



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

February 2, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, 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 and Local Assistance,
Various Departments, Cap and Trade Expenditure Plan**

The Cap and Trade Expenditure Plan proposes \$1.25 billion in programs and projects consistent with the expenditure priorities specified in Chapter 135, Statutes of 2017 (AB 398) and the statutory requirements regarding allocation of at least 35 percent of expenditures to benefit disadvantaged and low-income communities.

California Infrastructure and Economic Development Bank (IBank)

- **California Integrated Climate Investment Program**—It is requested that Item 0509-001-3228 be added in the amount of \$20 million for the IBank to provide seed funding to accelerate private sector investments in California infrastructure projects that reduce greenhouse gas (GHG) emissions and improve climate resilience (see Attachment 1). With the establishment of the Program, the Administration will also convene an advisory group of leading experts to develop advanced funding pathways and a better pipeline of investable projects, creating new markets for California businesses.

Strategic Growth Council/Office of Planning and Research

- **California Climate Change Technology and Solutions Initiative**—It is requested that Item 0650-001-3228 be increased by \$35 million for research and development of innovative technologies and other solutions to maximize GHG emission reductions and prepare the state for a changing climate (see Attachment 1). This proposal supports these priorities by funding activities to: (1) advance the deployment of transformative technologies to reduce GHG emissions, (2) prepare for a changing climate, (3) integrate the social and equity dimensions of climate policies, and (4) support the development of advanced climate data partnerships and initiatives. Additionally, this funding will also support a new research initiative focused on climate policy impacts on California's economy. The initiative will include labor market analysis, economic modeling, case studies on just transition, and a toolkit on community re-investment. These investments will assist in easing the transition of workers and communities impacted by economic disruption.

- **Transformative Climate Communities**—It is requested that Item 0650-101-3228 be added in the amount of \$25 million to support neighborhood-level transformative projects that reduce GHG emissions, increase resilience, and provide local economic and health benefits to disadvantaged communities (see Attachment 1). This program provides funding for a combination of community-driven climate projects, such as transit-oriented development, water-energy efficiency installations, and urban greening, in a single neighborhood.

Office of Emergency Services

- **Local Fire Response**—It is requested that Item 0690-001-3228 be added in the amount of \$25 million to fund additional fire engines for the statewide mutual aid system (see Attachment 1). In response to the unprecedented fire conditions and a longer wildland fire season, this proposal will enhance the state's ability to deploy resources to emergency response agencies during a wildfire incident. Quick response times can help lessen GHG emissions associated with wildfires.

California Conservation Corps

- **Energy Corps**—It is requested that Item 3340-001-3228 be increased by \$6 million and 27 positions to continue the Energy Corps Program, which provides job training and work experience to young adult corps members through the completion of energy and water conservation audits and projects in public buildings (see Attachment 1). Beginning in 2013-14, the Energy Corps was supported by funding from the Clean Energy Jobs Act (Proposition 39), which expires in 2018-19.

California Energy Commission

It is requested that Items 3360-001-3228 and 3360-101-3228 be added in the amounts of \$25 million and \$38 million respectively (see Attachment 1) for the following purposes:

- **Low Carbon Fuel Production**—\$25 million to provide incentives for in-state biofuels production in support of the Low Carbon Fuel Standard. This proposal will invest funds in the construction and demonstration of commercial scale biofuel production facilities, including the production of gasoline substitutes such as ethanol, diesel substitutes such as biodiesel and renewable diesel, and gaseous fuels such as biomethane. These types of projects produce fuels that result in up to 165 percent lower carbon emissions compared to petroleum diesel and gasoline.
- **Agricultural Energy Efficiency Program**—\$34 million for grants that reduce energy costs, increase efficiency, and reduce GHG emissions in the food processing sector. Funded technologies will be reliable, have potential for broad sector adoption and help contribute to meeting the state's energy efficiency and GHG reduction goals.
- **Renewable Energy**—\$4 million to provide grants for the installation of cost-effective on-site renewable energy for agricultural operations located in disadvantaged communities.

Department of Forestry and Fire Protection (CAL FIRE)

- **Healthy and Resilient Forests**—It is requested that Item 3540-001-3228 be added in the amount of \$160 million and 19 positions to support forest improvement, fire prevention, and fuel reduction projects and that Item 3340-001-0318 be increased by \$5 million to reflect reimbursements from CAL FIRE to the California Conservation Corps for implementation of forest health projects (see Attachment 1). In recognition of tree mortality impacting the state's forestland and climate change continuing to lengthen the wildfire season, CAL FIRE will fund projects that reduce fuel loads, decreasing the intensity of wildfires and potential impacts to watersheds and communities.

