

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



REVISED

(Issue #16)

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State Capitol - Room 112

Consultants: Joanne Roy and James Hacker

Issue

Department

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VOTE-ONLY CALENDAR

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)

Issue 1: Proposition 68 Implementation (Governor's Budget (GB))

Governor's Proposal. The Governor's budget proposes \$1 billion and 15.5 new position across multiple departments to continue development and implementation of Proposition 68 bond programs. The chart below lists funding amounts requested by department and bond subsection.

*Dollar Amounts in Thousands.

Category	Bond Section	Agency	Program	Bond Allocation	2018-19 Budget	2019-20 Proposed
Parks Improvements	80050	State Parks	Safe Neighborhood Parks in accordance with the Statewide Park Development and Community Revitalization Act of 2008 - Competitive Grants	\$725,000	\$277,379	\$2,416
	80061(a)	State Parks	Local Park Rehabilitation, Creation, and Improvement Grants	\$200,000	\$185,671	\$667
			-- Per Capita Grants			
	80061(b)	State Parks	Parks in Urban Areas (jurisdictions 200,000 or less in population)	\$15,000	\$18	\$13,925
	80065	State Parks	Regional Parks -- Competitive Grants	\$30,000	\$30	\$83
	80066	State Parks	Local or Regional Park Infrastructure for local agencies with revenue enhancement measures - Proportional Grants	\$40,000	\$293	\$37,133
			Restoration and	\$80,000	\$2,100	\$132
	80070	State Parks	Preservation of Existing Parks			
	80072	State Parks	Enterprise Projects	\$10,000	\$0	\$4,000
	80073(a)	State Parks	Grants to Local Agencies for Aging Infrastructure in the State Park System	\$5,000	\$6	\$17
	80074	Dept. of Food and Agriculture	Facility Improvements to county fairs and district agricultural associations	\$18,000	\$3,559	\$7,047
	80075	State Parks	Lower Cost Coastal Accommodations	\$30,000	\$0	\$0
	80076	State Parks	State Park System Natural Resource Values	\$25,000	\$16,935	\$30
	80077	State Parks	Deferred Maintenance	\$50,000	\$150	\$11,650
			Regional Allocations (\$10 million each: Central Valley, Central			

	80080(a)	Natural Resources Agency	Coast, East Bay, Imperial County and Coachella Valley, Inland Empire)			
			Trails and Greenway Investments - Competitive Grants	\$30,000	\$117	\$27,888
			Parks in non-urbanized areas in accordance with the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Act -- Competitive Grants	\$25,000	\$30	\$83
	80090(a)	State Parks				
			Subtotal	\$1,283,000	\$486,288	\$105,071
Climate Adaptation & Ecosystem Restoration	80100(a)(1)(A)	Santa Monica Mountains Conservancy	Protect or Enhance the Los Angeles River watershed and its tributaries	\$37,500	\$8,675	\$8,675
	80100(a)(1)(B)	Rivers and Mountains Conservancy	Protect or Enhance the Los Angeles River watershed and its tributaries	\$37,500	\$8,675	\$5,792
	80100(a)(2)	State Coastal Conservancy	Santa Ana River Conservancy Program	\$16,000	\$0	\$0
	80100(a)(3)	Wildlife Conservation Board	Lower American River Conservancy Program	\$10,000	\$2,037	\$7,281
	80100(a)(4), (5), (7), (10)	Natural Resources Agency	California River Recreation, Creek, and Waterway Improvements (Los Gatos Creek/Guadalupe River/\$3,000; Russian River/\$3,000; Clear Lake/\$ 5,000, Los Angeles River in Glendale/ \$20,000)	\$31,000	\$28,840	\$120
	80100(a)(6)	State Coastal Conservancy	River Parkway Projects along the Santa Margarita River	\$10,000	\$9,750	\$0
	80100(a)(8)	Natural Resources Agency	California River Parkways Program - Competitive Grants	\$10,000	\$9,395	\$120
	80010(a)(9)	Department of Water Resources	Urban Streams Restoration Program - Competitive Grants	\$10,000	\$537	\$7,906
	80110(a)	Natural Resources Agency	Salton Sea Authority: Management Program Implementation (New River Water Quality, Public Health, River Parkway/\$10,000)	\$30,000	\$0	\$0

	80110(b)(1)	Baldwin Hills Conservancy	Conservancy Specified Purposes	\$6,000	\$1,235	\$1,284
	80110(b)(2)	California Tahoe Conservancy	Conservancy Specified Purposes	\$27,000	\$3,200	\$6,181
	80110(b)(3)	Coachella Valley Mountains Conservancy	Conservancy Specified Purposes	\$7,000	\$0	\$2,000
	80110(b)(4)	Sacramento-San Joaquin Delta Conservancy	Conservancy Specified Purposes	\$12,000	\$1,056	\$9,291
	80110(b)(5)	San Diego River Conservancy	Conservancy Specified Purposes	\$12,000	\$50	\$2,100
	80110(b)(6)	Rivers and Mountains Conservancy	Conservancy Specified Purposes	\$30,000	\$0	\$6,602
	80110(b)(7)	San Joaquin River Conservancy	Conservancy Specified Purposes	\$6,000	\$0	\$0
	80110(b)(8)	Santa Monica Mountains Conservancy	Conservancy Specified Purposes	\$30,000	\$25,300	\$300
	80110(b)(9)	Sierra Nevada Conservancy	Conservancy Specified Purposes	\$30,000	\$13,017	\$275
	80110(b)(10)	State Coastal Conservancy	San Francisco Bay Restoration	\$20,000	\$19,500	\$0
	80110(c)	Wildlife Conservation Board	Specified Purposes + Regional Conservation Investment Strategies/\$5,000; NCCP Implementation/\$52,000; UC Natural Reserve System/\$10,000	\$137,000	\$39,515	\$65,400
	80114	Natural Resources Agency	Voluntary Agreements	\$200,000	\$0	\$70,000
	80115	Department of Fish and Wildlife	Capital Improvements for DFW Deferred Maintenance	\$50,000	\$0	\$10,000

