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## VOTE-ONLY

### 0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA) AND VARIOUS DEPARTMENTS

#### Issue 1: Natural Resources Agency Bond and Technical Proposals (April Finance Letter (AFL))

**Governor's Proposal.** An AFL requests for appropriations and reappropriations from various bonds, reversions, reversions with associated new appropriations, and other technical adjustments to continue implementation of existing authorized programs.

**Staff Recommendation.** Approve as requested.

### 3100 EXPOSITION PARK

#### Issue 2: Amendment to Budget Bill Item 3100-001-0267, Support (AFL)

**Governor's Proposal.** An AFL requests that Item 3100-001-0267 (Exposition Park Improvement Fund) be amended by adding provisional language authorizing up to \$11.9 million General Fund transfer authority to the Exposition Park Improvement Fund to offset unanticipated revenue loss resulting from public health-related closures to the COVID-19 pandemic. Additionally it is requested that provisional language be added notwithstanding Provision 2 of Item 9850-011-0001, Budget Act of 2020, to allow \$2.5 million of the General Fund available for transfer to be used in repayment of a 2020-21 loan.

The pandemic has resulted in significant loss for the Exposition Park Improvement Fund, which relies primarily on special event rentals and parking fees associated with currently prohibited public gatherings and museum visitation. Progressive extensions on public health restrictions have made it necessary to address this revenue shortfall beyond prior current year authorizations.

**Staff Recommendation.** Approve as requested.

### 3125 CALIFORNIA TAHOE CONSERVANCY

#### Issue 3: Upper Truckee River Sunset Stables Reach 6 Restoration Project (AFL)

**Governor's Proposal.** An AFL requests that Item 3125-301-0890 (Federal Trust Fund) be added in the amount of \$500,000 to fund a study on restoration and recreation opportunities, and to complete an environmental review for a section of the Upper Truckee River and adjacent floodplain. The study will provide strategies that reduce sediment and nutrient flow into Lake Tahoe, enhance aquatic and terrestrial habitat, protect biodiversity, sequester carbon, improve public access, and restore climate resilience in the Reach 6 area of the Upper Truckee River.

**Staff Recommendation.** Approve as requested.

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**3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)****Issue 4: Dedicated Fish and Game Preservation Fund Realignment (AFL)**

**Governor's Proposal.** An AFL requests that Item 3600-001-0200 (Fish and Game Preservation Fund) be increased by \$3.858 million ongoing and 19 positions to align program expenditures with the associated revenues of four dedicated accounts within the Fish and Game Preservation Fund. These resources will help DFW maintain structural balance and support increased workload.

**Staff Recommendation.** Approve as requested.

**Issue 5: Nutria Eradication Program Staffing (AFL)**

**Governor's Proposal.** An AFL requests that Item 3600-001-0200 (Fish and Game Preservation Fund) be increased by 17 permanent positions to replace the temporary positions used to support the Nutria Eradication and Control Program field operations.

**Staff Recommendation.** Approve as requested.

**Issue 6: Reimbursement and Federal Trust Fund Authority Increase (AFL)**

**Governor's Proposal.** An AFL requests that Item 3600-001-0200 (Fish and Game Preservation Fund) be amended by increasing reimbursements by \$8.9 million and Item 3600-001-0890 (Federal Trust Fund) be increased by \$2.5 million to provide adequate authority for DFW to receive and expend reimbursement and federal grant funds necessary to DFW's operation. Specifically, this will enable the department to accept federal grants from the US Fish and Wildlife Service and other federal partners, and reimbursement from various state and private entities for the purpose of species and ecosystem conservation programs.

**Staff Recommendation.** Approve as requested.

**3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)****Issue 7: Local Park Projects: Extensions of Liquidation**

**Local Park Projects: Extensions of Liquidation.** Requests have been made by various local entities for liquidation extensions of state funding they received for individual park projects as follows:

#	Grantee	Project	Fund Source	Current Grant Balance	Liquidation Date Needed	Expected Date of Completion
1	City of Twentynine Palms	Project Phoenix	General Fund	\$4,390,199	June 30, 2022	Spring 2022
2	Earth & Space Sciences Center	Powerhouse Science Center	2006 Bond Act, Proposition 84	\$3,448,587	June 30, 2022	Summer 2021
3	California Museum of History	California Museum	General Fund	\$848,891	June 30, 2022	Spring 2022
4	Fox Fullerton Theatre Foundation	Fox Fullerton Theater Project	General Fund	\$2,417,294	June 30, 2022	Winter 2021
5	City of Los Angeles	Mid Valley Multipurpose Intergenerational Center	General Fund	\$106,187	June 30, 2022	Fall 2021
6	City of Los Angeles	Cesar Chavez Park	General Fund	\$1,500,000	June 30, 2023	Spring 2023
7	City of Lodi	Lodi Lake Park Erosion Control	General Fund	\$909,641	June 30, 2023	Fall 2022
8	Anaheim YMCA	Anaheim Family YMCA Active Living Center	General Fund	\$1,000,000	June 30, 2022	Summer 2021
9	Mountains Recreation and Conservation Authority	Pacoima Wash Greenway — El Dorado Park	2006 Bond Act, Proposition 84	\$897,381	June 30, 2023	Spring 2023
10	City of Whittier	1. Greenway Trail Lighting 2. Lee Owens Park Splashpad 3. Palm Park Fitness Equipment 4. Guirado Park Fitness Equipment	General Fund	\$450,000 \$500,000 \$68,000 \$82,000 <hr/> \$1,400,000	June 30, 2022	Fall 2021

**Staff Recommendation. Approve as requested.**

**Issue 8: Parks, Woolsey Wildfire Repair-Phase II (Issue 148) (AFL)**

**Governor's Proposal.** An AFL requests that Item 3790-001-0001 (General Fund) be decreased by \$10 million, Item 3790-001-0392 be decreased by \$23.35 million and amended by increasing reimbursements by \$23.35 million, and Item 3790-004-0001 (General Fund) be increased by \$10 million, to account for a technical adjustment needed for the Woolsey Wildfire Repair-Phase II Governor's Budget proposal. Provisional language in 3790-004-0001 be amended to conform to this action.

**Staff Recommendation.** Approve as requested.

**Issue 9: Law Enforcement Records Management System License Renewal (Issue 133) (AFL)**

**Governor's Proposal.** An AFL requests that Item 3790-001-0392 (State Parks and Recreation Fund) be increased by \$1.423 million and two positions to provide for support, maintenance, and annual renewal of the department's Record Management System (RMS) license. Parks requires an RMS to be in compliance with the National Incident-Based Reporting System/California Incident-Based Reporting System.

**Staff Recommendation.** Approve as requested.

**Issue 10: Oceano Dunes State Vehicular Recreation Area: Le Sage Bridge Replacement (Issue 138) (AFL)**

**Governor's Proposal.** An AFL request that Item 3790-301-0263 (Off-Highway Vehicle Trust Fund) be increased by \$47,000 for the working drawings phase of the Oceano Dunes State Vehicle Recreation Area: Le Sage Bridge Replacement project. This supplemental appropriation is necessary to address natural resources permitting activities, increased engineering costs, and the need for expanded geographical information system support and data management.

**Staff Recommendation.** Approve as requested.

**Issue 11: Fort Ord Dunes State Park: New Campground (Issue 142) (AFL)**

**Governor's Proposal.** An AFL requests that Item 3790-301-0263 (Off-Highway Vehicle Trust Fund) be increased by \$7.016 million for the construction phase of the Fort Ord Dunes State Park: New Campground project. This supplemental appropriation is necessary to address higher than anticipated construction bids. As such, the department has applied for a total of \$7.016 million in federal grant funds.

