, until June 30, 2027, to develop an Environmental Impact Report (EIR) for the decommissioning of the Platform Holly oil platform, offshore of Santa Barbara County. Due to difficulties with plugging wells in an active natural seep field, full plug and abandonment took longer than expected and was completed in October 2024. Accordingly, work on the EIR started later than originally expected and current encumbered funds vital for that work will expire June 30, 2025. Development of the EIR is necessary for ExxonMobil to undertake its contractual obligation to decommission the oil platform.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3600 CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE (CDFW)

Issue 34: Various Technical Adjustments (MR)

Governor’s Proposal. The May Revision requests an adjustment to a Fish and Game Preservation Fund (FGPF) dedicated account, Federal Trust Fund (FTF) authority, and Special Deposit Fund authority resulting in an increase of \$15.2 million in fiscal year 2025-26 and \$15.3 million in 2026- 27 and ongoing. Additionally, CDFW requests an extension of the liquidation period to continue work on the Yuba River Watershed. This request is intended to establish adequate authority for CDFW to receive and expend mitigation agreement and federal grant funds vital to the department’s operation. The reduction to the FGPF dedicated account will align the account’s expenditure authority with revenues and help CDFW maintain stability, structural balance, and workload for the fund.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3720 CALIFORNIA COASTAL COMMISSION

Issue 35: Amendment to Budget Bill Item 3720-001-0890, Support (MR)

Governor’s Proposal. The May Revision requests that Item 3720-001-0890 be increased by \$470,000 one-time to reflect various federal grants awarded to the California Coastal Commission from the National Oceanic and Atmospheric Administration that will be implemented in fiscal year 2025-26.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3720 CALIFORNIA COASTAL COMMISSION

0650 GOVERNOR’S OFFICE OF LAND USE AND CLIMATE INNOVATION

Issue 36: Los Angeles 2028 Olympics Streamlining – California Coastal Act and CEQA (TBL)(MR)

LA 2028 Olympics Streamlining Trailer Bill Language. The Administration proposes three trailer bill language proposals to “streamline” projects related to the LA 2028 Olympics, two of which propose exemptions for activities associated with Olympics and Paralympic Games from the California Environmental Quality Act (CEQA) as well as the California Coastal Act.

Staff Comments. The Coastal Act and CEQA statutory proposals make policy changes that warrant more thoughtful deliberation.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Defer without prejudice.

3760 STATE COASTAL CONSERVANCY

Issue 37: Coastal Resource Enhancement and Public Access Projects (MR)

Coastal Resource Enhancement and Public Access Projects. The May Revision proposes an appropriation of \$10.73 million Violation Remediation Account, a subaccount of the State Coastal Conservancy Fund (Fund 0565), and \$12 million in reimbursements from Fund 0565 to fund coastal resource enhancement and public access projects statewide. Funds are requested to be available for encumbrance or expenditure through June 30, 2027, given the multi-year nature of projects.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3780 NATIVE AMERICAN HERITAGE COMMISSION (NAHC)

Issue 38: Department of Justice Litigation Costs (GB)

Governor's Proposal. The Governor's budget requests one-time \$430,000 General Fund in 2025-26 to cover Department of Justice (DOJ) litigation costs. The NAHC is currently involved in litigation initiated by the City of Corona regarding the NAHC's designation of a Native American cemetery on the site of construction of a wastewater reclamation facility after the discovery of Native American human remains. The NAHC anticipates a substantial increase in DOJ legal fees—estimated to be \$430,000 as a result of this litigation—which cannot be absorbed within the NAHC's baseline budget.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 39: Amendment to Budget Bill Item 3780-001-0001, Support (MR)

Governor's Proposal. The May Revision proposes to decrease Item 3780-001-0001 by \$430,000 one-time to remove resources included in the Governor's Budget for Department of Justice litigation costs. The litigation driving costs for NAHC has concluded and the commission no longer requires additional resources in 2025-26.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)**Issue 40: Border Field State Park (SP): Monument Mesa Day Use and Interpretive Area (GB)**

Governor's Proposal. The Governor's budget requests \$1 million in spending authority in 2025-26 for the working drawings phase of the Border Field SP: Monument Mesa Day Use and Interpretive Area project. This project will update the outdoor educational plaza at Monument Mesa with areas for mixed-use group events as well as provide interpretive elements and exhibits. This project will also improve walkways and landscaping. This project is intended to enhance the visitor experience by providing landscape and hardscape upgrades to Monument Mesa area and installing integrated interpretive elements and exhibits that will discuss and highlight the border story, as well as commemorate the importance of Friendship Park. Total project costs are estimated at \$5 million and the project is expected to be completed in December 2028.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 41: California Indian Heritage Center (CIHC): Design and Construction (BCP & TBL) (GB)

Governor's Proposal. The Governor's budget requests \$9 million in 2025-26 for the CIHC project in Yolo County. The request includes \$3 million General Fund for initial designs in the working drawing phase, \$3 million in reimbursement authority to the State Parks and Recreation Fund (SPRF) for subsequent drawings, and \$3 million General Fund for the construction of immediate public use improvements to advance the first phase of the park buildout. This proposal includes budget bill language to make the working drawings funds available for encumbrance for two years rather than one.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve funding as budgeted. Defer TBL to the legislative policy process.