	80116	Natural Resources Agency	Salton Sea Management Program Restoration Activities	\$170,000	\$30,000	\$0
	80120(a)	Ocean Protection Council	Marine Wildlife and Healthy Ocean and Coastal Ecosystems	\$35,000	\$10,142	\$142
	80120(b)	State Coastal Conservancy	Lower Cost Coastal Accommodation Grants and Project Development	\$30,000	\$0	\$0
	80120(c)	State Coastal Conservancy	Beaches, Bays, Wetlands, and Coastal Watersheds	\$63,750	\$0	\$0
	80120(d)	State Coastal Conservancy	San Francisco Bay Area Conservancy	\$21,250	\$3,010	\$3,128
	80120(e)	State Coastal Conservancy	Coastal Forest Watersheds	\$20,000	\$19,500	\$0
	80120(f)	State Coastal Conservancy	Estuarine Lagoons and Designated Wildlife Areas	\$5,000	\$0	\$1,525
	80132(a)	Wildlife Conservation Board	Direct Expenditures and Grants Pursuant to Wildlife Conservation Law of 1947 - Competitive Grants	\$18,000	\$10,000	\$6,706
	80132(c)	Wildlife Conservation Board	Pacific Flyway Habitat Protection and Restoration	\$20,000	\$75	\$10,062
	80132(c)	Department of Fish and Wildlife	California Waterfowl Habitat Program	\$10,000	\$0	\$975
	80132(d)	Department of Fish and Wildlife	Habitat Restoration and Protection - Competitive Grants	\$25,000	\$4,875	\$462
	80132(e)(1)	Wildlife Conservation Board	Wildlife or Fish Passage - Competitive Grants	\$30,000	\$10,113	\$15,093
	80132(e)(2)	Department of Fish and Wildlife	Southern California Steelhead Habitat - Competitive Grants	\$30,000	\$9,379	\$886
	80132(f)	Wildlife Conservation Board	Sierra Nevada and Cascade Mountains - Competitive Grants	\$60,000	\$10,113	\$30,186
	80132(g)	Department of Fish and Wildlife	Improve Conditions for Fish and Wildlife - Competitive Grants	\$30,000	\$9,380	\$887
	80133(a)	Ocean Protection Council	Projects that Assist Coastal Communities	\$21,200	\$10,142	\$142

	80133(b)	State Coastal Conservancy	San Francisco Bay Area Conservancy Program	\$14,000	\$1,983	\$2,223
	80133(c)	State Coastal Conservancy	West Coyote Hills	\$4,800	\$0	\$0
	80134(b)	Department of Food and Agriculture	Farm and Ranch Management Practices	\$10,000	\$9,052	\$448
	80134(c)(1)	Department of Conservation	Working Lands and Riparian Corridors	\$20,000	\$2,195	\$15,200
	80135(a)	CAL FIRE	Forest Management Practices	\$10,000	\$0	\$8,872
	80135(b)	CAL FIRE	Urban Forestry Program	\$15,000	\$14,625	\$0
	80135(c)	Sierra Nevada Conservancy	Sierra Nevada Watershed Improvement Program	\$25,000	\$23,328	\$225
	80136, ref 1	California Conservation Corps	CCC Restoration and Rehabilitation Projects	\$20,000	\$4,875	\$4,875
	80136, ref 2	California Conservation Corps	Grants to Certified Local Community Conservation Corps	\$20,000	\$4,875	\$7,159
	80137(a)	Natural Resources Agency	Various Projects (Native American Resources; Repurpose Powerplants; Science Centers; Natural Resources Investments, Cultural and Visitor Centers) -- Competitive Grants	\$40,000	\$39,115	\$0
	80137(b)	Natural Resources Agency	Multibenefit Green Infrastructure Program -- Competitive Grants	\$20,000	\$18,616	\$100
			Subtotal	\$1,547,000	\$416,175	\$312,623
Water	80140(a)	State Water Resources Control Board	Safe Drinking Water	\$220,000	\$35,500	\$170,333
	80140(b)	State Water Resources Control Board	Regional Water Supply Projects within the San Joaquin River hydrologic unit	\$30,000	\$27,750	\$961
	80141(a)	State Water Resources Control Board	Groundwater Treatment and Remediation -- Competitive Grants	\$80,000	\$74,000	\$222

	80145(a)(2)	Department of Water Resources	Stormwater, Mudslide, Flash-Flood Protection	\$100,000	\$2,000	\$30,350
	80145(a)(3)	Natural Resources Agency	Multibenefit Stormwater Projects -- Competitive Grants	\$100,000	\$117	\$92,991
	80146(a)	Department of Water Resources	Groundwater/ Sustainable Groundwater Management Act Implementation	\$190,000	\$15,000	\$111,353
	80146(a)	State Water Resources Control Board	Groundwater Regional Sustainability	\$50,000	\$40,000	(\$9,670)
	80146(b)	Department of Water Resources	Groundwater Planning and Implementation -- Competitive Grants	\$50,000	\$46,750	\$500
	80147(a)	State Water Resources Control Board	Water Recycling	\$80,000	\$0	\$74,347
	80147(b)	Department of Food and Agriculture	State Water Efficiency and Enhancement Program	\$20,000	\$18,400	\$600
			Subtotal	\$1,270,000	\$259,517	\$471,987
			Projects Total	\$4,100,000	\$1,161,980	\$889,681
Statewide Bond Costs	Various	Natural Resources Agency	Statewide Bond Costs		\$427	\$425
	Various	State Parks	Statewide Bond Costs		\$747	\$748
	Various	Department of Water Resources	Statewide Bond Costs		\$188	\$190
			Subtotal	\$0	\$1,362	\$1,363
			Grand Total	\$4,100,000	\$1,163,342	\$891,044

*Source: Legislative Analyst's Office (LAO).

This proposal was discussed at the March 7, 2019 hearing.

One More. The Governor's budget proposal also includes the following technical adjustment related to Proposition 68:

PRC 80135(c)	Sierra Nevada Conservancy	Proposition 68 Reappropriation to Extend Liquidation	\$0	3855-490 3855-101-6088	Extend the liquidation for the Item 3855-101-6088, Budget Act of 2018, by three years, from June 30, 2022, to June 30, 2025.
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Staff Recommendation. Approve as proposed.

Issue 1a: Proposition 68 Implementation: Voluntary Settlement Agreements (GB)

Governor's Proposal. The Governor's budget includes the appropriation of \$70 million that is dedicated by Chapter 8 of Proposition 68 for "implementation of voluntary agreements that provide multi-benefit water quality, water supply, and watershed protection and restoration for the watersheds of the state to achieve the objective of implementing an updated State Water Resources Control Boards' (Water Board) San Francisco Bay/San Joaquin Delta Estuary Water Quality Control Plan (Delta Water Quality Control Plan)." The Governor's proposal would make this funding available for projects that would implement a voluntary agreement (VA) between water users in the Sacramento and San Joaquin Rivers, and tributaries thereto, for the purposes of projects and actions to develop and improve habitat, river flows, water quality, and contribute to conditions that support the viability of native fish species.

This proposal was discussed at the March 7, 2019 hearing.

