

Senator Bob Wieckowski, Chair
Senator Brian W. Jones
Senator Mike McGuire
Senator William W. Monning
Senator Henry I. Stern



Thursday, May 2, 2019
9:30 a.m. or upon adjournment of session
State Capitol - Room 112

Consultant: Joanne Roy

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Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

LEGISLATIVE REQUESTS

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The following requests have been submitted by member offices:

Natural Resources and Environmental Protection:

- 1) **California Science Center: Elevator.** \$2.5 million to install an elevator to assist handicapped visitors.
- 2) **California African American Museum.** \$500,000 ongoing for programming support.
- 3) **Alameda Creek Restoration.** \$31.365 million for wetlands restoration to address sea level rise in the Bay Area.
- 4) **Children's Natural History Museum.** \$700,000 for planning and environmental work for proposed museum in Fremont.
- 5) **La Habra Heights Fire Department: New Fire Engine.** \$595,000 to replace fire engine, including radios, tools, and equipment.
- 6) **La Habra Heights Fire Department: Housing for Firefighting Vehicle.** \$48,000 to replace building and address structural issues to house fire apparatus.
- 7) **A.J. Padelford Park Expansion Project.** \$5 million to acquire 10 parcels within the vicinity of the park and demolish structures located on those properties.
- 8) **San Gabriel River Master Plan Update.** \$3 million for an update to the master plan focusing on enhancing specified project areas.
- 9) **James Whitaker School Park.** \$1.4 million to develop a park on a parcel next to the James A. Whitaker Elementary School.
- 10) **Columbia Memorial Space Center.** \$75,000 for the purchase of a Maker Space 3-D printer (\$5,000) and an audio-visual system (\$70,000).
- 11) **Pico Rivera Parks and Recreation Improvements.** \$365,000 to replace playground (\$200,000); replace Veterans and Ladies Auxiliary Park Playground (\$70,000); and replace Smith Park Pool expansion joint and heater (\$95,000).
- 12) **Montebello City Park Improvements: City Park General Rehab and Improvements.** \$1.3 million for upgrades/replacement, repair of existing park lighting, rehabilitation of main service road/ADA path and walkway, and upgrade/replace irrigation.

- 13) **Montebello City Park Improvements: City Park Ballfield Renovation.** \$1 million for retrofitting lights, hydraulic irrigation system to a weather-sensing controller-based system, grading, addition of bleachers and new scoreboard.
- 14) **Ocean Institute: Capital Outlay Needs.** \$1.5 million to support capital outlay needs of the Ocean Institute's \$6 million Capital Improvement Plan for buildings, grounds, and ships. Located in the Dana Point Harbor.
- 15) **State Parks Bowtie Parcel.** \$500,000 to create a conceptual plan for the Bowtie Parcel, which is adjacent to the LA River, including a dedicated project manager position at State Parks to coordinate the planning process.
- 16) **Museum Grant Program.** \$10 million to the California Cultural and Historical Endowment for the Museum Grant Program to provide capital, programmatic, and access grants to museums.
- 17) **Natural History Museum of Los Angeles County.** \$10 million for the first phase of an expansion project, which will reorient the museum's entrance into Exposition Park.
- 18) **Relief for Households Still Recovering from Drought Emergency.** \$3.5 million in funding for placement and filling of new temporary water tanks for households that have lost their water supply because of a dry well. Move duties from Office of Emergency Services to the State Water Resources Control Board for providing funding for the placement and filling of new temporary water tanks for households that have lost their water supply because of a dry well.
- 19) **Safe and Clean Drinking Water for the Southern Central Valley.** \$25 million General Fund for water infrastructure, access, and consolidation projects in the Southern Central Valley, as follows:
 - \$6 million for City of Sanger to repair water tank and Well 16.
 - \$2 million to connect Tombstone to Sanger's centralized water system.
 - \$5 million for a new water and tertiary treatment plant for Tulare County.
 - \$2 million to repair water systems in Fresno & Tulare Counties, to improve access to water in cities like Orosi and Del Rey.
 - \$3 million for the Selma Storm Drain (storage and recharge) Project, Selma Rockwell Pond Groundwater Recharge Project, and the Selma Branch Canal Multi-Use Trail.
 - \$2 million to replace Water Well #21 in the City of Dinuba.
 - \$5 million to bring communities into compliance with safe drinking water standards and remove arsenic from water in communities like Alpaugh in Tulare County and Arvin in Kern County.
 - Ensure compliance with safe drinking water plans to address water consolidation and repair failing independent water systems connected to cities (follow-up to AB 2501 (Chu), Chapter 871, Statutes of 2018).
- 20) **Safe and Clean Drinking Water for the Southern Central Valley: Friant-Kern Canal.** \$400 million General Fund one-time to Department of Water Resources to restore lost conveyance capacity on the Friant-Kern Canal for irrigation, municipal supplies, and to support groundwater sustainability.
- 21) **California Fire Response.** \$84 million one-time and \$65 million ongoing for 31 CalFire engines and hire personnel to staff these engines. Ongoing staffing costs would be \$65 million.

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- 22) **Interlake Tunnel Fish Screens.** \$17 million one-time for a local assistance grant to pay for fish screens for water conveyance tunnel between Lake Nacimiento and Lake San Antonio. This project is intended to increase regional water storage by 60,000 acre-feet.
- 23) **Cayucos Veterans Hall Renovation.** \$7 million General Fund to the County of San Luis Obispo for the renovation of the Cayucos Veterans Hall.
- 24) **Italian-American Museum.** \$200,000 annually for five years (\$1 million total) to support expansion of the Italian-American Museum.
- 25) **Clean Air Technology Upgrades in Four Schools in Los Angeles County.** \$500,000 for clean air technology upgrades for Los Angeles County for four schools to mitigate the effects of the Devil's Gate Reservoir Restoration Project.
- 26) **Greenhouse Gas Reduction Fund (GGRF): UC Riverside Bourns College of Engineering, Center for Environmental Research and Technology (CE-CERT) relocation and update.** \$10 million GGRF one-time to help fund the relocation of the CE-CERT facility from its present off-campus location to an on-campus site adjacent to the new Air Resources Board (ARB) facility. ARB is currently constructing a new vehicle/engine testing and research facility on the UC Riverside campus.
- 27) **GGRF: Multi-Year funding for Medium- and Heavy-Duty Vehicle Incentives, Demos, and Pilots.** Direct 10 percent or \$300 million annually of GGRF to fund emissions reductions from medium- and heavy-duty vehicle incentives through the Heavy Duty Vehicle Incentive Program (HVIP).
- 28) **GGRF: Sanitation Districts of Los Angeles County.** \$200,000 GGRF one-time to research biosolids for reclamation of fire-ravaged land.
- 29) **GGRF: Santa Susana Trails.** \$1 million GGRF one-time to purchase easements to expand trails by LA County Dept. of Parks and Recreation.
- 30) **GGRF: Triangle Ranch.** \$14 million GGRF one-time to help fund completion of Triangle Ranch Phase 4. Natural lands carbon sequestration in Santa Monica Mountains area.
- 31) **GGRF: Long-Term Resiliency Investment.** \$400 million for Natural and Working Lands coalition from GGRF and seek a continuous appropriation, of which 10 percent would be allocated to the Wildlife Conservation Board and state conservancies for a Natural Resources Climate Change Resiliency Program.
- 32) **GGRF: Wildfire Resiliency Workforce Development.** \$10 million GGRF to fund workforce development component of SB 462 (Stern), which would help fund educational program at community colleges to teach students how to perform prescribed fire treatments, building hardening, defensible space management, and approved community defense techniques.
- 33) **Reducing Fire Risk in the Wildland-Urban Interface (WUI): Extension Program.** A total of \$20 million GGRF or General Fund spread over five years to create new Fire Outreach and Extension Program that would entail 17 fire extension advisors located in selected counties.

- 34) **Reducing Fire Risk in WUI: Train Local Planners.** \$300,000 over a three-year period to reimburse counties for a new requirement to train local planners. Require every county that has more than 5 percent of its land in State Responsibility Area or locally designated very high hazard severity zones to require its land use planners to obtain certification about land use planning issues in the WUI.
- 35) **Reducing Fire Risk in WUI: Best Practices.** \$250,000 to the Office of Planning and Research (OPR) and require OPR to inventory and publish on its website best practices reflected in local planning ordinances, enforcement practices undertaken at the local level in WUI.
- 36) **Reducing Fire Risk in the WUI: California Fire Safe Council.** \$12 million block grant annually for three years to California Fire Safe Council for each of the 56 county fire safe councils that have SRA or local very high hazard fire zones. Funds would be allocated to county groups for implementing fire prevention and preparedness community action in collaboration with UC fire advisors, resource conservation districts, and others.
- 37) **Public Safety Preparedness: Remote Sensing.** \$5 million to develop and fund statewide capability for overhead fixed wing or satellite remote sensing that provides real-time fire perimeter and behavior information to all responders, emergency officials, and the public.
- 38) **Public Safety Preparedness: Maintenance of Evacuation Routes for Emergencies.** \$5 million ongoing to reimburse counties for maintenance of evacuation routes during emergencies. Counties should also develop standards for these routes as well as develop and maintain signage and other necessities.
- 39) **Public Safety Preparedness: Target and Track Vulnerable Populations.** An unspecified amount of funding for software to target and track vulnerable populations to expedite evacuations during emergencies and develop grant criteria for local communities to develop plans.
- 40) **Salton Sea Study.** \$5 million to fund a 12-month feasibility study to evaluate a proposed solution for water replenishment of the Salton Sea. The proposed solution would import water from the Pacific Ocean off the coast of Camp Pendleton and gravity flow that water via a pipeline (after being pumped over a significant hill on Camp Pendleton) to the Salton Sea.
- 41) **Bolsa Chica Mesa Sacred Site Protection Project.** \$5 million General Fund for acquisition of properties for a future cultural park. The area has spiritual importance to Gabrielino/Tongva and Juaneno/Acjachemen tribes.
- 42) **Discovery Science Center of Orange County.** \$15 million for a children's science museum in Santa Ana for the purchase of nearby property to create additional parking.
- 43) **Beverage Container Recycling Pilot Project in San Francisco.** \$3 million Beverage Container Recycling Fund to build new California Refund Value (CRV) recycling infrastructure necessary to provide citywide CRV convenience to consumers.
- 44) **Alcatraz Island Lighthouse Preservation Project.** \$500,000 to repair and preserve the lighthouse.
- 45) **Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) Historical Archives.** \$750,000 for historical archives across the state.

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- 46) **LGBTQ Public Spaces in San Francisco: Harvey Milk Plaza.** \$1 million for renovation of Harvey Milk Plaza to transition the plaza from primarily a transit station to a source of inspiration. Total capital costs is \$20 million.
- 47) **LGBTQ Public Spaces in San Francisco: Eagle Plaza.** \$100,000 for renovation of Eagle Plaza, the world's first LGBTQ-Leather public plaza for leather commemorative elements of the plaza, including: heart-shaped inlaid metallic "studs" celebrating members of the leather community, a large leather flag and flag pole, leather-flag-colored crosswalk striping and bollards to close the plaza to cars for community events, new vegetation, trees, tables, chairs, and lighting.
- 48) **India Basin Remediation Project in San Francisco.** \$2.2 million to transform a post-industrial brownfield into a 21st century legacy park.
- 49) **Comprehensive Blue Carbon Strategy & Research.** \$35 million for improving water quality for marine protected areas; watershed health & connectivity; vessel speed reduction incentive program; beneficial reuse program; study on low-trophic mariculture; kelp forest restoration; invasive species expert panel; California State University Council on Ocean Affairs, Science and Technology.
- 50) **GGRF: Natural Resources Programs.** \$400 million GGRF for Urban Forestry Program (Department of Forestry and Fire Protection), Urban Greening (California Natural Resources Agency), State Water Efficiency and Enhancement Program (California Department of Food and Agriculture), Wetlands & Watershed Restoration Program (Department of Fish and Wildlife), and Climate Adaptation & Resiliency Programs (Wildlife Conservation Board, Coastal Conservancy, Coastal Commission, San Francisco Bay Conservation and Development Commission).
- 51) **Tijuana River Border Pollution Control Project.** \$15 million Proposition 68 for the Tijuana River Border Pollution Control Project to address discharge of raw sewage and other waste through the Tijuana River Valley.
- 52) **Atmospheric River Research.** Funding for \$9.25 million annually for six years for research to improve observations, forecasts, and decisions support of atmospheric river precipitation events. Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program at the Department of Water Resources.
- 53) **Salinas Regional Soccer Complex.** \$5 million for Phase II of building soccer complex, including an addition of eight new grass fields and a parking lot.
- 54) **Allocation of General Funds to California Department of Food and Agriculture (CDFA) for Pest Prevention Efforts.** \$5 million General Fund to CDFA for: 1) Expand glassy-winged sharpshooter trapping season to year-round in certain areas; 2) Increase trapping and increase frequency of trap inspections; 3) Increase number of destination inspections of nursery shipments; and 4) Increase area-wide management program trapping in high-risk areas.
- 55) **Cloverdale Ranch and Gordon Ridge.** \$9.5 million to purchase and preserve two coastal properties, over 6,700 acres in San Mateo County. A state contribution of \$9.5 million would leverage more than \$30 million in private and local funding.

- 56) **GGRF: Short-Lived Climate Pollutants: Waste Diversion and Food Recovery.** \$100 million to reduce amount of organic material going to landfills. CalRecycle estimates cost of \$2-3 billion to construct 50 to 100 new and expanded organic waste recycling facilities to meet state goals of reducing organic material going to landfills.
- 57) **San Mateo County Multi-Benefit Stormwater Capture Program.** \$8 million for planning, environmental review, community engagement, alternatives analysis, and engineering design for several regional stormwater retention projects. Funding for project designs will help cities, County, and new Flood and Sea Level Rise Resiliency Agency compete for upcoming rounds of implementation funding under Propositions 1 and 68.
- 58) **New River.** \$10 million to install of new water treatment measures and construction of a pedestrian and bike parkway that would run along the river in the Calxico area.
- 59) **Budget Policy Change regarding GGRF Grant Applications and Scoring.** Proposed trailer bill language related to grant applications, scoring, and reporting for GGRF.
- 60) **Rebuild Camps.** \$35 million for capital outlay to rebuild camps destroyed in Woolsey and Tubbs Fires operated by the Wilshire Blvd. Temple, Shalom Institute/Camp JCA Shalom and Conference Center on Mulholland Highway, and Camp Newman in Santa Rosa.
- 61) **Los Angeles Museum of the Holocaust.** \$8.5 million to assist the museum's physical expansion in Pan Pacific Park, including the addition of a pavilion to accommodate more visitors, temporary exhibits, special events, and large student groups. Total cost of the physical expansion is estimated to be \$10 million, of which the museum plans to raise \$1.5 million from philanthropic sources and local government partners.
- 62) **Orick Mill Redwood Visitor Center Project.** \$10 million to build a visitor center in the abandoned Orick Mill site to serve as gateway into 133,000 acres of four Redwood National and State Parks.

Energy:

- 63) **SBCCPG Fiber Network.** \$1 million for a project to connect 17 agencies to a dedicated gigabit broadband network in the south bay.
- 64) **Clean Energy Commercialization Memorandums of Understanding (MOUs).** \$2 million for three international commercialization MOUs.
- 65) **Paradise Irrigation District.** \$7 million per year for three years to fund fixed infrastructure costs at Paradise Irrigation District while the district right-sizes its rate base.
- 66) **NCRA Dissolution.** \$17 million to continue the dissolution of the North Coast Rail Authority begun last year via SB 1029 (McGuire), Chapter 934, Statutes of 2018.
- 67) **Green Means Go.** \$400 million to support the Sacramento Area Council of Government's Green Means Go project to lower greenhouse gas emissions in the six-county Sacramento region by accelerating infill development, reducing vehicle trips, and electrifying remaining trips.

- 68) **Clean Vehicles in the San Gabriel Valley.** \$1 million to promote clean vehicles in the San Gabriel Valley, including electric vehicle charging stations in Morgan Park and the replacement of the City of Arcadia's transit fleet with greener vehicles.

Transportation:

- 69) **Sabercat Trail Project.** \$5 million to complete the Sabercat mixed-use trail in Fremont.
- 70) **SR-156/Castroville Safety Improvements.** \$10 million for a right-of-way purchase for additional safety investments along the SR-156 right-of-way.
- 71) **Burbank to Anaheim Metrolink Corridor.** \$80 million for capital improvements along the Burbank-Anaheim Metrolink Corridor.
- 72) **Soundwall Retrofit List.** Up to \$2 billion to accelerate delivery of projects on the Soundwall Retrofit list in Los Angeles County.
- 73) **Palo Alto Grade Separation Project.** \$1 million for environmental review of grade separation projects for three at-grade Caltrain crossings.
- 74) **I-580 Richmond-San Rafael Bridge.** \$10 million for a feasibility study for the replacement of the Richmond-San Rafael Bridge.
- 75) **Destination Crenshaw.** \$10 million for the Destination Crenshaw public art and greenway project in Los Angeles County.
- 76) **Santa Cruz Port District: S&R Vessel.** \$525,000 for a new search and rescue vessel to be used in northern Monterey Bay.
- 77) **La Cañada-Flintridge Soundwalls.** \$5 million for match funding for the construction of soundwalls along the 210 freeway in La Cañada-Flintridge.
- 78) **California Short Line Railroad Infrastructure Improvement Act of 2019.** \$7 million for investments in short line railroad infrastructure projects consistent with the 2018 California State Rail Plan.
- 79) **Pacifica Beach Boulevard Seawall and Promenade.** \$1.5 million in funding for a Beach Boulevard Seawall and Promenade Project located in City of Pacifica in San Mateo County. Fund feasibility study for conceptual design alternatives, surveys, assessments, and consultations in order to replace the Beach Boulevard Seawall and Promenade.
- 80) **San Diego Coronado Bridge Anti-Suicide Investments.** \$10 million for anti-suicide measures on the San Diego-Coronado Bridge.
- 81) **Foothill Boulevard Link Bikeway and Pedestrian Greenbelt.** \$390,000 for the design and construction of bicycle, pedestrian, and landscape improvements along Foothill Boulevard in Los Angeles County.

