

FEBRUARY 5, 2021

# **The 2021-22 Budget: Wildfire Resilience Package— Analysis of Individual Programs**

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LEGISLATIVE ANALYST'S OFFICE

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# Summary of Governor's Wildfire Resilience Package

<i>(In Millions)</i>					
Program	Department	Amount Proposed			Fund Source
		2020-21	2021-22	Total	
<b>Resilient Forests and Landscapes</b>		<b>\$139</b>	<b>\$373</b>	<b>\$512</b>	
Forest Health Program	CalFire	70	100	170	GF/GGRF
Stewardship of state-owned lands	Parks	10	75	85	GF
Project implementation in high-risk regions	SNC	20	50	70	GF
Forest Improvement Program	CalFire	10	40	50	GF/GGRF
Stewardship of state-owned lands	CDFW	9	36	45	GF
Urban forestry	CalFire	10	13	23	GF
Tribal engagement	CalFire	1	19	20	GF
Forest Legacy Program	CalFire	6	8	14	GF
Stewardship of state-owned lands	SLC	—	12	12	GF
Project implementation in high-risk regions	TC	1	11	12	GF
Restoration nursery	CalFire	2	9	11	GF
<b>Wildfire Fuel Breaks</b>		<b>\$100</b>	<b>\$235</b>	<b>\$335</b>	
Fire prevention grants	CalFire	50	80	130	GGRF
Regional Forest and Fire Capacity	DOC	25	60	85	GF
Fire prevention projects	CalFire	10	40	50	GF
Prescribed fire and hand crews	CalFire	15	35	50	GF/GGRF
Forestry Corps projects	CCC	—	20	20	GF/GGRF
<b>Forest Sector Economic Stimulus</b>		<b>\$56</b>	<b>\$20</b>	<b>\$76</b>	
Climate Catalyst Fund	IBank	47	2	49	GF
Workforce training and business development	CalFire	6	18	24	GF
Market development	OPR	3	—	3	GF
<b>Science-Based Management</b>		<b>\$3</b>	<b>\$36</b>	<b>\$39</b>	
Ecological monitoring, research, and management	CalFire	3	17	20	GF
Remote sensing	CNRA	—	15	15	GF
Prescribed fire permit efficiencies	CARB	—	2	2	GF
Permit efficiencies	SWRCB	—	2	2	GF
<b>Community Hardening</b>		<b>\$25</b>	<b>\$13</b>	<b>\$38</b>	
Home hardening	CalOES, CalFire	25	—	25	GF
Land use planning and education	CalFire, UC	—	7	7	GF
Defensible space inspectors	CalFire	—	6	6	GF
<b>Totals</b>		<b>\$323</b>	<b>\$677</b>	<b>\$1,000</b>	
<b>By Fund Source</b>					
General Fund (GF)		\$198	\$477	\$675	
Greenhouse Gas Reduction Fund (GGRF)		125	200	325	

CalFire = California Department of Forestry and Fire Protection; Parks = Department of Parks and Recreation; SNC = Sierra Nevada Conservancy; CDFW = California Department of Fish and Wildlife; SLC = State Lands Commission; TC = Tahoe Conservancy; DOC = Department of Conservation; CCC = California Coastal Commission; IBank = California Infrastructure and Economic Development Bank; OPR = Office of Planning and Research; CNRA = California Natural Resources Agency; CARB = California Air Resources Board; SWRCB = State Water Resources Control Board; CalOES = California Office of Emergency Services; and UC = University of California.



## Introduction

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The following pages provide a brief analysis of each program included in the administration’s wildfire resilience package. (For our overarching comments, see [The 2021-22 Budget: Wildfire Resilience Package](#).) For each program, we include detailed information based on our initial conversations with the administering departments, data requests, and reviews of available reports. For each program, we provide:

- **Description of Program.** This includes a summary of the specific activities currently or planned to be undertaken, as well as the baseline funding level for the program if it is an existing program.
- **Governor’s Proposal.** We specify the funding amounts by year and fund sources, as well as whatever information was available to us on the department’s implementation plan and the outcomes it projects to achieve with the requested funding.
- **Issues for Legislative Consideration.** We offer additional comments based on our initial review of the information provided by the administration, such as the merits of undertaking the activities proposed, the strength of evidence provided for the proposal, and whether early action is warranted. Based on these findings, we offer specific recommendations to the Legislature for many programs. For example, we recommend that before the Legislature approve certain proposals, it direct the administration to provide more information on project implementation plans, projected outcomes, and/or long-term strategies for sustaining the proposed mitigation and prevention efforts. In one case—the State Lands Commission proposal for fuels reduction on its state-owned lands—we recommend the Legislature reject this proposal and defer funds for these projects until after the commission has completed forest inventory and management plans in future years.



# Forest Health Program (California Department of Forestry and Fire Protection [CalFire])

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## Description of Program

- **Grants for Forest Health and Restoration.** This program provides grants to undertake various projects to improve forest health, including forest fuels reduction, prescribed fire, pest management, reforestation, biomass utilization, and conservation easements.
- **Baseline Funding.** The 2020-21 budget included \$35 million from the Greenhouse Gas Reduction Fund (GGRF) for this program. By comparison, the program received \$98 million from GGRF in 2019-20. The reduction in GGRF funding in the *2020-21 Budget Act* was because of uncertainty over GGRF revenues.

## Governor's Proposal

- **Funding.** The Governor's budget increases funding for this program by \$70 million in 2020-21 and \$100 million in 2021-22, resulting in total funding levels slightly higher than in 2019-20.
  - The proposed budget includes \$145 million from GGRF—\$65 million in 2020-21 and \$80 million in 2021.
  - The Governor proposes \$25 million from the General Fund—\$5 million in 2020-21 and \$20 million in 2021.
- **Implementation Plan.** The department reports that the proposed current-year funding will be awarded for direct grants to qualifying “shovel ready” projects, meaning those that have already gone through the planning and permitting process. Budget-year funding will be awarded through the existing competitive grant program. The department states that it will also expand the eligible type of projects to include post-fire restoration. Projects will be implemented over a four-year period.



## Forest Health Program (CalFire)

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- **Projected Outcomes.** The department reports that project costs can vary but average about \$700 per acre treated. At this rate, the proposed restoration of GGRF funding would support the treatment of over 200,000 acres. The proposed \$25 million General Fund augmentation would support treatment of up to 40,000 acres.

### Issues for Legislative Consideration

- **Restoration of GGRF Is Reasonable.** The proposal to provide additional GGRF funding in the current and budget years for this program is consistent with the Legislature's intent in Chapter 626 of 2018 (SB 901, Dodd) to support forest health projects. Specifically, SB 901 required that \$200 million from GGRF be spent on certain forest health and fire prevention activities. Combined with funding already provided for this program in the *2020-21 Budget Act*, this proposal would provide \$100 million in 2020-21 and \$80 million in 2021-22 from GGRF. The additional \$20 million from the General Fund in the budget year would keep total program funding at \$100 million.
- **No Strong Rationale Provided for General Fund Early Action.** In our view, the administration has not provided a specific rationale to provide \$5 million in early action funding. While it is reasonable to assume that the department could initiate and complete projects somewhat sooner than if provided funding in 2021-22, providing a current-year augmentation would reduce the Legislature's ability to consider this spending in the context of its broader General Fund priorities.



## Stewardship of State-Owned Lands (Department of Parks and Recreation [Parks])

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### Description of Program

- **Wildfire Reduction Activities at State Parks.** Parks owns and manages 1.6 million acres of public lands, of which 300,000 acres are forested and more than 800,000 acres are considered highly vulnerable to wildland fire. This proposal would fund Parks to conduct activities on its lands to reduce the risk of wildfires—such as thinning vegetation and implementing controlled burns—and help restore lands that recently burned.
- **Baseline Funding.** Parks has spent an average of \$1.5 million per year over the past five years to conduct wildfire resilience activities on its lands, treating between 2,000 acres and 4,000 acres annually. Most of this funding has come from one-time grants or bond funds.