Staff Recommendation. Approve as proposed and adopt budget bill language for 2020 and supplemental reporting language for future years, as follows:

On or before April 1 2020, the California Natural Resources Agency shall provide a report to the chairpersons of the appropriate subcommittees that consider the state budget and the Legislative Analyst's Office. That report shall include all of the following:

- (1) A list of the specific projects for which the Agency has approved the expenditure of this funding and the associated costs of each of those projects;**
- (2) Confirmation that this funding is not being used to fulfill any mitigation requirements imposed by law, consistent with Section 80200 of the Public Resources Code;**
- (3) Confirmation that the projects funded implement a voluntary agreement submitted by the Department of Fish and Wildlife to the State Water Resources Control Board to facilitate implementation of an updated Bay-Delta Water Quality Control Plan, consistent with Section 80114(a) and Section 80114 (b)(1) of the Public Resources Code;**
- (4) A description of the prioritization criteria and processes used to select the projects to be funded with these monies; and,**
- (5) An update on the status of voluntary agreements described in Public Resources Code Section 80114.**

Issue 1b: Proposition 68 Implementation: Trails and Greenway Investments (GB)

Governor's Proposal. The Governor's budget proposes \$27.888 million in support and local assistance to administer the Proposition 68 Trails and Greenways program per PRC Section 80080(a), and requests one position (previously approved one-time in 2018-19) to administer the program and related projects. This competitive program will grant funds for non-motorized trail projects to promote new or alternate access to parks, waterways, outdoor recreational pursuits, and forested or other natural environments. The projects are intended to encourage health-related active transportation and opportunity for Californians to reconnect with nature.

This proposal was discussed at the March 7, 2019 hearing.

Staff Recommendation. Approve as proposed.

Issue 1c: Proposition 68 Implementation: Multibenefit Stormwater Projects (GB)

Governor's Proposal. The Governor's budget proposes \$92.99 million in support and local assistance to administer the Proposition 68 Multibenefit Stormwater Projects program per Public Resources Code Section 80145(a)(3), and requests three positions to develop and administer the program. This is a competitive program and will grant funds for multibenefit stormwater projects in urbanized areas to address flooding. The projects will support stormwater capture and reuse, planning and implementation of low-impact development, restoration of urban streams and watersheds, and increasing permeable surfaces to help reduce flooding.

This proposal was discussed at the March 7, 2019 hearing.

Staff Recommendation. Approve as proposed.

Issue 1d: Proposition 68 Implementation: SGMA Implementation Grants and New Positions (GB)

Governor's Proposal. The Governor's budget proposes \$171.8 million in multi-year funding from Proposition 68 to support nine new positions and 28.4 existing positions for continued implementation of drought and groundwater investments to achieve regional sustainability.

This proposal is requesting the remaining balance of Proposition 68 funding as follow up to the 2018-19 appropriation. Consistent with last year's request, this BCP proposes the following:

- *\$104.8 million – Sustainable Groundwater Implementation Grant Program* to support planning, design, and implementation projects for groundwater recharge and conjunctive use projects. These projects will directly support sustainable groundwater management and groundwater sustainability plans (GSP) implementation.
- *\$65 million – Sustainable Groundwater Data, Tools, and Analysis* to support successful development and evaluation of GSPs and facilitate groundwater recharge as part of the Sustainable Groundwater Management Act (SGMA). These data collection, tool development, and analysis efforts enhance and extend DWR's existing technical assistance program.

- *\$2 million – Sustainable Groundwater Planning (SGWP) Grant Program* for continued support of existing SGWP Grant Program defined in Water Code Section 79775.

This proposal was discussed at the March 7, 2019 hearing.

Staff Recommendation. Approve as proposed.

Issue 1e: Proposition 68 Implementation: Stormwater, Mudslide, Flash-Flood Protection (GB)

Governor's Proposal. The Governor's budget proposes \$30.35 million in one-time funding from Proposition 68 – \$25 million in Local Assistance and \$5.35 million State Operations - in support of the Floodplain Management, Protection and Risk Awareness Program (Floodplain Risk Program).

Funding is requested to continue the work of the Floodplain Risk Program to protect people and property in California's alluvial fan, coastal and riverine floodplains. The local assistance funds are requested as multi-year funds with three years to encumber and two years to liquidate. Funding will support 10.6 existing positions.

This proposal was discussed at the March 7, 2019 hearing.

Staff Recommendation. Approve as proposed.

Issue 1f: Proposition 68 Implementation: Urban Streams Restoration Program (GB)
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Governor's Proposal. The Governor's budget proposes funding (\$9.21 million) for the DWR Urban Streams Restoration Program (Urban Streams Program) that would be funded by Proposition 68. The requests are for local assistance (\$7.58 million) and state operations (\$1.633 million) to continue development and implementation of the Proposition 68 bond program. The new appropriation as requested is needed to make proposition funds available for the Program and continues the roll-out of the bond funds for statewide urban stream restoration projects. This request complements the 2018-19 appropriations to the Program, which prepared the framework for a Local Assistance solicitation and grants consistent with its implementation plan in the budget request for 2018-19.

This proposal was discussed at the March 7, 2019 hearing.

Staff Recommendation. Approve as proposed.

Issue 1g: Proposition 68 Implementation: Deferred Maintenance (GB)

Governor's Proposal. The Governor's budget proposes \$10 million from the \$50 million Proposition 68 allocation for DFW deferred maintenance. These funds will be directed to the highest priority health and safety projects at DFW facilities statewide. DFW will act on a set of "no regrets" projects in 2019-20 based on what is currently known about asbestos and water quality, along with other critical health and safety needs such as plumbing and electrical repair, and structural rehabilitation. In 2018, DFW issued a public request for information to secure a contractor to do a more comprehensive assessment of the condition of DFW properties. This assessment will include testing for asbestos and

other hazardous materials, structural analysis of buildings, prioritization of corrective actions and cost estimates, and will inform projects to be undertaken with Proposition 68 deferred maintenance funds in subsequent fiscal years. The plan for requesting Proposition 68 appropriations as shown in CNRA's consolidated BCP is as follows (does not add up to \$50 million due to statewide bond costs):

- 2019-20: \$10 million
- 2020-21: \$5 million
- 2021-22: \$10 million
- 2022-23: \$15 million
- 2023-24: \$8.75 million

This proposal was discussed at the March 7, 2019 hearing.

Staff Recommendation. Approve as proposed.

3125 CALIFORNIA TAHOE CONSERVANCY**Issue 2: Alta Mira Public Access Project (GB)**

Governor's Proposal. The Governor's budget proposes \$600,000 from the Proposition 68 funds for a study of proposed alternatives, environmental review, and better understand the costs associated with improving public access and site resilience to climate change.

