

May 11, 2017

Honorable Holly Mitchell, 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 Various Budget Bill Items, Support, Air Resources Board**

**Specialized Diesel Enforcement Section**—It is requested that Item 3900-001-0044 be increased by \$896,000 and Item 3900-001-0421 be increased by \$897,000 to collectively fund 10 positions to form a specialized enforcement team that will focus diesel emission enforcement efforts at warehouses and distribution centers within or near disadvantaged communities.

**Mobile Source Audit and Compliance**—It is requested that Item 3900-001-0044 be increased by \$128,000, Item 3900-001-0115 be increased by \$1,750,000, Item 3900-001-0421 be increased by \$12,000, Item 3900-001-3228 be increased by \$18,000, and Item 3900-001-3237 be increased by \$52,000 to collectively fund 9 positions to enhance the Air Resources Board's mobile source emission oversight program based on lessons learned from the Volkswagen case.

**Implementation of Chapter 5, Statutes of 2017 (SB 1)**—It is requested that Item 3900-001-0044 be increased by \$69,000, Item 3900-001-0115 be increased by \$51,000, Item 3900-001-0421 be increased by \$7,000, Item 3900-001-3228 be increased by \$10,000, and Item 3900-001-3237 be increased by \$28,000 to collectively fund 1 position for implementation of SB 1. These resources will be used to evaluate the information technology (IT) needs for relevant data systems to implement SB 1, and develop a project description for review by the appropriate IT entities.

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: 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: 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: Ms. Cyndi Hillery, Staff Director  
Honorable Bob Wieckowski, 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  
Mr. Richard Corey, Executive Officer, Air Resources Board  
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  
Ms. Kelley Moss, Budget Officer, Air Resources Board

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Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 3940-001-0001, Support, State Water Resources Control Board**

**Drought Resources: Updated Request**—It is requested that Item 3940-001-0001 be decreased by \$4,724,000. The Governor's Budget proposed \$5,324,000 for drought-related activities. Executive Order B-40-17 lifted the Governor's previous drought declaration in all but four counties. As a result of improved and significantly increased precipitation this year, the State Water Resources Control Board no longer requires additional resources for water curtailments and emergency change petitions. The requested reduction will maintain a budget of \$600,000 to support 4 positions that are necessary for the conclusion of open drought-related compliance and enforcement issues currently underway at the State Water Resources Control Board.

**Implementation of Conservation Responsibilities**—It is requested that the State Water Resources Control Board's authority be increased by 5 positions to establish a new conservation unit within the Office of Research, Planning, and Performance to support efforts consistent with the April 2017 report "Making Water Conservation a California Way of Life."

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 Amanda Martin, 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: 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  
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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, Environmental Protection Agency  
Mr. Tom Howard, Executive Director, State Water Resources Control Board  
Ms. Sue Montoya, Budget Officer, State Water Resources Control Board

May 11, 2017

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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 and Addition of Various Budget Bill Items, Support, Department of Toxic Substances Control**

**Exide Closure Plan**—It is requested that Item 3960-011-3301 be added to provide a \$1.4 million loan annually for three years from the Lead-Acid Battery Cleanup Fund to the Hazardous Waste Control Account (see Attachment 1). The Department of Toxic Substances Control (DTSC) is required to hire a third party quality assurance contractor to oversee the Exide Closure Plan implementation as specified in the final closure plan agreement. While Exide Technologies is financially responsible for this work, it is unknown when Exide will reimburse DTSC. Therefore, it is necessary to provide DTSC with sufficient resources to enable prompt payment of the third party contractor. This loan will allow DTSC to cover the costs of these oversight services until Exide provides reimbursement.

It is also requested that Item 3960-001-0014 be increased by \$1.4 million annually for three years to support DTSC's Exide Closure Plan implementation.

**National Priorities List and State Orphan Sites**—It is requested that the following items be amended and added to provide resources necessary to support the state's share of costs for National Priorities List (Superfund) sites, Priority 1A and 1B state orphan sites, and continued cleanup activities for Priority 2 and 3 state orphan sites that are already underway. The cleanup work includes site investigation, characterization, cleanup, and remediation activities, among others. More specifically, the following actions are requested:

- Increase Item 3960-001-0106 by \$500,000
- Increase Item 3960-001-0115 by \$2.7 million
- Add Item 3960-001-0193 in the amount of \$500,000

It is also requested that provisional language be added to Items 3960-001-0106, 3960-001-0115, and 3960-001-0193 to allow the use of penalty revenues to support these cleanup projects (see Attachment 2). Combined with \$10,908,000 transferred from the Toxic Substances Control Account to the Site Remediation Account included in the Governor's Budget, this proposal provides a total of \$14,608,000 for Superfund and state orphan sites.