### Governor's Proposal

- **Funding.** The Governor's budget plan includes one-time General Fund augmentations of \$10 million in 2020-21 and \$75 million in 2021-22.
- **Implementation Plan.** Parks would expend the 2020-21 funds to purchase equipment, hire staff (the proposal authorizes five new positions), develop detailed project plans, pursue necessary permits, enter into contracts and partnerships, and begin implementing projects. It plans to spend the 2021-22 funds over five years to conduct projects, and to match state funds with funds from other sources. It has developed an initial list of projects and prioritization criteria, such as urgency of treatment need, ecological priorities, partnership considerations, and feasibility.
- **Projected Outcomes.** Parks plans to treat a total of 64,000 acres with the proposed funding, including 5,000 acres in 2020-21, 7,500 acres in 2021-22, and increasing annual amounts growing to 18,000 acres in 2025-26.



## Stewardship of State-Owned Lands (Parks)

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### Issues for Legislative Consideration

- ***Park Lands Have Particular Public Value, Are State Responsibility.*** The state has chosen to set aside lands as state parks for specific ecological, cultural, and recreational public values. Wildfire damage to these lands would compromise those state goals, assets, and natural resources—perhaps permanently. Moreover, as the landowner, the state has ultimate responsibility for suitably managing these lands.
- ***Parks’ Existing Management Practices Have Not Sufficiently Addressed Wildfire Risk.*** Parks states that it has not had sufficient resources to conduct regular vegetation management practices in recent years, and that it has a significant backlog of projects that are needed to reduce fire risk. Wildfires damaged 100,000 acres of Parks land in 2020.
- ***Early Action Seems Justified.*** Providing some initial funding in 2020-21 would give Parks additional time to purchase equipment and be ready to conduct projects ahead of the 2022 fire season. Given the need to protect its high-priority public lands, this seems a justifiable reason to consider providing the requested \$10 million ahead of the regular 2021-22 budget.



## Project Implementation in High-Risk Regions (Sierra Nevada Conservancy [SNC])

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### Description of Program

- **Watershed Improvement Program (WIP).** This program funds large-scale projects to restore the health of the watersheds in the 25-million acre Sierra Nevada region. Created by statute in 2018, the program is intended to foster coordination across state, federal, and local governments, as well as other stakeholders within the region.
- **Baseline Funding.** Proposition 68 (2018) provided a total of \$55 million for WIP. Of this total, about \$16 million remains available for appropriation for projects.

### Governor's Proposal

- **Funding.** The Governor's budget includes one-time General Fund augmentations of \$20 million in 2020-21 and \$50 million in 2021-22.
- **Implementation Plan.** The administration reports that it likely would use a portion of the funding for planning efforts, consistent with existing WIP programs. However, most of the funds would support projects with a focus on large landscape-level benefits, as well as protection of critical infrastructure and the wildland-urban interface (WUI)—areas with development interspersed with or in close proximity to forests. SNC further reports that it would allocate current-year funding to projects it already has identified as being high priority and shovel-ready, while the budget-year funding would support a competitive grant program. Projects would be completed by 2028.
- **Projected Outcomes.** SNC has not identified a specific target for the number of projects or acres treated with this funding, and actual project costs depend on many factors. However, based on the average costs of prior grant evaluations—roughly \$2,000 per acre—this funding could support treatment of over 30,000 acres.



## Project Implementation in High-Risk Regions (SNC)

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### Issues for Legislative Consideration

- **Program Consistent With Recent State Law.** Support for WIP is consistent with recent legislative action, which created the program in 2018.
- **Difficult to Assess Effectiveness Compared to Similar Programs.** The goal of WIP to encourage collaboration to accomplish larger-scale projects has merit. However, it is still a new program, and it is unclear whether additional investments in this program are likely to achieve more than other forest health programs managed by the state. For example, we note that this program reports a cost-per-acre of its projects of about \$2,000, while other programs report lower average costs.
- **Shovel-Ready Is Not a Strong Rationale for Early Action.** The conservancy reports that it has a number of qualifying projects that could be funded with early action money, and it is reasonable to assume that these projects would be implemented more quickly than if the funds are provided in 2021-22, particularly if SNC does not utilize a competitive solicitation process. On the other hand, providing a current-year augmentation would reduce the Legislature's ability to consider this spending in the context of its broader General Fund priorities.
- **State Could Use Less General Fund With Bond Funds Still Available.** The Legislature could consider whether it wants to reduce the amount of General Fund for this program and offset that reduction with Proposition 68 funding. While this likely would not have an effect on how much funding was available for projects in the near term, it would leave less Proposition 68 funds for WIP in future years.



## Forest Improvement Program (CalFire)

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### Description of Program

- **Supports Forest Management by 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. The program provides technical assistance and cost-share assistance for forest health projects, such as reforestation and conservation.
- **Baseline Funding.** In recent years, this program has received funding from GGRF, Proposition 68, General Fund, and the Timber Regulation and Forest Restoration Fund (TRFRF). This program received \$9.5 million in 2019-20, mostly from Proposition 68.

### Governor’s Proposal

- **Funding.** The budget plan includes \$10 million from GGRF in 2020-21 and \$40 million in 2021-22 from the General Fund for this program.
- **Implementation Plan.** The department reports that the \$10 million proposed for early action will be targeted towards projects that have already been found to be eligible for the program but for which funding was not available in the current year.
- **Projected Outcomes.** The department has not provided an estimate of the number of projects that will be completed or the number of acres treated with the proposed funding.



## Forest Improvement Program (CalFire)

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### Issues for Legislative Consideration

- ***Provision of GGRF Is Reasonable.*** The proposal to provide additional GGRF funding in the current year for this program is consistent with the Legislature’s intent in SB 901 to support forest health projects.
- ***Unclear What Specific Outcomes Anticipated.*** That the department has not indicated what outcomes it expects to achieve with the proposed augmentation makes it difficult for the Legislature to assess the benefits of providing the funding relative to other General Fund priorities. We recommend that the Legislature direct the department to report at budget hearings on expected outcomes before deciding whether to support this budget request.



## Stewardship of State-Owned Lands (Department of Fish and Wildlife [CDFW])

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### Description of Program

- **Wildfire Reduction Activities on CDFW Lands.** CDFW owns and manages 1.1 million acres of public lands, of which 900,000 are in regions with high, very high, or extreme threat of fire. This proposal would fund CDFW to conduct activities on its lands to reduce the risk of wildfires, such as thinning vegetation, constructing fuel breaks, implementing controlled burns, and conducting restoration work like removing invasive fire-prone plants and establishing fire-resilient native plants.
- **Baseline Funding.** CDFW indicates that it currently spends between \$500,000 and \$750,000 annually from its ongoing maintenance budget to conduct fuels management activities on its lands, treating between 1,000 and 3,000 acres annually.

### Governor's Proposal

- **Funding.** The Governor's budget includes one-time General Fund augmentations of \$9 million in 2020-21 and \$36 million in 2021-22.
- **Implementation Plan.** CDFW would expend the 2020-21 funds to purchase equipment, hire staff (the proposal authorizes four new positions), develop detailed project plans, pursue necessary permits, and begin implementing projects. It plans to spend the 2021-22 funds over five years to conduct projects. It has developed an initial list of projects and prioritization criteria, such as projects that are adjacent to the WUI, contain highly sensitive wildlife or rare vegetation, or have compromised habitats that need to be restored with native fire resistant vegetation.
- **Projected Outcomes.** With the proposed funding the department plans to treat between 3,000 and 5,000 acres in 2020-21, between 12,000 and 15,000 acres in 2021-22, and 15,000 acres per year in 2022-23 through 2026-27.