This proposal was discussed at the March 14, 2019 hearing.

Staff Recommendation. Approve as proposed.

Issue 3: Opportunity Acquisitions (GB)

Governor's Proposal. The Governor's budget proposes \$7 million (\$5 million Proposition 68, \$1.6 million Reimbursements, and \$397,000 Habitat Conservation Fund) for the acquisition of environmentally sensitive or significant resource areas.

This proposal was discussed at the March 14, 2019 hearing.

Staff Recommendation. Approve as proposed.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CALFIRE)**Issue 4: Enhanced Fire Protection Resources (GB)**

Governor's Proposal. The Governor's budget proposes \$96.9 million (\$94.5 million General fund, \$2.1 million in Reimbursements, \$296,000 GGRF), and an offsetting reduction of \$1.8 million Collins-Dugan Reimbursement Account), including \$1.3 million for CCC and 228 positions starting in 2019-20 to implement the proposals described below. Under the proposals, this funding for CalFire would increase to over \$120 million in subsequent years.

- ***Additional Fire Engines (\$40.3 Million).*** The budget supports adding 13 new fire engines to CalFire's fleet, as well as 131 additional positions to staff those engines. This would bring the total size of the fleet to 356 fire engines. Under the proposal, these 13 new engines would be operated on a year-round basis bringing the total number of fire engines operated on a year-round basis to 65 engines.
- ***Increased Staffing (\$15.1 Million).*** The budget includes two proposals to increase CalFire's fire response staffing. First, the budget includes \$10.6 million and 34 heavy equipment operator positions in order have a total of three heavy equipment operators for each of CalFire's 58 bulldozers to provide 24 hours a day, seven days a week staffing. Second, the budget includes \$4.5 million to support 13 positions to provide situational awareness staffing—dedicated staff to provide real-time intelligence to decision makers during a wildfire.
- ***CCC Crews Dedicated to CalFire (\$13.6 million).*** The budget proposes to add five CCC crews dedicated to CalFire for fire response and prevention activities. This includes converting four existing CCC reimbursement crews into crews dedicated full-time to CalFire work and creating one new crew dedicated to CalFire work. Under the proposal, the total number of CCC crews dedicated to CalFire will increase to 12.
- ***C-130 Air Tankers and Related Capital Outlay (\$13.1 million).*** The budget includes funding and six positions to implement the first year of a plan to accept seven used C-130 air tankers from the federal government to replace CalFire's existing fleet of aircraft, with the first air tanker scheduled to be received in 2020-21. The state will receive the aircraft for free, but the department's costs will increase over the next several years for operating and maintenance costs. CalFire estimates annual costs will rise steadily over the next five years reaching \$50 million in increased annual costs by 2023-24. In addition, the proposed 2019-20 funding level includes \$1.7 million for the first phase of three capital outlay projects to construct barracks to accommodate the new larger flight crews needed to operate the C-130 aircraft. These three projects along with a fourth barracks project expected to be initiated next year are estimated to cost a total of \$26 million over several years.
- ***Employee Wellness (\$6.6 million).*** The budget proposes to expand two employee wellness programs. First, the budget would expand an existing health and wellness pilot program to a statewide program. The health and wellness pilot program involves conducting voluntary wellness screenings to test for health conditions common to firefighters, such as heart disease and certain types of cancer. Second, the budget increases staffing for CalFire's Employee Support Services program that provides mental health support to CalFire employees and family members. The proposal would allow CalFire to provide more services to firefighters at the

location of major fires and provide additional education and information related to post-traumatic stress disorder.

- ***Fire Detection Cameras (\$5.2 million).*** The Administration proposes to join an existing network of wildfire detection cameras and to expand the network by 100 additional cameras in locations determined by CalFire. Specifically, the funding will support a contract between CalFire and ALERTWildfire—a consortium of the University of Nevada, Reno; the University of California, San Diego; and the University of Oregon—to allow CalFire to access and control ALERTWildfire’s existing network of wildfire detection cameras.
- ***Mobile Equipment Replacement (\$3 million).*** The budget proposes to continue on an ongoing basis a one-time 2018-19 funding augmentation to CalFire’s budget for replacement of mobile equipment, such as bulldozers and fire engines. Funding would be used to replace additional mobile equipment that has experienced additional wear and tear from the extended fire seasons in recent years.

This proposal was discussed at the March 14, 2019 hearing.

Staff Recommendation. Approve as proposed and add budget bill language to require CalFire to report to the Legislature by December 31, 2020, regarding the health and wellness pilot program on the following:

- 1) **How the funding was used.**
- 2) **Number of employees provided services**
- 3) **Number and types of health screenings that occurred.**
- 4) **Number of incidents that teams were deployed to provide mental health services to crews working at those sites.**

Issue 5: Wildfire Prevention and Recovery Legislative Package (SB 901, SB 1260, AB 2518, and AB 2911) (GB)

Governor's Proposal. The Governor's budget proposes \$10 million Greenhouse Gas Reduction Fund (GGRF) and 24 positions starting in 2019-20 to address workload associated with SB 901 (Dodd), Chapter 626, Statutes of 2018, SB 1260 (Jackson), Chapter 624, Statutes of 2018, AB 2518 (Aguiar-Curry), Chapter 637, Statutes of 2018, and AB 2911 (Friedman), Chapter 641, Statutes of 2018.

- **SB 901 (Dodd).** CalFire and the Board of Forestry and Fire Protection (BFFP) request \$4.8 million GGRF and 10 positions starting in 2019-20, which are above and beyond the annual budget appropriation required in SB 901 for forest health and fire prevention activities for prescribed fire and other fuel reduction activities. The additional funding and positions are intended to address forestry and landscape level fuels management, utility fire prevention and planning, and enable CalFire and the Board to implement and comply with these new laws.
- **SB 1260 (Jackson).** CalFire requests \$2.5 million GGRF and eight positions starting in 2019-20 to develop curriculum for burn boss certification training standards, course plans, and continuing education; address the potential increase in workload associated with the anticipated increases in burn permits and prescribed fire projects statewide from newly certified burn bosses; and provide the necessary steps to increase the pace and scale of prescribed fire statewide, which involves cooperative planning, training, burn agreement liability, and public education surround the use of prescribed fire, fire prevention, and public safety.
- **AB 2518 (Aguiar-Curry).** CalFire requests \$400,000 to produce the two reports required by AB 2518 to: (1) identify barriers to in-state production of mass timber and other innovative forest products as well as solutions that are consistent with the state's climate objectives on forested lands; and, (2) provide recommendations for the siting of additional wood product manufacturing facilities in the state.
- **AB 2911 (Friedman).** CalFire requests \$2.3 million GGRF and six positions starting in 2019-20 to implement the local government survey required by the legislation, coordinate with local governments, and conduct field reviews and develop recommendations for improving the fire and life safety of non-conforming residential subdivisions across the state.