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- 82) **Traffic Congestion Relief to San Gabriel and Rosemead.** \$2 million for the cities of Rosemead and San Gabriel for traffic congestion relief related to SR 710 corridor gap.
- 83) **Oakland Unified School District (OUSD) Bus Service.** \$1 million to support bus service provided by the Alameda Contra Costa Transit District for OUSD.

Staff Recommendation. Hold open all legislative requests.

VOTE-ONLY CALENDAR

3125 CALIFORNIA TAHOE CONSERVANCY

Issue 1: Upper Truckee River and Marsh Restoration Project (SFL)

Governor's Proposal. An SFL requests the reversion of \$9.064 million, and a new appropriation for the same amount, and an additional \$1.534 million in reimbursement authority for increased construction costs for the Upper Truckee River and Marsh Restoration project to address seismic and aquatic invasive species issues.

The reimbursements will be coming from a recent grant from the California Department of Fish and Wildlife. The reversion and new appropriation will extend the availability of funds and allow the project to proceed without further delays.

Background. *The Upper Truckee Marsh (Marsh).* The Marsh is the largest remaining wetland area in the Lake Tahoe Basin. Historically, the Marsh occupied a much larger area along the south shore of Lake Tahoe, encompassing approximately 1,600 acres. Development in the late 1950's through the 1970's drastically altered the Marsh, most notably through the excavation and filling of wetlands to create the Tahoe Keys home pads, marina, and lagoons. This development disturbed approximately 600 acres in the center of the original Marsh, resulting in a large loss of wetland habitat. The Tahoe Keys also fragmented the Marsh habitat into what is now known as Pope Marsh on the west and the Upper Truckee Marsh on the east, and channelized a portion of the Upper Truckee River. The channelized river rarely overflows its banks or inundates the Marsh. As a result, the Marsh no longer serves as highly functional wetland habitat, and most of the river's sediment laden flows directly into the Lake.

Since January 1988, the Conservancy has expended approximately \$14 million to acquire several parcels totaling 525 acres in the Marsh. In 2001, the Conservancy completed the Lower West Side Wetland Restoration Project, an initial phase of wetland restoration involving 12 acres of wetland reconstruction through the removal of 85,000 cubic yards of fill. The Conservancy also relocated and improved a trail, which provides public access to Cove East Beach.

The Upper Truckee River and Marsh Restoration Project is intended to restore natural processes and functions of Conservancy-owned or controlled lands within the Upper Truckee River Marsh. The project consists of construction of the following: Develop access routes and staging areas, install dewatering and water control structures, construct pilot channels, construct sailing lagoon bulkhead, restore lily lagoon, restore dune and inter-dune area, construct flow resistance and grade control features, and restore site, re-vegetate and provide temporary irrigation.

Improvements are intended to enhance the area's ecological values and water filtering capacity, with a complimentary and appropriate level of recreation infrastructure. The total project cost estimate is \$10.37 million.

Staff Recommendation. Approve as requested.

3340 CALIFORNIA CONSERVATION CORPS (CCC)**Issue 2: Delta Service District Center (SFL)**

Governor's Proposal. An SFL requests reappropriation from the Public Buildings Construction Fund to extend the liquidation period of the construction phase of the Delta Service District Center project for a new residential facility located in San Joaquin County to June 30, 2020. This extension is intended to allow the CCC to utilize about \$300,000 of the remaining balance to purchase and install key design elements to finish the Delta Service District Center, as originally intended.

Background. The Delta Service District Center project constructed a new CCC residential facility in San Joaquin County. The Legislature previously appropriated \$30.343 million (\$255,000 General Fund and \$30.088 million Public Buildings Construction Fund) for the design and construction of this project.

Due to design changes as well as limited interim financing as a result of the Great Recession, the project was delayed. The construction contract was awarded in April 2016, and construction funds were transferred to the Department of General Services' (DGS) Architectural Revolving Fund (ARF). Construction proceeded to start in July 2016. The project was completed in July 2018.

Since occupying the new facility, a number of items are missing and/or in need of adjustments: perimeter security fence (\$103,000), booster water heater to sanitize dishes (\$8,500), landscape repair (\$20,000), power installation to keycard reader (\$15,000), wetland designation removal to install ground solar panels to meet net zero energy requirements (\$20,000), drainage at the loading dock (\$25,000), replacement of entrance walk-off mats (\$90,000), and adjustment of HVAC system/duct work due to heat gain (\$10,000). The resolution of these issues is estimated to cost around \$300,000, which includes contingency (\$8,500).

The funds in the ARF revert on June 30, 2019. Reappropriation to extend the construction phase liquidation period until June 30, 2020 is required to utilize \$300,000 of the remaining balance to complete the project as originally intended.

Staff Recommendation. Approve as requested.

Issue 3: Reappropriations – Various Projects (SFL)

Governor’s Proposal. An SFL requests reappropriation of \$1.6 million General Fund for the Preliminary Plans phase of the Auberry Residential Center project for a new residential facility located in Fresno County, and \$22.573 million General Fund for the construction phase of the Auburn Campus project to replace the kitchen, multipurpose room, and dorm at its existing residential center located in Placer County. Reappropriation is necessary to ensure funding is available to continue these projects.

Background. *Residential Center, Auberry: New Residential Center Project.* The Cultural Evaluation Report review by the State Historic Preservation Officer may delay Public Works Board from approving the preliminary plans funding before it expires June 30, 2019. Reappropriation of \$1.6 million General Fund is required to ensure funding for preliminary plans phase is available to continue this project without significant delay.

Auburn Campus: Kitchen, Multipurpose Room, and Dorm Replacement Project. The contract bid opening is estimated to take place mid-April 2019. Given that the contract award process can take up 90 calendar days, into mid-July 2019, Public Works Board will most likely not approve the funding for the construction phase before it expires June 30, 2019. Reappropriation of \$22.573 million General Fund is necessary to ensure funding for construction phase is available to continue this project without further delay.

Staff Recommendation. Approve as requested.

3480 DEPARTMENT OF CONSERVATION**Issue 4: Federal Grant for Federal Safety Standards Compliance and Reimbursement Authority Increase for Division of Oil, Gas, and Geothermal Resources (SFL)**

Governor's Proposal. An SFL requests two budget adjustments including: 1) Baseline appropriation increase of \$1.4 million from the Federal Trust Fund that is needed to spend annual grant funds from the United States Department of Transportation that support the Division's Underground Natural Gas Storage Program, 2) One-time increase of \$250,000 Reimbursement Authority that is needed to accept payments from Southern California Gas Co. The Division is seeking an increase in Reimbursement Authority to defray the cost of its response efforts in the Aliso Canyon incident.

Background. *Division of Oil, Gas, and Geothermal Resources (DOGGR).* DOGGR is a division within the Department of Conservation. DOGGR supervises the drilling, operation, maintenance, and plugging and abandonment of onshore and offshore oil, gas, and geothermal wells throughout California. DOGGR carries out its regulatory authority to encourage the wise development of oil, gas, and geothermal resources while preventing damage to life, health, property, and natural resources. DOGGR's statutory mandate includes oversight of underground gas storage facilities to ensure that the original reserves are not lost, that drilling of new wells is conducted properly, and that no damage occurs to the environment by reason of injection and withdrawal of gas.

Underground Gas Storage Program. DOGGR operates the Underground Gas Storage Program, which regulates the injection of natural gas into large underground reservoirs for storage before the gas is later withdrawn for sale to residential, commercial, and natural gas power plants. The Underground Gas Storage Program focuses on comprehensive risk management planning, testing, and monitoring to prevent and detect any unsafe conditions.

Aliso Canyon Gas Leak. On October 23, 2015, a significant, uncontrolled leak from a natural gas storage well was discovered in the Aliso Canyon natural gas storage facility located in the County of Los Angeles. Initial efforts to stop the leak failed. SoCal Gas, the owner of the facility, pledged to reimburse DOGGR for costs directly associated with its response to this natural gas leak at Aliso Canyon.

Federal Grant for Federal Safety Standards Compliance. In September 2017, the DOGGR applied to the Pipeline and Hazardous Materials Safety Administration within Department of Transportation for federal funds to support the Underground Natural Gas Storage Safety Programs. DOGGR was awarded \$3.2 million to assume responsibility for intrastate underground natural gas storage facilities.

Staff Comments. The baseline increase of \$1.4 million is needed to spend annual grant funds from the US Department of Transportation that support the Division's Underground Natural Gas Storage Program. The reimbursement authority is needed to accept payments from Southern California Gas Co. and to defray the cost of its response efforts in the Aliso Canyon incident.

Staff Recommendation. Approve as requested.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CALFIRE)

Issue 5: Technical Adjustments – Various Projects (SFL)

Governor's Proposal. An SFL requests a number of technical adjustments to the funding authority for various projects. Specifically, this proposal requests to revert the existing funding authority and approval of new appropriations in the same amount (resulting in a new-zero cost) for the following projects:

Project Name	ID	Phase	Amount
Cayucos Fire Station: Replace Facility	0000170	W	\$269,585
Parkfield Fire Station: Relocate Facility	0000182	A	\$36,010
Perris Emergency Command Center: Remodel Facility	0003210	P, W	\$35,000
Statewide: Communications Facilities, Phase V	0000920	W	\$2,139,000

This SFL also requests a reappropriation for the following bond funded projects:

Project Name	ID	Phase	Amount
Academy: Construct Dormitory Building	0000009	C	\$9,016,000
Badger Forest Fire Station: Replace Facility	0000165	C	\$2,968,000
Badger Forest Fire Station: Replace Facility	0000165	C	\$4,242,000
Butte Unit Fire Station/Unit Headquarters: Replace Facility	0000169	C	\$26,939,000
Butte Unit Fire Station/Unit Headquarters: Replace Facility	0000169	C	\$3,845,000
San Mateo-Santa Cruz UH: Relocate Auto Shop	0000189	C	\$9,259,620
San Mateo-Santa Cruz UH: Relocate Auto Shop	0000189	C	\$963,000
South Operations Area Headquarters: Relocate Facility	0000193	C	\$26,990,211
South Operations Area Headquarters: Relocate Facility	0000193	C	\$4,057,000
Vina Helitack Base: Replace Facility	0000199	C	\$11,336,000

Staff Recommendation. Approve as requested.

3720 CALIFORNIA COASTAL COMMISSION**Issue 6: Caltrans Reimbursement Increase (SFL)**

Governor's Proposal. An SFL requests a one-time increase of \$480,000 in reimbursement authority for increased reimbursements from the Department of Transportation (Caltrans) associated with an Interagency Agreement related to support of coastal transportation projects.

Caltrans will be increasing funding by \$480,000 to the Coastal Commission through an existing five-year Interagency Agreement between Caltrans and the Coastal Commission. Caltrans has a significant increase in the number of coastal projects and needs additional Coastal Commission staff time to work on these high priority transportation projects. This increased reimbursement funding will be used to provide environmental technical assistance, coordination, procedural requirement guidance, and expedited project review and analysis services for Caltrans' projects and activities that fall under the Commission's jurisdiction.

Background. The Coastal Commission and Caltrans have worked well under the terms of a five-year Interagency Agreement to address a wide variety of Coastal Act issues related to transportation projects, providing staff to facilitate the early and continuous coordination between the two entities related to Caltrans' project planning, design, and construction that falls within the Coastal Commission's jurisdiction. The current Interagency Agreement has been in place since December 2015 for a maximum amount of \$6.6 million that could be reimbursed by Caltrans for Coastal Commission work on coastal transportation projects. Because of the effectiveness of the process and a substantial amount of new transportation projects, additional staff resources at the Coastal Commission are needed to meet the increased Caltrans project workload.

SB 1 (Beall), Chapter 5, Statutes of 2017, provides significantly more funding for transportation projects throughout the state. The increase in transportation projects has led to more coastal permits being requested by Caltrans and therefore an increase in workload related to the current Interagency Agreement.

The current Interagency Agreement expires November 30, 2020. Caltrans and the Coastal Commission are currently working a new five-year Interagency Agreement with enhanced funding and the support for additional positions. The Coastal Commission anticipates submitting a new funding proposal when the new Interagency Agreement is finalized for 2020-21.

In the meantime, this SFL proposes to increase the Coastal Commission's reimbursement authority by \$480,000 in 2019-20 and the Coastal Commission intends to use limited-term staff to address the increased workload until the new Interagency Agreement is completed.

Staff Recommendation. Approve as requested.

Issue 7: Funding Extension for Operational Costs (SFL)

Governor's Proposal. An SFL requests continuation of \$784,000 Coastal Act Services Fund for two years (2019-20 and 2020-21) to provide funding for increased operating expenses and business services tasks.

The 2017-18 Enacted Budget provided funding (\$122,000) and authorization for one Associate Government Program Analyst (AGPA) position for the Commission's Business Services Unit and \$637,000 for operating expenses from the Coastal Act Services Fund (CASF) for two fiscal years.

This SFL would provide \$784,000 in funding from CASF for two more years for the same purpose.

Background. Coastal Commission Facilities. The Coastal Commission has offices throughout the coastal zone of the state. The Headquarters office is in San Francisco, which includes the North Central District Office. Other offices include a small office in Sacramento and District offices in Arcata, Santa Cruz, Ventura, Long Beach and San Diego. The Coastal Commission works with the Department of General Services (DGS) to lease office spaces for all facilities. Facility costs for the Commission offices had increased from 2010-11 to 2016-17 by roughly \$600,000.

DGS State Record Center. The Coastal Commission maintains historic public records regarding program history and implementation of its core mandates and statutory responsibilities. Many of these records are housed at the DGS State Record Center in Sacramento. There is a significant portion of the Commission's records that must be maintained and historically archived. Transferring files to the Record Center saves space at facilities and reduces on-site office space needs and DGS facility lease costs. The cost of the DGS Record Center Services has increased over time. In addition, in 2017-18 the State Records Center increased the prices for storage and adding fees for retrieval and re-shelving.

As a result, in 2017-18, the Coastal Commission's budget included \$637,000 authorized from the CASF for two years: \$600,000 for facility costs and \$37,000 for archival/document storage costs.

Associate Government Program Analyst (AGPA). In 2017-18, the Coastal Commission received additional funding authorization for two AGPA positions to implement the recommendations of the Coastal Commission's 2015-16 non-audit evaluation conducted by the Department of Finance, Office of State Audits and Evaluations. The 2017-18 Enacted Budget provided \$122,000 from the CASF for two years for one of the approved AGPA positions; the other AGPA position was funded at \$122,000 from the General Fund.

Actual costs for the AGPA are above the original cost of \$122,000 and are now \$147,000.

Staff Recommendation. Approve as requested.

3760 STATE COASTAL CONSERVANCY (SCC)**Issue 8: Appropriation from California Sea Otter Fund for Support and Local Assistance (SFL)**

Governor's Proposal. An SFL requests an increase of \$52,000 to the amount appropriated annually from the California Sea Otter Fund (Fund) over the next five years.

This increase is being requested because the amounts being collected in the Fund have exceeded the amounts appropriated to SCC annually. The request would bring the total amount appropriated to SCC from the Fund to \$183,000. Of this, \$18,000 would be for support and \$165,000 for local assistance.

Background. *Sea Otter Recovery Fund.* Sea otters once thrived near Baja California and around the Pacific Rim before being hunted to near extinction in the 1700s and 1800s. The California population has grown from a group of about 50 survivors off Big Sur in 1938 to over 3,000 animals today. However, the species remains threatened.

The California Sea Otter Fund was established in 2006 to allow taxpayers to donate to help the recovery of California sea otter populations. The voluntary income-tax check-off program provides essential funding to protect and restore healthy sea otter populations. Funds from the voluntary tax checkoff are expended on activities such as research, education, and management efforts that will help support the continued recovery of this iconic California species. From 2006-2018, Californians have donated \$3.618 million to help sea otters.

Staff Comments. The amount currently collected in the Fund have exceeded the amounts appropriated to SCC annually. This request is to align the amount appropriated to SCC with the revenues coming into the Fund.

Staff Recommendation. Approve as requested.

3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)

Issue 9: Various Projects – Technical Adjustments (SFL)

Governor’s Proposal. An SFL requests the reversion of the unencumbered balances of existing capital outlay appropriations expiring June 30, 2019 and new appropriations for the continuing projects for these reverted appropriations. In addition, Parks requests reappropriation of existing capital outlay appropriations to allow for availability of funds as a contingency in case of project delays to allow for the completion of projects currently in process. The following pages identify the requested reversions and reappropriations. These requests will result in a net-zero cost.

