

May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 3900-001-0115, Support, Air Resources Board

Motor Vehicle Insurance Account Assessment—It is requested that Item 3900-001-0115 be increased by \$2,011,000 to reimburse the Department of General Services (DGS), Office of Risk and Insurance Management. This augmentation is necessary to reimburse DGS for a payment made on behalf of the Air Resources Board (ARB) for a judgment associated with a 2011 car accident in which an ARB employee was determined to be at fault. It is also requested that Budget Bill language be adopted specifying that Air Pollution Control Fund penalty revenues be used for this purpose (see Attachment 1).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Lois Wolk, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Eric Jarvis, Assistant Secretary, Fiscal and Administrative Programs, California Environmental
Protection Agency
Ms. Edie Chang, Deputy Executive Officer, Air Resources Board
Ms. Alice Stebbins, Division Chief, Administrative Services Division, Air Resources Board
Ms. Pam Biggins, Branch Chief, Budget, Contracts, and Grants Branch, Air Resources Board
Mr. Ken Yu, Manager, Budget Section, Air Resources Board

Add the following provisions to Item 3900-001-0115:

(1) The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.

(2) Notwithstanding any other provision of law, of the amount appropriated in this item, \$2,011,000 shall be from penalty revenues that are subject to separate accounting in accordance with Health and Safety Code Sections 38580, 39674-39675, 42400-42410, 43016, 43025-43031.5, 43154, 43211, and 43212. These funds shall be available to reimburse the Department of General Services, Office of Risk and Insurance Management for a payment made by the Department of General Services on behalf of the Air Resources Board for a judgment associated with a 2011 car accident in which an employee was determined to be at fault.



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

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Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Items 3940-001-0001 and 3940-001-0306, and Addition of Item 3940-403, Support, and Trailer Bill Language, State Water Resources Control Board

Lead and Copper Rule and Improvements to Federal Reporting Requirements—It is requested that Item 3940-001-0306 be increased by \$480,000 and 2 positions. Of this amount, \$240,000 is two-year limited-term funding for temporary positions related to additional outreach to local educational agencies, and the preparation and production of guidance documents for local educational agency testing of water for lead. This proposal reflects the Water Board's directive to work with local educational agencies (school districts) and local public water systems to incorporate water quality testing in schools.

The remaining funding and the 2 positions will improve reporting to the U.S. Environmental Protection Agency (U.S. EPA) regarding public water system compliance with federal requirements. This proposal responds to a recent letter from the U.S. EPA that noted deficiencies in federal reporting as part of the Water Board's administration of the Safe Drinking Water Act.

Increased Statutory Limit for Safe Drinking Water Account Expenditures—It is requested that trailer bill language be adopted (see Attachment 1) to allow for the augmentations included in the Administration's various budget proposals that use Safe Drinking Water Account funding.

Drought Preparedness and Resiliency for Urban Water Agencies—It is requested that Item 3940-001-0001 be increased by \$240,000. These one-time resources will support the Department of Water Resources' activities to improve drought preparedness and resiliency for local urban water agencies and long-term water conservation through Water Shortage Contingency Plan improvements and development of long-term urban water use targets. The Department of Water Resources is also requesting funding in a separate Finance Letter.

Loan Repayment Deferral—It is requested that Item 3940-403 be added (see Attachment 2) to defer a \$1.6 million General Fund loan repayment to the Drinking Water Operator Certification Special Account until June 30, 2019.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN

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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Matthew Rodriguez, Secretary, California Environmental Protection Agency
Mr. Eric Jarvis, Assistant Secretary, Fiscal and Administrative Programs, California
Environmental Protection Agency
Ms. Felicia Marcus, Chair, State Water Resources Control Board
Mr. Tom Howard, Executive Director, State Water Resources Control Board
Mr. Eric Oppenheimer, Chief Deputy Director, State Water Resources Control Board
Mr. John Russell, Deputy Director, Administrative Services, State Water Resources Control
Board
Mr. Bill Damian, Assistant Deputy Director, Administrative Services, State Water Resources
Control Board
Ms. Sue Montoya, Budget Officer, State Water Resources Control Board