The funding and positions requested in this proposal are in addition to the \$200 million GGRF proposed in the 2019-20 budget for forest health and fire prevention activities consistent with SB 901.

This proposal was discussed at the March 28, 2019 hearing.

Staff Recommendation. Approve as proposed.

**Issue 6: 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.

This proposal was discussed at the May 2, 2019 hearing.

Staff Recommendation. Approve as proposed.

3760 STATE COASTAL CONSERVANCY (SCC)**Issue 7: 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.

This proposal was discussed at the May 2, 2019 hearing.

Staff Recommendation. Approve as proposed.

3860 DEPARTMENT OF WATER RESOURCES (DWR)**Issue 8: Statewide Flood Improvement Projects (GB)**

Governor's Proposal. The Governor's budget proposes \$92 million one-time (\$73 million Proposition 68 and \$19 million Proposition 1) to implement multi-benefit flood improvement projects. This request will support existing staff and contract work needed to carry out the projects.

This proposal was discussed at the March 7, 2019 hearing.

Staff Recommendation. Approve as proposed.

Issue 9: Urban Flood Risk Reduction (GB)

Governor's Proposal. The Governor's budget proposes \$25 million Proposition 68 one-time to implement multi-benefit urban flood risk reduction improvement projects and support existing staff and contract work needed to carry out the projects.

This proposal was discussed at the March 7, 2019 hearing.

Staff Recommendation. Approve as proposed.

3900 AIR RESOURCES BOARD (ARB)**Issue 10: Wildfire Prevention and Recovery Legislation: Prescribed Fire Monitoring Program (SB 1260) (GB)**

Governor's Proposal. The Governor's budget proposes \$3.4 million GGRF and five positions to address workload associated with implementation of SB 1260 (Jackson), Chapter 624, Statutes of 2018, including smoke monitoring, forecasting, reporting, and modeling capabilities to support a significant increase in prescribed burn projects.

The requested funds include \$595,000 in one-time equipment costs and \$2 million for three years in local assistance funding.

This proposal was discussed at the March 28, 2019 hearing.

Staff Recommendation. Approve as proposed.

3980 OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT (OEHHA)**Issue 11: Environmental Health Support for Communities (AB 617) (GB)**

Governor's Proposal. The Governor's budget proposes \$982,000 in Greenhouse Gas Reduction Fund (GGRF) (including \$350,000 for contracts) and four permanent positions to support the Air Resources Board (ARB), local air districts, and impacted communities to implement AB 617 (C. Garcia), Chapter 136, Statutes of 2017.

AB 617 requires ARB, in consultation with OEHHA and other specified entities, to prepare a plan for the deployment of community air monitoring systems in high priority locations throughout the state and to develop a strategy to reduce emissions of air contaminants in burdened communities. The requested OEHHA staff and contract funds are intended to provide: (1) expertise in the interpretation of potential health effects that may result from exposures to air toxics observed through the air quality monitoring data, and the benefits in reducing emissions of those pollutants; (2) for the development of health guidance values needed to fully analyze the health effects and the benefits of reducing emissions of those pollutants; and (3) for the design and implementation of targeted biomonitoring studies to track exposures in communities.

This proposal was discussed at the March 21, 2019 hearing.

Staff Recommendation. Approve as proposed.

8570 DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

Issue 12: California Biodiversity Initiative (GB)

Governor's Proposal. The Governor's budget proposes \$4.22 million General Fund one-time, \$3.9 million General Fund in 2020-21 and ongoing and eight positions to initiate the planning and coordination of the workload associated with the California Biodiversity Initiative-A Roadmap for Protecting the State's Natural Heritage.

Specifically, the proposal does the following: 1) Establish the California Biodiversity Initiative Working Group; 2) Accelerate and streamline prevention, detection, and management of invasive species and pests; 3) Expand seed banking and collection to create a hedge against extinction; and 4) Establish a soil carbon map of California.

CDFA: California Biodiversity Initiative Proposal

Fiscal Year	Title	Summary	Fund Source	Dollar Amount BY	Dollar Amount BY+1	Positions requested	Positions BY+1
19/20	Biodiversity Initiative Working Group	\$139,000 General Fund and 1 position in 2019-20 and ongoing to create a cross-agency working group co-chaired by the director of the Department of Fish and Wildlife and the secretary of the Department of Food and Agriculture to facilitate coordinated actions to achieve the State's biodiversity goals.	General Fund	\$139,000	\$139,000	1.0	1.0
19/20	Invasive Pest Risk Assessment Staffing	\$517,000 General Fund and 2 positions in 2019-20 and ongoing for invasive species risk assessment activities. This proposal also includes \$100,000 per year in invasive species research contracts.	General Fund	\$517,000	\$517,000	2.0	2.0
19/20	Germplasm Program	\$564,000 General Fund in 2019-20, \$245,000 General Fund in 2020-21 and ongoing and 1 position to coordinate the establishment of a germplasm program for the State. This position will coordinate with other state department's to develop the germplasm program. This includes \$125,000 for a one-time feasibility study to determine options for building a new Germplasm facility, and one-time equipment funding of \$179,000.	General Fund	\$564,000	\$245,000	1.0	1.0
19/20	Weed Management	The California Department of Food and Agriculture requests \$3,000,000 and 4 positions in 2019-20 and ongoing to implement a California State Weed Program for rapid response, control, and eradication of noxious weeds to protect California Agriculture, wildlands, forests, property and preserve native plant biodiversity. Of the amount requested, \$1,800,000 in 2019-20 and ongoing will be expended on county contracts. Additionally, \$600,000 in 2019-20 and ongoing would be used for research grants.	General Fund	\$3,000,000	\$3,000,000	4.0	4.0
19/20	Soil Carbon Maps	No funding requested - This task overlaps with existing efforts in the state. This task can be handled at the HSP staff level and additional resources are not needed.	NA	\$0	\$0	0.0	0.0
Total:				\$4,220,000	\$3,901,000	8.0	8.0

Staff Comment. Protection of native plants is more consistent with the mission of the Department of Fish and Wildlife (DFW), and funding is needed for collection of rare plants to protect against extinction. DFW is a member of the California Plant Rescue Program (Program), which is a public/private partnership focused on seed banking in California. CDFA is not a member of this program. This network maintains several seed bank facilities throughout the state with existing capacity.