The following table reflects the new appropriations for continuing capital outlay project:

Project Title	Purpose	Amount	Fund	Description
Angel Island SP: Immigration Station Hospital Rehabilitation-Construction	Construction	2,290,000	General Fund	There were delays in finalizing design documents. The project is currently in construction and is anticipated to finish in fall 2019. This appropriation is requested so the project can proceed without delays or interruption.
Malakoff Diggins SHP: Solar Panel Generator-Construction	Construction	552,000	General Fund	There were delays in finalizing design documents. The project is currently in construction and is anticipated to finish in fall 2019. This appropriation is requested so the project can proceed without delays or interruption.
San Elijo SB: Replace Main Lifeguard Tower-Construction and Equipment	Construction	4,762,000	Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	There were administrative delays that affected execution of project contracts. The project is currently in construction and is anticipated to finish in fall 2019. This appropriation is requested so the project can proceed without delays or interruption.
	Equipment	3,000		
Southern California Opportunity Purchase-Acquisition	Acquisition	3,006,000	Off-Highway Vehicle Trust Fund	Acquisitions are in progress and not anticipated to be completed in the current fiscal year. This appropriation is requested so acquisition activities can continue without delays or interruption.
Carnegie SVRA: Road Reconstruction-Construction	Construction	6,617,000	Off-Highway Vehicle Trust Fund	A new design team was brought on to assist with completing complicated design documents for this project. The project is currently in working drawings with construction expected to begin in spring 2019. This appropriation is requested so the project can proceed without delays or interruption.
Hollister Hills SVRA: Waterline Expansion-	Working Drawings	62,000	Off-Highway Vehicle Trust Fund	There were administrative delays that affected execution of project contracts. This project is currently in working drawings with construction

Working drawings and construction	Construction	1,305,000		anticipated to begin in fall 2019. This appropriation is requested so the project can proceed without delays or interruption.
Mendocino Headlands SP: Big River Watershed Restoration-Construction	Construction	728,000	State Parks and Recreation Fund	Construction is complete, but Parks must monitor the site due to mitigation requirements. This appropriation is requested so that project expenses can be paid.
Mendocino Headlands SP: Big River Watershed Restoration-Construction	Reimbursements	-728,000	State Parks and Recreation Fund	Construction is complete, but Parks must monitor the site due to mitigation requirements. This appropriation is requested so that project expenses can be paid.
Border Field SP: Public Use Improvements-Working drawings	Working Drawings	228,000	State Parks and Recreation Fund	Parks had to complete more extensive studies and development/review of acceptable design alternatives. Design documents are now complete and awaiting approval from permitting agencies. This project is currently in preliminary plans with approval anticipated in spring 2019. This appropriation is requested so the project can proceed without delays or interruption.
Calaveras Big Trees SP: Caltrans Mitigation Campsite Relocation-Working drawings	Working Drawings	100,000	State Parks and Recreation Fund	Weather delays to initial biological and topographical surveys caused preliminary plans to go longer than originally expected. This project is currently in preliminary plans with approval anticipated in summer 2019. This appropriation is requested so the project can proceed without delays or interruption.
Calaveras Big Trees SP: Caltrans Mitigation Campsite Relocation-Working drawings	Reimbursements	-100,000	State Parks and Recreation Fund	Weather delays to initial biological and topographical surveys caused preliminary plans to go longer than originally expected. This project is currently in preliminary plans with approval anticipated in summer 2019. This appropriation is requested so the project can proceed without delays or interruption.
McArthur-Burney Falls Memorial SP: Ramp and Boarding Float Replacement-Working drawings and construction	Working Drawings	53,000	Harbors and Watercraft Revolving Fund	Parks is awaiting feedback and approval from permitting agencies. This project is currently in preliminary plans with approval anticipated in spring 2019 and proceed to construction bid approval in fall 2019. This appropriation is requested so the project can proceed without delays or interruption.
	Construction	618,000		

Statewide: DBW Minor Program- Minor projects	Minor Projects	674,000	Harbors and Watercraft Revolving Fund	There were administrative delays that affected execution of project contracts and delays in obtaining necessary permits. The project is currently in design with construction anticipated to occur in the spring of 2020. This appropriation is requested so the project can proceed without delays or interruption.
California Indian Heritage Center: Phase I Development- Preliminary plans	Preliminary Plans	1,133,000	California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	There were delays in acquiring property for this project. Acquisition is nearly complete with preliminary plans anticipated to be completed in summer 2021. This appropriation is requested so the project can proceed without delays or interruption.
Statewide: SP System Acquisition Program- Acquisition	Acquisition	453,000	California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	Acquisitions are in progress (including Viera North Peak, SRL/Otis Reagan Westing properties, BLM/Red Rock Canyon, and other smaller transfers), but are not anticipated to be completed in the current fiscal year. This appropriation is requested so the project can proceed without delays or interruption.
McGrath SB: Campground Relocation and Wetlands Restoration- Working drawings	Working Drawings	1,302,000	California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	This project is located in a resource-saturated area, requiring additional design reviews to ensure minimal impacts. This project is currently in preliminary plans with approval anticipated in fall 2019. This appropriation is requested so the project can proceed without delays or interruption.
Picacho SRA: Park Power System Upgrade- Study	Study	200,000	California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	There were administrative delays. This project is currently in the study phase and is anticipated to be completed in fall 2019. This appropriation is requested so the project can proceed without delays or interruption.
Fort Ord Dunes SP: New Campground and Beach Access- Construction	Construction	22,372,000	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	There were delays in finalizing design documents. This project is currently in working drawings phase with construction anticipated to begin in summer 2019. This appropriation is requested so the project can proceed without delays or interruption.
Old Town San Diego SHP: Building Demolition and Immediate Public Use Facilities- Construction	Construction	7,342,000	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	This project is currently in construction and is anticipated to finish in winter 2020. This appropriation is requested so the project can proceed without delays or interruption.
Torrey Pines SNR: Utility Modernization-	Preliminary Plans	199,000	Safe Drinking Water, Water Quality and Supply,	This project is located in a resource saturated area resulting in a much more complex design process requiring more reviews and approvals. This project

Preliminary plans and working drawings	Working Drawings	235,000	Flood Control, River and Coastal Protection Fund of 2006	is currently in preliminary plans with approval anticipated in fall 2019. This appropriation is requested so the project can proceed without delays or interruption.
Statewide: Minor Capital Outlay Program	Minor Projects	379,000	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	There were administrative delays that affected the execution of project contracts. This project is currently in design with construction anticipated to begin in summer 2019. This appropriation is requested so the project can proceed without delays or interruption.
Gaviota SP: Main Water Supply Upgrades-Working drawings	Working Drawings	142,000	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	A study on water source supply alternatives has been completed and the project is currently pending a coastal development permit for test well drilling. This project is currently in preliminary plans with approval anticipated in winter 2020. This appropriation is requested so the project can proceed without delays or interruption.
Malibu Creek SP: New Stokes Creek Bridge-Working drawings	Working Drawings	233,000	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	Parks had to conduct a geotechnical investigation due to active bird nesting near the project site. The investigation and design documents are now complete and awaiting approval from permitting agencies. This project is currently in preliminary plans with approval anticipated in summer 2019. This appropriation is requested so the project can proceed without delays or interruption.
El Capitan SB: Entrance Improvements-Working drawings	Working Drawings	378,000	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	Due to the presence of an endangered species of fish found in the area, permitting took longer than anticipated. This project is currently in working drawings with construction anticipated to begin in summer 2019. This appropriation is requested so the project can proceed without delays or interruption.
Statewide: VEP Minor Program-Minor projects	Minor Projects	763,000	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	One of the minor projects was impacted by a wildfire. There were also administrative delays that affected the execution of project contracts. These projects are currently in design with construction anticipated in 2020. This appropriation is requested so the project can proceed without delays or interruption.

The following table reflects the reappropriations with an encumbrance or expenditure period until June 30, 2020.

Project Title	Purpose	Amount	Fund	Description
Heber Dunes SVRA: Water System Upgrades-Working drawings and construction	Working Drawings	96,000	Off-Highway Vehicle Trust Fund	This project is currently in working drawings with proceed to construction bid and construction award anticipated in summer 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.
	Construction	990,000		
Oceano Dunes SVRA: Grand Avenue Lifeguard	Preliminary Plans	87,000	Off-Highway Vehicle Trust Fund	This project is currently in preliminary plans with approval anticipated in spring 2019. As a

Tower-Preliminary plans				contingency in case of delays, this reappropriation is requested so the project can proceed.
Pismo SB: Entrance Kiosk Replacement-Preliminary plans	Preliminary Plans	107,000	Off-Highway Vehicle Trust Fund	This project is currently in preliminary plans with approval anticipated in spring 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.
Calaveras Big Trees SP: Mitigation Campsite Relocation-Preliminary plans	Preliminary Plans	138,000	State Parks and Recreation Fund	This project is currently in preliminary plans with approval anticipated in summer 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.
Calaveras Big Trees SP: Mitigation Campsite Relocation-Preliminary plans	Preliminary Plans	-138,000	State Parks and Recreation Fund	This project is currently in preliminary plans with approval anticipated in summer 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.
Lake Del Valle SRA: Boat Ramp Replacement-Preliminary plans	Preliminary Plans	125,000	Harbors and Watercraft Revolving Fund	This project is currently in preliminary plans with approval anticipated in spring 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.
Mendocino Headlands SP: Big River Boat Launch-Preliminary plans	Preliminary Plans	191,000	Harbors and Watercraft Revolving Fund	This project is currently in preliminary plans with approval anticipated in summer 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.
San Luis Reservoir SRA: San Luis Creek Ramp Replacement and Parking Improvements-Preliminary plans	Preliminary Plans	130,000	Harbors and Watercraft Revolving Fund	This project is currently in preliminary plans with approval anticipated in summer 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.
Pfeiffer Big Sur SP: Low-Cost Alternative Coastal Lodging-Preliminary plans	Preliminary Plans	190,000	State Park Contingent Fund	This project is currently in preliminary plans with approval anticipated in fall 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.
Los Angeles SHP: Soil Remediation-Working drawings and construction	Working Drawings	37,000	California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	This project is currently in preliminary plans with approval anticipated in spring 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.
	Construction	3,328,000		
Old Sacramento SHP: Boiler Shop Renovation-Preliminary plans	Preliminary Plans	726,000	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	This project is currently in preliminary plans with approval anticipated in fall 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.
Topanga SP: Rehabilitate Trippet Ranch Parking Lot-Working drawings	Working Drawings	219,000	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	This project is currently in working drawings with proceed to construction bid approval anticipated in summer 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.
	Construction	3,202,000		
Lake Oroville SRA: Bidwell Canyon Gold Flat Campground-Preliminary plans	Preliminary Plans	176,000	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	This project is currently in preliminary plans with approval anticipated in spring 2019. As a contingency in case of delays, this reappropriation is requested so the project can proceed.

Staff Recommendation. Approve as requested.

Issue 10: Project Schedule Updates (SFL)

Governor's Proposal. An SFL requests to withdraw three capital outlay projects included in the Governor's Budget. These projects, listed below, are delayed and would not require the originally requested funding in 2019-20.

- Ocotillo Wells State Vehicle Recreation Area: Auto Shop Addition
- San Luis Reservoir State Recreation Area: San Luis Creek Ramp Replacement and Parking Improvements
- Pfeiffer Big Sur State Park: Low-Cost Alternative Coastal Lodging

Staff Recommendation. Approve as requested.

Issue 11: Local Park Projects: Extensions of Liquidation and Reappropriations
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Local Park Projects: Extensions of Liquidation. Requests have been made by various local entities for liquidation extensions of state funding they have received for individual park projects as follows:

Fund Source	Project Name	Grantee Name	Current Grant Balance	Liquidation Date Needed	Expected Completion
General Fund	California Museum	California Museum of History	\$1,038,640	June 30, 2020	Summer 2019
General Fund	Lodi Lake Park Erosion Control	City of Lodi	\$1,000,000	June 30, 2022	Early 2022
2006 Bond Act (Proposition 84)	Pacoima Wash Greenway – El Dorado Park	Mountains Recreation & Conservation Authority	\$1,030,980	June 30, 2021	Spring 2021
Proposition 84	Compton Creek – Washington Elementary Natural Park	Los Angeles Conservation Corps	\$989,301	June 30, 2021	Fall 2020
Proposition 84	Terasaki Budokan Recreation Center/Park	Little Tokyo Service Center	\$1,903,485	June 30, 2020	Early 2020
Proposition 84	Madison Avenue Park	Trust for Public Land	\$1,521,284	June 30, 2020	Early 2020
Proposition 84	South Victoria Avenue Park	Trust for Public Land	\$1,614,627	June 30, 2020	Fall 2019
Proposition 84	Albion Riverside Park	City of Los Angeles	\$2,843,375	June 30, 2020	Fall 2019
Proposition 84	Living Lab: Canyon Connection Park	Ocean Discovery Institute	\$827,626	June 30, 2020	Spring 2020
Proposition 84	Mud Town Farms	Watts Labor Community Action Committee	\$2,480,880	June 30, 2020	Fall 2019
Proposition 84	Taylor Mountain Regional Park and Open Space	County of Sonoma	\$150,000	June 30, 2020	Summer 2019
Proposition 84	Franklin/Ivar Park	Mountains Recreation & Conservation Authority	\$400,000	June 30, 2020	Spring 2020
Proposition 84	Hollister/Kellogg Park	City of Goleta	\$182,000	June 30, 2020	Fall 2019
Proposition 84	Richgrove Community Park	Richgrove Community Services District	\$567,842	June 30, 2020	Spring 2020
Proposition 84	Parlier City Park	City of Parlier	\$1,410,843	June 30, 2020	Summer 2019

Local Park Projects: Reappropriations. Requests have been made by various local entities for reappropriations. Projects that need an additional year for encumbrance/expenditure as follows:

Fund Source	Project Name	Grantee Name	Current Grant Balance	Encumbrance Date Needed	Expected Completion
2002 Bond Act (Proposition 40), Per Capita	Three Creeks Trail	City of San Jose	\$1,773,027	June 30, 2020	Spring 2020
Proposition 40, Roberti-Z/Berg Harris Block	Three Creeks Trail	City of San Jose	\$29,526	June 30, 2020	Spring 2020
Proposition 40, Urban Park Act of 2001	East Wilmington Greenbelt Park	City of Los Angeles	\$2,932,921	June 30, 2020	Fall 2019

Staff Recommendation. Approve as requested.

3855 SIERRA NEVADA CONSERVANCY (SNC)

Issue 12: Sierra Nevada Conservancy Fund Authority and Cash Flow Transfer (SFL)

Governor's Proposal. An SFL requests the following:

- Authority of \$180,000 and reimbursement authority of \$8.3 million for the Sierra Nevada Conservancy Fund (Conservancy Fund), and two positions.
- A reduction in its current reimbursement line item under the Environmental License Plate Fund (ELPF) from \$1.457 million to \$1,000 and a reduction of two positions, which functionally reflects a shift of reimbursement authority and positions from the ELPF to the Conservancy Fund.
- Initiation of a one-time cash transfer of \$1.45 million from ELPF to the Conservancy Fund, which is intended to enable SNC to cover the initial costs for projects that will ultimately be reimbursed by the grant-making entities. This would not change SNC's baseline budget under ELPF.
- Budget bill language (BBL) stating, "The funds appropriated in this item may be used for support or local assistance." This BBL is intended to enable the Conservancy Fund authority to be used for support or local assistance and give SNC the opportunity.

Background. When SNC was established in 2004. The Conservancy Fund was formally established in October 2018. SNC began receiving funding from different sources, including other state agencies and nonprofits, which were processed through SNC's ELPF reimbursement account. As shown in the table below, those reimbursement amounts started as relatively small amounts and increased quickly over the past three years largely due to additional grant funding from various entities.

Resource History
(Dollars in thousands)

Reimbursements	2014-15	2015-16	2016-17	2017-18	Projected 2018-19	Projected 2019-20
Total Received	\$5	\$1	\$88	\$314	\$3,300	\$8,300

These reimbursements currently flow through the SNC's Budget Act ELPF Item, which is SNC's main support item. Because of this, there have been instances in which the SNC was not able to easily accept funding from public and private sources due to the comingling of funds within the ELPF and timing considerations. Also, having the reimbursements flow through ELPF makes it challenging to track expenditures separately and creates additional administrative workload.

Using the Conservancy Fund for reimbursement contracts and grants from public and private sources is intended to ensure the expenditures tied to these agreements will be separate from those being charged directly to ELPF and allow the SNC to receive funding, such as grants, from other public and private sources while reducing administrative workload and avoiding delays.

The request for an additional \$1.45 million one-time cash transfer from ELPF to the Conservancy Fund is intended to alleviate any cash flow problems and assist the SNC to set up a separate reimbursement

account from its ELPF appropriation. This cash transfer would not affect SNC's baseline budget under ELPF.

Adding BBL is intended to enable the Conservancy Fund authority to be used for support or local assistance and give SNC the opportunity to accept reimbursable agreements and/or grants that include local assistance funding without any delay.

Staff Recommendation. Approve as requested.

3885 DELTA STEWARDSHIP COUNCIL (DSC)**Issue 13: Technical Proposal – Extension of Liquidation (SFL)**

Governor’s Proposal. An SFL requests an extension of liquidation to June 30, 2021, for \$1.1 million General Fund (approved as a part of the 2016 Budget Act) to review the Delta Plan and develop high-priority Delta Plan amendments, where necessary. These funds have been encumbered, but not expended due to the DSC's reprioritization of workload resulting from unanticipated covered action appellate proceedings.