Issue 42: California State Parks Library Pass Program (GB)

Governor's Proposal. The Governor's budget requests a one-time transfer of \$6.75 million General Fund to the SPRF for the Library Pass program in 2025-26. This proposal is intended to provide 33,000 State Library Parks Passes to more than 1,100 library branch locations throughout the state.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Comment. As noted by the Legislative Analyst's Office, the state has multiple free state park pass programs, including: (1) the Golden Bear Pass for individuals over the age of 62 who meet certain income requirements as well as recipients of the California Work Opportunity and Responsibility to Kids Program, Supplemental Security Income, and Tribal Temporary Assistance for Needy Families; (2) the California State Park Adventures Pass for fourth-graders and their families; and (3) the Distinguished Veteran Pass for veterans who meet certain criteria.

Given the constrained General Fund condition and the multiple free state park pass programs currently available, it may be more prudent to not provide the funding requested.

Staff Recommendation. Reject.

Issue 43: Candlestick Point SRA: Phase 01 Initial Build-Out of Park (GB)

Governor's Proposal. The Governor's budget requests \$2 million from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund (Proposition 68) in 2025-26 for the working drawings phase of the Candlestick Point State Recreation Area (CPSRA): Initial Build-Out of Park project in San Francisco County. This continuing project is intended to allow for the design and construction of the initial build-out of the park unit to provide core improvements, public access, and recreation enhancements.

Provisional language is requested making these program funds available for encumbrance for two years, rather than one year. This project location is a place of natural resource sensitivity. This results in longer than average time requirements for design, permitting, environmental compliance, and construction.

As a portion of the funding needed to complete this project is tied to future land transfers associated with the ongoing redevelopment of the adjacent communities, working drawings and construction have been split into two phases. This request will fund Phase 01 working drawings. Parks will not request funding for Phase 02 working drawings until sufficient funding has been received to complete the project.

Total project costs, including Phase 01 (\$20 million) and Phase 02 (\$30 million), are \$50 million (\$10 million Proposition 68, \$10 million Natural Resources and Parks Preservation Fund, and \$30 million from future land transfers to the State Park Contingent Fund) for the initial build-out of core improvements at this park.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 44: Hollister Hills State Vehicle Recreation Area (SVRA): Entrance Kiosk (GB)
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Governor's Proposal. The Governor's budget requests \$182,000 Off-Highway Vehicle Trust Fund (OHVTF) in 2025-26 for the preliminary plans phase of the Hollister Hills State Vehicular Recreation Area (SVRA) Entrance Kiosk project in San Benito County. This new project includes an entrance kiosk, site work, utilities, and accessible parking. Total project costs are estimated at \$1.65 million and estimated to be completed in October 2028.

Parks requests provisional language to make these program funds available for encumbrance for two years, rather than one year — This project is in a park with culturally and naturally sensitive areas, which results in longer than average time requirements for design, permitting, environmental compliance and construction.

The existing entrance kiosk is located too close to the main road and does not allow adequate space for vehicles to line up to pay the entrance fee. In peak season, vehicle lines extend into the main road, causing unsafe conditions for themselves and other motorists. The existing kiosk is not accessible and does not

provide adequate space for operations.

The new Entrance Kiosk would be relocated in the park to provide adequate space for vehicles to line up to pay without causing vehicles to back up into the main road. The Entrance Kiosk would be accessible to the public and designed to accommodate operational needs.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 45: Off-Highway Vehicle Trust Fund (OHVTF) Local Assistance Grants (GB)

Governor's Proposal. The Governor's budget requests \$29 million OHVTF in 2025-26 for local assistance grants. The OHVTF provides state funds to local and state agencies and other organizations for grants that support various off-highway motorized vehicle projects and programs.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 46: R.H. Meyer Memorial State Beach (SB): Parking Lot Expansion, Facility and Site Modifications (GB)

Governor's Proposal. The Governor's budget requests \$4.8 million Natural Resources and Parks Preservation Fund in 2025-26 for the construction phase of the continuing project, R.H. Meyer Memorial SB: Parking Expansion, Facility and Site Modifications project in Los Angeles County. This project includes increasing available parking to help reduce pedestrian and vehicle accidents, installing permanent vault toilets, repairing the beach trail, and reducing beach trail erosion through grading and the use of more durable yet permeable surfaces. Total project cost is \$5.49 million and construction is estimated to be completed in December 2026.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 47: State Parks Roads and Bridges (BCP and TBL) (GB)

Governor's Proposal. The Governor's budget requests \$8.6 million SPRF ongoing and an increase of \$8.6 million in ongoing annual transfers from the Highway Users Tax Account, Transportation Tax Fund (HUTA) to SPRF beginning in 2025-26. The increased transfer will increase the department's proportional share of current HUTA revenues, which have not been updated since 1993.

The proposed TBL requires the Governor's annual Budget Bill to increase the amount not to exceed from \$3.4 million to \$12 million to be appropriated by the Legislature from the HUTA to SPRF for state park highway purposes.

Escalating construction costs and unchanged resource levels over the last 30 years have contributed to roads and bridges within the state park system to increasingly fall into disrepair.

This proposal is intended to right-size the department's share of highway maintenance funding. This funding will be used for continued improvement and maintenance of roads and bridges within the state park system. Additional HUTA funding will also allow Parks to work more cooperatively with the California Department of Transportation and local counties to address road and bridge concerns by leveraging state funds to pursue additional federal highway funding.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted and adopt trailer bill language.

Issue 48: Harbors and Watercraft Revolving Fund Sustainability (MR)
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Harbors and Watercraft Revolving Fund Sustainability. The May Revision proposes Division of Boating and Waterways (DBW), proposes various adjustments to the Harbors and Watercraft Revolving Fund (HWRF). Adjustments include aligning revenues and expenditures by temporarily decreasing Boating Safety and Enforcement Aid (BSEFA) Grants to baseline funding of \$8.1 million set in 1996-97, removing \$1.75 million annual baseline funding for the Abandoned Watercraft Abatement Fund (AWAF), reducing support allocations by a total of \$1.5 million, reducing baseline funding for Quagga Zebra Mussel Infestation Prevention Grants by \$1 million, and transfers of \$3.9 million from the AWAF and \$6.3 million from the Public Beach Restoration Fund (PBRF) back to the HWRF.