**Staff Recommendation.** Approve as requested.

**Issue 12: El Capitan State Beach: Entrance Improvements (Issue 144) (AFL)**

**Governor's Proposal.** An AFL requests that Item 3790-301-0392 (Off-Highway Vehicle Trust Fund) be amended by increasing reimbursements by \$2.556 million and Item 3790-301-6051 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 [Proposition 84]) be added to in the amount of \$1.298 million for the construction phase of the El Capitan State Beach: Entrance

Improvements project. The AFL also requests that Item 3790-495 be added to revert \$2.648 million from existing spending authority from Schedule 2 of Item 3790-301-6051 (Proposition 84), Budget Act of 2019. This continuing project will reduce conflicts between pedestrians, bicyclists, and vehicles, improve the entrance road to accommodate larger recreational vehicles, replace the entrance kiosk, and improve circulation at the park entrance.

**Staff Recommendation. Approve as requested.**

#### **Issue 13: Old Sacramento State Historic Park: Boiler Shop Renovation (Issue 141) (AFL)**

**Governor's Proposal.** An AFL requests that Item 3790-301-6051 (Proposition 84) be added in the amount of \$16.96 million and Item 3790-301-6088 be increased by \$5.626 million for the construction phase of the Old Sacramento State Historic Park: Boiler Shop Renovation project. This is a continuing project. Provisional language is requested to be added to Item 3790-301-6088 (California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund [Proposition 68]) to conform to this action.

**Staff Recommendation. Approve as requested.**

#### **Issue 14: Picacho State Regional Area: Park Power System Upgrade (Issue 143) (AFL)**

**Governor's Proposal.** An AFL requests that Item 3790-301-6088 (Proposition 68) be increased by \$387,000 and Provision 1 be amended for the preliminary plans phase of the Picacho State Regional Area: Park Power System Upgrade project. This project will evaluate the park's current and future electrical power needs, including redundant backup, and determine sustainable options for providing reliable and cost-effective electrical power at this remote location. Currently all electrical power in the park comes from two diesel-powered generators. However, given the age of the generators, location in a harsh desert environment, and the power needs of the park, the current system is insufficient.

**Staff Recommendation. Approve as requested.**

### **3860 DEPARTMENT OF WATER RESOURCES (DWR)**

#### **Issue 15: San Joaquin River Restoration Program**

**Governor's Proposal.** An AFL requests that Item 3860-301-6083 (Water Quality, Supply, and Infrastructure Improvement Fund of 2014 [Proposition 1]) be increased by \$6.5 million to support implementation of a fish passage project for the San Joaquin River Restoration Program. There is an associated reversion to support this appropriation in the CNRA AFL.

**Staff Recommendation. Approve as requested.**

**Issue 16: Systemwide Flood Risk Reduction Program**

**Governor's Proposal.** An AFL requests that Item 3860-301-6088 (Proposition 68) be added in the amount of \$4 million to support the Tisdale Weir Rehabilitation and Fish Passage project within the Systemwide Flood Risk Reduction Program. There is an associated reversion to this appropriation in the CNRA AFL.

**Staff Recommendation.** Approve as requested.

**3900 AIR RESOURCES BOARD (ARB)****Issue 17: Extension of Liquidation for AB 617 Community Air Grants**

**Governor's Proposal.** An AFL requests that Item 3900-493 be amended to extend the liquidation period of Item 3900-101-3228 (Greenhouse Gas Reduction Fund [GGRF]), Budget Act of 2017 and Item 3900-101-3228 (GGRF), Budget Act of 2018 until June 30, 2023.

This funding provides technical assistance grants to community-based organizations to support community participation in the program established pursuant to AB 617 (C. Garcia), Chapter 136, Statutes of 2017.

The Department of Finance has provided the following updates to these appropriations:

- The 2017 Budget Act included a \$5 million appropriation and ARB awarded 14 Community Air Grants during 2017-18. The remaining aggregate balance of unliquidated funds for 8 of these grants is approximately \$886,000.
- The 2018 Budget Act included a \$10 million appropriation and ARB awarded 42 Community Air Grants during 2018-19. The remaining aggregate balance of unliquidated funds for 24 of these grants is approximately \$3.096 million.

**Staff Recommendation.** Approve as requested.

**Issue 18: Reappropriations**

**Governor's Proposal.** An AFL requests that Item 3900-493 be added to reappropriate the unencumbered balances of the following items for purposes specified with funding available for encumbrance or expenditure until June 30, 2022:

- Item 3900-001-0115 (Air Pollution Control Fund), Budget Act of 2020 to support the integrated multi-pollutant emissions inventory project developed pursuant to AB 617. Amount to be reappropriated: \$2.4 million.
- Item 3900-101-3228 (GGRF), Budget Act of 2019 to provide technical assistance grants to community-based organizations to support community participation in the program established by AB 617. Amount to be reappropriated: \$11.308 million.

- Item 3900-001-6054 (Ports Infrastructure, Security, and Air Quality Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 [Proposition 1B]), Budget Act of 2014 and Item 3900-101-6054, Budget Act of 2018 to replace older, dirtier freight vehicles and equipment with cleaner technologies to maximize emission reduction benefits and support the deployment of advanced technology equipment that yields early or extra emission reductions beyond those required by regulations. Amount to be reappropriated: \$12.321 million.

It is also requested that Item 3900-494 be added to reappropriate the unencumbered balance of the Item 3900-101-6054 (Proposition 1B), Budget Act of 2019 to replace older, dirtier freight vehicles and equipment with cleaner technologies to maximize emission reduction benefits and support the deployment of advanced technology equipment that yields early or extra emission reductions beyond those required by regulations. This request includes making this funding available for encumbrance or expenditure until June 30, 2023.

The 2019 Budget Act included a \$10 million appropriation, but due to the disruptions from the COVID-19 pandemic, ARB's solicitation of applications and awarding of grants remains incomplete. Therefore, no funds from this appropriation have been encumbered yet and the remaining unencumbered balance is \$10 million.

**Staff Recommendation. Approve as requested.**

## **3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)**

### **Issue 19: Federally Designated National Pollutant Discharge Elimination System (NPDES) — Commercial Industrial and Institutional Stormwater Permitting Program**

**Governor's Proposal.** An AFL requests that Item 3940-001-0193 (Waste Discharge Permit Fund) be increased by \$606,000 and three positions on going to implement a new US Environmental Protection Agency residual designation authority to regulate stormwater from currently unregulated commercial, industrial, and institutional facilities. The additional resources will allow SWRCB to develop and implement an NPDES General permit at the Los Angeles Regional Water Quality Control Board.

**Staff Recommendation. Approve as requested.**

### **Issue 20: Augmentation to Underground Storage Tank (UST) Cleanup Fund, Site Cleanup Subaccount and School District Account**

**Governor's Proposal.** An AFL requests that Item 3940-001-0439 (UST Cleanup Fund) be increased by \$200.728 million and five positions, Item 3940-001-3264 (Site Cleanup Subaccount) be increased by \$804,000 and four positions, Item 3940-101-3134 (School District Account, UST Cleanup Fund) be added in the amount of \$2 million, and Item 3940-101-3264 (Site Cleanup Subaccount) be increased by \$16.717 million to expand and accelerate reimbursement of correction action costs in the UST Cleanup Program. The fund and associated accounts are available to assist UST owners and operators with costs to clean up contaminated soil and groundwater caused by leaking petroleum USTs. To accelerate activity in this

program, SWRCB is activating the remaining 800 claims from the Priority List and will require an increase in budgetary authority to accommodate the increased need associated with these claims. The additional resources will allow SWRCB to reimburse corrective action costs for eligible claimants and result in accelerated reimbursements for claimants.