## Stewardship of State-Owned Lands (CDFW)

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### Issues for Legislative Consideration

- ***CDFW Lands Have Particular Public Value, Are State Responsibility.*** The state has chosen to set aside CDFW's lands, in many cases to protect sensitive or rare plant and animal species and the habitats upon which they depend. As such, wildfire damage to these lands could have serious or permanent impacts on the future of those species and state conservation goals. Moreover, as the landowner, the state has ultimate responsibility for suitably managing these lands.
- ***CDFW's Existing Management Practices Have Not Sufficiently Addressed Wildfire Risk.*** CDFW states that it has not had sufficient resources to conduct regular vegetation management practices in recent years, and that it has a significant backlog of projects that are needed to reduce fire risk. Wildfires damaged or destroyed over 40,000 acres of wildlife habitat on CDFW lands in 2020.
- ***Early Action Seems Justified.*** Providing some initial funding in 2020-21 would give CDFW additional time to purchase equipment and be ready to conduct projects ahead of the 2022 fire season. Given the need to protect its high-priority public lands, this seems a justifiable reason to consider providing the requested \$9 million ahead of the regular 2021-22 budget.
- ***Department Might Also Need Additional Resources for Increased Regulatory Workload.*** The Governor is proposing funding for the State Water Resources Control Board for anticipated increases in workload associated with its regulatory reviews of the potential environmental impacts of new projects funded through this package of budget proposals. The Governor does not propose similar funding for CDFW, even though it too has review and permitting responsibilities for many of the proposed projects—such as to evaluate whether forest thinning projects will have negative impacts on nearby wildlife. To the degree the Legislature decides to provide



## Stewardship of State-Owned Lands (CDFW)

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resources for undertaking additional vegetation management projects, it may want to consider whether CDFW needs additional funding to keep pace with an associated increase in its regulatory workload. The state and local partners will not be able to make expedient progress in implementing their projects if they are held up by bottlenecks in the regulatory review process.



## Urban Forestry (CalFire)

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### Description of Program

- **Grants to Improve Urban Forest Management.** This grant program provides funding to local governments or 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 (and include replacement of lost biomass).
- **Baseline Funding.** The program has received between \$15 million and \$20 million annually in recent years from a combination of GGRF and bond funds.

### Governor's Proposal

- **Funding.** The administration proposes additional General Fund spending of \$10 million in 2020-21 and \$13 million in 2021-22 for urban forestry projects.
- **Implementation Plan.** The administration reports that it will expend the funding proposed for the current year on qualified applications already received but for which insufficient funding is available. The department will have five years to fully expend funds.
- **Projected Outcomes.** The department states that program success will be demonstrated by the number of urban forests and parks with continuous tree canopies, as well as benefits to human health and quality of life.



## Urban Forestry (CalFire)

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### Issues for Legislative Consideration

- ***Has Not Provided Strong Rationale for Early Action.*** In our view, the administration has not provided a specific rationale to provide early action funding. While it is reasonable to assume that the department could initiate and complete projects somewhat sooner than if provided funding in 2021-22, providing a current-year augmentation would reduce the Legislature’s ability to consider this spending in the context of its broader General Fund priorities.
- ***Unclear What Specific Outcomes Anticipated.*** The department has not indicated specific outcomes it expects to achieve with the proposed augmentation, such as the number and type of projects it expects to award with the funding. This lack of information makes it difficult for the Legislature to assess the benefits of providing the funding relative to other General Fund priorities. We recommend that the Legislature direct the department to report at budget hearings on expected outcomes before deciding whether to support this budget request.
- ***Unclear if Program Would Provide Significant Wildfire Mitigation Benefits.*** This program primarily supports urban tree planting projects. While such efforts provide many benefits, it is not clear that wildfire prevention or mitigation is necessarily one of them. The Legislature may want to consider the merits of any augmentations for this program separate from this wildfire resilience package. If the Legislature decided that this program was a lower priority for inclusion in this package, it could redirect the \$23 million proposed for urban forestry to other programs.



## Tribal Engagement (CalFire)

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### Description of Program

- ***Dedicated Funding for Forest Health Projects on Tribal Lands.*** CalFire proposes to initiate a one-time effort within its Forest Health Program to provide resources for forest health projects on tribal lands. Eligible projects generally would be similar to those under the Forest Health Program, but only California tribes or tribal affiliates would be eligible to apply.
- ***Baseline Funding.*** This proposal would establish a new program. The Forest Health Program has awarded three projects totaling over \$10 million to tribes and tribal partners in the past.

### Governor's Proposal

- ***Funding.*** The Governor proposes \$20 million from the General Fund—\$1 million in 2020-21 and \$19 million in 2021-22.
- ***Implementation Plan.*** The administration states that the current-year funding request would support initial program development and outreach to initiate the new program. The remaining funds would support grants for similar purposes as the Forest Health Program but exclusively on tribal lands.
- ***Projected Outcomes.*** The department expects this funding will result in completion of at least four and up to ten projects, resulting in an estimated 10,000 acres treated.



## Tribal Engagement (CalFire)

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### Issues for Legislative Consideration

- ***Dedicating Funding to Tribal Lands Is Reasonable.*** Ensuring that a greater share of funding is provided to tribal lands is a reasonable goal by the administration. The amount proposed would be double the amount awarded for tribal lands from the Forest Health Program in prior years. To the extent that the Legislature prioritizes increased support for tribal lands, it may wish to ask the department whether there are other programs in the wildfire resilience package for which it would similarly make sense for a greater share of funds to be dedicated to tribal lands or communities.
- ***Adding Reporting Requirement for New Program if Approved.*** While the intent of this proposal is reasonable, it reflects a new administrative effort. As such, if the Legislature approves funding for this program, we would recommend adopting reporting language that would provide additional accountability over how well the department implements the program and help inform future budget and programmatic decisions.
- ***Early Action Could Be Reasonable.*** The budget includes a small amount—just \$1 million—for early action with the intent of using the funding to do initial outreach and planning for this new program. While such efforts appear reasonable to undertake for a new program, we do not yet have much specific information about the department’s implementation plan. Accordingly, we recommend the Legislature direct the administration to report at budget hearings on its implementation plan, including its assessment of need and intended project prioritization criteria.



## Forest Legacy Program (CalFire)

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### Description of Program

- **Supports Conservation Easements.** 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 resilience through the terms of the easement agreements. The department reports having conserved about 150,000 acres since 1999.
- **Baseline Funding.** The Forest Legacy Program received \$7.7 million in 2019-20, mostly from GGRF. Only a few hundred thousand dollars was provided to the program—to support ongoing administrative staff—in the 2020-21 budget. The reduction in GGRF funding in the *2020-21 Budget Act* was because of uncertainty over GGRF revenues.

### Governor's Proposal

- **Funding.** The budget plan provides \$14 million from the General Fund for the Forest Legacy Program—\$6 million in 2020-21 and \$8 million in 2021-22.
- **Implementation Plan.** The department reports that it will utilize current-year funds to fund viable applications that have already been received. It will undertake a call for applications and utilize its existing selection process to identify projects for the remaining funds. Project funds will be expended over several years.
- **Projected Outcomes.** CalFire has not identified specific target outcomes for the proposed funding, such as the number of projects or acres conserved.



## Forest Legacy Program (CalFire)

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### Issues for Legislative Consideration

- ***Restoration of Funding Is Consistent With Historical Spending.*** The proposal to provide additional funding in the current and budget years for this program would restore funding to roughly the levels provided in prior years.
- ***Unclear Why Shifting Program Funding From GGRF.*** The administration has not explained why it proposes to utilize General Fund to support the program rather than GGRF. The specific fund source will not affect the program in the near term. However, under the administration's plan, General Fund expenditures in the package are proposed as one time, whereas the administration has committed to spending \$200 million from GGRF on forest health and fire prevention activities on an annual basis for several years. Therefore, the shift of funding for this program from GGRF to General Fund potentially implies a lower ongoing commitment to the program. The Legislature may want to direct the administration to report on its longer-term funding strategy for this program, including whether there might be alternative funding sources available for this program in the future, if it remains a state priority.
- ***Has Not Provided Strong Rationale for Early Action.*** The administration has not provided a strong rationale to propose early action funding for this program. While it is reasonable to assume that the department could initiate and complete projects somewhat sooner than if provided funding in 2021-22, providing a current-year augmentation would reduce the Legislature's ability to consider this spending in the context of its broader General Fund priorities.



## Forest Legacy Program (CalFire)

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- ***Unclear What Specific Outcomes Anticipated.*** The department has not indicated specific outcomes it expects to achieve with the proposed augmentation, such as the number of projects it expects to award with the funding or total number of acres conserved. Moreover, we note that wildfire resilience is not a primary purpose of this program. As such, it is unclear the degree to which this funding will support this goal compared to other potential uses of these funds. We recommend that the Legislature direct the department to report at budget hearings on expected outcomes before deciding whether to support this budget request.