Health and Safety Code Section 116590

- (a) Funds received by the state board pursuant to this chapter shall be deposited into the Safe Drinking Water Account that Account, which is hereby established, and shall be available for use by the state board, upon appropriation by the Legislature, for the purpose of providing funds necessary to administer this chapter. Funds in the Safe Drinking Water Account may shall not be expended for any purpose other than as set forth in this chapter.
- (b) A public water system may be permitted to may collect a fee from its customers to recover the fees paid by the public water system pursuant to this chapter.
- (c) The total amount of funds received for state operations program costs to administer this chapter for fiscal year 2016–17 shall not exceed ~~thirty million four hundred fifty thousand dollars (\$30,450,000)~~ **thirty eight million fifty eight thousand dollars (\$38,058,000)** and the total amount of funds received for administering this chapter for each fiscal year thereafter shall not increase by more than 5 percent of the amount received in the previous fiscal year plus any changes to salary, benefit, and retirement adjustments contained in each annual Budget Act.
- (d) This section shall become operative on July 1, 2016.

3940-403—Notwithstanding Provision 1 of Item 4265-011-0247, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), as amended by Item 4265-402, Budget Acts of 2010 (Ch. 712, Stats. 2010), 2012 (Chs. 21 and 29, Stats. 2012), 2013 (Chs. 20 and 354, Stats. 2013), and transferred by Item 3940-403, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014), the \$1,600,000 loan to the General Fund will be repaid no later than June 30, 2019 upon order of the Director of Finance.



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Honorable Phil Ting, Chair
Assembly Budget Committee

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Amendment to Budget Bill Item 3960-001-0557, Support, Department of Toxic Substances Control

Lead Acid Batteries—It is requested that Item 3960-001-0557 be increased by \$255,000 and 2 positions to consider and evaluate lead acid batteries as a potential "Priority Product" under the Safer Consumer Products program. Once a product is identified as a Priority Product, manufacturers are required to evaluate the product's health impacts and consider ways to reduce those impacts. It is also requested that trailer bill language (see Attachment 1) be adopted requiring the Department of Toxic Substances Control to revise the 2015-17 Priority Work Plan to include lead acid batteries for consideration and evaluation as a potential Priority Product.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Eric Jarvis, Assistant Secretary, California Environmental Protection Agency
Ms. Barbara Lee, Director, Department of Toxic Substances Control
Ms. Francesca Negri, Chief Deputy Director, Department of Toxic Substances Control
Mr. Andrew Collada, Deputy Director, Administration, Department of Toxic Substances Control
Mr. Tyler Green, Budget Officer, Department of Toxic Substances Control
Ms. Sara Murillo, Chief, Fiscal Planning Branch, Department of Toxic Substances Control

Section 25253.5 is added to the Health and Safety Code, to read:

The Department of Toxic Substances Control shall revise its 2015-17 Priority Product Work Plan to include lead acid batteries for consideration and evaluation as a potential Priority Product.



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Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 3970-001-0387, Support, Department of Resources
Recycling and Recovery**

Settlement Fees for Public Service Announcements—It is requested that Item 3970-001-0387 be increased by \$150,000 on a one-time basis to develop public service announcements regarding the proper handling and disposal of universal and household hazardous waste, including electronic waste. This funding is the result of a settlement agreement that specifies the use of these funds.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Sarah Keck, Chief, Fiscal Service Branch, Department of Resources Recycling and Recovery
Mr. Ken DaRosa, Chief Deputy Director, Department of Resources Recycling and Recovery
Ms. Olga Garti, Budget Officer, Department of Resources Recycling and Recovery
Mr. Eric Jarvis, Assistant Secretary, California Environmental Protection Agency