Background. *The Delta Plan.* The Delta Reform Act of 2009 (Act) directed the DSC to draft a comprehensive, legally enforceable, long-term plan to guide state and local actions to further California’s coequal goals for the Delta. The plan, which was adopted in 2013, is required to be reviewed for potential updates at least every five years (Water Code Section 85300(c)).

In January 2016, a budget change proposal was submitted and approved in the amount of \$1.45 million for updates to the Delta Plan which included technical research for plan amendments; development or modification of regulatory policies and recommendation, development of necessary California Environmental Quality Act (CEQA) documentation and the development of Office of Administrative Law documentation to address changes to the Delta Plan.

These funds have been encumbered, but not expended due to the DSC's reprioritization of workload resulting from unanticipated covered action appellate proceedings. Given that the covered action process is one of self-certification by the project proponent, the DSC does not control when a project comes before the DSC, and therefore must accommodate a project, and any subsequent appeal, as necessary.

Staff Recommendation. Approve as requested.

3900 AIR RESOURCES BOARD (ARB)**Issue 14: Reappropriation (SFL)**

Governor's Proposal. An SFL requests that Item 3900-490 be added to reappropriate the unexpended balance in Item 3900-101-3228, Budget Act of 2017. This funding supports existing zero-emission off-road freight projects. Specifically the proposed language is as follows:

3900-490—Reappropriation, State Air Resources Board. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2020:

3228—Greenhouse Gas Reduction Fund

(1) Provision 2(c) of Item 3900-101-3228, Budget Act of 2017 (Chs. 14 and 22, Stats. 2017), as added by Chapter 254, Statutes of 2017.

Staff Recommendation. Approve as requested.

Issue 15: Extension of Liquidation (SFL)

Governor's Proposal. An SFL requests that Item 3900-491 be added to extend the period to liquidate encumbrances in Item 3900-101-3228, Budget Act of 2014 and Item 3900-101-3228, Budget Act of 2016 to June 30, 2022. This funding supports existing advanced technology freight demonstration projects. Specifically the proposed language is as follows:

3900-491—Reappropriation, State Air Resources Board. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2022.

3228—Greenhouse Gas Reduction Fund

(1) Item 3900-101-3228, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014)

(2) Up to \$7,200,000 pursuant to Provision 3 of Item 3900-101-3228, Budget Act of 2016 (Ch. 23, Stats. 2016), as added by Chapter 370, Statutes of 2016, as reappropriated.

Staff Recommendation. Approve as requested.

3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE)**Issue 16: Reappropriation (SFL)**

Governor's Proposal. An SFL requests that Item 3970-491 be added to reappropriate up to \$4.2 million and include an extended encumbrance and liquidation period. This funding was originally approved in the 2017 Budget Act and reappropriated in the 2018 Budget Act to implement the requirements for the closure and post-closure maintenance of the inactive Bonzi Landfill. Specifically the proposed language is as follows:

3970-491—Reappropriation, Department of Resources Recycling and Recovery. The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2021, and available for liquidation of encumbrance or expenditure until June 30, 2024:

0387—Integrated Waste Management Account, Integrated Waste Management Fund
(1) Up to \$4,200,000 appropriated in Item 3970-001-0387, Budget Act of 2017 (Chs. 14 and 22, Stats. 2017), as reappropriated by Item 3970-491, Budget Act of 2018 (Chs. 29 and 30, Stats. 2018) for the Bonzi Landfill Closure (1) 3700—Waste Reduction and Management

Staff Recommendation. Approve as requested.

3980 OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT (OEHHA)**Issue 17: Litigation Costs (Proposition 65) (SFL)**

Governor's Proposal. An SFL requests an increase of \$500,000 General Fund ongoing to pay for defense of civil lawsuits brought against OEHHA, primarily but not limited to its actions as lead agency for purposes of the Safe Drinking Water and Toxics Enforcement Act of 1986 (commonly referred as Proposition 65).

Background. OEHHA is designated as the lead state agency for implementation of Proposition 65. The Department of Justice (DOJ) defends OEHHA in civil lawsuits brought by third parties challenging its actions under Proposition 65. These actions include listing of chemicals known to the state to cause cancer or reproductive toxicity; developing, adopting and amending regulations; and providing compliance assistance for businesses including adopting regulatory "safe harbor" levels for chemicals on the Proposition 65 list.

DOJ has separate authority to enforce the requirements of Proposition 65 and has a budget for Proposition 65-related work. Historically, DOJ covered the costs of defending OEHHA with funds from this budget. However, in recent years the amount of time spent on OEHHA cases has far exceeded the 1,000 hours allocated for this purpose in the DOJ budget.

OEHHA recently completed a long and controversial regulatory process to update the regulations concerning businesses' responsibilities for providing warnings for chemicals listed under Proposition 65, which could generate some legal challenges. In addition, OEHHA was sued over a proposed regulation concerning warnings for coffee and related Public Records Act issues. Lastly, several high-profile chemical listings are anticipated in the next couple of years and will likely trigger additional litigation.

Staff Recommendation. Approve as requested.

ISSUES FOR DISCUSSION

0540	CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)
3125	CALIFORNIA TAHOE CONSERVANCY
3340	CALIFORNIA TAHOE CONSERVANCY
3480	DEPARTMENT OF CONSERVATION
3540	DEPARTMENT OF FORESTRY AND FIRE PROTECTION
3600	DEPARTMENT OF FISH AND WILDLIFE
3640	WILDLIFE CONSERVATION BOARD
3790	DEPARTMENT OF PARKS AND RECREATION
3870	SANTA MONICA MOUNTAINS CONSERVANCY
3825	SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAIN CONSERVANCY
3860	DEPARTMENT OF WATER RESOURCES
3875	SACRAMENTO-SAN JOAQUIN DELTA CONSERVANCY

Issue 18: Various Adjustments: Amendment to and Addition of Various Budget Bill Items and Reimbursements, Support, Local Assistance, and Capital Outlay (SFL)
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The following table reflects requests included as part of the Spring Finance Letter (SFL) entitled, “Amendment to and Addition of Various Budget Bill Items and Reimbursements, Support, Local Assistance, and Capital Outlay, Various Departments within the Natural Resources Agency.”

Department Name	Spring BCP Title	Amount (Dollars in Thousands)	Proposition /Fund	Reason
Natural Resources Agency	Various Bond Reappropriations	\$ -	Prop 40/6029	This reappropriation will enable the Natural Resources Agency to leverage unencumbered balances across various bond allocations. A number of programs have been delayed for various reasons including extended contracting processes. The reappropriations will provide additional time for these projects to be completed.
		\$ -	Prop 50/6031	
		\$ -	Prop 84/6051	
		\$ -	Prop 84/6051	
		\$ -	Prop 84/6051	
Natural Resources Agency	California River Recreation, Creek, and Waterway Improvements (Prop 68)	\$1,240	Prop 68/6088	<p>The applicable Prop 68 bond subsections allocate \$31 million to the Program, five percent of which may be used on program delivery. The Budget Act of 2018 includes \$28,750,000 in Prop 68 local assistance for the Program. Agency has determined that the full five percent for program delivery is not needed. Therefore, this proposal requests additional local assistance funding for grants. Funding will be spent as follows:</p> <ul style="list-style-type: none"> • \$120,000 Los Gatos Creek and Upper Guadalupe River • \$120,000 Russian River • \$200,000 Clear Lake • \$800,000 Los Angeles River in the City of Glendale <p>This request also reduces out years by \$493,000 to align authority with expenditures.</p>

Natural Resources Agency	Technical Adjustment - Joint Lake Tahoe Science and Water Quality Program Manager Net-Zero Position Shift	\$(99)	Environmental License Plate Fund - 0140 Reimbursements - 0995	The 2019-20 Governor's Budget proposed \$148,000 (\$99,000 in reimbursement authority and \$49,000 Lake Tahoe Science and Lake Improvement Account) for the California Tahoe Conservancy to support a dedicated position that would be shared between the Conservancy and the Natural Resources Agency to coordinate bi-state efforts to improve water quality in the Lake Tahoe Basin. This request will shift the authority for the position and associated funding from the Conservancy's Budget to the Natural Resources Agency's Budget to better reflect the state-level focus of the activities the position will undertake as well as the reporting relationship with the Secretary of the Natural Resources Agency. This position will continue to perform the same functions as outlined in the 2019-20 Joint Lake Tahoe Science and Water Quality Program Manager Position Budget Change Proposal, namely to support the efforts of the Tahoe Science Advisory Council and Bi-State Executive Committee and serve as the policy lead for water quality efforts in the Lake Tahoe Basin.
California Tahoe Conservancy		\$ -	Lake Tahoe Science and Lake Improvement Account - 1018	
Natural Resources Agency	Technical Adjustment - Digital Migration	\$ -	General Fund-0001	The Governor's Budget includes funding across various departments within and including Resources Agency for digitization of paper files. In order to increase efficiency, this net-zero technical adjustment shifts some funding from the departments to Resources Agency to reduce the number of Interagency Agreements needed to contract with the vendor, and increases Resources Agency's reimbursement authority for those departments where funding is not being shifted.
		\$ -	Environmental License Plate Fund - 0140	
		\$ 2,388	Reimbursements - 0995	
California Tahoe Conservancy	Reversion and New Appropriation – Multi benefit Ecosystem and Watershed Protection and Restoration Projects (Proposition 1)	\$ 1,039	Prop 1/6083	This request will revert and newly appropriate \$1 million in remaining Proposition 1 funding for local assistance grants for multi-benefit ecosystem and watershed protection and restoration projects in the Lake Tahoe Basin, consistent with statute and the purpose for which the funds were originally appropriated in 2015.
California Tahoe Conservancy	Proposition 68 Strategic Plan Implementation Spring Adjustments	\$ 1,098	Prop 68/6088	This request will provide additional funding to accelerate implementation of the California Tahoe Conservancy's Proposition 68 (Prop 68) programs, provide enhanced technical assistance to support its pending Prop 68 grant cycle, and facilitate increased alignment between its Prop 68 programs and recently-adopted strategic plan. This request involves (1) shifting \$782,000 in technical assistance funding proposed for fiscal years 2020-21 through 2023-24 to 2019-20 to accelerate these activities and (2) increasing funding for planning and monitoring and program delivery to support overall program implementation. To address the growing threats to the Lake Tahoe Basin, the Conservancy requests increased funding for Climate, Sustainable Communities, and Fire and Fuels Programs starting in 2019-20. The programs place an emphasis on climate change science, mitigation, and adaptation in response to state mandates and the Conservancy's strategic plan. Additionally, the funding will build capacity to undertake Prop 68 activities, including planning and technical assistance activities related to greenhouse gas inventories, visitation scenarios, watershed hydrosimulations, and fire and fuels projects.

California Conservation Corps	Technical Adjustment - Active Transportation Program Provisional Language	\$ -	Collins-Dugan California Conservation Corps Reimbursement Account - 0318	This request will extend the encumbrance and liquidation periods for \$4 million Collins-Dugan Reimbursement Account for active transportation projects by one year, from June 30, 2024 to June 30, 2025, to align with the corresponding Department of Transportation item (Item 2660-108-3290), which has encumbrance and liquidation availability until June 30, 2025.
Department of Conservation	Division of Land Resource Protection: Propositions 40 and 84 Appropriations	\$ 180	Prop 84/6051	This request will provide \$180,000 to support agricultural land preservation. These funds were originally appropriated for this purpose in fiscal year 2016-17. This amount represents the unencumbered balance that is scheduled to revert as of June 30, 2019.
		\$ 1,142	Prop 40/6029	This request will provide \$1,142,000 to support agricultural land preservation. These funds were originally appropriated for this purpose in fiscal year 2016-17. This amount represents the unencumbered balance that is scheduled to revert as of June 30, 2019.
Department of Forestry and Fire Protection	Technical Adjustment - SB 901 Prescribed Fire Crew Program Realignment	\$ -	Greenhouse Gas Reduction Fund - 3228	This request will correct a technical coding error by shifting the \$35 million Greenhouse Gas Reduction Fund proposed for the Department of Forestry and Fire Protection to support the operation of prescribed fire crews pursuant to Chapter 626, Statutes of 2018 (SB 901) from the Fire Protection Program to the Resources Management Program.
Department of Forestry and Fire Protection	Technical Adjustment - Deferred Maintenance Provisional Language	\$ -	General Fund - 0001	This request will add budget bill language to extend the encumbrance period for \$6 million proposed in the 2019-20 Governor's Budget for deferred maintenance projects until June 30, 2022, consistent with language included for other departments requesting one-time funding for deferred maintenance in 2019-20.
Department of Fish and Wildlife	Extension of Liquidation - Various Items, ENY 2016	\$ -	General Fund - 0001	The Department of Fish and Wildlife (Department) requests to extend the liquidation period of its fiscal year 2016-17 support items for Funds 0001, 0200, 0320, and 3103 to enable the Department to accurately allocate fiscal year 2016-17 expenditures to the appropriate funds
		\$ -	Fish and Game Preservation Fund - 0200	
		\$ -	Oil Spill Prevention and Administration Fund - 0320	
		\$ -	Hatchery and Inland Fisheries Fund - 3103	

Department of Fish and Wildlife	Reversion and New Appropriation - Bay Delta and Coastal Fisheries Restoration Projects	\$ 9,211	Prop 84/6051	This reversion of \$9,211,000 is associated with the fiscal year 2016-17 appropriation of Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) funding. The Department received \$11,924,000 of which the balance will not revert until June 30, 2020. The appropriation will enable the Department to continue supporting the Ecosystem Restoration Program and Bay-Delta Natural Community Conservation Plan.
Wildlife Conservation Board	Reappropriation - General Fund Local Assistance Item, ENY 2018	\$ 10,000	General Fund - 0001	This reappropriation is necessary because the amount of time is not sufficient to negotiate the purchase price, contracting for due diligence including appraisal review services required for a property of its size and complexity, or to obtain Wildlife Conservation Board (WCB) approval and enter all parties into the necessary grant agreements. Reappropriation will allow WCB to fully develop and execute the specified acquisition project.
Department of Parks and Recreation	Proposition 12 Statewide Bond Costs	\$ 52	Prop 12/0005	These funds will support continued statewide bond management activities for administration of Proposition 12.
Parks and Recreation	Reappropriation - Habitat Conservation Fund	\$ 815	Habitat Conservation Fund - 0262	This reappropriation will support continued projects for the benefit of deer, mountain lion, and other endangered species habitat.
Parks and Recreation	Reappropriation - Water Wastewater	\$ 2,478	State Parks and Recreation Fund - 0392	This reappropriation will continue supporting wastewater projects with continued construction administration and contracting costs. Disaster events throughout the state this past year have had a great impact on these project schedules; both direct for projects within the area and indirect due to resources being diverted to assist in these major events.
		\$ 5,780	State Parks and Recreation Fund - 0392	This reappropriation will continue supporting water wastewater projects in various stages of design and construction. Disaster events throughout the state this past year have had a great impact on these project schedules; both direct for projects within the area and indirect due to resources being diverted to assist in these major events.
Parks and Recreation	Reappropriation - 2017 Hazardous Mine Remediation	\$11,967	General Fund - 0001	This reappropriation will support continued remediation activities at Malakoff Diggins State Historic Park and Mount Diablo State Park.
Santa Monica Mountains Conservancy	Santa Monica Mountains Conservancy Fund	\$ 200	Santa Monica Mountains Conservancy Fund - 0941	These funds will make ongoing the authority provided to the Conservancy from the Santa Monica Mountains Conservancy Fund on a limited term basis the past three fiscal years.
Rivers and Mountains Conservancy	Extension of Liquidation, Reversion, and Appropriation - Propositions 1, 50, and 84	\$ 2,000	Prop 1/6083	These reversions, new appropriations, and extension of liquidation will true up remaining authority with updated point-in-time information while allowing the Conservancy to complete projects initiated under the original appropriation.
		\$ 130	Prop 50/6031	
		\$ 1,476	Prop 84/6051	
Department of Water Resources	Extension of Liquidation - Water Desalination Grant Program	\$ -	Prop 50/6031	This extension will cover contracts associated with the Water Desalination Grant Program established to provide grant assistance to local agencies and other entities for water desalination projects.
		\$ -	Prop 50/6031	This extension will cover contracts associated with the Water Desalination Grant Program established to provide grant assistance to local agencies and other entities for water desalination projects.