This proposal was discussed at the March 21, 2019 hearing.

Staff Recommendation. Reject the proposed funding and position to expand seed banking and collection, and do the following:

- 1) **Approve funding and position to establish the California Biodiversity Initiative Working Group.**
 - a. **Adopt placeholder Supplemental Reporting Language that will require the Administration to report on the progress of the Biodiversity Initiative to: a) Establish the California Biodiversity Initiative Working Group; b) Accelerate and streamline prevention, detection, and management of invasive species and pests; and c) Establish a soil carbon map of California.**
- 2) **Approve funding and positions to accelerate and streamline prevention, detection, and management of invasive species and pests.**
- 3) **Reject the proposed funding and position to expand seed banking and collection and instead, adopt the following:**
 - a. **Appropriate \$800,000 to DFW as follows:**
 - i. **A total of \$600,000 Environmental License Plate Fund (\$200,000 per year for three years) for collection of rare plants through contracts or grants with the Program.**

The Program estimates collection cost at \$2,500 per taxa. This funding would potentially allow for collection of 240 of the remaining 600 taxa needed to be banked.
 - ii. **In lieu of the position and funding proposed for CDFA to expand seed banking and collection in this BCP, appropriate \$200,000 General Fund ongoing for an environmental scientist position to oversee the contracts/grants with the Program, provide input and scientific expertise to the Program, and monitor and update the status of native plants, including CESA-listed and other sensitive plant species.**

Issue 13: State-Designated Fairs Revenue (MR)
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Governor’s Proposal. The May Revision proposes Item 8570-011-0001 be added to reflect a transfer of \$18.637 million General Fund to the Fair and Exposition Fund.

The proposed budget bill language is as follows:

8570-011-0001—For transfer by the Controller from the General Fund to the Fair and Exposition Fund.....18,637,000

Provisions:

1. The funds transferred in this item shall be used for purposes consistent with the requirements of Section 19620.2 of the Business and Professions Code.
2. Upon approval by the Department of Finance, the amount transferred by this item may be adjusted to reflect the requirements of Section 19620.15 of the Business and Professions Code.

Background. AB 1499 (Gray), Chapter 798, Statutes of 2017 requires a portion of gross receipts from the sales and use tax received within the property of a state-designated fair to be transferred to the Fair and Exposition Fund beginning in 2019-20. This request establishes the budgetary mechanism necessary to effectuate the annual transfer.

Staff Recommendation. Approve as proposed.

3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)
8570 CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

Issue 14: Safe and Affordable Drinking Water (SADW) (BCP) and (TBL) (GB)

Governor's Proposal. The Governor's budget proposes the following BCP and TBL:

- BCP of \$4.8 million General Fund one-time as follows:
 - \$3.4 million to SWRCB for 23 positions to: (1) map high-risk aquifers and process water quality data from small water systems; (2) develop an assessment of the total annual funding needed to assist water systems in the state to deliver safe drinking water; (3) develop an implementation plan that includes funding priorities and guidelines; and, (4) process fees that will be deposited into a new fund and perform accounting work.
 - \$1.4 million to CDFA for seven positions to: (1) establish a new registration and fee collection system for dairies, farms, and ranches; and (2) administer the fertilizer materials mill assessments augmentation.
- TBL, which do the following:
 - Establish four charges, including:
 - A safe drinking water fee for confined animal facilities excluding dairies (amount generated not estimated).
 - A fertilizer safe drinking water fee (\$14 million to \$17 million).
 - A dairy safe drinking water fee (\$5 million).
 - A SADW fee for community water system customers (\$100 million to \$110 million).
 - Establish the SADW Fund to provide a source of funding to assist communities in paying for costs of obtaining access to SADW, such as operations and maintenance costs and capital costs associated with water system consolidation and service extensions.
 - Require SWRCB to administer a new SADW Program.
 - Require SWRCB to conduct a public review and assessment of the Safe Drinking Water Fund at least every 10 years.
 - Require SWRCB to prepare a report of expenditures annually, as specified.
 - Require SWRCB to make available a map of aquifers that are high-risk of containing contaminants and that exceed primary federal and state drinking water standards.
 - Exempt an agricultural operation from enforcement action for causing, contributing, creating, or threatening to create a condition of pollution or nuisance for nitrates in groundwater if the operation meets specified criteria.

Under a separate BCP, the Governor's budget proposes \$168.5 million in Proposition 68 funds for public water systems in disadvantaged communities for infrastructure improvements, including drinking water and wastewater treatment projects. This BCP was heard on March 7, 2019, in this subcommittee, as part of the Proposition 68 issue.

The Legislature and Governor enacted AB 72 (Committee on Budget), Chapter 1, Statutes of 2019, which does the following to address safe and affordable drinking water needs in the current budget year, 2018-19:

- \$10 million General Fund one-time to continue emergency funding for emergency drinking water and technical assistance.
- \$10 million General Fund one-time for grants and contracts to provide administrative, technical, operational, or managerial services to water systems – mainly in disadvantaged communities – to support compliance with current drinking water standards.

This proposal was discussed at the March 21, 2019 hearing.

May Revision. The Administration is proposing revised TBL in the May Revision. At the time of writing for this agenda, the proposed TBL was not available.

Staff Recommendation. Reject the Governor's proposal and adopt the following:

- **\$150 million General Fund continuous appropriation.**
- **TBL, as follows: Add Health and Safety Code Section 116773:**

Article 6. Funding Mechanism

116773. (a) Notwithstanding Section 13340 of the Government Code, the sum of one hundred fifty million dollars (\$150,000,000) is hereby continuously appropriated, without regard to fiscal year, from the General Fund to Safe and Affordable Drinking Water Fund for the purposes of implementing Chapter 4.6 (commencing with Section 116765) of Part 12 of Division 104 of the Health and Safety Code.

(b) The amount continuously appropriated pursuant to subdivision (a) shall be reduced by an amount equivalent to any new fees, taxes or other revenues enacted into law to fund the Safe and Affordable Drinking Water Fund.

(c) This section shall become operative only if Senate Bill No. 200 of the 2019-2020 Regular Session of the Legislature is enacted and takes effect.