LAO Comments. The proposed reductions and transfers are needed to address a long-standing structural imbalance in this fund. The Legislature has addressed the shortfall in recent years through one-time General Fund transfers but given the budget given the budget condition that approach is not a good option this year. The Governor's proposal is only intended to be temporary (two years) so an ongoing solution still will be needed in the future.

LAO Recommendation. The LAO recommends the Legislature also add provisional budget language similar to what was included in the 2021 Budget Act to require that the Administration submit a proposal for a long-term solution including new fee revenue as part of the January 2026 budget to allow the Legislature sufficient time to review and deliberate before further action is needed.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Comment. The HWRF has been on shaky ground for a number of years now. Multiple attempts to balance the fund have failed. Revenue has not kept pace with increase in costs; and new, serious problems caused by boating (e.g. golden mussel infestation) cannot be addressed because of insufficient funds in HWRF. The Legislature and Administration should try again to resolve this perennial problem in the coming budget. In the addition to the cuts proposed in this BCP, it would be prudent to add budget bill language as follows:

The Department of Parks and Recreation shall, in consultation with stakeholders and staff of the relevant fiscal and policy committees of the Legislature, develop a proposal that includes a combination of fee increases, expenditure reductions, and other actions designed to keep the Harbors and Watercraft Revolving Fund in structural balance on an ongoing basis. The department shall present this proposal to the Legislature for consideration no later than January 10, 2026.

Staff Recommendation. Approve as budgeted and add budget bill language, as noted above, requiring the Administration to submit a proposal for a long-term solution including a new fee revenue as part of the January 2026 budget.

Issue 49: Mount Diablo State Park: Visitor Center (MR)

Governor's Proposal. The May Revision proposes \$1.92 million in reimbursement authority in 2025-26 to the State Parks and Recreation Fund (SPRF) for the construction phase of the Mount Diablo State Park (SP): Visitor Center. This continuing project includes replacing a small existing visitor center trailer with a larger visitor center, remodeling the existing restroom and site to meet accessibility standards, and constructing an outdoor interpretive structure. The Mount Diablo Interpretive Association (MDIA) will provide funding to Parks for design review, project management, and construction. In addition to the MDIA funds, the department has secured grant funding to cover the increased costs of construction.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 50: Silver Strand State Beach (SB): Low-Cost Accommodations (MR)

Governor's Proposal. The May Revision proposes requests \$750,000 in reimbursement authority in 2025-26 to the State Parks and Recreation Fund (SPRF) for the preliminary plans phase of the Silver Strand SB: Low-Cost Accommodations project. This continuing project will allow for the planning and initial development of low-cost accommodations at Silver Strand SB. The funds for this request and all other phases of the project will come from a grant from the California Coastal Conservancy.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 51: Various Capital Outlay Reappropriations and Extension of Liquidation (MR)

Governor's Proposal. The May Revision proposes reappropriation and extension of liquidation of existing capital outlay appropriations to allow completion of current projects without delay.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 52: Parks Federal Background Checks (TBL) (MR)

Governor's Proposal. The May Revision proposes trailer bill language to authorize Parks to require employees, volunteers, and contractors to undergo a fingerprint-based state and national criminal history background check. The proposal requires Parks to submit to the Department of Justice fingerprint images

and related information for these individuals who are subject to a state and national criminal history background check, as specified.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Conform to action taken in Subcommittee 4 on State Administration and General Government.

Issue 53: Leasing Authority (TBL) (MR)

Governor's Proposal. The May Revision proposes trailer bill language

Staff Comments. This TBL significantly overlaps with AB 679 (Pellerin), which addresses the issue of the department's acquisition of real property and is making its way through the legislative policy process. Similarly, AB 2103 (Pellerin) would have authorized Parks to acquire specified land or real property and would have parodied additional requirements when doing so. AB 2103 was vetoed by the Governor.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Defer to the legislative policy process.

3815 SALTON SEA CONSERVANCY

Issue 54: Chaptered Legislation: Salton Sea Conservancy (SB 583) (MR)

Governor's Proposal. The May Revision proposes a total of 15 permanent positions, \$9.93 million Proposition 4 for the establishment and operation of the Salton Sea Conservancy. Specifically, this proposal includes \$1.64 million and four permanent positions in 2025-26, \$3.22 million and six permanent positions in 2026-27, \$3.85 million and four permanent positions in 2027-28, and \$1.21 million and one permanent position in 2028-29. Beginning in 2027-28 this funding will shift to the Salton Sea Lithium Fund. This proposal is intended to fund the initial start-up costs over the first four fiscal years of the new Conservancy to meet its legislative mandates starting in 2025-26. Once established, the Conservancy will need to complete updated workforce planning and budgeting to assess the need for additional organizational capacity and funding to meet future workload demands as the Salton Sea Management Plan.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3820 SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (BCDC)

Issue 55: Regulatory Management System (MR)

Governor's Proposal. The May Revision proposes an appropriation of \$500,000 Bay Fill Clean-up and Abatement Fund in 2025-26 and \$55,000 ongoing to procure and establish a modern, comprehensive digital regulatory management system to manage and track permits and permit applications, as well as receive permits and permit fees online. The database will allow BCDC's permitting, enforcement, and planning programs to be more effective and efficient. BCDC also requests statutory changes to the Bay Fill Clean-up and Abatement Fund to include technology services, programs, and personnel that directly support the existing authorized uses of the Fund.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 56: Bay Fill Clean-Up and Abatement Fund (TBL) (MR)

Governor's Proposal. The May Revision proposes trailer bill language to clarify that moneys from the Bay Fill Cleanup and Abatement Fund may be expended on technology services, programs, and personnel that directly support the existing authorized uses of this fund.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Adopt trailer bill language.