**Staff Recommendation. Approve as requested.**

## **3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY**

### **Issue 21: Reappropriation and Additional Funding for Bonzi Sanitary Landfill Closure**

**Governor's Proposal.** An AFL requests that Item 3970-001-0387 (Integrated Waste Management Account, Integrated Waste Management Fund) be increased by \$2.636 million and item 3970-012-0387 be reduced by \$2.636 million to provide additional funding for the closure of the Bonzi Sanitary Landfill and offset the increased expenditure by reducing the transfer amount from the Integrated Waste Management Account, Integrated Waste Management Fund to the Soldi Waste Disposal Site Cleanup Trust Fund.

It is also requested that Item 3970-492 be added to reappropriate up to \$4.2 million in item 3970-001-0387 (Integrated Waste Management Account), Budget Act of 21017, and extend the liquidation period to June 30, 2025.

**Staff Recommendation. Approve as requested.**

## **8570 CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)**

### **Issue 22: Technical Adjustment: Technical Assistance Program for Underserved Farmers (AFL)**

**Governor's Proposal.** An AFL requests that Item 8570-002-0001 (General Fund) be increased by \$1.26 million and Item 8570-101-0001 (General Fund) be decreased by \$1.26 million to reflect a technical, net-zero adjustment that will shift a portion of funding included in a Governor's Budget proposal from a local assistance item to a state operations item. This adjustment is necessary for CDFA to administer this portion of the program as contract funding rather than grant funding.

The Governor's budget requests \$3.35 million GF in 2020-21 and \$3.35 million in 2021-22 with a two-year encumbrance period to fund a technical assistance and micro-grant program for small, mid-sized, and underserved farmers in California.

The requested amount for early action of \$3.35 million GF in 2020-21 was approved in SB 85 (Committee on Budget and Fiscal Review), Chapter 14, Statutes of 2021.

The technical assistance program includes funding for a temporary Small Farm Specialist within CDFA and a contract with University of California Agriculture and Natural Resources (UC ANR) to provide direct

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assistance to small, mid-sized, and socially disadvantaged and underserved farmers in seven regions around the state.

The program is intended to assist farmers with business planning, navigating regulatory compliance, and accessing state and federal funds to aid economic recovery. The grant program will be administered by CDFA and consist of grants for non-profit organizations to provide application technical assistance to small, mid-sized, and socially disadvantaged farmers and ranchers, as well as micro-grant program to assist small, mid-sized, and underserved farmers in accessing state and federal funding resources, including matching and leveraging state and federal funds, such as the state small business economic recovery grant funds and USDA micro loan program.

**Staff Recommendation. Approve as requested.**

## DISCUSSION

### SENATE AGRICULTURE BUDGET PLAN

#### Issue 23: Senate Agriculture Budget Plan

**Senate Proposal.** The Senate proposes an Agriculture Budget Plan of \$502 million General Fund, as follows:

***Transition to Safer, Sustainable Pest Management (\$90 million).*** In lieu of the Administration's proposed tiered increase in the mill assessment, the Senate proposes to retain the current assessment and use one-time GF to backfill the shortfall and fully fund the programs and activities in the Governor's proposal for a two-year limited-term of \$40 million annually. Programs and activities include the following:

- Enhanced implementation of integrated pest management (IPM) practices.
  - Department of Pesticide Regulation's (DPR's) IPM program (\$8.25 million and 15 positions).
  - California Department of Food and Agriculture's (CDFA's) IPM research, education, and extension grant programs (\$3.75 million ongoing).
  - CDFA, through cooperative agreements with the California State University Agricultural Research Institute (CSU ARI) and University of California Agriculture and Natural Resources (UC ANR), to expand research, education, and extension capacity for IPM (\$8 million ongoing).
- Strengthened DPR enforcement activities (\$3 million DPR Fund and 18 positions in 2021-22 ongoing).
- Increased support to County Agriculture Commissioners (CACs) for local pesticide use enforcement activities from 7.6 mills to 10 mills (estimated to be an approximately \$9.5 million increase).
- Enhanced Pesticide Air Monitoring Network (AMN) (\$4 million DPR Fund and seven positions in 2021-22 ongoing).
- Increased community engagement by DPR, including with communities identified by the Community Air Protection Program (as authorized by AB 617 (C.Garcia), Chapter 136, Statutes of 2017, (\$1.5 million DPR Fund and four positions beginning in 2021-22 and \$1.5 million DPR Fund and seven positions in 2022-23 ongoing).
- Sufficient revenues to repair the DPR Fund's structural fund imbalance and provide a prudent reserve.

The Senate Agriculture Budget Plan provides General Fund funding for two years in order to allow DPR and CDFA to proceed with these efforts immediately while providing additional time to further analyze how to increase the mill assessment.

- ***Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program (\$170 million).*** The Senate proposes \$100 million General Fund one-time to the Air Resources Board (ARB) for the FARMER program, which is a grant program that provides funding to replace agricultural equipment in order to reduce pollution.
- ***Agricultural Burning (\$180 million).*** The Senate proposes \$180 million General Fund total — \$60 million annually for a three-year limited term.

The goals of this grant program is to reduce air pollution and help develop alternatives to agricultural burning that will ultimately become the methods for regulatory compliance. This proposal includes budget bill language to do the following:

- Require ARB and local air districts to implement this grant program in a manner that achieves these goals most effectively.
  - Require ARB to establish general guidelines for local air districts to help achieve the goals of this program.
  - Require ARB to provide funding to local air districts for the purpose of distributing grants.
  - Require ARB to report to the Legislature by December 1, 2022, on the degree to which the program is reducing emissions and supporting the development of alternatives to agricultural burning.
- ***Critical Infrastructure for Biodiversity Reliance: DNA Barcode Reference Library for California Insects (\$12 million).*** The Senate proposes \$12 million General Fund one-time to CDFA for the purpose of creating a DNA barcode reference library for California insects. This proposal will barcode and preserve existing specimens; secure new specimens from priority locations such as the Central Valley; expand opportunity via professional and informal training; and deliver data to accomplish Executive Order N-82-20.

This proposal provides the state a comprehensive DNA barcode reference library of its pollinators, butterflies, pests, and other arthropods. This will be an infrastructure of: a coordinated system of DNA barcodes, linked to baseline collections of California's insect diversity housed in secure facilities, with a public database to support farmers and land managers. Current efforts are funded via grants and donations, and one-time additional funding from the state will accelerate the effort, delivering benefits in years instead of decades.

- ***Alternative Manure Management Program (AMMP) (\$50 million).*** The Senate proposes \$50 million General Fund one-time to CDFA for grants through AMMP to implement non-digester practices to reduce or avoid methane emissions, such as solid separation, conversion from flush to scrape manure collection, and enhanced pasture-based management practices.

***Agriculture-Related Drought Relief.*** In a separate, but related, Senate proposal on drought relief, which was heard on April 29, 2021, Subcommittee 2 approved the Senate Budget Plan Drought, Safe Drinking Water, and Water Supply Reliability, and Ratepayer Assistance package of \$3.4 billion. The drought proposal includes funding for agricultural purposes, such as \$250 million for the State Water Efficiency Enhancement Program (SWEEP), which provides competitive grants for agricultural water-use efficiency projects. *(For more detail on the Senate Budget plan on Drought Relief, Safe Drinking Water, and Water*

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*Supply Reliability, and Ratepayer Assistance, please refer to the Subcommittee 2 agenda for the April 29, 2021 hearing.)*

**Background.** California’s agricultural industry consists of approximately 77,500 farms and ranches that provide over 400 different commodities. Over a third of the country’s vegetables and two-thirds of the country’s fruits and nuts are grown in the state.