## Stewardship of State-Owned Lands (State Lands Commission [SLC])

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### Description of Program

- **Wildfire Reduction Activities on State Lands.** SLC manages public lands on behalf of the state, including 55,000 acres of forested land and 95,000 acres of vegetated land. This proposal would fund SLC to conduct activities on its lands to reduce the risk of wildfires.
- **Baseline Funding.** SLC does not currently dedicate any funding to undertaking projects to reduce the risk of wildfire on its lands. In 2019-20, the Legislature provided SLC with one new position and \$184,000 (including \$149,000 ongoing) to develop an inventory of and management plan for its forested lands. SLC indicates it has not yet filled this position or made notable progress on this work.

### Governor's Proposal

- **Funding.** The Governor's budget includes \$12 million in one-time General Fund in 2021-22.
- **Implementation Plan.** SLC states that it will work collaboratively with CalFire to develop forest management plans for its lands over the next couple of years, and these plans will guide its expenditure of the proposed funding. The commission has not yet identified the number of acres needing treatment or a time line for how and when it would spend the proposed funds.
- **Projected Outcomes.** SLC has not yet defined specific outcomes for the proposed funding, and states that the forest management plans it will develop in the coming years will articulate the needs and goals for reducing wildfire risk on its lands.



## Stewardship of State-Owned Lands (SLC)

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### Issues for Legislative Consideration

- ***Proposal Significantly Lacking in Detail.*** SLC was not able to provide any specific information about how it plans to use the proposed funds or what outcomes are expected. Moreover, it has not yet hired staff or begun to implement the planning activities that are needed to inform this work—which the Legislature funded in 2019-20.
- ***Reject Proposal.*** Given SLC does not seem ready to begin effectively expending the proposed funds, we recommend the Legislature reject this proposal and defer funds for SLC’s land management activities until after the commission has completed a forest inventory and management plans in future years.



## Project Implementation in High-Risk Regions (Tahoe Conservancy)

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### Description of Program

- **Forest Management Projects on Conservancy-Owned Land.** The Tahoe Conservancy owns and manages approximately 6,500 acres of land in the Tahoe Basin. Most of this is small parcels in urban communities or the WUI.
- **Baseline Funding.** The conservancy has spent an average of roughly \$700,000 annually on fuel reduction work over the past five years. The conservancy does not have a dedicated source of funding for these projects, instead utilizing a mix of federal and state funds, including from bonds and grants.

### Governor's Proposal

- **Funding.** The budget plan proposes one-time General Fund resources of \$1 million in 2020-21 and \$10 million in 2021-22.
- **Implementation Plan.** The conservancy would utilize current-year funding for an identified list of 18 priority fuels reduction projects totaling about 1,500 acres to be completed by July 2022. Additional projects would be identified and prioritized for subsequent years.
- **Projected Outcomes.** The Tahoe Conservancy projects that the proposed funding would allow it treat an average of 750 acres annually for each of the next five years. By comparison, the conservancy has averaged 216 acres of treatment over the past five years. The conservancy reports that this funding would allow it to bring all of its parcels into a state of resilience.



## Project Implementation in High-Risk Regions (Tahoe Conservancy)

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### Issues for Legislative Consideration

- ***Conservancy Lands Have Public Value, Are State Responsibility.*** The state has chosen to acquire conservancy lands to ensure the preservation and protection of the natural landscape. Absent treatment, wildfires on these lands could cause serious and long-term damages on this landscape, as well as threaten nearby homes in the WUI. In addition, as the landowner, the state has ultimate responsibility for suitably managing these lands.
- ***Early Action Seems Justified.*** According to the conservancy, providing some initial funding in 2020-21 will allow it to implement already identified projects ahead of the 2022 fire season. Given the need to protect its high-priority public lands, this seems a justifiable reason to consider providing the requested \$1 million ahead of the regular 2021-22 budget.
- ***Does Not Represent a Long-Term Management Plan.*** After hazardous fuels are removed, these lands will require ongoing maintenance to ensure that the vegetation does not regrow to the same levels as before. However, the one-time nature of the General Fund resources provided will not support ongoing vegetation treatment. We recommend that the Legislature direct the administration to report at budget hearings on how it will ensure that these state-owned lands are managed for wildfire resiliency on an ongoing basis after these one-time funds have been fully utilized.



## Reforestation Nursery (CalFire)

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### Description of Program

- ***Produces Seedlings for Reforestation Projects.*** Reopened in 2017, CalFire's Lewis A. Moran Reforestation Center (LAMFC) provides seedlings of native tree species for re-planting post wildfires. This nursery assists small, nonindustrial landowners recover their forests.
- ***Baseline Funding.*** The nursery receives about \$2 million annually from the TRFRF, which receives revenues from a tax on lumber products.

### Governor's Proposal

- ***Funding.*** The budget plan includes a total of \$11 million from the General Fund—\$2 million in 2020-21 and \$9 million in 2021-22—for the reforestation nursery.
- ***Implementation Plan.*** The proposed funding would be used to continue to reestablish, upgrade, and expand the nursery with the intention of increasing the number of reforestation projects it can support over the next few years. The department reports that the proposed current-year funding would be used to offset TRFRF costs.
- ***Projected Outcomes.*** The department reports that it expects the proposed funding to increase the number of seedlings available by 300,000 annually.



## Reforestation Nursery (CalFire)

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*(Continued)*

### Issues for Legislative Consideration

- ***Reasonable to Provide Additional Support for Reforestation Nursery.*** CalFire used to operate three nurseries, but each closed due to budget reductions. LAMFC has only been in operation for a couple of years. Given the numerous destructive wildfires in recent years, it is reasonable to expand the capacity of the nursery to support reforestation efforts.
- ***Rationale for Early Action Is Unclear.*** The administration has stated that the proposed early action funding of \$2 million for this program is to offset TRFRF costs. However, it is unclear why that funding source needs to be offset, for example, whether TRFRF revenues are projected to be lower in the current year than previously anticipated or if those revenues have been redirected to another purpose. We recommend that the Legislature direct the administration to clarify its rationale for the current-year funding proposed for the nursery.



## Fire Prevention Grants (CalFire)

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### Description of Program

- **Grants to Local Entities.** CalFire's Fire Prevention Grant Program aims to reduce the risk of wildfires to homes and communities, as well as reducing carbon emissions from forest fires. Eligible projects and activities are those related to (1) hazardous fuels reduction, (2) fire prevention education, and (3) fire prevention planning.
- **Baseline Funding.** In recent years, this program has been funded from GGRF, including \$43.5 million in 2019-20. No funding was provided to the program in the 2020-21 budget.

### Governor's Proposal

- **Funding.** The Governor's budget includes \$130 million from GGRF, including \$50 million in 2020-21 and \$80 million in 2021-22.
- **Implementation Plan.** The department would operate its competitive project selection process consistent with previous grant cycles. CalFire reports that projects could begin by mid- to late-2021.
- **Projected Outcomes.** The department states that projects are tracked based on different metrics depending on the type of project, including tracking the number of acres treated for hazardous fuels reduction projects and the number of people affected by planning and education projects. However, the department did not specify target outcomes it expects to achieve with the proposed funding.



## Fire Prevention Grants (CalFire)

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(Continued)

### Issues for Legislative Consideration

- ***Restoration of GGRF Is Reasonable.*** The proposal to provide additional GGRF funding in the current and budget years for this program is consistent with the Legislature’s intent in SB 901. The amount of funding proposed for 2021-22 represents an expansion of the program compared to prior years.
- ***Unclear What Specific Outcomes Anticipated.*** The department has not indicated specific outcomes it expects to achieve with the proposed augmentation, such as the number and type of projects it expects to award or the number of acres treated with the funding. This lack of information makes it difficult for the Legislature to assess the benefits of providing the funding relative to other potential uses of GGRF. We recommend that the Legislature direct the department to report at budget hearings on expected outcomes before deciding whether to support this budget request.