Department of Water Resources	Reappropriation - Desalination Grants	\$ -	Prop 1/6083	This reappropriation will support the Water Desalination Grant Program established to provide grant assistance to local agencies and other entities for water desalination projects.
Department of Water Resources	Extension of Liquidation - Water Use Efficiency Program	\$ -	Prop 50/6031	This extension will cover various existing Prop 50 grants.
Department of Water Resources	Reappropriation - Water Use Efficiency	\$ -	Prop 50/6031	This reappropriation allows for the completion of the Water Use Efficiency Technical Assistance and Science Program and the support of existing contracts related to advanced metering, water efficient landscapes, and agricultural flow measurements.
Department of Water Resources	Reappropriation - Safe Drinking Water Pilot Program	\$ -	Prop 50/6031	This reappropriation will support the Safe Drinking Water Pilot Program established to support water systems using new technology to remove contaminants from drinking water.
Department of Water Resources	Reversion - Safe Drinking Water Program Improvements	\$ (2,431)	Prop 50/6031	This reversion is needed to provide sufficient authority for a new Prop 50 appropriation for the Safe Drinking Water Improvement Program.
Department of Water Resources	Reappropriation - Riverine Stewardship Technical Assistance	\$ -	Prop 50/6031	This reappropriation will support the Riverine Stewardship Technical Assistance Program to provide technical and financial assistance in support of river and stream restoration, including habitat and wildlife improvements.
Department of Water Resources	Reversion - Riverine Stewardship Technical Assistance Program	\$ (174)	Prop 50/6031	This reversion is needed to provide sufficient authority for a new Prop 50 appropriation for the Riverine Stewardship Technical Assistance Program.
Department of Water Resources	Reappropriation - Merced River Floodwater for Groundwater Recharge Study	\$ -	Prop 68/6088	This reappropriation will support completion of the ongoing Merced River Basin Floodwater for Managed Aquifer Recharge (Flood-MAR) Reconnaissance Study.
Department of Water Resources	Reversion - Floodwater for Groundwater Recharge	\$ (232)	Prop 50/6031	This reversion is needed to allow for future appropriations and better align authority with the anticipated schedule for expenditures to support implementation of the Floodwater for Managed Aquifer Recharge (Flood-MAR) projects that facilitate groundwater management and storage.
		\$ (17)	Prop 50/6031	This reversion is needed to allow for future appropriations and better align authority with the anticipated schedule for expenditures to support implementation of the Floodwater for Managed Aquifer Recharge (Flood-MAR) projects that facilitate groundwater management and storage.
		\$ (730)	Prop 50/6031	This reversion is needed to allow for future appropriations and better align authority with the anticipated schedule for expenditures to support implementation of the Floodwater for Managed Aquifer Recharge (Flood-MAR) projects that facilitate groundwater management and storage.
		\$ (761)	Prop 50/6031	This reversion is needed to allow for future appropriations and better align authority with the anticipated schedule for expenditures to support implementation of the Floodwater for Managed Aquifer Recharge

				(Flood-MAR) projects that facilitate groundwater management and storage.
Department of Water Resources	Reversion - Bond Clean-Up	\$ (12)	Prop 68/6088	This reversion is needed to correct an over-allocation of the bond section.
Department of Water Resources	Extension of Liquidation - Integrated Regional Water Management	\$ -	Prop 84/6051	This extension is needed to cover existing contracts for grants previously awarded under the Integrated Regional Water Management Program.
		\$ -	Prop 84/6051	This extension is needed to cover existing contracts for grants previously awarded under the Integrated Regional Water Management Program.
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				previously awarded under the Integrated Regional Water Management Program.
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Department of Water Resources	Reappropriation - Tribal Engagement	\$ -	Prop 84/6051	This reappropriation will support continued efforts to engage with Tribal governments and Tribal communities, to build the institutional capacity needed for more effective participation of these historically underrepresented groups in integrated regional water management programs.
		\$ -	Prop 84/6051	This reappropriation will support continued efforts to engage with Tribal governments and Tribal communities, to build the institutional capacity needed for more effective participation of these historically underrepresented groups in integrated regional water management programs.
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		\$ -	Prop 84/6051	This reappropriation will support continued efforts to engage with Tribal governments and Tribal communities, to build the institutional capacity needed for more effective participation of these historically underrepresented groups in integrated regional water management programs.
Department of Water Resources	Reappropriation - Integrated Regional Water Management	\$ -	Prop 84/6051	This reappropriation will support continued administration of the integrated regional water management grant program.
		\$ -	Prop 84/6051	This reappropriation will support continued administration of the integrated regional water management grant program.
		\$ -	Prop 84/6051	This reappropriation will support continued administration of the integrated regional water management grant program.
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		\$ -	Prop 84/6051	This reappropriation will support continued administration of the integrated regional water management grant program.
Department of Water Resources	Reversion - Flood Corridor and Flood Control Subventions Program	\$ -	Prop 84/6051	This reversion is needed to provide sufficient funds for a new Prop 84 appropriation for the Flood Corridor and Flood Control Subventions Program.
		\$ -	Prop 84/6051	This reversion is needed to provide sufficient funds for a new Prop 84 appropriation for the Flood Corridor and Flood Control Subventions Program.
Department of Water Resources	Reappropriation - Flood Corridor Program	\$ -	Prop 84/6051	This reappropriation is needed to support the Flood Corridor Program.
Department of Water Resources	Extension of Liquidation - Delta Levees Special Flood Control	\$ -	Prop 84/6051	This extension is needed to cover contracts for the Delta Levees Special Flood Control Projects.
Department of Water Resources	Reappropriation - Delta Levees Special Flood Control	\$ -	Prop 84/6051	This reappropriation is needed to continue work on the Delta Levees Special Flood Control Projects.
Department of	Reappropriation -	\$ -	Prop 84/6051	This reappropriation is needed to continue work on habitat restoration

Water Resources	Habitat Restoration			projects that were established to meet the Delta habitat mandates.
Department of Water Resources	Reappropriation - Dutch Slough Tidal Marsh Restoration	\$ -	Prop 84/6051	This reappropriation is needed to support the Dutch Slough Tidal Marsh Restoration Project to meet the Delta habitat improvement mandate.
Department of Water Resources	Extension of Liquidation - System Reoperation Program	\$ -	Prop 84/6051	This extension is needed to cover the System Reoperation Program contract for technical support to DWR staff to develop, refine, and conduct computer modeling studies to evaluate the feasibility of reoperation of reservoirs and the coordinated use of floodwater for managed aquifer recharge.
Department of Water Resources	Extension of Liquidation - Urban Streams Restoration Program	\$ -	Prop 13/6007	This extension will reimburse grantees under the Prop 13 Urban Streams Restoration Program for work completed under their grant agreements.
		\$ -	Prop 84/6051	This extension is needed to cover contracts associated with the Urban Streams Restoration Program.
Department of Water Resources	Reversion - Urban Streams Restoration Program	\$ (1,000)	Prop 84/6051	This reversion is needed to allow for future appropriations and better align authority with the anticipated schedule for expenditures to support the Urban Streams Restoration Program.
		\$ (0.3)	Prop 84/6051	This reversion is needed to allow for future appropriations and better align authority with the anticipated schedule for expenditures to support the Urban Streams Restoration Program.
		\$ (128)	Prop 84/6051	This reversion is needed to allow for future appropriations and better align authority with the anticipated schedule for expenditures to support the Urban Streams Restoration Program.
Department of Water Resources	Technical Adjustment - Prevent Over-Allocation of Funds	\$ (840)	Prop 84/6051	This technical adjustment is needed to reduce authority to avoid over-allocation of bond funds.
		\$ (14)	Prop 84/6051	This technical adjustment is needed to reduce authority to avoid over-allocation of bond funds.
		\$ (4)	Prop 84/6051	This technical adjustment is needed to reduce authority to avoid over-allocation of bond funds.
		\$ (22)	Prop 84/6051	This technical adjustment is needed to reduce authority to avoid over-allocation of bond funds.
Department of Water Resources	Extension of Liquidation - Water-Energy Grant Program	\$ -	Greenhouse Gas Reduction Fund - 3228	This extension will allow DWR to continue to pay grantees who previously received grant awards under the Water-Energy Grant Program.
Department of Water Resources	Reappropriation - Water-Energy Grant Program	\$ -	Greenhouse Gas Reduction Fund - 3228	This reappropriation will allow DWR to continue to manage, administer, and close existing grants, including processing and payment of grantee invoices.
Department of Water Resources	Reappropriation - San Joaquin River Water Quality Improvement Program	\$ -	Prop 84/6051	This reappropriation will support the San Joaquin River Water Quality Improvement Program established to implement projects that reduce or eliminate discharges of subsurface agricultural drainage water.
Department of Water Resources	Reappropriation - San Joaquin River Restoration Project	\$ -	Prop 1/6083	This reappropriation will support the San Joaquin River Restoration Program to implement the settlement and bring back salmon to the San Joaquin River.
		\$ -	Prop 1/6083	This reappropriation will support the San Joaquin River Restoration Program to implement the settlement and bring back salmon to the San Joaquin River.
Department of Water Resources	Reappropriation - Disadvantaged Community Project Grants	\$ -	Prop 1/6083	This reappropriation is needed to continue to provide funding that will directly benefit disadvantaged communities.
Department of	Reappropriation -	\$ -	Prop 1/6083	This reappropriation is needed to implement flood risk reduction projects

Water Resources	Coastal Water Flood Risk Reduction			that address current conditions and increased frequency and severity of extreme weather events.
Department of Water Resources	Reappropriation - Central Valley Tribal Program	\$ -	Prop 1/6083	This reappropriation is needed to allow staff to finalize proposal reviews, execute recommended grant agreements, and manage projects to completion.
		\$ -	Prop 1/6083	This reappropriation is needed to address known flood risks, which may include projects that contribute to voluntary agreements being developed by the Natural Resources Agency, the Department of Fish and Wildlife, and various stakeholders to address larger Bay-Delta water quality and ecosystem objectives.
Department of Water Resources	Reappropriation - Delta Systemwide Flood Risk Reduction	\$ -	Prop 1/6083	This reappropriation is needed for the Systemwide Flood Risk Reduction Program, which provides funding, direction, and oversight for repairing and improving flood management facilities at the system level.
		\$ -	Prop 1/6083	This reappropriation is needed for continued work on Systemwide Flood Risk Reduction. Funding has not yet been committed because ongoing contract negotiations have taken longer than anticipated.
Department of Water Resources	Reappropriation - Central Valley Systemwide Flood Risk Reduction	\$ -	Prop 1/6083	This reappropriation is needed for continued work on Systemwide Flood Risk Reduction.
Department of Water Resources	Reappropriation - Delta Levees Subventions	\$ -	Prop 1/6083	This reappropriation is needed to continue the work of the Delta Levees Maintenance Subventions Projects.
		\$ -	Prop 1/6083	This reappropriation is needed to continue the work of the Delta Levees Maintenance Subventions Planning and Monitoring.
		\$ -	Prop 1/6083	This reappropriation is needed to continue the work of the Delta Levees Maintenance Subventions Projects.
Department of Water Resources	Extension of Liquidation - Drought Emergency	\$ -	General Fund - 0001	This extension will support the Drought Emergency Program established to respond to California's drought emergency in compliance with previous executive orders.
Department of Water Resources	Extension of Liquidation - Drought Emergency	\$ -	General Fund - 0001	This extension will support the Drought Emergency Program established to respond to California's drought emergency in compliance with previous executive orders.
Department of Water Resources	Extension of Liquidation - Truckee River Operating Agreement	\$ -	General Fund - 0001	This extension will support the Truckee River Operating Agreement Implementation Program.
Department of Water Resources	Extension of Liquidation - Risk Notification	\$ -	General Fund - 0001	This extension is for the Sacramento River Flood Control System. Funding has not been expended due to ongoing contract negotiations.
Department of Water Resources	Extension of Liquidation - Floodplain Management Ordinances	\$ -	General Fund - 0001	This extension is for the development of model floodplain management ordinances for the Division of Flood Management.

Department of Water Resources	Extension of Liquidation - Sacramento River General Reevaluation Report	\$ -	General Fund - 0001	This extension will support the Sacramento River General Reevaluation Report study to evaluate the integrity of the Sacramento River Flood Control System.
Department of Water Resources	Extension of Liquidation - Sacramento River General Reevaluation Report - Outreach	\$ -	General Fund - 0001	This extension will support the Sacramento River General Reevaluation Report study to evaluate the integrity of the Sacramento River Flood Control System.
Department of Water Resources	Extension of Liquidation - Hydrology and Flood Operations Office Assessment and Reporting	\$ -	General Fund - 0001	This extension is needed to support Flood Forecasting. The funding has not been liquidated because the truck is on back order from the manufacturer.
Department of Water Resources	Extension of Liquidation - National Hydrography Dataset Stewardship	\$ -	General Fund - 0001	This extension will support the California National Hydrography Dataset program established to steward the United States Geological Survey's National Hydrography Dataset and Watershed Boundary Dataset for California.
Department of Water Resources	Extension of Liquidation - Yuba Feather Flood Protection Program	\$ -	Prop 13/6010	This extension is needed to allow the project to run to completion and allow time for proper final invoicing and closeout processes.
		\$ -	Prop 13/6010	This extension will support the Yuba Feather Flood Protection Program. The projects are complete and the remaining fund center balance is for retention.
Department of Water Resources	Extension of Liquidation - Hamilton City Flood and Restoration Project	\$ -	Prop 13/6015	This extension will support Phase 2B of the Hamilton City Flood Damage Reduction and Ecosystem Restoration Project.
Department of Water Resources	Reversion - Systemwide Flood Risk Reduction Program	\$ (10,000)	Prop 1/6083	This reversion is needed to provide sufficient authority to cover a new appropriation for Systemwide projects.
Department of Water Resources	Technical Adjustment - Prevent Over-Allocation of Funds	\$ (1)	Prop 50/6031	This technical adjustment is needed to reduce authority to avoid over-allocation of bond funds.
		\$ -	Prop 50/6031	This technical adjustment is needed to reduce outyear authority to avoid over-allocation of bond funds.
		\$ -	Prop 84/6051	This technical adjustment is needed to reduce outyear authority to avoid over-allocation of bond funds.
		\$ -	Prop 84/6051	This technical adjustment is needed to reduce outyear authority to avoid over-allocation of bond funds.
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		\$ -	Prop 84/6051	This technical adjustment is needed to reduce outyear authority to avoid over-allocation of bond funds.

		\$ -	Prop 84/6051	This technical adjustment is needed to reduce outyear authority to avoid over-allocation of bond funds.
		\$ -	Prop 1/6083	This technical adjustment is needed to reduce outyear authority to avoid over-allocation of bond funds.
		\$ -	Prop 1/6083	This technical adjustment is needed to reduce out year authority to avoid over-allocation of bond funds.
		\$ -	Prop 1/6083	This technical adjustment is needed to reduce out year authority to avoid over-allocation of bond funds.
Department of Water Resources	Technical Adjustment - Control Section Adjustments	\$ (12)	Prop 68/6088	This technical adjustment is needed to reduce authority to avoid over-allocation of bond funding in light of control section adjustments.
		\$ -	Prop 68/6088	This technical adjustment is needed to reduce authority to avoid over-allocation of bond funding in light of control section adjustments.
SSJDC	Reversion - Proposition 1	\$ -	Prop 1/6083	This request includes reversions of the unencumbered balance of the 2017-2018 appropriations to better align authority with anticipated expenditures based upon current information.
		\$ -		
SSJDC	Reappropriation - Office Expansion	\$ -	Environmental License Plate Fund - 0140	This reappropriation is needed to support a contract for office space expansion.

Staff Recommendation. Hold open.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CALFIRE)**Issue 19: Ishi Conservation Camp – Replace Kitchen (SFL)**

Governor’s Proposal. An SFL requests a supplemental appropriation in the amount of \$5.328 million General Fund one-time for the construction phase of this continuing project to replace the kitchen/dining facility at the existing, state-owned Ishi Conservation Camp (Camp), located in Tehama County. The kitchen/dining structure at the Camp was destroyed by fire on July 20, 2017.

The requested supplemental appropriation is for an augmented scope of work is needed to facilitate a scope change to provide for increased fire water storage and plumbing for this institutional kitchen/dining hall, account for additional cost escalation increases, and cover additional costs related to project execution.

Estimated total project cost is \$11.474 million.

Background. *Ishi Conservation Camp.* Ishi Conservation Camp (Camp) is a year-round 110-person camp located on 80 acres of state-owned land in eastern Tehama County. Constructed in 1959, the Camp operates 24 hours a day, 365 days a year. The Camp provides Fire Crews for protection of over 850,000 acres of CalFire State Responsible Areas (SRA).

The kitchen/dining structure at the Camp was destroyed by fire on July 20, 2017. The structure was deemed a complete loss by CalFire engineers and demolished on August 9, 2017.

The Camp has been using a mobile kitchen unit, with initial daily operating costs of \$16,000. Operating costs were later reduced to approximately \$2,000 per month as existing structures were modified, alleviating the need for rental tents and mobile scullery equipment. Currently, the Camp is unable to stage fire crews or support other incidents because the kitchen/dining facility has been destroyed.

It has been determined that the project is deficient over several categories and without the requested supplemental appropriation, will need to be canceled due to the inability to move the project forward.

An augmented scope of work is necessary due to the following:

1. New site electrical service/requirements, determined by load calculations for the new kitchen/equipment and requirements of the provider (PG&E).
2. Requirement of a larger, dedicated water tank (180,000 gallons) and fire pump. The project is designed under the 2016 California Building Code (CBC) and Part 9 of the California Fire Code (CFC), Section 903.2; this code analysis was conducted during the preliminary plan (PP) phase and requires the 180,000-gallon water tank and fire pump.
3. Additional site earthwork requirements due to a larger building footprint, access compliance, re-routed and relocated utilities, and storm drain revisions; additional earthwork to include, but not be limited to: grading, paving, concrete, irrigation, sanitary/storm sewer(s).
4. Additional oversight and fee costs.

The replacement kitchen/dining facility is intended to return the camp back to normal operations, reducing costs associated with the use of a mobile kitchen unit and allow CalFire to utilize the camp as a staging area during large incidents.

The project has completed the preliminary planning and working drawing phases. The supplemental appropriation is necessary to bid/award the project with the ability to replace the kitchen/dining facility in its entirety, to full-functionality in support of the camp.