According to the CDFA 2019 Crop Year Report, California’s farms and ranches received more than \$50 billion in cash receipts for their output. California agricultural exports totaled \$21.7 billion — top commodities for export included almonds, pistachios, dairy and dairy products, wine and walnuts.

California organic product sales totaled more than \$10.4 billion in 2019. Organic production encompasses over 2.5 million acres in the state and California is the only state in the nation with a US Department of Agriculture (USDA) National Organic Program.

### **Transition to Safer, Sustainable Pest Management**

*Subcommittee 2 heard the Administration’s “Transition to Safer, Sustainable Pest Management” January Budget proposal in February. For more details about the proposal, please refer to the February 23, 2021 hearing agenda.*

***Integrated Pest Management (IPM). IPM Encourages Use of Other Pest Control Practices.*** IPM is designed to reduce — though not necessarily eliminate — the use of pesticides through a combination of techniques, such as using beneficial organisms to eliminate pest populations. IPM promotes the judicious use of pesticides when other methods do not work and when monitoring indicates that pest levels have risen to the point where pesticides are needed.

***Various State Entities Promote IPM.*** The state has funded several grants and programs through various state entities to promote IPM research and outreach.

- **Department of Pesticide Regulation (DPR).** DPR administers several IPM grants, such as the Pest Management Research Grant Program, which funds research to develop practices that reduce the use of pesticides of high regulatory concern. The department also has several IPM programs, such as the School IPM Program that promotes the adoption of IPM practices at schools and child care centers.
- **CDFA.** CDFA also administers several IPM grants, such as the Biologically Integrated Farming Systems Grant Program, which funds on-farm demonstrations and evaluations of IPM practices.
- **Academic Institutions.** UC ANR and CSU ARI conduct IPM research and outreach, such as conducting field trials, training pest control managers, and working with farmers to implement the use of nonchemical pest control methods.

***Pesticide Regulations and State Funding. Federal, State, and Local Roles in Pesticide Regulation.*** Various government entities play a role in regulating pesticide sale and use.

- **Federal.** The US Environmental Protection Agency (US EPA) is responsible for setting minimum pesticide use standards; registering pesticides at the federal level that have been determined to not harm people, nontarget species, or the environment; and sets pesticide labeling requirements that indicate how to handle and safely use products.

- State. DPR is responsible for (1) evaluating and registering pesticides at the state level, (2) licensing individuals and businesses that apply pesticides, (3) evaluating health impacts of pesticides, (4) monitoring the environmental impacts of pesticides in air and water, (5) monitoring pesticide residues on produce, and (6) enforcing state and federal laws related to pesticides.
- Local. CACs are responsible for enforcing pesticide laws and regulations in concert with DPR. The state is responsible for overseeing enforcement efforts by CACs.

***DPR Fund.*** *DPR Is Supported by Its Own Special Fund.* The DPR Fund supports roughly 90 percent of the department's budget. The fund receives 20 percent of its revenues from pesticide-related licensing and registration fees and 80 percent from a mill assessment levied on pesticides.

- Mill Assessment. The mill assessment is applied to agricultural and non-agricultural pesticides at the point of first sale into the state. The assessment is currently at 21 mills, or 2.1 cents per dollar, and was last adjusted in 2004. Of the total mill assessment, 7.6 mills are allocated to CACs for their pesticide compliance and enforcement activities.

***DPR's Major Fund Source Has Structural Imbalance.*** The growth in expenditures from the DPR Fund has outpaced growth in revenues, creating a structural imbalance in the fund. Absent any changes, the Administration estimates that the fund will go insolvent in 2022-23.

***LAO Finds Additional Spending Proposals Are Reasonable.*** The LAO finds that the Governor's proposals for increased spending merit legislative consideration based on estimated workload, potential to increase the use of IPM, and public health benefits.

- IPM Grants and Programs. Providing state funding towards grants and programs that further IPM research, implementation, and outreach has merit in the long run. While these programs will not provide immediate reductions, they can be an important part of the state's long-term goal of reducing pesticide usage.
- AMN. The proposal aligns with past legislative priorities by providing an ongoing source of funding for previously approved AMN stations. AMN provides the state with year-round data on pesticide levels in ambient air in various agricultural communities. Thus, expanding this network has potential of increasing protections and public health in more communities throughout the state.
- Enforcement. Additional funding for enforcement activities is reasonable since it would allow DPR and CACs to conduct more activities related to upholding state and federal pesticide laws and regulations. A workload analysis from the department indicates that the additional funding largely would support monitoring and investigating pesticide use violations and reviewing illegal residue cases.
- Community Engagement. The department has indicated that there has been increased workload associated with community outreach. For instance, the department states that an increasing number of communities have inquired about pesticide emissions and have asked for technical assistance from DPR. Based on a workload analysis from the department, the LAO finds that increasing funding for this effort is reasonable.

***FARMER Program.*** According to ARB, producers, custom operators, first processors, and rental companies own and operate approximately 160,000 pieces of off-road, diesel-fueled, mobile agricultural equipment statewide, in addition to stationary equipment, and on-road vehicles used in agricultural

operations. Emissions from these vehicles and equipment are a significant source of air pollution. Reducing these emissions are necessary to meet federal ozone and particulate matter air quality standards, particularly in the San Joaquin Valley where the agricultural sector is a critical part of the local and state economy, but also contributes to the poor air quality.

In 2017, the Budget Act included \$135 million to ARB to reduce agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural equipment and vehicles used in agricultural operations. As a result, ARB developed the FARMER Program

ARB oversees the FARMER Program, which provides funding through local air districts for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations.

According to ARB, as reported through September 30, 2020, the FARMER Program has provided \$206.5 million in implemented projects statewide with 65 percent of funding benefitting disadvantaged and low-income communities. Implemented projects include:

- 254 Agricultural trucks (11 percent of dollars invested)
- 57 Irrigation pump engines (1 percent of dollars invested)
- 2,487 Tractors/harvesters (78 percent of dollars invested)
- 1,916 Agricultural utility terrain vehicles (10 percent of dollars invested)

Emissions reduced attributable to the FARMER Program:

- 124,000 metric tons of carbon dioxide equivalent in greenhouse gas emissions
- 780 tons of fine particulate matter (PM 2.5)
- 12,900 tons of nitrogen oxide (NOx)

FARMER funding is given to projects are based on cost-effectiveness, potential reduction of criteria pollutants and toxic air contaminants, contribution to regional air quality improvement, ability to achieve greenhouse gas emissions reductions, and ability to promote the use of clean alternative fuels and vehicle technologies.

Agricultural regions are often surrounded by disadvantaged and low-income communities and employ many of the residents living in these communities. The FARMER Program helps address the air quality and climate change impacts of vehicles and equipment used in agricultural operations.

**Agricultural Burning.** Agricultural burning is the intentional use of fire for vegetation management in areas such as agricultural fields, orchards, rangelands, and forests. It includes the burning of grass and weeds in fence rows, ditch banks and berms in no-till orchard operations; the burning of fields being prepared for cultivation; the burning of agricultural wastes; and the operation or maintenance of a system for the delivery of water for agricultural operations.

Farmers do agricultural burning to remove crop residues left in the field after harvesting grains, such as hay and rice, as well as for removal of orchard and vineyard pruning and trees. Farmers use burning also as a way to remove weeds, prevent disease, and control pests. For some crops, including rice and pears, burning is the most efficient way to control disease. Burning is allowed on Permissive Burn Days, which are issued based on the forecast of air quality and meteorological conditions that can affect smoke dispersion. All burn permit holders must comply with fire protection agency requirements.