3830 SAN JOAQUIN RIVER CONSERVANCY

Issue 57: San Joaquin River Conservancy Fund Increase for Operations and Maintenance Services (MR)

Governor's Proposal. The May Revision proposes an additional \$260,000 in 2025-26, and ongoing, from the San Joaquin River Conservancy Fund (SJRCF). The 2022 Budget Act allocated three permanent positions to the Conservancy as part of the San Joaquin River Conservancy Workload Support proposal to carry out the increased workload as the Conservancy is opening lands for recreational use. The Conservancy now owns 20 properties (nearly 3,000 acres). Staff dedicated to operations and maintenance are needed to fulfill legislative directives and the Administration's priorities of Access for All.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3855 SIERRA NEVADA CONSERVANCY (SNC)

Issue 58: Sierra Nevada Conservancy Fund Ongoing Local Assistance Reimbursement Authority (MR)

Governor's Proposal. The May Revision proposes ongoing reimbursement authority of \$1 million for local assistance under the SNC Fund (Fund 8120).

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3860 DEPARTMENT OF WATER RESOURCES (DWR)

Issue 59: Central Valley Flood Protection Board (CVFPB): Yolo Bypass Cache Slough Partnership and Federal Comprehensive Studies (GB)

Governor's Proposal. The Governor's budget requests \$324,000 Proposition 68 in 2025-26 to provide planning and communication support for currently authorized positions to support CVFPB's role in supporting the Yolo Bypass Comprehensive Study (YBCS), Yolo Bypass Master Plan and associated environmental compliance (CEQA), and the Yolo Bypass Cache Slough Partnership communication and engagement. This proposal also requests the reversion of approximately \$31,000 Proposition 68 bond previously appropriated to the CVFPB in the Budget Act of 2021. The requested funding is needed to support CVFPB staff to continue support for the YBCS Partnership, Yolo Bypass Master Plan, and the newly defined Yolo Bypass Comprehensive Study in 2024-2025. CVFPB staff participates in document development, provides support, and helps to coordinate planning initiatives essential to the flood system, the long-term stability of flood risk reduction, and multi-benefit projects.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 60: CVFPB: Extension of Reimbursable Authority from Sacramento Area Flood Control Agency (SAFCA) (GB)

Governor's Proposal. The Governor's budget requests to extend the reimbursable authority by the Sacramento Area Flood Control Agency (SAFCA) of \$1 million annually for two years (2025-26 and 2026-27) to support the existing permanent positions and work being completed in the 2019 Budget Act.

These positions oversee project coordination with partnering agencies including DWR, SAFCA, USACE, and local Levee Maintaining Agencies (LMA). Activities also include development and reporting of activities monthly and annually to CVFPB as required.

It is the responsibility of CVFPB to manage the State Plan of Flood Control (SPFC) as well as its regulatory authority to take enforcement action against noncompliant encroachments. Staff will continue to work on flood risk reduction projects, provide project coordination, and perform CVFPB's legislatively mandated responsibilities of permitting, enforcement, and inspection. This proposal is

intended to help leverage federal funding to implement much needed flood risk reduction projects to the greater Sacramento region, thus reducing the state's potential liability from future flood related disasters.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 61: Delta Levees Special Flood Control Projects and Delta Levees Maintenance Subventions (GB)
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Governor's Proposal. The Governor's budget requests a reversion of \$8.7 million Proposition 1 Local Assistance (LA) funding appropriated in 2021-22, and a new corresponding new appropriation of \$8.7 million for State Operations (SO).

An \$8.7 million shortfall is anticipated in 2025-26 of SO funds to administer both the Delta Levees Special Flood Control Projects and Delta Levee Maintenance Subventions Programs.

The requested funds are intended to allow continuation of the Delta Levees Special Flood Control Projects and Delta Levee Maintenance Subventions Programs in the Sacramento-San Joaquin Delta to implement and manage/administer projects for levee repairs, improvement and maintenance, and habitat mitigation and enhancement.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 62: Water Desalination Grant Program — Planning, Monitoring, and Administration (GB)

Governor's Proposal. The Governor's budget requests a new appropriation of \$1.62 million Proposition 1 for the Water Desalination Program funding consisting of approximately \$540,000 annually over three years for administration of desalination grants.

This funding request is for DWR staff to continue monitoring and administration activities that include preparing grant agreement amendments, managing budget, and processing invoices to ensure claimed expenses are eligible; reviewing and approving project deliverables; conducting site visits to verify the work is being conducted as contracted and billed; reviewing and analyzing the invoices and progress reports, resolving disputes, tracking expenditure; preparing project completion reports; responding to program audits, maintaining project information in a tracking database, meeting bond reporting requirements, conducting program performance evaluation and responding to legislative and executive inquiries, conducting post-project performance monitoring; tracking and quantifying statewide desalination production to assess contribution of Proposition 1 funding to statewide supplies; and monitoring advances in desalination technologies to support implementation of funded projects.