The total original, estimated project cost was \$6.055 million, including preliminary plans (\$383,000), working drawings (\$383,000), and construction (\$5.289 million). The total revised, estimated project cost, including the requested supplemental appropriation to the C phase (\$5.328 million), is \$11.474 million.

LAO Comments. CalFire recently learned of a significant estimated construction cost increase of \$5.3 million, roughly doubling the estimated construction cost assumed in the January budget. The cost increase is the result of an expanded project scope to include a large water tank to be available in case of a fire in the conservation camp kitchen to be constructed.

However, because CalFire has just learned of this cost increase the department has not had sufficient time to consider cost reduction measures to mitigate the cost increase. For example, it is possible the size of the water tank needed could be reduced or other value engineering measures could be implemented to mitigate the cost increase.

LAO Recommendation. LAO recommends rejecting the spring finance letter increase for the Ishi Kitchen project and providing only the level of funding for this project identified in the January budget.

LAO also recommends adding provisional budget language to allow the Department of Finance, upon notification to the Joint Legislative Budget Committee, to increase the amount of funding for construction after the completion of efforts to mitigate the cost increase and an analysis of how the kitchen replacement project and associated water tank fit into larger plans to replace this facility.

Staff Comment. Last year, this subcommittee heard an SFL proposal requesting \$383,000 General Fund for the preliminary plans phase of this kitchen replacement project for the Ishi Conservation Camp and approved the request on April 26, 2018. The estimated total project cost at the time was \$6.146 million.

On March 14, 2019, this subcommittee heard the Governor's January budget proposal, "Ishi Conservation Camp: Replace Kitchen," a continuing project with a request for \$5.38 million General Fund for the construction phase to replace the kitchen/dining facility. That issue has been held open.

Staff Recommendation. Hold open.

Issue 20: San Mateo-Santa Cruz Unit Headquarters – Relocate Auto Shop (SFL)

Governor’s Proposal. An SFL requests a supplemental appropriation of \$7.343 million Public Buildings Construction Fund one-time for the construction phase of this continuing project to relocate an auto shop facility at CalFire’s San Mateo-Santa Cruz Unit Headquarters. This request is to address cost increases resulting from increased labor and material costs, as well as increased costs associated with the current condition in the construction service market in Santa Cruz County.

Background. This project will construct a five-bay automotive repair shop, appurtenances, and improvements off of Empire Grade Road in Ben Lomond, California; a shared site with a Department of Corrections and Rehabilitation Conservation Camp, and the CalFire San Mateo-Santa Cruz Unit Headquarters. The project replaces an obsolete, undersized, and deteriorated two-bay auto shop in Felton, California. In a separate project request, the Felton auto shop will be abated and demolished.

Lease Revenue Bond Funding in the amount of \$11.172 million (\$1.044 million preliminary plans, \$868,690 working drawings, and \$9.26 million for construction) was appropriated in the 2008- 2009 Budget. In 2008, the project was suspended, which significantly delayed the project. In 2015, a supplemental appropriation for \$962,750 was approved for construction, which increased the total project cost to \$12.135 million.

With the additional \$7.343 million included in this request for construction, total project costs are now estimated to be \$19.478 million.

The project was bid in February 2019, but the lowest bid was approximately 67 percent over the state's estimate of \$8.873 million; the lowest bid, out of four bids, being \$14.8 million. The state conducted further analysis as to why the bids were significantly higher than the state's estimate, and the issues included increased labor and material costs, as well as increased costs associated with the current conditions in the construction services market in Santa Cruz County.

LAO Comments. The budget request includes the increased cost to the contractor and an associated increase in “soft costs” for the project. While this explanation is reasonable, the LAO has overarching concerns about why the estimate was so far off from the bids. The LAO thinks asking oversight questions on the process for developing bids and the interaction between CalFire and DGS could hopefully lead to improvements to minimize this issue in the future.

Staff Recommendation. Hold open.

Issue 21: Wildfire Prevention and Recovery Legislative Package (SB 901) Spring Adjustments: Utility Wildfire Mitigation Program (SFL)

Governor's Proposal. An SFL requests \$816,000 Greenhouse Gas Reduction Fund (GGRF) and two positions starting in 2019-20, to meet the statutory requirements set forth by SB 901 (Dodd), Chapter 626, Statutes of 2018, related to the review of Utility Wildfire Mitigation Plans (WMPs), as recently clarified through a January 2019 Administrative Law Judge ruling, and support efforts to reduce the risks associated with the utility-caused wildfires.

The funding and positions requested in this proposal is in addition to the \$200 million GGRF proposed in the 2019-20 Budget for forest health and fire prevention activities consistent with SB 901 and builds on the resources requested in the 2019-20 Governor's Budget.

Background. *The 2018 Wildfire Legislative Package.* The Legislature approved several pieces of legislation in 2018 to address the increasingly severe wildfire seasons. The legislative package builds on the recent budget augmentations and enacts numerous policy changes such as establishing new programs and regulatory processes to improve forest health and support fire prevention activities. While there were numerous bills related to wildfires (and disaster response more broadly), there were five bills in the package for which the Administration has associated budget proposals for 2019-20.

Electric Utilities and Wildfire Mitigation Plans. Among other things, SB 901 contains provisions related to electric utilities, because utility infrastructure is a common source of wildfire ignition. First, the legislation establishes procedures for wildfire cost financing for investor owned utilities (IOUs) to apply for recovery of costs incurred as a result of catastrophic wildfires. Second, SB 901 adds additional required elements for wildfire mitigation plans prepared by IOUs and reviewed by the California Public Utilities Commission (CPUC), in consultation with CalFire. Specifically, IOUs must describe their future plans related to de-energizing portions of the electrical distribution system, managing vegetation along utility corridors, inspecting infrastructure, and any other steps they will take to modernize infrastructure and improve safety.

Staff Comments. The funding and positions requested in this proposal is in addition to the \$200 million GGRF proposed in the 2019-20 Budget for forest health and fire prevention activities consistent with SB 901 and builds on the resources requested in the 2019-20 Governor's Budget.

However, staff recommends holding this item open as conversations on the overall GGRF expenditure plan is still underway.

Staff Recommendation. Hold open.

3560 STATE LANDS COMMISSION (SLC)

Issue 22: Environmental Justice Program (SFL)

Governor's Proposal. An SFL requests \$345,000 (from various funds) ongoing and two positions ongoing to implement its recently adopted Environmental Justice Policy. These resources are intended to support and expand SLC's effort to institutionalize environmental justice considerations into its program planning, development, and implementation decisions.

The ongoing funding for this proposal would come from the following:

- California Environmental License Plate Fund: \$171,000
- Marine Invasive Species Control Fund: \$28,000
- Oil Spill Prevention and Administration Fund: \$126,000
- School Land Bank Fund: \$20,000

SLC requests funding to hire two dedicated staff (an EJ Coordinator and a support staff position), as well as \$75,000 in contract funding to conduct community meetings (including meeting space, staff travel, and interpretation and translation vendor contracts).

Workload Measure	CY	BY	BY+1	BY+2	BY+3	BY+4
Conduct meetings to discuss proposed projects or leases with affected communities; at least half will be "high-profile" and require additional services (transcription, video, etc.)	N/A	4-8 meetings	4-8 meetings	4-8 meetings	4-8 meetings	4-8 meetings
Translate public notices, support materials, and educational documents into the threshold language(s) of target communities	N/A	80-160 pages per year (~20 pages per meeting)	80-160 pages per year (~20 pages per meeting)	80-160 pages per year (~20 pages per meeting)	80-160 pages per year (~20 pages per meeting)	80-160 pages per year (~20 pages per meeting)
Conduct staff training and update annually to reflect changes to laws, policies, and best practices	1 (using final LG funding)	1	1	1	1	1

These funds are intended to be leveraged to establish an ongoing and productive dialogue with EJ communities and representatives statewide and to engage with those impacted by projects within SLC's jurisdiction.

Background. *Environmental Justice Issues.* Environmental justice issues and concerns intersect with SLC's work. Examples include surface leasing for industrial and commercial uses, regulatory oversight of marine oil terminals, access to public lands and resources, renewable energy siting and development, preventing aquatic invasive species introduction, climate change resiliency, sea-level rise preparedness and adaptation, the oversight of granted Public Trust lands including those underlying most major ports, and waterfront redevelopment. Through training about environmental justice and social equity, increased awareness, communication, and early and frequent engagement with marginalized and disadvantaged communities, SLC's work is intended to be more inclusive, transparent, and equitable.

In February 2017, then Lieutenant Governor (LG) and Commission Chair Gavin Newsom directed Commission staff to develop and implement a comprehensive EJ Policy. The LG's Office provided financial assistance during FY 2016-17 to be used for policy development, including listening sessions and other community outreach activities. SLC adopted the completed EJ Policy at its December 3, 2018 public meeting.

In order to develop a comprehensive program that addresses this direction, SLC requests two dedicated staff, an EJ Coordinator and a support staff position, as well as \$75,000 in contract funding to conduct community meetings. This contract funding is intended to allow SLC to host outreach meetings in the affected communities, translate meeting and educational documents, provide interpretive services, and even broadcast and transcribe higher-profile meetings that will draw more attention. In addition, SLC plans to conduct comprehensive training for all staff and update these materials regularly, based on new laws, regulations, and best practices. Ultimately, these funds are intended to be leveraged to establish an ongoing and productive dialogue with EJ communities and representatives statewide and to engage with those impacted by projects within SLC jurisdiction.

Staff Recommendation. Approve as requested.

Issue 23: Oil and Gas Decommissioning Litigation Costs (SFL)

Governor's Proposal. An SFL requests \$4 million General Fund one-time to fund unanticipated litigation costs associated with the Venoco LLC and Rincon Island oil and gas decommissioning projects.

The request also includes adding the following provision to Item 3560-001-0001:

3. Of the amount appropriated in this item, \$4,000,000 shall be available for external counsel costs related to Venoco, LLC and Greka Oil and Gas litigation. If costs related to the Venoco, LLC and Greka Oil and Gas litigation are less than \$4,000,000, the savings shall revert back to the General Fund. If costs related to the Venoco, LLC and Greka Oil and Gas litigation are more than \$4,000,000, the Department of Finance may augment this item by an amount sufficient to fund the difference. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee.

SLC was sued on October 16, 2018, by the Trustee associated with Venoco LLC bankruptcy case and is now facing unanticipated litigation costs. Because of the expected pace of litigation in the case of *Eugene Davis v. State Lands Commission* (Case No. 17-10828), SLC estimates costs of approximately \$3 million in FY 2019-20.

Additionally, SLC intends to commence new litigation to recover costs expended to decommission Rincon Island (to cost \$50 million, nominally) against the owners of the prior lessee. This litigation will require financial forensic expertise and counsel on finance and corporate structures to pierce the corporate veil. Costs to initiate and prepare expert witness for litigation are estimated at approximately \$1 million in FY 2019-20.

Background. Two Decommissioning Efforts. SLC is currently involved in two major decommissioning efforts, and both have recently evolved to include litigation and require outside resources for legal expertise. In both the Venoco LLC and the Rincon Island projects, SLC is incurring significant litigation costs, which fall outside of the costs associated with plug and abandonment work that were funded previously.

Venoco LLC. Venoco LLC was the lessee of state oil and gas leases PRC 3120, PRC 3242, and PRC 421. The leases produced oil and gas from Platform Holly in the Santa Barbara Channel that was treated for sales at an upland location on private lands, the Ellwood Onshore Facility (EOF). The EOF and Platform Holly were designed and built in the 1960's as one contiguous operation to produce and treat oil and gas laden with lethal concentrations of hydrogen sulfide. It was determined that the safe plugging of the platform's wells required the operation of the EOF. SLC and the liquidating trustee of the Venoco LLC bankruptcy estate have been in litigation since October 2018 over whether SLC's use of the EOF is a taking and whether Venoco LLC is owed compensation.

The case is important because it sets a precedent for how SLC will treat future oil and gas lessees who reject their decommissioning obligations. In this instance, SLC determined that compensating a lessee for using facilities connected and necessary to perform the obligations it ought to be doing is unacceptable.

The next phase of this case is to schedule mediation. Following the mediation, the expectation is that litigation will continue. SLC expects litigation costs of roughly \$3 million in 2019-20 based on current

invoicing and the expected pace of litigation in the case of *Eugene Davis v. State Lands Commission* (Case No. 17-10828).

Because of the specialty knowledge necessary to address the significant complexities associated with the litigation and because the complaint was filed in the US Bankruptcy Court for the District of Delaware, the Attorney General's Office cannot defend SLC. While SLC is seeking to get the case dismissed or moved back to California, until that time, litigation costs are estimated at approximately \$500,000 per month.

On March 28, 2019, the Department of Finance submitted to the Joint Legislative Budget Committee a letter regarding an unanticipated cost funding request from the State Lands Commission for \$3 million in the current year.

The SFL is intended to fund appellate work ask for the court to dismiss Venoco LLC's case in Delaware. It also funds the litigation and appellate work of expert outside counsel, with monthly costs of \$500,000 due to the rapid pace of litigation and need for speedy appeals to counter aggressive moves by Venoco's counsel and to prepare for mandatory mediation in Delaware. The ultimate desired outcome is dismissal of Venoco's matter. SLC reviews and manages the work and invoices produced by its outside counsel.

Rincon Island. Rincon Island Limited Partnership (RILP) was the lessee for state leases PRC 1466, PRC 410, and PRC 145. These leases consist of Rincon Island, located V2 mile off Mussel Shoals, Ventura County, and an onshore production area located approximately two miles down the coast. In August 2016 (one day before SLC was to consider terminating the leases), RILP declared bankruptcy. In December 2017, RILP acceded, and the leases were terminated.

RILP is insolvent, but its owners and former general partners (Greka Oil and Gas) share liability for \$50 million in costs that the state has and will spend to plug the 70 wells on the leases and decommission lease facilities. RILP's owner group is shielded by corporate structures designed to limit all liability and mask ownership.

SLC intends to pursue potentially responsible parties for contribution of funds or as a cost recovery action in an attempt to make the state whole for damages inflicted by RILP. Funding from this request is intended to hire financial forensic experts and experts on business/corporate structuring seek cost recoveries from responsible parties. SLC and the state lack the in-house expertise to effectively conduct the necessary research, analysis, and strategic planning to win a judgement against the RILP owner group and need to retain outside expertise. SLC intends to directly manage and review contracted work and invoicing to control costs and maintain accountability.

Because SLC has been sued by the successor to the Venoco estate, the Trustee Eugene Davis, SLC's only option is to litigate to protect itself. With respect to the Rincon litigation, the State of California has already earmarked over \$50 million from the General Fund and pursuing litigation against the general partner of the state's lessee for cost recovery is likely the only way that the state could be made whole.

Staff Recommendation. Approve as requested.

3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)**Issue 24: Service Based Budget Review (SFL)**

Governor's Proposal. An SFL requests \$2 million Environmental License Plate Fund one-time to fund the completion of the service-based budget (SBB) review, service-based budget tracking system, and final legislative report due January 15, 2021.

This project, which was initiated in 2018-19, is intended to institute a system that will: (1) better describe DFW's program activities to the Legislature and the public; (2) identify gaps in funding needs for programs compared to the mission-based level of service; (3) inform future budget proposals; and (4) develop a service based budgeting tool that will allow for budget planning and reporting to control agencies, the Legislature and the public.

Background. *DFW's Service Based Budget Review.* SB 854 (Committee on Budget and Fiscal Review), Chapter 51, Statutes of 2018, required DFW to contract with an independent entity to conduct a comprehensive SBB review, and the Budget Act of 2018 provided \$2 million for this project. In addition to contract funds, this appropriation included funding for DFW staff to participate and help implement SBB. SB 854 requires the SBB review to include an analysis of existing fund sources, program costs and how these align to meet statutory mandates. DFW entered into a contract with Deloitte, Inc. in November 2018. Toward the end of the contract negotiations, it became apparent that the 2018 Budget Act funding would be sufficient to complete the first of two phases of the SBB review and that additional funding would be needed in 2019-20 to complete the project.

The project began in earnest in January 2019; the current contract term carries through August 2019. The current contract is for \$1.5 million with the remaining \$500,000 to be used for the substantial DFW staff workload required to build task-level, foundational data and to begin building the information technology SBB tool. The first phase of the project will: (1) establish a project work plan; (2) build out a complete catalog of DFW tasks; (3) develop a stakeholder engagement plan to keep all parties informed of progress, including the Administration, the Legislature and the public; (3) compare existing resources to the level needed to fully carry out statutory mandates; and (4) provide for development of an information technology tool for future budget planning.

Additional funding is required in 2019-20 for the second phase of the SBB project, which will institutionalize the SBB tool for ongoing budgeting needs, provide training to staff on using the tool, continue stakeholder engagement and produce the required reporting to the Legislature. Similar to the first phase of the project, DFW anticipates the need for contract funds as well as resources for DFW staffing to complete the project. Without additional resources, the intent of the Legislature in passing SB 854 will not be fully realized. This project is intended to inform future budget proposals and strategic planning efforts.

Staff Recommendation. Approve as requested.

Issue 25: Dedicated Fish and Game Preservation Fund Realignment (SFL)

Governor's Proposal. An SFL requests to realign the Fish and Game Preservation Fund dedicated (FGPF-D) accounts and add \$150,000 from the Fish and Game Preservation Fund (FGPF), Native Species Conservation and Enhancement Account resulting in a \$2.248 million overall increase, to better align the FGPF-D account's expenditure authority with revenues, ensure the accounts remain structurally balanced, and provide resources to the DFW's Lands Visitor Pass Program.