Most recently, in February 2021, ARB unanimously approved a plan to begin phasing out almost all agricultural burning in the San Joaquin Valley by 2025. The resolution calls for a six-month transition period to create an enforcement plan that includes mapping out economic feasibility of alternatives to open burning and finding more sources of fundings to help farmers transition away from burning. The goal is to effectively eliminate burning, which releases fine particulate matter (PM 2.5) into the air, causing or contributing to a number of adverse health impacts including asthma. ARB estimates that to carry out the plan, it will cost \$15 million to \$30 million annually.

Alternatives to agricultural burning can cost substantially more, such as bringing in wood chippers to process their waste piles into pieces small enough to be incorporated back into the soil. Hauling slash away to landfills or biomass power plants is also more expensive than burning.

**DNA Barcode Reference Library of California Insects.** California is a biodiversity hotspot, with about 30,000 pollinator and insect species. However, pollinators, butterflies, and arthropods are dying at an alarming rate. Wildfire, climate, water and air pollution, pesticides, habitat loss, and other factors are driving profound change, pushing some ecosystems to the point of catastrophic collapse. Disappearance of beneficial insects is a loss of pest control services, accelerates pest invasions, and destabilizes ecosystems.

Loss of pollinators harms California agriculture. For example, many crops in California (e.g. almonds, apples, avocados, and grapes) are dependent on honey bees to pollinate. In 2019, almond crops were valued at \$6.09 billion, the second highest valued agricultural commodity. It takes about two honey bee colonies per acre to pollinate almonds. In a January 2020 *Ag Alert* article (produced by the California Farm Bureau), assistant editor, Christine Souza, noted that California had about 1.2 million bearing acres of almond trees and stated, “As another 300,000 almond acres come into production in the next few years, beekeepers and farmers say an additional 600,000 beehives will be needed for pollination. Achieving that could be somewhat daunting, as beekeepers report annual bee losses due to challenges such as reduced forage, the Varroa mite and pesticide-related issues.”

According to the US Department of Agriculture, as of December 31, 2017, there were 1.14 million honey bee colonies in the state. There were 30,000 fewer honey bee colonies between 2017 and 2019, a loss of about 2.6 percent of the state’s honey bee colony population. Previous surveys showed a loss of 19 percent of honey bee colonies in the state between 2015 and 2017, about 270,000 colonies lost. Without long-term research, it is hard to assess what the trends are and what particularly contributes to losses in population. The overall health of bees is related to complex interactions among multiple factors including nutrition, pesticide applications, and disease.

However, the methods for monitoring insects are centuries old and not up to the task of collecting, identifying, and counting thousands of species at the scale and pace required. Consequently, species declines or arrival of harmful pest happens when it is too late for meaningful response. We detect biodiversity crises only for easily recognized species, and even then only when they reach the “apocalypse” level (e.g. 99 percent decline of Monarch butterflies since the 1980s). We lack the ability to detect, understand, and act.

Although, because of recent breakthroughs in DNA sequencing, it is now at a scale and level of cost-efficiency that revolutionizes the ability to detect and act. High-throughput DNA sequencing pipelines now can rapidly map and monitor pollinators and other arthropods, using DNA “barcodes.” DNA barcodes are analogous to grocery store barcodes — every organism has its own unique barcode built into the DNA of each cell. New technologies allow sequencing the barcode for every species by sampling just one specimen.

Once built, a reference library of DNA barcodes can identify insects by sampling traces of DNA from the environment, to quickly provide data in real time about localized declines of new invaders. For example, these tools can detect which species pollinate what plant, or eats which pest.

The proposed infrastructure will significantly improve biodiversity monitoring and pest prevention. Farmers, scientists, and land managers will be able to know results in days. Inexpensive, automated biodiversity monitoring stations will be able to track changes or detect pests.

CDFA would be the appropriate agency to help create the insect barcode library. The department runs the California Arthropod Collection, which is one of the state’s largest facilities. Also, CDFA has an important role in identifying insects and then using the information to deal with pest outbreaks, including its robust integration with County Agricultural Commissioners and other local elements of the network. This proposal establishes critical infrastructure for biodiversity resilience.

**Alternative Manure Management Program (AMMP).** CDFA’s AMMP provides competitive grants to California dairy and livestock operations for technologies and specific management practices that result in long-term methane emissions reductions and maximize environmental benefits.

Alternative manure management practices involve handling and storing manure in ways that do not include use of an anaerobic digester, and support management of manure in a dry form. Currently, eligible practices for funding through AMMP include: pasture-based management; alternative manure treatment and storage (such as compost bedded pack barns); and solid separation or conversion from flush to scrape in conjunction with some form of drying or composting of collected manure.

Thus far, 114 AMMP incentive projects have been funded and are expected to reduce greenhouse gas emissions by an estimated 1.1 million metric tons of CO<sub>2</sub>e over five years.

**Drought Relief.** Much of California is in drought or near-drought. This is the second year in a row of dry conditions — and the eighth year in the last 10. The snowpack is less than half of normal this year and areas throughout the state are well below normal precipitation — As of April, San Francisco has had 37 percent of normal precipitation, San Diego at 30 percent, Sacramento at less than 40 percent, and Los Angeles at 39 percent.

According to the Public Policy Institute of California (PPIC) (*Water Use in California*, May 2019), average water use in California is roughly 50 percent environmental, 40 percent agricultural, and 10 percent urban, although the percentage of water use by sector varies dramatically across regions and between wet and dry years. Some of the water used by each of these sectors returns to rivers and groundwater basins where it can be used again. More than nine million acres of farmland in California are irrigated, representing roughly 80 percent of all water used for businesses and homes.

PPIC states that agriculture relies heavily on groundwater during droughts — particularly in the Central Valley — but more sustainable groundwater management is needed to maintain this key drought reserve. An increase in tree and vine crops — which need to be watered every year — is making farming more vulnerable to water shortages. State law now requires water users to bring their groundwater basins into

long-term balance by the early 2040s. This will likely require farm water use to fall in regions that have been over-pumping, including the southern Central Valley and the Central Coast.

**Staff Recommendation. Hold open.**

## SENATE WILDFIRE PREVENTION AND RESILIENCE PACKAGE

### Issue 24: Senate Wildfire Prevention and Resilience Package

**Senate Proposal.** The Senate proposes a long-term wildfire mitigation plan of \$5 billion total (\$4 billion GF and \$1 billion Greenhouse Gas Emissions Fund (GGRF)). The Senate proposal does the following:

- 1) Establishes the Wildfire Prevention and Resilience Fund (WPRF) and transfers \$4 billion GF into WPRF, which is subject to annual legislative appropriation, and transfers \$4 billion GF into WPRF.
- 2) States that \$1 billion (\$800 million WPRF and \$200 million from GGRF) shall be appropriated annually for five years.
- 3) Appropriates \$800 million from WPRF and \$200 million from GGRF in 2021-22 to specific wildfire prevention and resiliency programs.
- 4) Provide accountability measures and assessment of effectiveness.

More specifically, the Senate Wildfire Prevention and Resilience Package includes the following:

#### *Adoption of Trailer Bill Language*

- Create a new fund, the WPRF.
- Specify that moneys in the WPRF, upon appropriation by the Legislature, may be used for projects and programs that promote healthy wildlands, reduce the risk of catastrophic wildfires, and make communities more resilient to wildfires.
- Specify that interest from the moneys in WPRF shall accrue to WPRF.
- State that \$800 million appropriation from WPRF and a \$200 million appropriation from GGRF shall be made in each Budget Act through 2025-26 fiscal year to support projects and programs that promote healthy wildlands reduce the risk of catastrophic wildfires, and make communities more resilient to wildfires.
- Require reporting to enhance accountability and assess effectiveness. (*Details below.*)

#### *Budget Bill Language and Appropriations in 2021-22 Budget Act*

- Transfer \$4 billion one-time from the General Fund to WPRF.
- Appropriate \$800 million from WPRF and \$200 million from GGRF in BY to specific programs to promote healthy wildlands, reduce the risk of catastrophic wildfires, and make communities more resilient to wildfires. (*Please see chart below for breakdown of \$1 billion budget year proposal.*)
- Extend the encumbrance periods to June 30, 2023 and liquidation periods to June 30, 2025.