LEGISLATIVE REQUESTS

Issue 15: Special Fund Augmentations

1. **SR-156/Castroville Safety Improvements.** \$10 million in State Highway Account funds for a right-of-way purchase for additional safety investments along the SR-156 right-of-way.
2. **Burbank to Anaheim Metrolink Corridor.** \$80 million in Public Transportation Account funds for capital improvements along the Burbank-Anaheim Metrolink Corridor.
3. **Palo Alto Grade Separation Project.** \$1 million in State Highway Account funds for environmental review of grade separation projects for three at-grade Caltrain crossings.
4. **Foothill Boulevard Link Bikeway and Pedestrian Greenbelt.** \$390,000 in State Highway Account Funds for the design and construction of bicycle, pedestrian, and landscape improvements along Foothill Boulevard in Los Angeles County.
5. **California Short Line Railroad Infrastructure Improvement Act of 2019.** \$7.2 million in Trade Corridor Improvement Fund resources for investments in short line railroad infrastructure projects consistent with the 2018 California State Rail Plan, and placeholder trailer bill language to implement the California Short Line Railroad Infrastructure Act of 2019.
6. **Alameda Creek Restoration.** \$31.365 million Proposition 68 one-time (\$15 million Prop. 68 PRC 80120(c) for the State Coastal Conservancy and \$16.365 million PRC 80145(a)(2) for the Department of Water Resources) for wetlands restoration to address sea level rise in the Bay Area.
7. **Arroyo Seco Water Reuse and Natural Stream Restoration.** Of the Proposition 68 funding appropriated for PRC 80061(b) for the Department of Parks and Recreation, \$3.5 million one-time for the Arroyo Seco Park and Water Reuse and Natural Stream Restoration system for improvements, including: automated water diversion structure to divert stormwater for urban runoff remediation; restoration of natural stream; enhancement of natural water stream and stormwater storage for water reuse; additional park furnishings and amenities along the water stream trails.
8. **Tijuana River Border Pollution Control Project.** \$15 million Proposition 68 PRC 80120(c) for the State Coastal Conservancy for the Tijuana River Border Pollution Control Project to address discharge of raw sewage and other waste through the Tijuana River Valley.

Staff Recommendation. Approve the identified augmentations. Adopt placeholder trailer bill language to implement the California Short Line Railroad Infrastructure Act of 2019.

ISSUES FOR DISCUSSION

GREENHOUSE GAS REDUCTION FUND (GGRF)

Issue 16: Achieving a Carbon-Neutral Economy (Cap-and-Trade Expenditure Plan) (MR)

Governor's Proposal. The Governor's Budget included a \$1 billion Cap-and-Trade Spending Plan and the May Revision proposes an additional \$251.5 (GGRF), as follows:

2019-20 Cap and Trade Expenditure Plan
(Dollars in Millions)

Investment Category	Department	Program	Governor's Budget	May Revision	Total
Air Toxic and Criteria Air Pollutants	Air Resources Board	AB 617 - Community Air Protection	\$200	-	\$200
		AB 617 - Local Air District Implementation (\$50 million total, including other funds)	\$20	-	\$20
		Technical Assistance to Community Groups	\$10	-	\$10
Low Carbon Transportation	Air Resources Board	Clean Vehicle Rebate Project	\$200	-	\$200
		Clean Trucks, Buses, & Off-Road Freight Equipment	\$132	\$50	\$182
		Enhanced Fleet Modernization Program & Transportation Equity Projects	\$50	\$15	\$65
		Agricultural Diesel Engine Replacement & Upgrades	\$25	\$65	\$90
Healthy Forests	CAL FIRE	Healthy & Resilient Forests	\$165	-	\$165
		Prescribed Fire & Fuel Reduction	\$35	-	\$35
Climate Smart Agriculture	Department of Food & Agriculture	Healthy Soils	\$18	\$10	\$28
		Methane Reduction	\$25	\$10	\$35
Short-Lived Climate Pollutants	CalRecycle	Waste Diversion	\$25	-	\$25
Integrated Climate Action: Mitigation & Resilience	Strategic Growth Council	Transformative Climate Communities	\$40	\$92	\$132
	Coastal Commission & BCDC	Coastal Resilience	\$3	-	\$3
	Community Services & Development	Low-Income Weatherization	\$10	-	\$10
	California Conservation Corps	Energy Corps	\$6	-	\$6
Workforce Training	Workforce Development Board	Preparing Workers for a Carbon-Neutral Economy	\$27	\$8	\$35
Climate and Clean Energy Research	Strategic Growth Council	Climate Change Research	\$10	-	\$10
	California Environmental Protection Agency	Transition to a Carbon-Neutral Economy	-	\$1.5	\$1.5
Total			\$1,001	\$252	\$1,253

Source: May Revision 2019-20 Summary

Transition to a Carbon-Neutral Economy. The May Revision proposes additional funding for transit-oriented communities; bus, truck, freight, and tractor engine upgrades to reduce diesel use; methane reductions in agriculture; and providing apprenticeships and job training in careers that are intended to build a future green economy. The May Revision also includes a study to decrease demand and supply of fossil fuels in an economically and sustainable manner.

The May Revision includes a new item, \$1.5 million for “Transition to a Carbon-Neutral Economy.” \$1.5 million is proposed for a study laying out the key actions needed to transition toward a carbon-neutral economy. The study is intended to emphasize environmental and economic programs and policies to dramatically reduce fossil fuel demand by 2050, in line with the state’s overall climate goals. The study is intended to inform the Air Resources Board’s Scoping Plan, which lays the foundation for achieving the state’s goals, including achieving carbon-neutrality by 2045 and reducing greenhouse gas emissions to 80 percent below 1990 levels by 2050. The study will also consider the legal requirements of the federal Clean Air Act.

The Secretaries of Environmental Protection, Natural Resources, Transportation, and Labor agencies as well as the Director of the Governor’s Office of Planning and Research would oversee a one-month scoping process to determine the content and direction of the study. The process would include opportunities for public participation.

LAO Comments and Recommendation. According to LAO, the May Revision assumes that cap-and-trade auctions will generate nearly \$3.1 billion in 2018-19 and \$2.4 billion in 2019-20—or a total of roughly \$750 million more than the Governor assumed in January. Under these revised estimates, there would be about \$300 million additional revenue available for “discretionary” spending in the budget year or in future years. LAO’s revenue estimates are very similar to the May Revision.

The primary difference is that LAO estimates revenue for the last quarterly auction in 2018-19 (scheduled for May 14, 2019) will be about \$150 million higher than the Governor assumes. This is because: (1) LAO assumes *all* allowances offered at the advance auction are sold, whereas the Administration assumes only 43 percent of advance allowances are sold, and (2) LAO assumes allowances sell for \$17.50 (current auction) and \$17.00 (advance auction), somewhat higher prices than the May Revision assumes (at or slightly above the \$15.62 floor price). Under the LAO’s estimate, about \$60 million in additional revenue would be available for discretionary spending in the budget year or future years compared to the May Revision estimate. Preliminary results from the May auction are expected to be available on May 21, 2019. LAO will provide the Legislature with updated revenue information at that time.