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) 324-0024.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

Attachment

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: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
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Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
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Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
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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. Matthew Rodriguez, Secretary, California Environmental Protection Agency  
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, Administrative Services, Department of Toxic Substances Control  
Ms. Sara Murillo, Chief, Financial Planning Branch, Department of Toxic Substances Control  
Ms. Thuong Pham, Budget Officer, Department of Toxic Substances Control

3960-011-3301—For transfer by the Controller, upon order of the Director of Finance, from the Lead-Acid Battery Cleanup Fund to the Hazardous Waste Control Account .....(\$1,400,000)

Provisions:

1. The Director of Finance may transfer up to \$1,400,000 as a loan to the Hazardous Waste Control Account to hire a third party quality assurance contractor to oversee the Exide Closure Plan implementation, as required by the final closure plan agreement.

"3960-001-0106—For support of Department of Toxic Substances Control, payable from the Department of Pesticide Regulation Fund.....	46,000 <u>546,000</u>
Schedule:	
(0.5) 3620011-Other Site Mitigation Activities.....	<u>500,000</u>
(1) 3630-Safer Consumer Products.....	46,000

Provisions:

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 Schedule (0.5), \$500,000 shall be from penalty revenues that are subject to separate accounting in accordance with Section 11471(a), Section 12998, Section 12999.4(e), and Section 13145 of the Food and Agricultural Code. The funds specified in this provision are hereby appropriated to support direct site remediation at federal National Priorities List sites and at state orphan sites."

"3960-001-0115—For support of Department of Toxic Substances Control,  
payable from the Air Pollution Control Fund..... 43,000  
Schedule: 2,743,000

(0.5) 3620011-Other Site Mitigation Activities ..... 2,700,000  
(1) 3630-Safer Consumer Products..... 43,000

Provisions:

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 Schedule (0.5), \$2,700,000 shall be from penalty revenues that are subject to separate accounting in accordance with Sections 38580, 39674, 39675, 42400 to 42410, inclusive, 43025 to 43031.5, inclusive, 43154, 43211, and 43212 of the Health and Safety Code. The funds specified in this provision are hereby appropriated to support direct site remediation at federal National Priorities List sites and at state orphan sites."

3960-001-0193—For support of Department of Toxic Substances  
Control, payable from the Waste Discharge Permit Fund..... 500,000

Schedule:

(1) 3620011-Other Site Mitigation Activities..... 500,000

Provisions:

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 Schedule (1), and notwithstanding subdivision (c) of Section 13264, subdivision (f) of Section 13268, subdivision (k) of Section 13350, and paragraph (2) of subdivision (n) of Section 13385 of the Water Code, up to \$500,000 shall be from the moneys deposited into, and separately accounted for, the Waste Discharge Permit Fund pursuant to the balance of penalty revenues generated by the imposition of liabilities pursuant to subdivision (c) of Section 13264, subdivision (f) of Section 13350, and paragraph (2) of subdivision (n) of Section 13385 of the Water Code. The funds specified in this provision are hereby appropriated to support the Department of Toxic Substances Control for direct site remediation at federal National Priorities List sites and at state orphan sites.

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Assembly Budget Committee

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

**Amendment to Budget Bill Items 3970-001-0133 and 3970-001-0387, Support, Department of Resources Recycling and Recovery**

**Enhanced Oversight, Audit, and Enforcement in the Beverage Container Recycling Program**—It is requested that Item 3970-001-0133 be increased by \$2,270,000 and

22 positions to increase and enhance the oversight, audit, and enforcement functions within the Beverage Container Recycling Program. This request reflects the permanent authorization of the following activities:

- 5 positions and \$592,000 California Beverage Container Recycling Fund (BCRF) to maintain the increased audit coverage of beverage manufacturers and distributors.
- 7 positions and \$733,000 BCRF to continue the Imported Empty Beverage Container Reporting and Inspection Program which reduces losses to the BCRF from inappropriate redemptions.
- 10 positions and \$945,000 BCRF to continue on-site oversight activities at certified processor facilities.

**Engineering Support Workload**—It is requested that Item 3970-001-0387 be increased by \$1,013,000 for two years, to address engineering support workload that was deferred while the Department responded to various emergency fire debris cleanup projects as a result of the Butte and Valley fires. This funding would help complete deferred technical reports and workload such as closure maintenance plans, post closure maintenance plans, corrective action plans, and waste management site remediation.

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) 324-0024.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

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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, California Environmental Protection Agency  
Mr. Scott Smithline, Director, Department of Resources Recycling and Recovery  
Mr. Ken DaRosa, Chief Deputy Director, Department of Resources Recycling and Recovery  
Mr. Tom Estes, Deputy Director, Administration, Department of Resources Recycling and Recovery  
Ms. Sarah Keck, Chief, Fiscal Service Branch, Department of Resources Recycling and Recovery  
Ms. Olga Garti, Budget Officer, Department of Resources Recycling and Recovery