### ***Accountability Measures and Assessment of Effectiveness***

- Require CNRA, in consultation with other departments administering wildfire prevention and resilience programs, to annually produce a report on all programs funded as part of this wildfire package. This report shall be provided to the budget committees in each house and the LAO, as well as posted on the Agency's public website by December 1 of each year. The purpose of the annual report is to inform the Legislature and the public on the Administration's implementation of the programs receiving funding, as well as to provide information that will be useful for future decision making regarding efforts to reduce wildfire risks and damages.
- For each program receiving funding as part of the wildfire package, requires the report to include the following information for both the most recent fiscal year and total through the most recent fiscal year:
  - Summary of the projects implemented, including quantification of the number of projects funded. Where relevant, the summary of projects implemented should include information on the total number of acres treated, grants or loans awarded, home retrofits, or other quantifiable deliverables. The information provided should be broken out by project type if the program supports different types of activities.
  - Summary of costs to implement programs, by program type. This should specify how much of the costs were for different types of expenditures, such as state staff, contracted services, equipment, and grants or loans.
  - Summary of how projects were selected. This should include information on prioritization criteria used to select projects.
  - Summary of geographic distribution, including number and costs of projects by region of the state.
- Specifies that this reporting requirement expires following provision of the final report, which shall be the annual report that includes information on the final expenditure of all funds appropriated as part of this package.

### ***Overall Assessment of Effectiveness***

- Require a final report to the Legislature on the overall effectiveness of these wildfire prevention and resilience funding efforts by December 1, 2025. The goal of this reporting is to inform the Legislature on how effective different types of programs and projects funded as part of the Wildfire Prevention and Resilience Package were at reducing wildfire risks and damages and to inform future funding for such purposes. Key components should include:
  - Coordination by CNRA.
  - This would be an ex post evaluation to assess the extent to which wildfire prevention and resilience projects funded by the package actually reduced the spread or damages associated with wildfires that occurred in locations that contained funded projects.

- Require CNRA to contract with the University of California to produce the report.
- Coordinate with researchers and Administration to help develop research strategy and protocols so that programs are designed with evaluation in mind at the outset, in order to ensure efforts will result in meaningful data and analysis.
- Authorize dedicated funding to ensure proper research implementation, which may fund a combination of state staff and research contracts, such as with universities. Although it is unclear what costs would be, conversations with researchers and Administration would inform this determination.
- Specify that the intention is for reports to include analysis of effectiveness, as well as recommendations about future implementation based on lessons learned.

**Senate \$1 Billion Wildfire Prevention and Resilience Spending Plan for 2021-22.** The following chart outlines the Senate's Wildfire Prevention and Resilience Spending Plan for the budget year in the far right column. As noted above, the proposal creates a new fund, WPRF, which would consist of moneys transferred from the General Fund. For ease of comparison, the figure includes the Governor's January Budget \$1 billion proposal and the \$536 million Early Action Plan enacted on April 13, 2021 (SB 85 (Committee on Budget and Fiscal Review), Chapter 14, Statutes of 2021).

**Wildfire and Forest Resilience Proposals - Comparison Chart**  
(In Millions)

Category	Agency/Dept	Purpose	Governor's Early Action Proposal	Gov's Budget Year Proposal	SB 85 Early Action Plan	Senate Budget Year Proposal
Resilient Wildlands	CAL FIRE	Forest Health	\$5	\$20	\$90	\$125
			\$65	\$80	\$65	\$0
	CAL FIRE	Forest Improvement Program for Small Landowners	\$0	\$40	\$0	\$50
			\$10	\$0	\$10	\$0
	CAL FIRE	Forest Legacy & Reforestation Nursery	\$8	\$17	\$8	\$20
	CAL FIRE	Urban Forestry	\$10	\$13	\$10	\$15
	CAL FIRE	Tribal Engagement	\$1	\$19	\$1	\$19
	Parks & Recreation	Stewardship of State-Owned Land	\$10	\$75	\$15	\$90
	Fish & Wildlife	Stewardship of State-Owned Land	\$9	\$36	\$15	\$90
	State Lands Commission	Stewardship of State-Owned Land	\$0	\$12	\$0	\$0
	Sierra Nevada Conservancy	Project Implementation in High Risk Regions	\$20	\$50	\$20	\$60
			\$0	\$0	\$0	\$0
	Tahoe Conservancy	Stewardship of State-Owned Land	\$1	\$11	\$1	\$11
			\$0	\$0	\$0	\$0

	Santa Monica Mountains Conservancy	Project Implementation	\$0	\$0	\$12	\$10
	San Diego River Conservancy		\$0	\$0	\$12	\$10
	San Gabriel & Lower LA Rivers & Mountains Conservancy	Project Implementation	\$0	\$0	\$12	\$10
	State Coastal Conservancy		\$0	\$0	\$12	\$10
	San Francisco Bay Area Conservancy Program within the State Coastal Conservancy		\$0	\$0	\$0	\$10
<b>Wildfire Fuel Breaks</b>	CAL FIRE	CalFire Unit Fire Prevention Projects	\$10	\$40	\$10	\$40
	CAL FIRE	Fire Prevention Grants	\$50	\$80	\$50	\$80
			\$0	\$0	\$73	\$0
	CAL FIRE	Prescribed Fire & Hand Crews	\$15	\$35	\$15	\$40
	California Conservation Corps	Forestry Corps	\$0	\$15	\$0	\$25
			\$0	\$5	\$0	\$0
Department of Conservation	Regional Forest & Fire Capacity	\$25	\$60	\$50	\$60	
<b>Community Hardening</b>	Cal OES & CAL FIRE	Home Hardening	\$25	\$0	\$25	\$30
	CAL FIRE	Defensible Space Inspectors	\$0	\$6	\$2	\$7
	CAL FIRE & University of California	Land Use Planning and Public Education Outreach	\$0	\$7	\$0	\$8
<b>Science-Based Management</b>	CAL FIRE	Ecological Monitoring, Research & Adaptive Management	\$3	\$17	\$3	\$20
	CNRA	Remote Sensing	\$0	\$15	\$0	\$15
	CARB & Waterboards	Permit Efficiencies	\$0	\$4	\$0	\$5
	UC	Satellite data real-time employment	\$0	\$0	\$0	\$5
	OPR	Wildfire/Climate Adaptation Planning	\$0	\$0	\$0	\$8
<b>Forestry Sector Economic Stimulus</b>	IBank	Climate Catalyst Fund	\$47	\$2	\$16	\$33
	CAL FIRE & Workforce Development Board	Workforce Development	\$6	\$18	\$6	\$20
	OPR	Market Development	\$3	\$0	\$3	\$6
	GO-Biz	Transportation grants for timber/wood removal	\$0	\$0	\$0	\$10
<b>Other</b>	CNRA	Urban greening programs	\$0	\$0	\$0	\$0
	OPR	Cooling centers, clean air/hydration centers, emergency shelters, backup solar	\$0	\$0	\$0	\$8
	WCB	Forest health and watershed protection and restoration	\$0	\$0	\$0	\$50
	CAL FIRE	Increase Fire Crews	\$0	\$0	\$0	\$0

<b>TOTAL - All Funds</b>	<b>\$323</b>	<b>\$677</b>	<b>\$536</b>	<b>\$1,000</b>
<b>Total - General Fund</b>	<b>\$198</b>	<b>\$477</b>	<b>\$411</b>	<b>\$0</b>
<b>Total - Cap &amp; Trade (GGRF)</b>	<b>\$125</b>	<b>\$200</b>	<b>\$125</b>	<b>\$200</b>
<b>Total - WPRF</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$800</b>

The chart above does not specify the funding source (WPRF or GGRF) for each programs in the Senate budget year spending plan. However, the total amount proposed to be appropriated for 2021-22 from each fund is as follows: \$800 million WPRF and \$200 million GGRF.