Air Resources Board

It is requested that Items 3900-101-3228 and 3900-102-3228 be added in the amounts of \$592 million and \$200 million respectively (see Attachment 1) for the following purposes:

- **Agricultural Diesel Engine Replacement and Upgrades**—\$102 million to provide incentives for farmers and agricultural businesses to replace existing diesel, agricultural vehicles and equipment with the cleanest available diesel or advanced technologies. Emissions from agricultural equipment are a significant source of air pollution, especially in the San Joaquin Valley, and reducing these emissions is critical for meeting federal ozone and particulate matter air quality standards.
- **Clean Trucks, Buses, and Off-Road Freight Equipment**—\$160 million to provide incentives for zero-emission trucks, transit buses, and zero-emission freight equipment in the early stages of commercialization. These funds will also be available for the Carl Moyer Program, which will offset the redirection of tire fee revenue to support the Department of Fish and Wildlife.
- **Enhanced Fleet Modernization and Other Equity Programs**—\$75 million to provide equity-focused investments that increase access to clean transportation for low-income households and disadvantaged communities. Specific projects include voluntary car scrap and replace, car sharing, van pools, and rural school bus replacement.
- **AB 617 Community Air Protection**—\$250 million to provide grants for early incentive actions to reduce both stationary and mobile source emissions in communities identified as heavily impacted by air pollution. Under Chapter 136, Statutes of 2017 (AB 617), the Air Board will identify at-risk communities and key measures to reduce neighborhood pollution. This proposal provides funding to strategically reduce both criteria and toxic emissions in the identified communities.
- **Technical Assistance to Community Groups**—\$5 million for Community Assistance and Innovative Resources Grants to provide technical assistance grants to community-based organizations to participate in the AB 617 process, including the development of community emission reduction plans.
- **Clean Vehicle Rebate Project**—\$200 million to provide rebates to California residents for the purchase or lease of new light-duty zero-emission vehicles (ZEV) and plug-in hybrids, including \$25 million for incentives for low-income consumers. This proposal will provide \$200 million annually through 2025, reflecting the state's commitment to achieve its ZEV target. As the number of ZEVs purchased increases over time, the Air Board will revise the program's income eligibility requirements to target moderate and low-income consumers that are most influenced by the availability of the rebates.

Department of Resources, Recycling and Recovery

- **Waste Diversion**—It is requested that Item 3970-101-3228 be added in the amount of \$20 million to provide financial incentives for infrastructure facilities that divert waste from landfills, which will reduce methane emissions. Projects include composting, anaerobic digestion, and fiber, plastic, and glass recycling facilities.

Department of Food and Agriculture

It is requested that Item 8570-101-3228 be added in the amount of \$104 million (see Attachment 1) for the following purposes:

- **Methane Reduction**—\$99 million for the Dairy Digester Research and Development Program and Alternative Manure Management Program to reduce methane emissions. Methane is 25 times more potent as a GHG compared to carbon dioxide. The Dairy Digester Research and Development Program offers grants to dairies to capture methane to be used for transportation fuels and clean energy production. The Alternative Manure Management Program provides financial incentives to dairy farms to implement non-digester manure management programs to reduce methane emissions.
- **Healthy Soils Program**—\$5 million to provide financial incentives to farmers to implement conservation agriculture management practices that sequester carbon, reduce atmospheric GHG gases, and improve soil health. The program is the first in the world to directly relate agricultural management practices to quantitative GHG reductions and promote the development of healthy soils on California's farmlands and ranchlands.

Control Section 15.14—It is requested that Control Section 15.14 be added (see Attachment 2) to: (1) authorize the Department of Finance to proportionally reduce appropriations from the Greenhouse Gas Reduction Fund upon determination that cap and trade proceeds are not available to sufficiently support non-exempted appropriations, (2) exempt new programs from the Administrative Procedure Act, and (3) specify that Greenhouse Gas Reduction Fund supporting the manufacturing tax credit is considered “off-the-top” for purposes of calculating the continuous appropriations.