There are more than a dozen projects funded by the Proposition 1 grants that are in various phases (planning, permitting, construction, close-out). Because of the size, complexity, and environmental sensitivity of desalination projects, planning, monitoring, and administration of these projects will last several years.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 63: Rehabilitation of High Hazard Potential Dams Grant Federal Trust Fund Authority (GB)

Governor's Proposal. The Governor's budget requests a total of \$30 million (\$10 million per year for three years) of additional federal trust fund authority to DWR, Division of Flood Management (DFM) for the Federal Emergency Management Agency's (FEMA) Federal Rehabilitation of High Hazard Potential Dams (HHPD) Grant Program. DWR currently receives \$10 million in federal trust fund authority. The increase will give DWR authority to receive and pass-through FEMA's Rehabilitation of HHPD Grant assistance through 2027-28. The purpose of FEMA's HHPD program is to provide eligible dam owners with technical, planning, design, and construction assistance for eligible rehabilitation activities that reduce dam risk and increase community preparedness.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 64: Habitat Restoration Contracting (TBL) (GB)

Governor's Proposal. The Governor's budget requests trailer bill language to provide DWR authority to contract for the delivery of multi-benefit habitat and environmental outcomes. This authority is intended to enable the department to continue contracting for full delivery of multi-benefit and habitat restoration projects through Public-Private-Partnerships based on available funding.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Adopt trailer bill language.

Issue 65: FEMA Hazard Mitigation Grant Reimbursement Authority (GB)
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Governor's Proposal. The Governor's budget requests a total of \$8.7 million in reimbursement authority (\$4 million in 2025-26, \$3.35 million in 2026-27, and \$1.35 million in 2027-28) for FEMA Hazard Mitigation Grant Program (HMGP) grants related to alluvial fan hazard mitigation efforts. This request also is intended to support three Division of Flood Operations existing staff. DWR needs a continuation of reimbursement authority to leverage federal funds for major disaster preparedness mitigation activities. The primary goal of DWR's project is to develop a statewide alluvial fan risk early warning/emergency management system that conveys the general extent of risk areas and provides the framework for risk management, response and recovery work including post fire evacuation warnings.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 66: Urban Community Drought Relief Grant Program (Legislature’s Proposal)

Legislature’s Proposal. The Legislature proposes to reappropriate up to \$4.27 million California Emergency Relief Fund for Item 3860-101-3398 from the 2021 Budget Act for the Urban Community Relief Grant Program, and to be available for encumbrance or expenditure until June 30, 2028. This funding is intended to assist a water consolidation project in Monterey County.

Staff Recommendation. Approve as proposed.

3860 DEPARTMENT OF WATER RESOURCES (DWR) 3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

Issue 67: Delta Conveyance Project (DCP) (TBL) (MR)

Governor’s Proposal. The May Revision proposes trailer bill language that, among other things, is intended to do the following: streamline permitting for DCP by eliminating certain deadlines from existing State Water Project (SWP) water right permits; specify that DWR has authority to issue bonds for the cost of DCP, which are to be repaid by participating water agencies; streamline judicial review of litigation; and, streamline authorization to acquire land that supports construction of DCP. The intended purposes of these statutory changes are to prevent delays and reduce costs.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Reject and defer to the legislative policy process.

Issue 68: Water Quality Control Plans — CEQA Exemption; formerly titled, “Bay-Delta Plan CEQA Recirculation” (TBL) (MR)

Governor’s Proposal. The May Revision proposes TBL to exempt an action of SWRCB or a Regional Water Quality Control Board relating to regional water quality control plans (RWQCPs) from California Environmental Quality Act (CEQA) provided that the action does not involve relaxation of existing water quality objectives. More specifically, the title of the pdf for this proposal, “Bay-Delta Plan CEQA Recirculation,” on the Department of Finance website at the time this proposal was heard in this Subcommittee, showed that it was directed at the Bay-Delta Plan.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Reject and defer to the legislative policy process.

Issue 69: Legislature’s General Fund Solutions: Revert Funding Related to Water Resilience/Habitat Restoration Projects related to Voluntary Agreements (VAs) (LP)

Legislature’s Proposal. The Legislature proposes to revert unencumbered and unexpended balances from a total of \$226.7 million General Fund appropriated for Water Resilience/Habitat Restoration

Projects related to VAs in 2022-23 (\$55.7 million) and 2023-24 (\$171 million).

Please note: Legislature’s proposal in Issue #69 is in addition to the rejection and reversion of a Governor’s proposed reappropriation of \$125 million in Issue #4.

Total amount of General Fund Solutions from both proposals (Issues #4 and #69) is up to \$351.7 million General Fund.

Staff Comments. *Voluntary Agreements-Related Funding.* In general, VAs are agreements with water users to achieve regulatory goals in some watersheds. VAs are intended to combine protectiveness of regulation with flexibility of negotiation, possibly achieving better outcomes faster and with less conflict. Parties to VAs can be water users (e.g. water districts) and state and federal agencies.

The VAs at issue update the Sacramento River and Delta components of the Water Quality Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta Plan). Many stakeholders have concerns that these VAs do not seem to lessen the conflict amongst Bay-Delta stakeholders and may actually result in more damage to the health of ecosystems in the Bay-Delta region.

The VAs-related General Fund appropriations were premature in 2022 and 2023 when they were originally approved. The VAs continue to be lagging, which may relate to the Administration’s proposed extended liquidation date of June 30, 2029 for the \$165 million in Item #4.

The signatories to the VAs still have not submitted a complete set of documents to the State Water Resources Control Board (SWRCB), after nearly a decade of promising to do so. Most promised actions under the VAs would only occur after SWRCB completes the update of the Bay-Delta Plan, which it is years from doing.