**Background.** CalFire has provided recent wildfire activity statistics, as follows:

- Between January 1, 2021 and April 25, 2021, wildfire activity in the state was as follows:
  - CalFire — 1,354 fires for 2,219 acres
  - Federal — 192 fires for 1,707 acres
  - Combined — 1,546 fires for 3,926 acres (an increase of 623 fires and 1,940 acres from 2020)
- Five-Year Average (CalFire) during the same time period — 654 fires for 1,865 acres

This past wildfire season, over 4 million acres burned, five of the six largest fires in state history burned simultaneously, and at one point, as many as 250,000 people were displaced. The 2020 fire season strained California’s emergency response capacity.

According to the Legislative Analyst’s Office (LAO), importantly, several of the 2020 wildfires have been among the largest and most damaging since California has begun consistently tracking these statistics in the 1930s. This includes the August Complex fire (Tehama County), which burned over one million acres, making it the largest recorded fire in the state’s history.

According to the LAO, there are various activities related to wildfire prevention, mitigation, response, and recovery:

- **Prevention.** Education, forest health, public safety power shutoff, and wildfire mitigation plans.
- **Mitigation.** Hazardous fuel reduction, forest health, home hardening, wildfire mitigation plans, and defensible space.
- **Response.** Hazardous fuel reduction, CalFire fire protection, and mutual aid system.
- **Recovery.** Insurance, financial assistance, and debris clean up.

CalFire has provided the following statistics for work performed to date in the fiscal year against its goals (as of March 31, 2021):

- Prescribed Fire — 10,586 acres, 35.29 percent of goal
- Fuel Reduction Work — 8,965 acres, 44.83 percent of the goal

- Defensible Space Inspections — 120,618 inspections, 48.25 percent of the goal.

According to the LAO, total spending on CalFire protection (suppression), resource management, and fire prevention has grown from \$800 million in 2005-06 to an estimated \$3.3 billion in 2020-21. CalFire's base fire protection budget has grown steadily from over this period. Emergency fire suppression spending varies from year to year based on the severity of the wildfire season. Spending on resource management and fire prevention makes up a much smaller share of department spending but has increased in recent years with the addition of spending from the Greenhouse Gas Reduction Fund (GGRF).

### Key State Budget Augmentations for CalFire in Recent Years

2018-19 Through 2020-21 (In Millions)

Purpose	Year	Amount	Duration	Fund Source
<b>Fire Response</b>				
Blackhawk helicopters: acquisition	2018-19	\$285.20	One-time	General Fund
Blackhawk helicopters: staffing and operations	2018-19	13.8	Ongoing	General Fund
13 year-round fire engines: staffing	2019-20	32.6	Ongoing	General Fund
13 year-round fire engines	2019-20	8.6	One time	General Fund
Innovative procurement sprint: project solicitation and testing	2019-20	15	One time	General Fund
Air tankers contract and staff	2019-20	13*	Ongoing	General Fund
Heavy fire equipment operator staffing	2019-20	10.6	Ongoing	General Fund
Relief Staffing	2020-21	85.6	Ongoing	General Fund
Innovative procurement sprint: fire projection software	2020-21	4.4**	Ongoing	General Fund
<b>Fire Prevention and Forest Management</b>				
Forest health and fire prevention grants	2019-20	165***	Annually, five years	GGRF
Prescribed fire crews	2019-20	35	Annually, five years	GGRF
Wildfire prevention and recovery legislation	2019-20	10****	Ongoing	GGRF
Forest management	2019-20	8.9	One time	Proposition 68

Source: Legislative Analyst's Office

\*Increasing to \$49.7 million upon full implementation in 2023-24.

\*\*Increasing to \$7.6 million ongoing.

\*\*\*Grant funding was not included in the 2020-21 budget because the Legislature did not adopt a GGRF expenditure plan.

\*\*\*\*Decreases to \$6.4 million ongoing.

**Summary of 2020-21 Funding for Wildfire Prevention and Protection.** The 2020-21 budget totals \$2.46 billion to address wildfire prevention and protection issues.

*CalFire.* According to the LAO, CalFire is responsible for wildland fire protection in State Responsibility Areas (SRAs), which are primarily privately owned wild lands that encompass about one-third of the state.

CalFire employs around 4,000 permanent and 2,500 seasonal firefighters, operates an aviation program (aircraft, helicopters, and air tankers), and runs about 250 fire stations and air attack bases.

The 2020-21 budget includes \$2.5 billion for CalFire, a significant portion of which — \$2.1 billion — is for wildfire response (The department also engages in other activities, such as wildfire prevention and forest health.) This budget for wildfire response has two components — the “base budget” and an amount budgeted for emergency fire suppression known as the Emergency Fund (E-Fund). CalFire’s base budget pays for everyday firefighting operations of the department, including salaries, facility maintenance, and other regularly scheduled costs. Included in the base budget are the costs associated with the “initial attack” on a wildfire — that is, the firefighting operations generally undertaken in the first 24 hours of an incident. Notably, the 2020-21 budget augmented CalFire’s base budget by \$85.6 million for additional firefighter and support staffing.

For a breakdown of wildfire-related appropriations in the 2020-21 budget, please refer to the following tables:

#### 2020-21 Wildfire Prevention and Protection Funding Summary

(Dollars in Thousands)

	General Fund	Other Fund	Total
Cal OES Fire Preparedness & Response	\$88,855	\$1,176	\$90,031
CAL FIRE Fire Protection	\$1,640,042	\$530,689	\$2,170,731
CAL FIRE Fire Prevention & Resource Management	\$15,404	\$187,902	\$203,306
<b>Total</b>	<b>\$1,744,301</b>	<b>\$719,767</b>	<b>\$2,464,068</b>

Source: Department of Finance

#### 2020-21 Cal OES Fire Preparedness & Response Funding

(Dollars in Thousands)

	General Fund	Other Fund	Total
Community Power Resiliency	\$50,000	-	\$50,000
Wildfire Forecast and Threat Intelligence	\$2,000	-	\$2,000
Integration Center (SB 209)			
Prepositioning for Regional Response and Readiness	\$25,000	-	\$25,000
Annual Fire Engine Replacement Budget	\$1,175	-	\$1,175
Cal OES Fire and Rescue Program*	\$10,680	-	\$10,680
Fire and Rescue Mutual Aid System (Support and Engine Maintenance)	-	\$1,176	\$1,176
<b>Total</b>	<b>\$88,855</b>	<b>\$1,176</b>	<b>\$90,031</b>

Source: Department of Finance

\*Reflects budgeted amounts for both fire suppression and prevention.

#### 2020-21 CalFire Fire Protection Funding

(Dollars in Thousands)

	General Fund	Other Fund	Total
Fire Protection (Baseline, Less Fire Prevention)	\$1,035,313	\$627,189	\$1,662,502
Emergency Fund Appropriation*	\$372,700	-\$96,500	\$276,200
Helicopter Fleet Replacement**	\$69,707	-	\$69,707

CAL FIRE Relief Staffing	\$85,571	-	\$85,571
Innovation Procurement Sprint	\$4,355	-	\$4,355
<b>Subtotal (2020 Budget Act)</b>	<b>\$1,567,646</b>	<b>\$530,689</b>	<b>\$2,098,335</b>
Additional Firefighting Capacity - 2020 Fire	\$72,396	-	\$72,396
Season Emergency Fund Augmentation***			
<b>Total (Inclusive of E-Fund Augmentation)</b>	<b>\$1,640,042</b>	<b>\$530,689</b>	<b>\$2,170,731</b>

Source: Department of Finance

\*Negative amount in "Other Fund" column reflects anticipated reimbursements for emergency fire suppression activities.