## Regional Forest and Fire Capacity (Department of Conservation [DOC])

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### Description of Program

- **Regional Grants for Engagement, Planning, and Implementation.** The Regional Forest and Fire Capacity program (RFFC) 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.
- **Baseline Funding.** In 2018-19, the California Natural Resources Agency (CNRA) received \$20 million from the General Fund for the program, available until 2024. DOC has been implementing the program on behalf of CNRA through an interagency agreement. To date, all of this funding has been awarded to support grants in four regions, as well as with two statewide entities.

### Governor's Proposal

- **Funding.** The budget plan includes one-time funding of \$25 million in 2020-21 and \$60 million in 2021-22 from the General Fund.
- **Implementation Plan.** The administration proposes to expand the program to target five wildfire-prone subregions—Cascades, Lake County, Sacramento Valley, Napa County, and Orange and neighboring coastal counties—not yet covered by the existing block grants. The proposed early action funds would (1) augment existing block grants to regional and statewide entities and (2) provide funding to the five targeted subregions. DOC reports further outreach is needed to determine how the budget-year funding will be distributed. The administration estimates that it will encumber the funds for projects over five years. In addition, the department will add five positions dedicated to grant management, administration, policy development, and data reporting for the program.
- **Projected Outcomes.** The proposal aims to provide funding to facilitate regional coordination for forest health, increase local and regional capacity to plan wildfire prevention projects, and develop regional wildfire project priority plans. However, the administration has not provided an itemization of specified outcomes.



## Regional Forest and Fire Capacity (DOC)

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*(Continued)*

### Issues for Legislative Consideration

- ***No Strong Rationale Provided for Early Action.*** The department has not determined how early action funds would be distributed among the existing grantees because further outreach is needed to assess how regions not yet covered by RFFC will be served by the program. Given that further planning and coordination is needed, we find that early action on this proposal is not warranted.
- ***Unclear What Specific Outcomes Anticipated.*** The department has not provided specific outcomes the program is expected to achieve, such as the number of regional priority plans developed or demonstration projects performed. We recommend the Legislature direct the department to provide such information to help compare the benefits of this strategy compared with other alternatives and assess the relative funding across the varying components of the wildfire resiliency package.



## Fire Prevention Projects (CalFire)

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### Description of Program

- **CalFire Hazardous Fuels Removal Projects.** CalFire utilizes existing staff and hand crews to do hazardous fuels removal during periods when they are not responding to wildfires. Projects include forest thinning, prescribed fire, establishing or maintaining fuel breaks, and removal of fuels near roads or other critical infrastructure. Projects are prioritized based on their potential to protect lives and property.
- **Baseline Funding.** CalFire received \$15 million for these projects in 2019-20 and \$10 million in 2020-21, primarily from GGFR.

### Governor's Proposal

- **Funding.** The Governor's budget plan proposes \$50 million from the General Fund—\$10 million in 2020-21 and \$40 million in 2021-22.
- **Implementation Plan.** CalFire units maintain lists of priority hazardous fuel reduction projects within their jurisdictions on an ongoing basis. The proposed augmentations would be used to increase the number of these fire prevention projects completed. The department states that it would utilize the funding over the next five years.
- **Projected Outcomes.** The administration reports that this funding will allow it to complete a total of 300 to 500 fuels reduction projects.



## Fire Prevention Projects (CalFire)

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(Continued)

### Issues for Legislative Consideration

- **Implementation Plan and Outcomes Unclear.** The department has not yet clarified how it will utilize the requested funding to expand the number of projects completed, including the extent to which the funding will be utilized to hire additional CalFire staff, rely on staff overtime, or contract with other public or private entities. In addition, while the department states that the funding would allow it to complete 300 to 500 projects, it has not yet clarified (1) whether this is the *total* or *additional* number of projects it anticipates successfully completing and (2) for how many years the proposed funding would support the anticipated increase in projects. We recommend that the Legislature direct the department to report at budget hearings on its implementation plan and expected outcomes before deciding whether to support this budget request.
- **Early Action Seems Reasonable.** According to the administration, providing some initial funding in 2020-21 will allow it to implement already identified projects ahead of the 2022 fire season. Ensuring that more high-priority projects are planned and implemented in advance of a subsequent fire season seems like a reasonable rationale to consider providing the requested augmentation ahead of the regular 2021-22 budget, if the department is able to provide the additional information described above.



## Prescribed Fire and Hand Crews (CalFire)

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### Description of Program

- **Staff and Contract for Fuels Reduction.** Since 2018, CalFire has staffed ten year-round fuels reduction crews (FRCs) that work on vegetation management projects, including prescribed fire and forest thinning. More recently, the department has entered into a contract with the California National Guard (CNG) to staff ten hand crews for six months of the year to assist with fuels reduction in support of fire prevention and response.
- **Baseline Funding.** Recent budgets, including the *2020-21 Budget Act*, have provided \$32 million from GGRF for this program.

### Governor's Proposal

- **Funding.** The Governor's budget would augment this program with \$15 million from the General Fund in 2020-21, as well as provide \$35 million from GGRF in 2021-22.
- **Implementation Plan.** The additional funds proposed for the current year would be used to extend the existing contract for ten CNG hand crews from six months to ten months for the next few years. The budget-year funding would continue support of CalFire's FRCs consistent with prior appropriations from GGRF.
- **Projected Outcomes.** The department states that the continued funding for FRCs and the contract extension with CNG will enable the completion of a greater number of high-priority vegetation management projects near vulnerable communities. However, the department has not provided an estimate of the number of projects or acres treated it anticipates completing with the proposed funding.



## Prescribed Fire and Hand Crews (CalFire)

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(Continued)

### Issues for Legislative Consideration

- ***Unclear What Specific Outcomes Anticipated.*** The department has not indicated specific outcomes it expects to achieve with the proposed augmentation, such as the expected number of projects awarded or acres treated. This lack of information makes it difficult for the Legislature to assess the benefits of providing the funding for FRCs and CNG crews relative to other potential uses of General Fund and GGRF. We recommend that the Legislature direct the department to report at budget hearings on expected outcomes before deciding whether to support this budget request.
- ***Restoration of GGRF for FRCs Likely Is Reasonable.*** Assuming the department can provide estimates of the program outcomes for FRCs, we find that the proposal to provide additional GGRF funding in the budget year for FRCs is consistent with the Legislature's intent in SB 901.
- ***Early Action Could Be Justified.*** According to CalFire, providing funding in 2020-21 will allow it to immediately extend the CNG contract, which will allow the crews to implement already identified hazardous fuels reduction projects ahead of the 2021 fire season. Given the high-priority fire prevention benefits associated with that work, this could be a reasonable rationale for providing the requested funding ahead of the regular 2021-22 budget, if the department can provide more information on the expected outcomes, such as the number of projects and acres to be treated.



## Forestry Corps Projects (California Conservation Corps [CCC])

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### Description of Program

- **Forest Health Projects.** The Forestry Corps program operated by CCC develops and implements forest health projects, such as vegetation management and fuel reduction projects, for CalFire and other state, local, and federal partners. About 45 corpsmembers participate in the program annually.
- **Baseline Funding.** The program is currently funded with \$4.4 million annually from the General Fund, as well as reimbursements from project partners, including \$5 million annually from CalFire (funded by GGRF).

### Governor's Proposal

- **Funding.** The Governor's budget proposes a total of \$20 million in 2021-22, including \$5 million from GGRF and \$15 million from the General Fund.
- **Implementation Plan.** The administration proposes to add a total of 60 corpsmembers to the program, phased in over five years, to increase implementation of fuel reduction projects, such as wildfire fuel breaks, particularly in areas with WUI.
- **Projected Outcomes.** Additional corpsmembers would complete more fuel reduction projects than currently, but the administration has not specified a target number of projects that would be achieved with the proposed funding.



## Forestry Corps Projects (CCC)

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(Continued)

### Issues for Legislative Consideration

- ***Continuation of GGRF Is Reasonable.*** The proposal includes the continuation of GGRF funding of the program in 2021-22, which is consistent with the Legislature’s intent in SB 901.
- ***Unclear What Specific Outcomes Anticipated.*** Although the department has provided historical information on the projects Forestry Corps has completed, the department has not provided specified outcomes the additional crews could complete in future years. The lack of specified outcomes prevents the Legislature from being able to compare the cost-effectiveness of this strategy compared to other approaches.
- ***Lack of Detail About Implementation.*** The department has not yet determined key implementation details, such as where the additional corpsmembers will be located throughout the state and how the department will prioritize projects with project partners. We recommend that the Legislature request additional information on the implementation plan, such as how the department plans on determining which areas have the need for additional wildfire fuel breaks and the capacity for the additional crews.