Background. *Fish and Game Preservation Fund.* The FGPF was created in 1909. All money collected under the provisions of this Fish and Game Code 13000 et seq. and of any other law relating to the protection and preservation of birds, mammals, fish, reptiles or amphibian are credited to the FGPF.

The FGPF, Native Species Conservation and Enhancement Account was created in 1977 to permit separate accountability for the receipt and expenditure of moneys derived through donations from persons or organizations for the support of nongame and native plant species conservation and enhancement programs.

The FGPF-D comprises 29 accounts dedicated to specific revenue sources such as tag sales, application fees, donations, and violation fines. While the FGPF-D accounts have received realignments in the past, this request is intended to be a more thorough approach that will ensure the FGPF-D accounts remain structurally balanced.

Various FGPF-D accounts require realignment due to a number of factors that have affected revenues and expenditures. These adjustments will not shift authority from the non-dedicated Fish and Game Preservation Fund to increase FGPF-D. This realignment is strictly realigning authority within the dedicated accounts or reducing FGPF-D accounts expenditure authority to better align revenues and expenditures to ensure the accounts remain structurally balanced and maintain the stability of the FGPF-D in the future. The realignment allows programs where revenue is outpacing authority to utilize the additional authority to help achieve DFW's mission; however, it will also reduce the authority in accounts where the authority exceeds the revenue.

Staff Recommendation. Approve as requested.

Issue 26: Nutria Eradication and Control Program Reimbursement Grant Funding (SFL)

Governor's Proposal. An SFL requests \$9.384 million in reimbursement authority over three years for grants from the Sacramento-San Joaquin Delta Conservancy. The Proposition 1 grants provide supplemental funding to DFW's Nutria Eradication and Control Program to expand field operations and eradicate the highly invasive, semi-aquatic rodent from the state.

Background. Given the geographic scope, reproductive and dispersal potential of the nutria population, and inherent longevity of eradication efforts, the Department has determined a formal, dedicated program with long-term, stable funding is necessary to successfully eradicate nutria from the state. The 2019-20 Governor's Budget includes \$1.95 million in budget year and \$1.62 million ongoing to create the Nutria Eradication and Control Program (Program), which this subcommittee approved in early March, 2019.

However, since the initial funding requests were submitted, the scope of the issue has grown, including the resources needed to address it. In response to the need for expanded field operations and additional project components, DFW applied for grant funds from the Sacramento-San Joaquin Delta Conservancy's Proposition 1 grant program. The grants would augment the current funding proposed in the 2019-20 Governor's Budget and facilitate the expansion of field operations necessary for successful eradication.

The increased reimbursement authority is intended to allow DFW to implement the full-scale Program through the anticipated funding in the Governor's Budget and the reimbursable grant funding. Eradication of nutria will be achieved by implementing the five-phase eradication strategy: 1) Survey/delineate the population; 2) Knock-down systematic trapping of nutria; 3) Mop-up removal of remnant nutria; 4) Verification of site eradication; 5) Surveillance to ensure/declare successful eradication from the state. The grant funds will provide the dedicated field staff necessary for meeting the following objectives:

- Completing nutria surveys of all grid cells containing suitable, aquatic habitats of reasonable connectivity
- Releasing Judas nutria (sterilized, GPS-collared) and monitoring their movements for association with previously undetected nutria
- Continuing trapping within all cells with existing infestations and implement trapping in cells where new detections occur
- Deploying nutria scent-detection dog teams to conduct surveys in mop-up phase cells

Receipt of the grant funds and corresponding increase in reimbursement authority will facilitate the high-intensity response necessary to eradicate nutria from the state most efficiently, both in terms of time and overall costs. The more effective, efficient, and comprehensive the response is in the early stages of the infestation, the more rapidly progress can be made toward project milestones that will ultimately allow for tapering of the program size and annual costs.

Staff Recommendation. Approve as requested.

3720 CALIFORNIA COASTAL COMMISSION

Issue 27: Environmental Justice/Tribal Consultation Program (SFL)

Governor's Proposal. An SFL requests \$378,000 Environmental License Plate Fund ongoing and two permanent positions to implement the Coastal Commission's Environmental Justice (EJ)/Tribal Consultation Program.

Workload Measure	CY	BY	BY+1	BY+2	BY+3	BY+4
Conduct meetings; at least half will require additional services (transcription, video, etc).	N/A	4-8 meetings	4-8 meetings	4-8 meetings	4-8 meetings	4-8 meetings
Translation services including interpretation for Commission meetings, workshops and written materials (staff reports, public notices, etc.)	N/A	100 pages per year; 3 – 5 days interpretation services	100 pages per year; 3 – 5 days interpretation services	100 pages per year; 3 – 5 days interpretation services	100 pages per year; 3 – 5 days interpretation services	100 pages per year; 3 – 5 days interpretation services
Conduct staff trainings		1-2	1-2	1-2	1-2	1-2

These resources are intended to support and expand the Coastal Commission's efforts to institutionalize environmental justice considerations and tribal consultation practices in the Commission's planning and regulatory program. It is also intended to result in robust and inclusive public participation in the Commission's decision-making processes.

Background. *The Coastal Act.* The core program of the Coastal Commission includes both planning and regulatory functions required by the Coastal Act. The Coastal Act requires that new development in the coastal zone be permitted either by the Coastal Commission or a local government. All local governments in the coastal zone must prepare Local Coastal Programs (LCPs), which are commission-certified land use plans, zoning ordinances, and other implementing actions designed to implement the statewide policies of the Coastal Act. Once an LCP is certified, most permitting review and enforcement authority of the Coastal Commission are delegated to local governments.

Environmental Justice. AB 2616 (Burke), Chapter 578, Statutes of 2016, added a provision to the Coastal Act that authorizes the Coastal Commission to specifically consider environmental justice when making coastal development permit decisions. AB 2616 also requires one member of the Coastal Commission appointed by the Governor to work directly with communities that are disproportionately burdened by, and vulnerable to, high levels of pollution and EJ issues.

After passage of AB 2616, Coastal Commission staff began work on developing an EJ policy to provide guidance and clarity for commissioners, staff and the public on how the Coastal Commission would implement the AB 2616 provisions, including how environmental justice would be considered in coastal development permit decisions. Coastal Commission staff spent more than a year meeting with and listening to environmental justice stakeholders. The Coastal Commission adopted its EJ policy at the March 2019 meeting with the goal of integrating EJ and equity in its program and operations.

Tribal Consultation. The Coastal Commission developed a separate Tribal Consultation policy to strengthen the commission's relationship with Native American tribes and encourage outreach and

collaboration with tribes in the regulatory and planning program. The Coastal Commission adopted a Tribal Consultation Policy in August 2018, with the goal of improving communication and engagement with California Native American Tribes.

Workload. To date, the Coastal Commission has used existing staff members throughout the agency to work with the general public, EJ groups, and other key stakeholder to develop the Tribal Consultation Policy and the EJ Policy. These staff members took this work on in addition to their regular assignments and other ongoing planning, regulatory and legal work were given a lower priority while the Tribal and EJ Policy development work was underway.

The Coastal Commission states that with the recent adoption of the EJ Policy and Tribal Consultation policies, it is not feasible to carry out the workload generated to fully implement these policies and institutional updated practices within existing staff levels and resources. The agency contends that policy implementation requires ongoing outreach and communication with environmental justice groups, tribes and others; as well as require staff time dedicated to developing and carrying out the implementation actions laid out in the EJ and Tribal Consultation policies, including training of staff, Commissioners, and local governments.

Consequently, this SFL requests two dedicated staff to further develop and implement the Coastal Commission's EJ/Tribal Consultation Program plus additional operating expenses for contract services to conduct community meeting and support translation services.

Staff Recommendation. Approve as requested.

Issue 28: External Counsel Costs (SFL)

Governor's Proposal. An SFL requests \$200,000 General fund one-time for external counsel costs related to litigation over the Coastal Commission's provision of a defense and indemnification to commissioners in an underlying litigation related to ex parte communications.

The request also includes budget bill language (BBL), as follows:

Add the following provision to Item 3720-001-0001:

1. Of the amount appropriated in this item, \$200,000 shall be available for external counsel costs related to litigation over the Commission's provision of a defense and indemnification to current and former commissioners in underlying litigation. If external counsel costs related to the litigation are less than \$200,000, the savings shall revert back to the General Fund. If external counsel costs related to the litigation are more than \$200,000, the Department of Finance may augment this item by an amount sufficient to fund the difference. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee.

Background. In 2016, five legislative and gubernatorial appointed California Coastal Commissioners were found to have violated ex parte communication rules in the California Coastal Act primarily as a result of late disclosures of ex parte meetings.

The trial judge in the case imposed fines against the five legislative and gubernatorial appointed commissioners and awarded attorney fees and legal costs.

In October 2018, the Coastal Commission was sued over its provision of a defense and indemnification to the five commissioners in the underlying litigation associated with ex parte communication. The petitioner is primarily seeking to have a court determine that it was unlawful for the Coastal Commission to defend and indemnify the commissioners in the 2016 litigation, and it is seeking an order requiring the individual defendants to reimburse the state for the costs of their defense and indemnity. Petitioner is also seeking its attorneys' fees in this litigation.

The Coastal Commission has retained external counsel to provide a defense in this case, including but not limited to filing an answer to the October 2018 complaint, providing legal advice, serving and responding to discovery, and drafting briefs in defense of the Coastal Commission.

The Attorney General's Office authorized the Coastal Commission to engage outside counsel to defend it and the individual defendants in this case. The Coastal Commission has hired outside counsel and it is currently estimated that approximately \$200,000 will be needed in 2019-2020.

Staff Comment. On April 3, 2019, the Department of Finance submitted a notification to the Joint Legislative Budget Committee (JLBC) of unanticipated cost funding for the payment of attorney's fees of \$929,047 and interest costs of approximately \$74,324 in the judgment against five Coastal Commissioners, as well as the Coastal Commission's anticipated current year legal costs of \$200,000, totaling over \$1.203 million. At the time of this writing, the JLBC was still reviewing this notice.

Staff Recommendation. Approve as requested.

3760 STATE COASTAL CONSERVANCY (SCC)**Issue 29: Appropriation from Violation Remediation Account for Local Assistance (SFL)**

Governor's Proposal. An SFL requests an appropriation of \$2 million to SCC from the Violation Remediation Account to fund coastal resource enhancement and public access projects statewide. Funds would be appropriated for local assistance and capital outlay. Funds are requested to be available for encumbrance through June 30, 2022 and for expenditure through June 30, 2024.

Background. *Violations Remediation Account (VRA).* Penalties originating from settlements and judgments of Coastal Act violations resolved by the Coastal Commission are collected by the Commission and then transferred to SCC for deposit in the VRA. Funds from the VRA are held in the Coastal Conservancy Fund. VRA funds held in the Conservancy Fund must be appropriated in the Budget Act in order to be expended for the intended purposes. Upon appropriation by the Legislature in the annual Budget Act, funds from the VRA are used by the Conservancy to carry out provisions of the Coastal Act. The funds have been used for a variety of projects throughout coastal California including public access projects, access operations and maintenance, and coastal resource enhancement.

MOUs Specifying the Use of VRA Funds. In 1986, the Commission and SCC entered into a Memorandum of Understanding specifying the use of the VRA funds. In 2012, SCC and the Commission entered into an updated Memorandum of Understanding between the California Coastal Commission and SCC on the Use and Expenditure of Violation Remediation Account Funds for the same purposes.

The 2012 MOU modified the procedure for expenditure of VRA funds to clarify the priorities for expending funds. The first priority is to expend funds in locations in close proximity to the geographical location of the violation. When that is impractical, priority be to expend funds within the following priority: 1) the county of the violation location, 2) the region of the violation, 3) for agreed upon Commission and SCC special projects, and 4) for statewide programmatic purposes. In addition, the agreement allows for relatively small dollar amounts of settlements arising from a violation, to be applied to specific access and restoration projects and more general statewide programs designed to promote compliance with coastal development permits and to further principal goals of the Coastal Act, including Increasing public access to and along the coast, protecting sensitive habitats and preserving open space.

Staff Comments. There is currently a balance of over \$4 million available in the VRA. SCC closely coordinates with the California Coastal Commission to assure that the amounts proposed for appropriation for projects leave enough available in the account to pay support and administrative costs for both agencies. SCC is requesting an amount based on projects being considered for funding in consultation with the Commission. SCC has not received an appropriation from the VRA since fiscal year 2015-16.

Staff Recommendation. Approve as requested.

Issue 30: Proposition 68 Lower-Cost Coastal Accommodation Program (SFL)

Governor’s Proposal. An SFL requests \$5.35 million from Proposition 68 for implementation of SCC’s Lower-Cost Coastal Accommodation (LCCA) Program for grants and support. Funds are requested to be available for encumbrance through June 30, 2022, and for expenditure through June 30, 2024.

Background. *Coastal Act Requires State to Protect and, Where Feasible, Provide Lower Cost Accommodations Along the Coast.* The Coastal Act includes a provision requiring the state to protect, and, “where feasible,” provide lower cost visitor facilities, which can include overnight lodging. To implement this provision of the Coastal Act, SCC, along with the Coastal Commission (CCC) and the Department of Parks and Recreation (Parks) have worked to provide lower cost coastal accommodations.

SCC’s Efforts to Promote Lower Cost Accommodations Along the Coast. Over the past several decades, SCC has funded numerous hostel and campground projects. More than \$7 million in SCC funds have helped establish new hostels in the cities of Santa Cruz, Monterey, and Santa Monica, which today provide 330 beds. Additionally, SCC helped expand hostel facilities in Point Reyes National Seashore in Marin County, and is helping to do the same at Jughandle Farm and Nature Center in Mendocino County. SCC is also providing assistance to add cottages in Crystal Cove State Park in Orange County. In San Luis Obispo County, a new campground at Port San Luis Harbor with car camping, and walk-in and bike-in campsites is now in development because of SCC funding to design and permit the project.

AB 250 Created the Lower Cost Coastal Accommodations Program to Address Barriers to Coastal Access. AB 250 (Gonzalez Fletcher), Chapter 838, Statutes of 2017, created the Lower Cost Coastal Accommodations Program within the Coastal Conservancy to improve the availability of lower cost accommodations along the coast. AB 250 calls on SCC to work with CCC and Parks to develop and implement the Explore the Coast Overnight program to facilitate the improvement of existing and the development of new lower-cost coastal accommodations.

To accomplish these goals, SCC is required to prepare an assessment of lower-cost coastal accommodations to guide the establishment of the new Explore the Coast Overnight program. This assessment was released on March 19, 2019.

AB 250 requires SCC to undertake a broad range of activities to facilitate improvement of existing, and the development of new, lower-cost visitor accommodations within 1-1/2 miles of the coast throughout the state. This request would provide a portion of the available Prop 68 funds to SCC for implementation of AB 250.

Proposition 68 Provides Funding for Lower Cost Accommodation Grants. Proposition 68 provides \$30 million to SCC “to provide for lower cost coastal accommodation grants and project development to public agencies and nonprofit organizations.”

Staff Recommendation. Hold open.

Issue 31: Proposition 68 West Coyote Hills Conservancy Program (SFL)

Governor's Proposal. An SFL requests an appropriation of \$4.04 million from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) for local assistance and support pursuant to Chapter 10 of the Bond Act. The funds would be used to implement the Conservancy's West Coyote Hills Conservation Program. Funds are requested to be available for encumbrance through June 30, 2022 and for expenditure through June 30, 2024.

Background. *West Coyote Hills.* The West Coyote Hills area is located in the Coyote Creek watershed of Orange County and is currently owned by Pacific Coast Homes (PCH), a subsidiary of the Chevron Corporation. The area possesses unique natural and recreational resources that will continue to be threatened by ongoing development pressures without timely permanent protections. The property is adjacent to the 72-acre Robert E. Ward Nature Preserve.

Proposition 68 Provides Funds for a Conservation Program at West Coyote Hills. The primary purpose of the funding provided in Proposition 68 for West Coyote Hills is conservation of 510-acres of the property owned by PCH for purposes of providing public access and protecting and restoring natural habitats and connecting corridors. The acquisition of the Chevron property at West Coyote Hills would create new public open space and recreational opportunities in a park-poor community. Preservation of the West Coyote Hills as open space would also provide critical habitat for the endangered California Gnatcatcher, and several other state and federally listed rare, endangered, and sensitive species. Proposition 68 has \$4.8 million available for SCC for this purpose.

Staff Comments. The City of Fullerton has reached agreement with PCH for the acquisition of parts of the West Coyote Hills property that are currently planned for development. Approving these funds would enable conservation of 510 acres of the property owned by PCH for purposes of providing public access and protecting and restoring natural habitats and connecting corridors.

Staff Recommendation. Hold open.

Issue 32: State Operations Funding (SFL)

Governor's Proposal. An SFL requests \$400,000 from the Environmental License Plate Fund (ELPF) and \$1.099 million from the Water Quality, Supply, and Infrastructure Improvement Fund of 2014 (Proposition 1) for SCC's state operations budget.

Background. SCC's State Operations Budget. SCC's state operations budget has historically relied on the State Coastal Conservancy Fund, which is oversubscribed, shrinking, and unable to continue ongoing levels of support. In addition, SCC's support budget relies on bond funds that are limited and should not be used to pay for general administrative costs or for work that is not bond funded. Additional funding from ELPF is intended to help address these concerns.