The May Revision allocates an additional \$252 million of discretionary Cap-and-Trade revenues (GGRF) to the following programs:

- Transformative Climate Communities (\$92 million)
- Agricultural diesel engine replacements (\$65 million)
- Clean Trucks, Buses, and Off-Road Freight Equipment (\$50 million)
- Enhanced Fleet Modernization Program and transportation equity projects (\$15 million)
- Healthy Soils (\$10 million)
- Agricultural methane reductions (\$10 million)

The Administration did not provide a clear rationale for why it allocated the additional revenue to this specific mix of programs, or how it determined the specific amount of funding provided to each

program. As LAO discussed in its February budget analysis, LAO recommends the Legislature allocate GGRF funds according to its priorities.

REVISED AS APPROVED IN THE HEARING: The Senate Proposal for Cap-and-Trade Spending Plan. The Senate proposes an alternative spending plan to the Governor’s plan, as follows:

Senate Proposal for Cap-and-Trade Spending Plan

Investment Category	Program	Department	Senate 2019-20 Cap-and-Trade Expenditure Plan (Dollars in millions)
Air Toxic and Criteria Pollutants	Carl Moyer	ARB	40
	AB 617 State and Local Implementation Costs*	ARB	20
	Technical Assistance to Community Groups	ARB	10
Low Carbon Transportation	Heavy Duty Vehicle and Off-Road Equipment Programs (Heavy Duty Vehicle Incentive Program)	ARB	25
	Clean Vehicle Rebate Project*	ARB	250
	Clean Trucks, Buses & Off-Road Freight Equipment	ARB	182
	Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	ARB	65
	Low Carbon Fuel Production	Energy Commission	25
Healthy Forests	Healthy & Resilient Forests (SB 901)*	CalFire	165
	Prescribed Fires & Fuel Reduction (SB 901)*	CalFire	35
	Regional Forest Restoration Projects	Natural Resources Agency	25
	Wildland-Urban Interface (WUI) and Other Fire Prevention Activities	CalFire	17.55
	Urban Forestry	CalFire	25
Agriculture	Agricultural Diesel Engine Replacement & Upgrades	ARB	90
	Healthy Soils	Food & Agriculture	30
	State Water Efficiency & Enhancement Program	Food & Agriculture	25
	Agricultural Renewable Energy	Energy Commission	5
	Methane Reduction: Alternative Manure Management Program	Food & Agriculture	35
Other Programs	Waste Diversion/Recycling Infrastructure	CalRecycle	75
	Transformative Climate Communities	Strategic Growth Council	57
	Energy Corps*	Conservation Corps	10
	Low-Income Weatherization	Community Services and Development	22.45
	Urban Greening	Natural Resources Agency	25
	Wetlands Restoration	Fish and Wildlife	35
	Coastal Resilience/Adaptation	Various	40
	Long-Term Resiliency Investment	Wildlife Conservation Board and Conservancies	100
	Climate and Energy Research	Strategic Growth Council	20
	Transition to a Carbon-Neutral Economy	CalEPA	1.5
	Technical Assistance to Disadvantaged Communities	Strategic Growth Council	5
TOTAL			\$1,461

* Existing discretionary spending commitments

The REVISED Senate proposal also includes the following appropriations a new program listed in the above discretionary spending chart for “Wildland-Urban Interface (WUI) and Other Fire Prevention Activities”:

-
- \$5 million one-time to fund workforce development component of SB 462 (Stern), which would help fund educational programs at community colleges to teach students how to perform prescribed fire treatments, building hardening, defensible space management, and approved community defense techniques.
 - \$1 million one-time to create a new Fire Outreach and Extension Program that would entail 17 fire extension advisors located in selected counties.
 - \$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% of its land in SRA or locally designated very high hazard severity zones to require its land use planners to obtain certification about land use planning issues in WUI.
 - \$250,000 one-time to 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.
 - \$6 million, as a block grant to allocate funds to county groups for implementing fire prevention and preparedness community action in collaboration with UC fire advisors, resource conservation districts, and others.
 - \$2.5 million one-time, to develop and fund statewide capability for overhead fixed wing or satellite remote sensing that provides real-time perimeters and behavior information to all responders, emergency officials, and the public.
 - \$2.5 million, three-years, 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.

Staff Recommendation. Approve the Senate Proposal for the Cap-and-Trade Spending Plan AS REVISED IN THE HEARING, WHICH IS REFLECTED ABOVE. Reject the Governor's Cap-and-Trade Expenditure Plan, including the workforce training proposal, which was discussed at the March 28, 2019 hearing.

8570 DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

Issue 17: Unclaimed Gas Tax (UGT) (TBL) (MR)

Governor's Proposal. The May Revision proposes an amendment to Food and Agriculture Code (FAC) Section 224(g) authorizing CDFA to retain a portion of the remaining UGT funding, upon agreement by the agricultural commissioners and the Secretary, for purposes of implementing jointly developed priority agricultural program spending.

Background. *Unclaimed Gas Tax (UGT).* Every year, Caltrans transfers UGT funds to CDFA to be used for activities benefiting agriculture, pursuant to FAC Section 224. These UGT funds represent excise taxes paid for gasoline purchased by agricultural producers and used for off-road purposes. These excise taxes paid are eligible for refund if a claim is filed with the State Controller. A relatively small number of agricultural producers file these claims to collect their refunds and most of the taxes paid via these transactions are unclaimed. As a result, in the 1970s a process was established for the transfers of UGT from Caltrans to CDFA based on a formula using various factors. The main drivers in the formula that determine the amount to be transferred each year are gallons estimated used in agriculture for off-road purposes and resulting excise taxes paid.

The passage of SB 1 (Beall), Chapter 5, Statutes of 2017, significantly increased the amount of excise taxes collected which in turn resulted in an increase in the amount transferred from Caltrans to CDFA beginning in 2018. Prior to SB 1, the amount transferred was around \$40 million and after SB 1, the amount is approximately \$65 million.

FAC Section 224 specifies how these funds are utilized and has provisions for fixed amounts going toward specific activities and the amount remaining is distributed to the counties as reimbursement for their local general fund support for agricultural programs carried out by the agricultural commissioners under the supervision of the Secretary, pursuant to FAC 224(g). The remaining amount going to the counties under FAC 224(g) was approximately \$23 million before SB 1 and is now approximately \$48 million due to SB 1.

Staff Recommendation. Approve as proposed.