# Climate Catalyst Fund (California Infrastructure and Economic Development Bank [IBank])

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## Description of Program

- **Revolving Loan Fund Established to Finance Climate-Related Projects.** IBank provides financing for a variety of private and public projects. The Climate Catalyst Revolving Loan Fund was established at IBank in 2020 to help finance climate-related projects. (A revolving loan fund means that the fund is replenished as borrowers repay their loans, and the program may continue making loans indefinitely without continued support.)
- **Baseline Funding.** The 2020-21 Budget Act did not capitalize the Climate Catalyst program.

## Governor's Proposal

- **Funding.** The Governor proposes \$49 million from the General Fund, including \$47 million in 2020-21 to capitalize the Climate Catalyst Fund and \$2 million in 2021-22 for the IBank to develop a market strategy.
- **Implementation Plan.** The funds for the Climate Catalyst Fund would be used to provide low interest rate loans to private-sector projects—such as building materials manufacturing and energy generation—that use the wood that remains from fuel reduction projects. The \$2 million for IBank would fund one new permanent position and professional services to develop the market for woody biomass. The administration proposes to help develop this market by (1) working with local partners and industry to identify viable project opportunities, (2) assessing workforce needs, and (3) assessing supply chain barriers.
- **Projected Outcomes.** The objective of this program is to create a sustainable wood products market that would increase private-sector uses for the woody piles that federal, state, local, and private forest fuel reduction projects leave behind. The administration reasons that increasing the demand for woody biomass could reduce the cost of fuel reduction projects and create additional incentives for better private forestland management. The administration has not identified specific objectives for the Climate Catalyst Fund. In conjunction with other state agencies, IBank will develop a focused market strategy by December 2021.



## Climate Catalyst Fund (IBank)

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(Continued)

### Issues for Legislative Consideration

- ***Proposal Would Complement Other Wildfire Mitigation Efforts.*** The administration identified specific projects that use wood products and could benefit from a loan program. Assisting such projects could increase the private-sector demand for wood products which could then reduce the cost of fuel reduction projects and reduce the prevalence of openly burning woody piles, which could improve air quality and reduce greenhouse gas emissions.
- ***Unclear How Proposal Intersects With Other Proposals.*** The Governor’s wildfire resilience package includes other proposals under CalFire and the Office of Planning and Research (OPR) that also involve market development-related activities. At this time, it is unclear the distinctions between these programs, including whether there might be duplicative efforts. The Legislature may want to have the departments report at budget hearings with more details about their implementation plans to determine whether it makes sense to establish three new programs with similar objectives. In addition, the Legislature may want to consider adding reporting language to add accountability and inform future fiscal and programmatic decision-making.
- ***No Compelling Argument for Early Action.*** IBank states that its rationale for requesting current-year funding is to accelerate projects that might more sustainably remove woody piles and help stimulate the economy. While it is reasonable to assume that some projects could receive financing somewhat sooner if the Climate Catalyst Fund is capitalized before 2021-22, providing a current-year augmentation would reduce the Legislature’s ability to consider this spending in the context of its broader General Fund priorities.
- ***Statutory Change May Be Needed to Receive State Funds.*** The legislation establishing the Climate Catalyst Fund included intent language that expressed that the fund was only to receive non-state funds. The administration has proposed budget trailer legislation to amend statute so that the fund may receive state funds.



## Workforce Training and Business Development (CalFire)

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### Description of Program

- **Create Wood Products and Bioenergy Program.** 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.
- **Baseline Funding.** The department does not have baseline funding dedicated to these purposes.

### Governor's Proposal

- **Funding.** The administration proposes a total of \$24 million from the General Fund—\$6 million in 2020-21 and \$18 million in 2021-22—for this program.
- **Implementation Plan.** According to the department, the proposed funds would be used for grants and contracts to (1) start and expand training programs, such as heavy equipment or forest crew training at community colleges, and (2) support business development, such as through loans to bioenergy power plants and capital assistance to portable mill operators.
- **Projected Outcomes.** The department reports that the goal of the program is to increase the amount of woody biomass that is able to be collected and used as feedstock for new purposes. It expects the proposed funding to support training of up to 100 students and support three small businesses.



## Workforce Training and Business Development (CalFire)

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(Continued)

### Issues for Legislative Consideration

- ***Unclear if CalFire Is Best Entity to Support This Work.*** While CalFire has significant expertise in forest management, it is unclear whether it is the best entity to manage either jobs training or business development programs, including managing a new loan program.
- ***Unclear How Proposal Intersects With Other Proposals.*** The Governor’s wildfire resilience package includes other proposals under IBank and OPR that also involve market development-related activities. At this time, it is unclear the distinctions between these programs, including whether there might be duplicative efforts. The Legislature may want to have the departments report at budget hearings with more details about their implementation plans to determine whether it makes sense to establish three new programs with similar objectives.
- ***No Compelling Argument for Early Action.*** The department states that its rationale for requesting current-year funding is to accelerate the successful implementation of the program. In our view, this is not a compelling rationale for early action funding. While it is reasonable to assume that the department could initiate and complete projects somewhat sooner than if provided funding in 2021-22, providing a current-year augmentation would reduce the Legislature’s ability to consider this spending in the context of its broader General Fund priorities.
- ***Adding Reporting Requirement for New Program if Approved.*** This proposal reflects a new administrative effort. As such, if the Legislature approves funding for this program, we would recommend adopting reporting language that would provide additional accountability over how well the department implements the program and help inform future budget and programmatic decisions.



## Market Development (Office of Planning and Research [OPR])

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### Description of Program

- **Create Wood Products Market Development Program.** The new program is intended to help develop a sustainable private market for woody biomass.
- **Baseline Funding.** The department does not have baseline funding dedicated to these purposes.

### Governor's Proposal

- **Funding.** The budget includes \$3 million one time from the General Fund for OPR in 2020-21.
- **Implementation Plan.** OPR would help develop a sustainable private market for wood products in conjunction with other state agencies by developing a wood utilization policy framework and providing financial incentives to address supply chain barriers and stimulate innovation.
- **Projected Outcomes.** This program has several specific deliverables including (1) completing a framework to align the state's wood utilization policies and priorities in 2021, (2) developing five new long-term wood feedstock pilot projects that would be supported by \$2.4 million in grants, (3) partnering with IBank to develop a focused market strategy by December 2021, (4) executing a \$500,000 wood product "X-prize" innovation competition by December 2021, and (5) developing a statewide wood products workforce assessment.



## Market Development (OPR)

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*(Continued)*

### Issues for Legislative Consideration

- ***Unclear How Proposal Intersects With Other Proposals.*** The Governor’s wildfire resilience package includes other proposals under CalFire and IBank that also involve market development-related activities. At this time, it is unclear the distinctions between these programs, including whether there might be duplicative efforts. The Legislature may want to have the departments report at budget hearings with more details about their implementation plans to determine whether it makes sense to establish three new programs with similar objectives.
- ***No Compelling Argument for Early Action.*** OPR states that its rationale for requesting current-year funding is to begin to establish the wood feedstock pilot projects in the current year. In our view, this is not a compelling rationale for early action funding. While it is reasonable to assume that OPR could prepare grant agreements for these projects several months earlier, providing a current-year augmentation would reduce the Legislature’s ability to consider this spending in the context of its broader General Fund priorities.



## Ecological Monitoring, Research, and Management (CalFire)

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### Description of Program

- **Various Research Efforts.** CalFire undertakes various efforts to maintain or improve its knowledge of forest conditions and the effectiveness of different practices to reduce the risk of wildfire spread or damage. Some projects are implemented by the department, while others are contracted with university or other researchers.
- **Baseline Funding.** The department funds these efforts through a combination of ongoing funding and one-time grants. The 2019-20 and 2020-21 budgets included \$4.6 million for these purposes, primarily from GGRF.