\*\*Reflects costs to purchase remaining three helicopters (staffing and operating funding is included in the Fire Protection(Baseline)).

\*\*\*Reflects a July 2020 Emergency Fund augmentation not included in the 2020-21 Budget Act.

### 2020-21 CalFire Fire Prevention & Resource Management Funding

(Dollars in Thousands)

	General Fund	Other Fund	Total
Fire Prevention Subprogram (Baseline)*	-	\$43,046	\$43,046
Resource Management Program (Baseline)**	\$15,404	\$70,243	\$85,647
SB 901 Forest Health and Fire Prevention Programs and Projects***	-	\$74,613	\$74,613
<b>Total</b>	<b>\$15,404</b>	<b>\$187,902</b>	<b>\$203,306</b>

Source: Department of Finance

\*The CAL FIRE Fire Prevention Subprogram includes programs that focus on the most effective, methods, materials, and procedures to mitigate hazards, prevent wildfires, and enforce pertinent laws, which includes fire engineering and fire prevention education.

\*\*The CAL FIRE Resource Management Program includes subprograms and projects focused on improving the health of forested lands, which includes implementing vegetation management projects, providing technical assistance to non-industrial landowners, operating the demonstration state forests, regulating timber harvesting, urban forestry and other related activities.

\*\*\*Reflects the deferral of the Cap and Trade package, including \$125.4 million Greenhouse Gas Reduction Fund for CAL FIRE Forest Health and Fire Prevention Programs and Projects.

**Wildfire Prevention and Resiliency Early Action Plan.** SB 85 (Committee on Budget and Fiscal Review), Chapter 14, Statutes of 2021, includes a total of \$536 million (\$411 million General Fund and \$125 million Greenhouse Gas Reduction Fund (GGRF)) in early action (current year, 2020-21) to address wildfire prevention and resilience issues. The early action plan includes:

a. **Resilient Wildlands.** \$283 million as follows:

- i. \$155 million to the Department of Forestry and Fire Protection (CalFire) for the Forest Health Program. This program provides grants to undertake projects to improve forest health, including forest fuels reduction, prescribed fire, pest management, reforestation, biomass utilization, and conservation easements.
- ii. \$10 million to CalFire for the Forest Improvement Program for Small Landowners. This program is designed to assist small timberland owners — those with 20,000 to 50,000 acres — manage their lands for forest health and wildfire resilience.
- iii. \$8 million to CalFire for the Forest Legacy & Reforestation Nursery. The Forest Legacy Program funds conservation grants and easements with private landowners to protect forest land from conversion to non-forest uses, as well as supports management practices that promote forest health and wildfire reliance through the terms of the easement agreements. The reforestation nursery provides seedlings of native tree species for re-planting post wildfires.

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This nursery assists small, non industrial landowners recover their forests.

- iv. \$10 million to CalFire for the Urban Forestry Program, which provides grants to local governments and nonprofits for projects that include the planting of trees or other vegetation, improve the long-term management of urban forests, or better utilize wood waste.
- v. \$1 million to CalFire for tribal engagement. CalFire proposes to initiate a one-time effort within its Forest Health Program to provide resources for forest health projects on tribal lands.
- vi. \$30 million for stewardship of state-owned lands — \$15 million each to the Department of Parks and Recreation and the Department of Fish and Wildlife to perform wildfire reduction activities, such as thinning vegetation and implementing controlled burns; and help restore lands recently burned.
- vii. \$20 million for the Sierra Nevada Conservancy for the Watershed Improvement Program, which funds large-scale projects to restore the health of the watersheds in the 25-million acre Sierra Nevada region. The program is intended to foster coordination across state, federal, and local governments, as well as other stakeholders within the region.
- viii. \$1 million for the Tahoe Conservancy for forest management projects.
- ix. \$48 million to four conservancies (\$12 million each), including the State Coastal Conservancy, Santa Monica Mountains Conservancy, San Diego River Conservancy, and the San Gabriel & Lower Los Angeles Rivers & Mountains, for wildfire prevention and resiliency projects.

b. **Wildfire Fuel Breaks.** \$198 million as follows:

- i. \$10 million for CalFire Unit fire prevention projects, such as forest thinning, prescribed fire, establishing or maintaining fuel breaks, and removal of fuels near roads or other critical infrastructure.
- ii. \$123 million to CalFire for the Fire Prevention Grant Program, which aims to reduce wildfire risk to homes and communities, as well as reducing carbon emissions from forest fires.
- iii. \$15 million to CalFire for prescribed fire and hand crews that work on vegetation management projects, including prescribed fires and forest thinning.
- iv. \$50 million to the Department of Conservation for the Regional Forest & Fire Capacity Program, which provides block grants to regional and statewide entities to engage with communities, develop project priority plans, prepare projects to be shovel-ready, and implement demonstration projects. These efforts are intended to support regional capacity to develop and implement projects that improve forest health and fire resilience.

c. **Community Hardening.** \$27 million as follows:

- i. \$25 million to the Governor's Office of Emergency Services and CalFire for home hardening, which includes implementation of a wildfire mitigation assistance pilot program to increase the adoption of fire resistant retrofits that improve the survival of structures in wildfires through education and a grant program supporting retrofits for low-income homeowners in high-risk areas of the state.

- ii. \$2 million to CalFire for defensible space inspectors in the State Responsibility Area lands to ensure that structures are in compliance with state defensible space requirements.
- d. **Science-Based Management.** \$3 million to CalFire for ecological monitoring, research, and adaptive management. Some projects are implemented by CalFire while others are contracted with university or other researchers.
- e. **Forestry Sector Economic Stimulus.** \$25 million as follows:
- i. \$16 million to IBank for the Climate Catalyst Fund, which is a revolving loan fund established to finance climate-related projects.
  - ii. \$6 million to CalFire and the Workforce Development Board for workforce development. CalFire reports that a small portion of its Forest Health Program currently coordinates with other state and private entities to support the expansion of professional training programs and businesses related to the removal and reuse of woody biomass. This proposal would expand on these efforts and create a new Wood Products and Bioenergy Program.
  - iii. \$3 million to the Governor’s Office of Planning and Research to create a Woods Products Market Development Program intended to help develop a sustainable private market for woody biomass. This program has several specific deliverables including: (A) completing a framework to align the state’s wood utilization policies and priorities in 2021, (B) developing new long-term wood feedstock pilot projects, (C) partnering with Ibank to develop a focused market strategy, (D) executing an innovation competition, and (E) developing a statewide wood products workforce assessment.

**Staff Comments.** The Senate proposal provides a multi-year plan to holistically and effectively fund wildfire prevention and resiliency programs and projects. The proposal provides funding consistent with the Senate’s “Blueprint for a Fire Safe California” — e.g. provides short- and long-term funding for wildfire, climate, watershed and forest health; implements modern-day vegetation, forest management, and community hardening plans; and trains and deploys a fire resiliency workforce. Also, the creation of a separate fund specifically for wildfire prevention and resilience efforts helps ensure that the state has the moneys available for this five-year plan to reduce the severity of wildfires. By significantly increasing funding for wildfire prevention and resilience programs and projects, the state can save immensely on suppression costs and wildfire damage — For every dollar spent on prevention saves approximately \$6 in wildfire damages.

**Staff Recommendation. Hold open.**