Most recently, the Trump Bureau of Reclamation has declined to implement the “early” VAs flows as part of the newly finalized Long-Term Operations of the Central Valley and State Water Projects. There is no guarantee that they will remain a partner to the Healthy Rivers and Landscapes (HRL)/VA program moving forward. HRL/VA are a collaborative effort between state, federal, and local entities in California to improve water quality and restore habitats in the Sacramento-San Joaquin River and Bay-Delta watershed.

Due to the current condition of the General Fund and the fact that significant VAs-related funding remains unspent, it would seem prudent to revert this funding back to the General Fund as part of the overall General Fund Solutions.

Staff Recommendation. Approve Legislature’s proposal to revert unencumbered and unexpended \$226.7 million General Fund.

ENVIRONMENTAL PROTECTION

0555 CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY (CALEPA)

Issue 70: California Environmental Reporting System Project (GB)

Governor's Proposal. The Governor's budget requests \$6.6 million in spending authority from the Unified Program Account in 2025-26 to implement a technology refresh project on the California Environmental Reporting System (CERS) known as CERS NextGen. CERS Nextgen is an ongoing information technology project. This request includes continued funding for five permanent positions approved in the 2022 Budget Act. The project is intended to update the technical platform, improve data quality and the processes supporting data quality, and modernize a critical public-facing system that enables more than 160,000 businesses and 104 local regulators to meet their legal reporting obligations.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 20, 2025.

Staff Recommendation. Approve as budgeted.

Issue 71: ServiceNow Governance and Stabilization (GB)

Governor's Proposal. The Governor's budget requests \$662,000 in 2025-26 and ongoing from various special fund sources, and three permanent full-time positions to stabilize the Agency-wide implementation of ServiceNow and to oversee continuous governance and maintenance of the system. These positions are intended to ensure that the system maintenance and updates are applied in a timely fashion, security features are properly applied, system enhancements and modifications adhere to CalEPA's standards, and that system changes are coordinated and communicated Agency-wide to ensure business essential functions are not impacted.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 20, 2025.

Staff Recommendation. Approve as budgeted.

0555 CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY (CALEPA)
3900 CALIFORNIA AIR RESOURCES BOARD (CARB)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

Issue 72: Legal Resources to Respond to Federal Actions (MR)

Governor's Proposal. The May Revision proposes a total of \$2.99 million from various special funds and 12 permanent positions in 2025-26 and ongoing to defend California's environmental laws and programs that advance the state's climate, water, public health and overall environmental priorities in response to increased federal legal challenges.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

VARIOUS DEPARTMENTS

Issue 73: CalEPA Bond and Technical Proposals (GB and MR)

Governor's Proposal. The May Revision includes various bond and technical adjustments such as reappropriations, reversions, and extensions of liquidation.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 20, 2025, and May 21, 2025.

Staff Recommendation. Approve as budgeted.

3900 CALIFORNIA AIR RESOURCES BOARD (CARB)
3930 DEPARTMENT OF PESTICIDE REGULATION (DPR)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)
3970 CALIFORNIA RESOURCES RECYCLING AND RECOVERY
(CALRECYCLE)
3980 OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT

Issue 74: CalEPA Chaptered Legislation Proposals (GB)

Governor's Proposal. The Governor's budget includes various requests for resources from the General Fund and special funds to implement statutory requirements associated with legislation chaptered in 2024. The resources requested by the departments to implement the bills included in this proposal were cited during the 2024 legislative process, including in the Senate and Assembly Appropriations Committees prior to their enrollment. The Department of Finance has evaluated these requests and concurs with the level of resources requested to implement new statutory requirements.

The following figure provides a breakdown of enacted bills and proposed funding and positions.

BU	Department	Issue Title, Chapter (Bill)	Fund Source(s)	2025-26	2026-27	2027-28	2028-29	2029-2030	Total Ongoing Positions
3900	State Air Resources Board	Analysis of Industrial Sources of Emissions - Chapter 595 (SB 941)	3237 Cost of Implementation Account	\$120	\$0	\$0	\$0	\$0	0.0
3930	Department of Pesticide Regulation	Pesticides - Anticoagulant Rodenticides - Chapter 571 (AB 2552)	0106 Department of Pesticide Regulation Fund	\$258	\$193	\$193	\$193	\$193	1.0
3930	Department of Pesticide Regulation	Pesticide Use Near Schoolsites - Chapter 552 (AB 1864)	0001 General Fund 0106 Department of Pesticide Regulation Fund	\$690	\$200	\$200	\$200	\$200	1.0
3940	State Water Resources Control Board	Technical, Managerial, and Financial Standards - Chapter 507 (SB 1188)	0306 Safe Drinking Water Account 3324 Safe and Affordable Drinking Water Fund	\$925	\$675	\$675	\$900	\$900	4.0
3940	State Water Resources Control Board	Drinking Water Outreach for Domestic Well Owners and Tenants - Chapter 506 (AB 2454)	0001 General Fund	\$225	\$225	\$225	\$225	\$225	1.0
3970	Department of Resources Recycling and Recovery	Solid Waste Reduction and Recycling - Chapter 421 (AB 2902)	3228 Greenhouse Gas Reduction Fund	\$345	\$345	\$345	\$345	\$345	2.0
3970	Department of Resources Recycling and Recovery	Organic Waste Reduction - Chapter 452 (SB 1046)	3228 Greenhouse Gas Reduction Fund	\$500	\$0	\$0	\$0	\$0	0.0
3970	Department of Resources Recycling and Recovery	Propane Cylinder Waste Management - Chapter 466 (SB 1280)	0387 Integrated Waste Management Account	\$474	\$174	\$174	\$174	\$174	1.0
3970	Department of Resources Recycling and Recovery	Organic Waste Reduction Regulations - Chapter 712 (AB 2346)	3228 Greenhouse Gas Reduction Fund	\$315	\$315	\$315	\$315	\$315	2.0
3970	Department of Resources Recycling and Recovery	Beverage Container Recycling - Chapter 983 (SB 551)	0133 Beverage Container Recycling Fund	\$141	\$141	\$141	\$141	\$141	1.0
3980	Office of Environmental Health Hazard Assessment	Studying the health effects of microplastics in drinking and bottled water - Chapter 881 (SB 1147)	0001 General Fund	\$453	\$253	\$253	\$253	\$253	1.0

Source: Department of Finance

For summaries of the enacted legislation related to this budget change proposal, please refer to the Subcommittee 2 hearing agenda for March 20, 2025.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 20, 2025.