### Governor's Proposal

- **Funding.** The Governor's budget includes additional General Fund support of \$3 million in 2020-21 and \$17 million in 2021-22. This funding would support three distinct purposes:
  - **Forest Inventory and Analysis (FIA) Program (\$8.5 Million).** This program is in partnership with the US Forest Service and involves assessing designated plots on ten-year cycles to determine long-term changes in forest conditions. The proposed funding would be used to double the number of plots evaluated to decrease the current measurement cycle from ten years to five years.
  - **Forest Health Research Grants (\$8.5 Million).** This funding would support applied research projects to assess the effectiveness of forest management practices.
  - **UC Berkeley Contract (\$3 Million).** This funding would support a contract with the University of California (UC) Berkeley Center for Fire to conduct additional research at State Demonstration Forests.



## Ecological Monitoring, Research, and Management (CalFire)

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(Continued)

- **Implementation Plan.** The additional forest health assessments conducted under the FIA program would be completed over five years. The forest health research projects would be selected through a competitive process in 2021, with awards made in spring 2022. The department would enter into a five-year scope of work agreement with UC Berkeley to define the details of the research.
- **Projected Outcomes.** According to the department, these research efforts are intended to fill gaps in knowledge and inform new policy to reduce the adverse impacts of wildfires, promote forest health, protect people from harm, and inform the state about climate mitigation and ecosystem impacts.

### Issues for Legislative Consideration

- **Research Could Have Long-Term Benefits.** Additional resources for research could provide new knowledge on effective wildfire management and forest health practices that could inform future policy, funding, and programmatic decisions. Moreover, the department's specific approaches to research seem reasonable as they include (1) building on the existing FIA program partnership with the U.S. Forest Service, (2) conducting a competitive solicitation process for peer-reviewed research, and (3) partnering with an established research institute focused on wildfire.
- **Has Not Provided Strong Rationale for Early Action.** In our view, the administration has not provided a strong rationale to propose early action funding for this program. While it is reasonable to assume that the department could initiate and complete some research projects somewhat sooner, providing a current-year augmentation would reduce the Legislature's ability to consider this spending in the context of its broader General Fund priorities.



## Remote Sensing (California Natural Resources Agency [CNRA])

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### Description of Program

- **Data Collection on Forest Conditions Using Emerging Technologies.** This proposal would provide funding for the agency to develop and acquire data that will assist in assessing forest health, identifying wildfire risks, and predicting wildfire behavior using new technologies, such as light detection and radar (LiDAR).
- **Baseline Funding.** The agency does not have baseline funding for remote sensing, though it has been able to acquire this type of data in certain areas, either through grants or partners, such as federal agencies or researchers.

### Governor's Proposal

- **Funding.** The Governor proposes \$15 million on a one-time basis from the General Fund in 2021-22.
- **Implementation Plan.** The agency reports that data will be acquired through contracts with companies, universities, and public agencies that collect this type of data. Funds likely will be spent over a three- to five-year period.
- **Projected Outcomes.** The agency reports that proposed funding could support additional LiDAR mapping of about 25,000 acres. However, the exact number of acres assessed will depend on the specific technologies used and whether, for example, multiple technologies are used to assess different aspects of the same acreage.



## Remote Sensing (CNRA)

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*(Continued)*

### Issues for Legislative Consideration

- ***Additional Data Could Add Value.*** The proposal could result in the collection of information that would help target future fuels reduction work to high-risk areas, as well as aid fire fighters in predicting the progress of wildfires. This could reduce future wildfire risk and damages in the areas assessed.
- ***Does Not Represent a Long-Term Data Collection Plan.*** The administration reports that the proposed funding will only allow it to collect data on a portion of the state's forestlands. We recommend that the Legislature direct the administration to report at budget hearings on whether it has a longer-term data collection strategy.



## Prescribed Fire Permit Efficiencies (California Air Resources Board [CARB])

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### Description of Program

- **Extension of Existing Grant Program.** Implemented pursuant to Chapter 624 of 2018 (SB 1260, Jackson), CARB operates the Prescribed Fire Grant Program to increase prescribed fire use by improving the local air quality permitting process. The program provides funding to local air districts to cover costs for increased prescribed fire permitting, staff training on how to use the state's prescribed fire monitoring system, maintenance of portable emission monitors, and public outreach.
- **Baseline Funding.** As part of the 2019-20 budget, the Legislature approved \$2 million (GGRF) annually through 2021-22 to support the program. However, the 2020-21 budget removed all GGRF local assistance funding due to cap-and-trade revenue uncertainty.

### Governor's Proposal

- **Funding.** The Governor proposes \$2 million one-time from the General Fund in 2021-22.
- **Implementation Plan.** The proposal would continue funding for a program established in 2018 that provides grants to local air districts to expand prescribed burn permitting, monitoring, and public outreach.
- **Projected Outcomes.** Since 2018, the annual number of prescribed burn acres reported through the state's monitoring system has increased from 27,000 acres (2014 to 2018 average) to about 90,000 acres (2020). Some other fires might not be reported. The administration indicates that it will continue its current programmatic activities, but does not provide estimates of specific program outcomes that will be achieved with this funding. For example, it has not provided estimates of how many prescribed fires it expects to have reported through its monitoring system.



## Prescribed Fire Permit Efficiencies (CARB)

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(Continued)

### Issues for Legislative Consideration

- ***Restores Funding to Implement Recent Legislation.*** This proposal restores funding for this program in the 2021-22 budget, consistent with legislative intent in Chapter 624.
- ***Changes Fund Source From GGRF to General Fund.*** The administration proposes to use General Fund because of limited GGRF availability. However, this proposal reflects a relatively small amount of one-time funding that would have only minor impacts on GGRF. The Legislature could consider switching the fund source to GGRF, consistent with the fund source originally approved by the Legislature.
- ***Ongoing Funding Could Be Appropriate.*** Given the relatively small fiscal costs, the Legislature might want to consider provide ongoing funding—General Fund or GGRF—to support this ongoing program established in state law.



## Permit Efficiencies (State Water Resources Control Board [SWRCB])

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### Description of Program

- **Regulatory Permitting and Review.** SWRCB is responsible for reviewing and approving vegetation management projects to ensure they meet state laws and avoid negative impacts to waterways. SWRCB staff currently are working on developing a Vegetation Treatment Order that would stipulate regulatory requirements for these types of projects. The budget proposal would fund staff to review projects that result from the Governor's proposed wildfire funding package and, if the review finds them to be consistent with the order's requirements, issue them permits.
- **Baseline Funding.** While SWRCB has existing staff working on developing the Vegetation Treatment Order, it does not currently have any staff or funding dedicated to implementing the order.

### Governor's Proposal

- **Funding.** The proposal includes \$2 million on a one-time basis from the General Fund in 2021-22.
- **Implementation Plan.** SWRCB indicates it would use the funds over two years to support 3.3 existing positions. It indicates that activities in the first year will include developing training and implementation tools, conducting internal and external trainings, and administering permits. Activities in the second year will focus on continuing permit administration, conducting inspections, and coordinating across agencies.
- **Projected Outcomes.** The proposal is intended to enable SWRCB to increase its permitting capacity to meet the increased pace and scale of vegetation management projects proposed by the administration. SWRCB expects that the proposed funding will allow staff to issue between 30 and 50 permits annually over the next few years.



## Permit Efficiencies (SWRCB)

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(Continued)

### Issues for Legislative Consideration

- ***Regulatory Review Is Essential Component of Implementing Projects.*** The state and local partners proposed for funding through the Governor’s wildfire resilience package will not be able to make expedient progress in implementing their projects if they are held up by bottlenecks in the regulatory review process. As such, to the degree the Legislature decides to provide resources for undertaking additional vegetation management projects, it makes sense to ensure there is commensurate capacity within regulatory agencies to keep pace with an associated increase in workload.
- ***Other Departments Might Need Additional Resources for Increased Regulatory Workload.*** Unlike for SWRCB, the Governor does not propose funding for CDFW to address increased project review and permitting responsibilities for many of the proposed projects—such as to evaluate whether forest thinning projects will have negative impacts on nearby wildlife. To the degree the Legislature decides to provide resources for undertaking additional vegetation management projects, it may want to consider whether CDFW also needs additional funding to keep pace with an associated increase in its regulatory workload.