Proposition 1 Funding. The requested Proposition 1 funding is intended to provide for state operations costs directly associated with Proposition 1 funded programs with associated local assistance funding already included in the Governor's Budget and active local assistance appropriations from prior fiscal years. This request is consistent with SCC's existing Proposition 1 rollout plan.

Environmental License Plate Fund (ELPF). The ELPF was established to provide funding to various environmental programs. The amount of funding available is dependent upon the number of certain specialty license plates sold and maintained in the state. The fund supports activities in more than 20 state departments, boards, conservancies, and commissions. In the past, the Administration had identified a structural deficit in ELPF.

In 2016-17, LAO estimated that the fund had an underlying structural deficit of about \$9 million annually. The deficit was primarily caused by: (a) slower-than-expected growth in revenues from the sales of personalized license plates since the early 2000s (and even some declines in more recent years) and (b) increases in expenditures in the mid-2010's due to rising employee compensation and administrative costs. However, last year, ELPF increased \$9.6 million in revenues, primarily due to the new black and yellow legacy plates. Last year, there are over 230,000 legacy plates on the road and if that stays constant or increases the fund will continue to see a higher level of revenue from annual renewals.

SCC has provided the following table which reflects the current year and budget year SCC's support budget.

Fund Source		FY 18/19	FY 19/20
0001	General Fund	\$ 550	\$ -
0005	Prop 12	\$ 756	\$ 756
0140	ELPF	\$ 1,808	\$ 2,248
0262	HCF	\$ 200	\$ 200
3228	GGRF	\$ 150	\$ -
0565	Coastal Conservancy Fund	\$ 755	\$ 736
0593	Coastal Access	\$ 150	\$ 150
0890	Federal Funds	\$ 588	\$ 612
6029	Prop 40	\$ 807	\$ 807
6031	Prop 50	\$ 560	\$ 560

6051	Prop 84	\$ 1,648	\$ 1,630
6083	Prop 1	\$ 2,184	\$ 1,557
6088	Prop 68	\$ 851	\$ 973
8047	Sea Otter Fund	\$ 13	\$ 13
0995	Incoming Grants	\$ 1,127	\$ 1,129
Totals		\$ 12,147	\$ 11,371

SCC states that most other state conservancies receive about half of their support budget from ELPF. While the overall budget of SCC has not gone up, the conservancy had some one-time appropriations from GGRF and General Fund and there has been a decrease in the federal funds reimbursements for support expenses. Also, SCC received an ongoing ELPF augmentation of \$1 million in the 2018-19 Budget.

The requested increase of \$400,000 ELPF is part of a long-term effort to provide the conservancy more stable funding and reduce its dependence on bond funds and the State Coastal Conservancy Fund.

Staff Recommendation. Approve as requested.

3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)**Issue 33: Community Engagement Pilot Programs (SFL)**

Governor's Proposal. An SFL requests \$519,000 State Parks Protection Fund annually for two years beginning 2019-20 and four positions to continue efforts of the Community Outreach and California Relevancy and History Pilot Programs.

Parks requests two Staff Services Analysts and two State Park Interpreter I's. These positions are intended to continue to develop, plan, and implement improvements to public interpretation through collaborative partnerships and maintain the outreach program to reach diverse and underserved communities.

Background. *Accessibility to State Parks.* The Parks Forward Commission, the California State Parks and Recreation Commission (Parks Commission), and the department leadership recognize the need to increase access and participation in the State Park System.

The Community Outreach Pilot program currently engages underserved and underrepresented communities from two of the largest urban population centers in the state: Candlestick Point State Recreation Area (SRA) in the Bay Area District and Los Angeles State Historic Park (SHP) in the Angeles District.

The California Relevancy and History Pilot program is collaborating with the University of California at El Presidio de Santa Barbara State Historic Park and California Citrus State Historic Park on interpretation and education within the State Park System.

The ultimate goal is to develop a program framework for integrating applied scholarship through partnerships with California's public higher education systems that can be utilized throughout the State Park System. Such programs could then be expanded to other historical and cultural programs, as well as to other academic programs customized for the needs of each park, region, or community across the state.

These pilot programs have established community liaisons who have developed ties with community-based organizations in "park-poor" high-density population areas to facilitate and coordinate greater interest and participation in Parks' programming and visitation. Additional funding is intended to continue these efforts. The funding would also be used to contemporize Parks' interpretation products, building upon pilot partnerships with the University of California to convey the history of California through the State Park system.

Staff Recommendation. Approve as requested.

Issue 34: Data Tickets Fund Shift (SFL)

Governor's Proposal. An SFL requests \$3 million State Parks and Recreation Fund ongoing and an ongoing decrease of \$1.925 million in support reimbursement authority starting in 2019-20 to support operating expenses associated with the parking citation processing and collection services contract from an appropriation rather than through reimbursements and a deduction of services costs from collected revenues.

This change in methodology is intended to result in a net zero impact to the fund through the resulting revenue increase from Parks receiving all parking citation revenues.

Background. *Parks Agreement with Data Ticket, Inc.* Parks entered into an agreement with Data Ticket, Inc., which provides all services required for processing of parking citations and the collection of parking citation penalties, as described in California Vehicle Code Section 40200 under the responsibilities of a Processing Agency.

The agreement consists of five components: (1) processing handwritten parking violations, (2) payment transaction services, (3) data management, (4) reports management, including interface with other state agencies and local jurisdictions, and (5) the introduction of handheld ticket writers and supporting management services.

Data Ticket, Inc. supports the management of all parking citation processing, such as: payment processing for cities, data tracking, analysis tools, inventory management, numerous reports, acting as a third agent on behalf of Parks, sending California surcharge payments directly to the county office, internet online services for cities and Parks, and support for statewide Parks field locations. The services accommodate current estimated transaction volumes, and are scalable to allow for changes in parking citations volume, locations, and inventory, as well as the proliferation of new technologies and devices.

This request is intended to facilitate a more streamlined process of collecting parking citation revenue while paying invoices to the contractor without negatively affecting current spending authority. The program will result in a one-to-one ratio in expenditures to revenue collected, thus this request is more of a technical change to processing.

Staff Recommendation. Approve as requested.

3810 SANTA MONICA MOUNTAINS CONSERVANCY**Issue 35: Increase of \$1.5 million in Reimbursement Authority to Accommodate a Grant from the Regional Forest and Fire Capacity Program (SFL)**

Governor's Proposal. An SFL requests \$1.5 million in increased reimbursement authority for the Santa Monica Mountains Conservancy to receive and award grants in accordance with the Regional Forest and Fire Capacity Program.

The majority of funding will be used to develop the regional forest and fire capacity program plan for the Santa Monica Mountains Conservancy Zone. This will involve coordination with the various entities within the Conservancy Zone that implement fire prevention projects to develop an overarching fire prevention program. Existing plans and programs developed by regional entities will be analyzed and included in the final program. The various project types will be determined through this process as well as methodology for prioritization. While most of this one-time funding will go toward the analysis/development of the program effort, once project types and prioritization methodologies are proposed, pilot projects will be selected. These projects could include activities such as fuel load mapping, dead/dying tree removal, and new fire recognition technology. The final program will also include methodology to track outcomes.

Background. *Regional Forest and Fire Capacity Program (RFFCP).* The purpose of RFFCP is to increase regional capacity to prioritize, develop, and implement projects that improve forest health and fire resilience, facilitate greenhouse gas emissions reductions, and increase carbon sequestration in forests throughout the state. Block grants will be utilized by recipients to support regional implementation of landscape-level forest health projects consistent with the California Forest Carbon Plan and Executive Order B-52-18.

The Natural Resources Agency and the Department of Conservation awarded \$20 million in block grants for local and regional projects to improve forest health and increase fire resiliency, and funded by Cap-and-Trade revenues through California Climate Investments.

Six regional block grants (including one to this conservancy) were awarded on a noncompetitive basis to support project implementation in the North Coast, Central Coast, Sierra Nevada, Klamath-Cascade, and Southern California Regions. In addition, two grants were awarded to assist in implementing statewide efforts.

Regional block grant recipients (including this conservancy) will oversee distribution of funding and collaborative planning with local entities including municipal and Tribal governments, nonprofit and community organizations, land trusts, Resource Conservation Districts, residents, private and public forest landowners and managers, businesses, and others to accomplish the program's objectives.

Staff Recommendation. Approve as requested.

3825 SAN GABRIEL AND LOWER LOS ANGELES RIVER AND MOUNTAINS CONSERVANCY**Issue 36: Position to Support Lower Los Angeles River Recreation and Park District Implementation (SFL)**

Governor’s Proposal. An SFL requests authority for one additional position for the next three years for the implementation of the Lower Los Angeles River Recreation and Park District as authorized by SB 1374 (Lara), Chapter 486, Statutes of 2016.

Background. *The Lower Los Angeles River Recreation and Park District.* SB 1374 authorized the creation of the Lower Los Angeles River Recreation and Park District by petition or resolution submitted to the Los Angeles County Local Agency Formation Commission (LAFCO) before January 1, 2021.

The San Gabriel and Lower Los Angeles River and Mountains Conservancy is providing support for the formation of this park district. Conservancy staff is providing background information and context of the unique needs of the Lower Los Angeles River and consultative support to filing a proposal with LAFCO, including meeting LAFCO's criteria for a funding plan. However, the Administration states that the tasks and responsibilities involved with the establishment of a new district would require an experienced employee dedicated to ensure the success and viability of such a district. Therefore, the Conservancy requests to establish a new full-time position, prior to the establishment of the formal recreation and park district.

Staff Comment. This request is for position authority only. The Budget Act of 2018 included \$19 million General Fund for RMC for the implementation of the Lower Los Angeles River Recreation and Park District. A portion of that funding will be used to support the requested position, which will oversee grants to local entities and assist in the creation of the Park District. RMC will abolish the position after three years once the district is established and the funding has been awarded. The ongoing cost of operating the newly created park district will be the responsibility of the local entities.

Staff Recommendation. Approve as requested.

3900 AIR RESOURCES BOARD (ARB)**Issue 37: Increased Litigation Costs (SFL)**

Governor's Proposal. An SFL requests an increase of \$1 million Air Pollution Control Fund (APCF) to reimburse the Attorney General's (AG's) Office for the defense of civil lawsuits brought against ARB and for the enforcement cases brought by ARB to address statutory and regulatory violations.

ARB expenditures to reimburse the AG's Office have increased significantly based on the recent and expected trajectory of monthly billings. Additional authority is required due to the increasing number of cases involving ARB, which are anticipated to continue due to the current and anticipated diesel enforcement cases now handled by the Natural Resources Section's Deputy Attorney General.

Background. *Air Pollution Control Fund (APCF).* The APCF is a depository for penalties and fees collected on vehicular and non- vehicular air pollution control sources. The penalty and fee money in the fund is available to ARB to carry out its duties and functions upon appropriation. Penalties deposited into the APCF are sufficient to cover this increase.

Pending Litigation with ARB as a Party. ARB is a party in many cases as a defendant, plaintiff, intervenor, or an amicus. These cases are in the following subject areas: greenhouse gas-related cases (16 cases pending), diesel and other pollutants-related cases (five cases pending), enforcement cases (three cases pending), and other miscellaneous cases (at least five cases pending).

\$1 Million Increase. According to ARB, there are two general reasons for the \$1 million increase: the type of selected enforcement cases and the anticipated increases in defense costs sparked by the expected federal rollback of the passenger vehicle standards this spring and summer are more appropriately handled by Natural Resources Deputy Attorney Generals (DAGs) rather than under Consumer Law DAGs.

Several lawsuits were filed already by ARB on federal car standards rollback, but the main charges will be connected with the upcoming federal trial court actions to address federal assertions of safety issues, preemption, and technological feasibility. Trial court actions are much more intensive (and thus expensive) due to discovery, witness preparation, and trial. In the last litigation with autos in 2005-07, ARB paid over \$6 million in one year when there were multiple trial cases. ARB envisions the trials for federal rulemaking to be about 60 percent of the requested increase and the shift to the Natural Resources lawyers to be about 40 percent of the requested increase. Over the last decade, the monies charged varied depending on whether cases were in trial or on the record. The AG Office billing rate is \$179 per hour. The \$1 million estimate is based on ARB's Chief Counsel's 20 years of experience in the AG's Office including the supervising the 2005-07 litigation, the number of experts already retained, the anticipated trial court cases, and the pending confidential enforcement matters.

Staff Recommendation. Approve as requested.

3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)**Issue 38: Argonaut Dam Phase II Stormwater Upgrade Project (SFL)**

Governor's Proposal. An SFL requests an increase of \$750,000 General Fund on a one-time basis to complete the design of a stormwater system upgrade project in the City of Jackson in Amador County. Once the design is complete, a request to fund the construction costs will be submitted.

Background. The Argonaut Mine is a registered California Landmark, operated from 1850 to 1942 as a hard rock gold mine. Argonaut Mining Company purchased the mine in 1893. The mine shaft drops nearly 5,500 feet underground and covers approximately 500 acres, making it one of the largest mines in the United States. The mine processed ore using a cyanide leaching method to separate the gold and disposed of the remaining ore tailings into the mine tailings site located within Jackson City limits.

The Argonaut Mine Tailings Site consists of three tailings dams (two earthen and one concrete) that contain contaminated tailings and spans 65 acres. Both earthen dams are located northwest at a higher elevation than the Eastwood Multiple Arch Dam, a concrete dam constructed in 1916. The Eastwood Dam contains an estimated 165,000 cubic yards of tailings and collects storm runoff from approximately 120 acres of property as well as runoff from the earthen dams. Stormwater flows through the City of Jackson's stormwater system to Jackson Creek and ultimately to Lake Amador.

In 2015, the US Environmental Protection Agency (US EPA) commissioned the US Army Corps of Engineers (Corps) to perform a dam safety evaluation that determined the dam to be structurally unstable. Another study modeled the water, mud, and debris flow if the dam failed, which estimated the economic impact of such an event to be \$100-\$120 million (in 2015 dollars).

At the request of the US EPA, DTSC completed the first phase of the dam retrofit with an augmentation of \$8 million included in the 2016-17 Budget Act. Work on the dam retrofit (Phase I) began in 2017 and was completed in December 2018. Due to the complexities involved in coordinating infrastructure construction off-site, the decision was made to incorporate the stormwater system upgrade to withstand a 200-year storm event into Phase II of the retrofit.

The Phase I Dam retrofit mitigates a dam failure, but poses a liability to the state from stormwater flood damage downstream due to under-designed city infrastructure. The Phase II Stormwater Upgrade project is intended to prevent downstream flooding in the City of Jackson by expanding the current capacity of the storm drains to meet current standards. Rain events greater than a 10-year storm will overwhelm the city's current system, causing flooding which could devastate State Highway 49/88 and the city. The upgrade is intended to provide safe conveyance of stormwater from the Argonaut Mine to the north fork of Jackson Creek, preventing flooding of two main state highways and the downtown commercial district. The SFL states that this upgrade is critical to prevent liability to the state for damages resulting from stormwater discharges exceeding the city's capacity.

Staff Recommendation. Approve as requested.

8570 CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)**Issue 39: Greenhouse Gas Reduction Fund (GGRF) Reappropriation (SFL)**

Governor's Proposal. An SFL requests that Item 8570-490 be added to extend the allocation and liquidation periods of funding for Climate Smart Agricultural programs in CDFA's 2016 Budget Act GGRF appropriation. The liquidation period for this funding expires on June 30, 2020. The need for a reappropriation is due to project delays and cancellations, and the reappropriated funding will be allocated to new project applications received in fiscal year 2019-20.

8570-490—Reappropriation, Department of Food and Agriculture. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2020, and liquidation until June 30, 2022:

3228—Greenhouse Gas Reduction Fund

(1) Item 8570-101-3228, Budget Act of 2016 (Ch. 23, Stats. 2016) as added by Chapter 370 of the Statutes of 2016, and as reappropriated by Item 8570-490, Budget Act of 2018 (Chs. 29 and 30, Stats. of 2018).

Background. According to the Department of Finance, several project contracts were terminated or cancelled in 2018-19 as a result of numerous project and contractual issues.

For example, in August 2018 a \$3 million Dairy Digester Research and Development Program (DDRDP) project awarded in 2016-17 was terminated as a result of failure to comply with CDFA grant term agreements and reporting requirements. The funds could not be reallocated to another DDRDP project, as normally performed by CDFA, since the award recipient was engaged in a legal appeal and procedures regarding the termination notice with CDFA.

In 2018, an Alternative Manure Management Program (AMMP) award recipient who received \$346,634 requested CDFA to terminate the project citing limited resources to fully implement the project.

Approximately 14 Healthy Soils Program (HSP) projects were cancelled in 2018-19. Since HSP projects have a three-year implementation period, funds from terminated projects could not be reappropriated to new projects due to the encumbrance and liquidation deadlines. Because the new program needed time to develop programmatic requirements and quantification methodologies, the 2016-17 funds could not be released until the second year.

Several HSP projects also requested termination by the recipients citing higher than expected management practice costs of compost soil amendments. CDFA has addressed the management practice costs for compost in HSP's \$15 million solicitation in December 2018.

In total, 17 projects were terminated by CDFA without enough time to reallocate funding to another project; two DDRDP, one AMMP and 14 HSP projects. Reappropriation of the unencumbered GGRF balance is intended to allow CDFA to continue to fund its Climate Smart Agriculture programs.

Staff Recommendation. Approve as requested.