Staff Recommendation. Approve as budgeted.

3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)**Issue 75: US Environmental Protection Agency (USEPA) Lead and Copper Rule Revisions (GB)**

Governor's Proposal. The Governor's budget requests eight permanent positions from the Public Water System, Safe Drinking Water State Revolving Fund, which is continuously appropriated. Federal grant awards supporting position and contract funding will be expended from the same fund with no additional appropriation authority required, to implement a system (WaterTAP) for intake, management, analytics support, and federal reporting of lead and copper data in compliance with the revised Lead and Copper Rule Revisions (LCRR).

This proposal creates a Division of Drinking Water (DDW) unit to manage data collection, maintenance, analytics and publishing for information provided by public water systems. The eight positions are intended to assist with the implementation of the new database, as well as with ongoing maintenance and reporting needs. This unit will also support the 14 staff from the 2023-24 Lead and Copper Rule Revision Regulation Implementation and Database BCP in both the implementation and adoption of regulations by collecting and making available related data and analytics.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 76: Implementation of the Sustainable Groundwater Management Act (SGMA) (GB)

Governor's Proposal. The Governor's budget requests a loan of \$16.4 million from the Underground Storage Tank Cleanup Fund to the Water Rights Fund to support 22 existing positions and continue critical implementation tasks in SWRCB's SGMA program. The funding is intended to mitigate fee uncertainty until sufficient fee revenue is collected. The proposed loan of \$16.42 million would be enough to cover the cost of the 22 positions for up to three years.

The loan shall be repaid with future SGMA fee revenues, if feasible; alternatively, if fee funding is not legally able to be collected as anticipated, this loan shall be repaid from the General Fund.

Date Originally Heard. This issue was heard in Subcommittee 2 on April 3, 2025.

Staff Recommendation. Approve as budgeted.

Issue 77: Replacing, Removing, or Upgrading Underground Storage Tanks (RUST) Program Augmentation (BCP and TBL) (MR)

Governor's Proposal. The May Revision proposes to appropriate \$23 million one-time from the Petroleum Underground Storage Tank Financing Account to provide sufficient expenditure authority to meet current funding demand for the removal or replacement of petroleum underground storage tanks.

SWRCB requests TBL to allow tank owners to begin projects while waiting for a final funding agreement to be executed for purposes of administrative efficiencies.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted and adopt trailer bill language.

Issue 78: Monterey County Primacy Delegation Agreement Termination (MR)

Governor's Proposal. The May Revision proposes \$2.72 million ongoing and 12 permanent positions from the Safe Drinking Water Account to carry out the public small water system (SWS) regulatory program for Monterey County (County). The County's local primacy agency delegation will be terminated and regulation of SWSs will be returned to the state in September 2025. Oversight of 284 water systems is anticipated to be transferred from the County to the Water Board in August 2025, and the state is legally mandated to administer this regulatory program.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC) 4265 CALIFORNIA DEPARTMENT OF PUBLIC HEALTH (CDPH)

Issue 79: Biomonitoring California Funding Realignment (GB)

Governor's Proposal. The Governor's budget requests to shift \$425,000 General Fund from CDPH to DTSC in 2025-26 and ongoing. This fund shift is in lieu of continuing an Interagency Agreement (IAA) that supports laboratory services provided by DTSC per the legislative mandate of SB 1379 (Perata), Chapter 599, Statutes of 2006. The General Fund transfer to the Toxic Substances Control Account (TSCA) will fund two permanent positions in 2025-26 and ongoing to support DTSC's statutory obligations for implementation of the California Biomonitoring program. This request has no net cost to the General Fund or any other fund.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 20, 2025.

Staff Recommendation. Approve as budgeted.

3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)

Issue 80: National Priorities List (NPL) and State Orphan Sites (GB)

Governor's Proposal. The Governor's budget requests a transfer of \$36.6 million from TSCA to the Site Remediation Account (SRA) and \$36.6 million expenditure authority from SRA in 2025-26 to fund the state's NPL obligations and state orphan sites with Priorities 1A, 1B, 2, and 3, and statewide service contracts. The following provides high-level definitions of each priority:

- **Priority 1A.** Immediate and acute conditions requiring a "time critical" response.

- **Priority 1B.** Ongoing operations and maintenance (O&M) of a state or federally funded site remediation treatment system necessary to prevent exposure to human or environmental receptors. Priority 1B includes state-match NPL.
- **Priority 2.** Actual human exposure or natural resource impacts under current conditions.
- **Priority 3.** Potential exposure under current conditions; and could allow the contamination to spread, impacting additional people and resources and increasing future costs.

DTSC assigns the highest priority to those sites with federally mandated costs, those that have immediate acute health threats, and those that have existing systems that require ongoing contracted costs to operate and maintain the remedy.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 20, 2025.

Staff Recommendation. Approve as budgeted.