## Home Hardening (Office of Emergency Services [OES] and CalFire)

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### Description of Program

- **Implements Recent Legislation.** The proposal would provide funding to implement the wildfire mitigation assistance pilot program authorized by Chapter 391 of 2019 (AB 38, Wood). The wildfire mitigation assistance pilot seeks 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.
- **Baseline Funding.** There is no existing funding to support this program. (The Governor included \$25 million from the General Fund and \$75 million in federal fund authority to implement the program as part of the proposed 2020-21 budget, but withdrew the provision at the May Revision.)

### Governor's Proposal

- **Funding.** The Governor's budget includes \$25 million in 2020-21 from the General Fund. This includes \$21.9 million for OES and \$3.1 million for CalFire. Additionally, the administration indicates it will pursue potential federal matching funds, though no assumption on the level of such funding is built into the budget.
- **Implementation Plan.** OES is currently in the process of working with CalFire and other agencies to develop an implementation plan for the program, such as creating an allocation methodology and list of retrofits eligible for the low-income grant program. It currently is unclear when the implementation plan will be finalized.
- **Projected Outcomes.** The goal of the program is to reduce overall wildfire risk by increasing the adoption of fire resistant retrofits. OES indicates that a loss avoidance analysis will be performed on all funded structures that have been affected by disasters following the installation of the retrofits. In addition, we note that AB 38 requires an evaluation of the cost-effectiveness of the program by July 1, 2024.



## Home Hardening (OES and CalFire)

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(Continued)

### Issues for Legislative Consideration

- ***Home Hardening Is Promising Practice.*** Both case studies and empirical research find that home hardening can be effective at reducing home losses in the event of a wildfire. For example, post-wildfire analysis has shown that in real wildfire situations, certain structural characteristics—such as vent screens, enclosed eaves, and double-pane windows—can protect homes by preventing embers from entering the home and protect the home from radiant heat.
- ***Key Aspects of the Proposal Remain Undetermined.*** The administration has not been able to provide detailed information about the proposal at this time. For example, the administration has not yet determined the following about the low-income grant program: (1) what retrofits would be eligible for funding, (2) how much of the overall funding would support retrofits (as opposed to the education component of the proposal), (3) what the precise income eligibility requirements would be, (4) how much funding each homeowner would be eligible for, and (5) what the allocation methodology would be. Without detailed information on these issues, it is impossible for the Legislature to evaluate whether the program would achieve the goals of AB 38.
- ***Early Action Is Premature and Additional Information Needed Before Approval.*** The lack of detail is particularly problematic given that the administration is asking the Legislature for early action on this proposal, which reduces the amount of time available for OES and CalFire to determine key aspects of the proposal and for the Legislature to evaluate the program. We recommend that the Legislature withhold action on the Governor’s proposal until the administration is able to provide sufficient details about the program.



## Land Use Planning and Education (CalFire and University of California [UC])

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### Description of Program

- **Multiple Efforts to Support Local Governments and Communities.** This proposal includes two components:
  - **Land Use Planning Assistance.** CalFire’s Land Use Planning Program, created in 2014, provides technical assistance to local governments and communities with developing emergency wildfire plans, including the safety element of local general plans.
  - **Cooperative Extension and Community Education.** The UC Agriculture and Natural Resources (ANR) division oversees the state’s longstanding Cooperative Extension program, which conducts research and provides outreach to farmers and other community stakeholders on natural resource issues. According to the administration, UC ANR currently employs eight experts specifically focused on fire-related issues.
- **Baseline Funding.** CalFire’s program was supported by GGRF funding of \$20 million in 2019-20 and \$10 million in 2020-21. Cooperative Extension at UC ANR is supported by a variety of federal, state, and local fund sources, with its core operating funds consisting of \$63 million ongoing General Fund in 2020-21. According to the administration, seven of UC ANR’s fire experts are supported with core General Fund support, and one expert is supported with limited-term federal grants.



## Land Use Planning and Education (CalFire and UC)

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### Governor's Proposal

- **Funding.** The Governor's budget includes \$7 million one time from the General Fund in 2021-22 (\$5 million to CalFire and \$2 million to UC ANR).
- **Implementation Plan.** The administration has not submitted an implementation plan for the proposed \$5 million for CalFire but notes the funds would be used to hire temporary staff or retired annuitants to bolster the Land Use Planning Program for the next few years. Under the UC ANR proposal, which is connected to a preliminary plan, UC would hire one new program coordinator and two new experts based in Southern California and the Central Coast. The UC ANR also intends to use the funds to sustain a portion of its existing, grant-funded fire expert based in Northern California. The administration also indicates that UC ANR will seek additional non-General Fund resources, with the goal of potentially hiring three more advisors by the end of 2024-25.
- **Projected Outcomes.** For CalFire, the administration indicates the land use planning program will assist 56 counties and 189 cities develop wildfire mitigation strategies as part of updating local general plans. For UC ANR, the administration anticipates this proposal will result in new partnerships between UC ANR and community stakeholders in at least three regions of the state and lead to the adoption of best practices in these communities.



## Land Use Planning and Education (CalFire and UC)

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### Issues for Legislative Consideration

- ***Administration Could Better Explain Interaction With Other Outreach Proposals.*** There are a few other proposals with outreach components, such as the home hardening proposal. As the Legislature weighs the administration's outreach proposals, it likely will want to ensure the proposals have clear missions and do not unnecessarily duplicate activities. Clarity could be especially warranted for the UC ANR proposal given its relatively open-ended scope of providing general community outreach on fire-related matters.
- ***Ability to Sustain Activities Is Uncertain.*** In discussions with our office, the administration identified a few sources of funds UC ANR would pursue to sustain and expand services, including state and federal grants and private donations. As these fund sources also tend to be limited term and are not guaranteed, the Legislature may feel pressure in future years to provide additional support to this initiative. Similarly, it is unclear whether the administration has a strategy to sustain its expanded land use planning assistance beyond the life of the proposed one-time appropriation.



## Defensible Space Inspectors (CalFire)

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### Description of Program

- ***Inspect Properties on the State Responsibility Area (SRA).*** The department utilizes seasonal staff to inspect structures in the SRA for compliance with state defensible space requirements. These requirements include maintaining ground vegetation and tree branches to certain specifications within 100 feet of all structures in order to reduce the fuel available to a wildfire, thereby reducing the risk to the structures.
- ***Baseline Funding.*** The department has a baseline budget of \$3.4 million from GGRF to support defensible space inspectors. This funding supports the equivalent of one inspector in each of CalFire's 21 units throughout the state, though each unit generally relies on multiple seasonal inspectors, each working about three months of the year. The department also has used GGRF to supplement this baseline funding in recent years, including an additional \$10 million in 2019-20 and \$13.4 million in 2020-21.

### Governor's Proposal

- ***Funding.*** The budget includes an augmentation of \$6 million from the General Fund for 2021-22.
- ***Implementation Plan.*** The department states that it intends to use the funding to increase the length of time that seasonal defensible space inspectors can work from about three months to nine months in 2021-22.
- ***Projected Outcomes.*** The administration states that these additional resources will allow the department to reach its annual goal of at least 250,000 parcels inspected—one-third of the estimated number of parcels in the SRA. For comparison, the department conducted about 200,000 inspections in each of the last three years.



## Defensible Space Inspectors (CalFire)

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### Issues for Legislative Consideration

- ***Unclear if Increasing Inspections Will Affect Compliance.*** Research suggests that properly maintained defensible space can increase the likelihood that structures will survive if a wildfire occurs. However, we are not aware of research demonstrating that increasing the number of defensible space inspections will increase compliance. We note, as well, that CalFire has limited tools—such as issuing administrative fines and abating properties—compared to local governments to enforce noncompliance.
- ***One-Time Funding Means Any Benefits Likely Would Be Temporary.*** Even if increased inspections resulted in increased compliance, these benefits might be temporary. To be effective, defensible space should be maintained by property owners on an ongoing basis. Given these limitations, we recommend that the Legislature direct the department to report at budget hearings on what strategies might assist in generating increased compliance on an ongoing basis throughout the state.