Issue 81: Exide: Repurpose Facility Closure and Cleanup Funding (MR)

Governor's Proposal. The May Revision proposes to revert \$75 million remaining of the \$132 million General Fund appropriated in the 2021 Budget Act for cleanup activities at the Exide Facility and appropriate \$35 million Lead-Acid Battery Cleanup Fund and \$40 million General Fund to loan to the Toxic Substances Control Account (TSCA) to fund continued cleanup activities. This proposal also includes provisional language to allow flexibility to spend those funds on residential cleanup or facility remediation related to the Exide Facility cleanup. Additionally, DTSC requests to reappropriate \$1.2 million General Fund and \$1 million Lead-Acid Battery Cleanup Fund to pay for ongoing storage of physical evidence related to the ongoing Exide cost recovery litigation.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 82: Santa Susana Field Laboratory (SSFL) Litigation Contracts Costs (MR)

Governor's Proposal. The May Revision requests expenditure authority of \$2 million Hazardous Waste Control Account (HWCA) in 2025-26 with a two-year encumbrance period in order to fund legal services contracts for SSFL litigation. The legal services costs will be billed through cost recovery from the three responsible parties for SSFL-the United States Department of Energy, the National Aeronautics and Space Administration, and the Boeing Company.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 83: Implementation of Generation and Handling Fee Regulations (MR)

Governor's Proposal. The May Revision requests \$837,000 HWCA in 2025-26 and ongoing, and \$1.72 million TSCA in 2025-26, and \$1.62 million in 2026-27 and annually thereafter and nine permanent

positions to support implementation of the exemption review and reporting penalty assessment processes required by newly adopted regulations, as authorized by SB 156 (Committee on Budget and Fiscal Review), Chapter 73, Statutes of 2024.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 84: Imperial County Certified Unified Program Agency Costs (MR)
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Governor's Proposal. The May Revision proposes an increase of \$475,000 in expenditure authority for the State Certified Program Agency (SCUPA) Account beginning in 2025-26 and ongoing. DTSC also requests to eliminate \$150,000 in reimbursement authority as it is not utilized. The SCUPA Account has a fund balance of approximately \$2.3 million to cover these costs for the next couple of years without requiring a fee increase (which last occurred in 2019).

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

3970 CALIFORNIA RESOURCES RECYCLING AND RECOVERY (CALRECYCLE)

Issue 85: Reusable Grocery Bag Program (SB 270) Fund Shift (GB)
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Governor's Proposal. The Governor's budget requests a fund shift of \$256,000 in 2025-26 and ongoing from the Integrated Waste Management Account (IWMA) to the Reusable Grocery Bag Fund (RGBF) to fund an existing Environmental Scientist and Accounting Office to implement SB 270 (Padilla), Chapter 850, Statutes of 2014. Additionally, CalRecycle requests authority to use RGBF funds collected in the amount of \$256,000 collected to date to cover its staffing costs with the SB 270 program requirements. This shift in funding and authority is meant to ensure that fees collected from reusable grocery bag producers are used as intended to fund the implementation of the Reusable Grocery Bag Program, thereby reducing the expenditures currently incurred by the IWMA. The fund shift and requested appropriation will be a net zero cost.

Date Originally Heard. This issue was heard in Subcommittee 2 on March 20, 2025.

Staff Recommendation. Approve as budgeted.

Issue 86: Responsible Textile Recovery Act of 2024 – Implementation of SB 707 (GB)

Governor’s Proposal. The Governor’s budget requests 27 permanent ongoing positions to be phased in over two fiscal years (18 positions in 2025-26 and nine positions in 2027-28) with a total ongoing cost of \$4.55 million to implement the Responsible Textile Recovery Act of 2024 (Textiles Act) (SB 707 (Newman), Chapter 864, Statutes of 2024). CalRecycle needs to hire a new team of staff and supervisors to meet its statutory obligations, complete rulemaking, and conduct tasks necessary to implement and enforce the Textiles Act. These positions will also support CalRecycle’s outreach to interested parties to enable public comment and participation in rulemaking workshops and regulation development.

In addition, CalRecycle requests budget bill language to authorize a loan (equally split between the Beverage Container Recycling Fund (BCRF) and Electronic Waste Recovery and Recycling Account (EWWRA) to cover implementation costs until CalRecycle gets reimbursed by the Producer Responsibility Organization (PRO).

Date Originally Heard. This issue was heard in Subcommittee 2 on March 20, 2025.

Staff Recommendation. Approve as budgeted.

Issue 87: CalRecycle Integrated Information System (MR)

Governor’s Proposal. The May Revision proposes to appropriate \$45 million from various funds one-time to implement the CalRecycle Integrated Information System (CRIIS) project. CRIIS is a comprehensive initiative to modernize and migrate 30 program applications across multiple business processes into a single enterprise-wide system.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.

Issue 88: Responsible Textile Recovery Act of 2024 — Implementation of SB 707 (MR)

Governor’s Proposal. The May Revision proposes that Item 3970-001-0133 be decreased by \$1.63 million and 18 positions ongoing, Item 3970-001-3065 be decreased by \$1.63 million ongoing, and Item 3970-001-3450 be added in the amount of \$3,26 million and 18 positions ongoing, as a technical correction to the Governor’s Budget proposal to reflect expenditures from the newly created Textile Stewardship Recovery Fund. It is further requested that Items 3970-012-0133 and 3970-014-3065 be added to authorize loans from the California Beverage Container Recycling Fund and the Electronic Waste Recovery and Recycling Account, Integrated Waste Management Fund, to the Textile Stewardship Recovery Fund for implementation costs until reimbursement is received.

Date Originally Heard. This issue was heard in Subcommittee 2 on May 21, 2025.

Staff Recommendation. Approve as budgeted.