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 Juliana Morozumi, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

Attachments

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 Fletcher, Chair, Assembly Appropriations Committee
Attention: Vacant, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Shirley Weber, Chair, Assembly Budget Subcommittee No. 5
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Christopher Woods, Senate President pro Tempore's Office (2)
Vacant, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Panorea Avdis, Director, Governor's Office of Business and Economic Development
Mr. William Koch, Chief Deputy Director, Governor's Office of Business and Economic Development
Ms. Teveia Barnes, Executive Director, California Infrastructure and Economic Development Bank, Governor's Office of Business and Economic Development
Ms. Jenifer Henneke, Administrative Manager, Governor's Office of Business and Economic Development
Mr. Harsh Thakar, Budget Officer, Governor's Office of Business and Economic Development
Mr. Ken Alex, Director, Office of Planning and Research
Mr. Randall Winston, Executive Director, Strategic Growth Council
Ms. Mai Yang, Budget Officer, Office of Planning and Research
Ms. Tabitha Stout, Assistant Director, Office of Emergency Services
Ms. Angela Smith, Budget Manager, Officer of Emergency Services
Mr. Bruce Saito, Director, California Conservation Corps
Ms. Amy Cameron, Chief Deputy Director, California Conservation Corps
Ms. Dawne Bortolazzo, Chief, Administrative Division, California Conservation Corps
Ms. Sui Y Lim, Budget Officer, California Conservation Corps
Mr. Bryan Cash, Deputy Assistant Secretary, Natural Resources Agency
Mr. Ken Pimlott, Director, Department of Forestry and Fire Protection
Ms. Janet Barentson, Chief Deputy Director, Department of Forestry and Fire Protection
Mr. Tony Favro, Deputy Director, Department of Forestry and Fire Protection
Ms. Melissa Gamer, Chief of Budgets, Department of Forestry and Fire Protection
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
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

Honorable Karen Ross, Secretary, California Department of Food and Agriculture

Mr. Kevin Masuhara, Acting Undersecretary, California Department of Food and Agriculture

Ms. Kari Morrow, Division Director, Administrative Services, California Department of Food and Agriculture

Mr. Nathan Johnson, Budget Officer, California Department of Food and Agriculture

0509-001-3228—For support of Governor's Office of Business and Economic Development (GO-Biz), payable from the Greenhouse Gas Reduction Fund..... 20,000,000

Schedule:

(1) 0235028-California Infrastructure and Economic Development Bank..... 20,000,000

Provisions:

1. The amount appropriated in this item shall be available for the California Lending for Energy and Environmental Needs program to finance innovative infrastructure projects that reduce greenhouse gas emissions and improve climate resilience.

0650-001-3228—For support of Office of Planning and Research, payable from the Greenhouse Gas Reduction Fund.....1,165,000 36,165,000

Schedule:

(1) 0370-Strategic Growth Council.....1,165,000 36,165,000

Provisions:

1. Of the funds appropriated in this item, \$1,165,000 shall be included in, and any unused funds revert to, the share of annual proceeds continuously appropriated to the Strategic Growth Council as specified in subparagraph (C) of paragraph (1) of subdivision (b) of Section 39719 of the Health and Safety Code.
2. Of the funds appropriated in this item, \$35,000,000 shall be used to fund research on reducing carbon emissions, including clean energy, adaptation, and resiliency, with an emphasis on California. Grants shall be issued on a competitive basis to institutions, including the University of California, California State University, federal research laboratories, and private non-profit colleges and universities located within the state to conduct research consistent with criteria established by the Strategic Growth Council.
3. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020, and shall be available for liquidation until June 30, 2022. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

0650-101-3228—For local assistance, Office of Planning and Research, payable from the Greenhouse Gas Reduction Fund..... 25,000,000

Schedule:

(1) 0370-Strategic Growth Council..... 25,000,000

Provisions:

1. The funds appropriated in this item shall be used for the Transformative Climate Communities Program described in Part 4 (commencing with Section 75240) of Division 44 of the Public Resources Code.
2. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020, for support or local assistance and shall be available for liquidation until June 30, 2022. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

0690-001-3228—For support of Office of Emergency Services, payable from the Greenhouse Gas Reduction Fund25,000,000

Schedule:

(1) 0380-Emergency Management Services.....25,000,000

Provisions:

1. The funds appropriated in this item shall be used for the procurement and maintenance of fire engines and support of the California Fire and Rescue Mutual Aid System.

3340-001-0318—For support of California Conservation Corps, payable from the Collins-Dugan California Conservation Corps Reimbursement Account~~34,880,000~~ 39,880,000

Schedule:

(1) 2360-Training and Work Program	34,880,000	<u>39,880,000</u>
(2) 9900100-Administration	6,945,000	
(3) 9900200-Administration—Distributed	-6,945,000	

Provisions:

1. Notwithstanding Section 14316 of the Public Resources Code, the Department of Finance may make a loan from the General Fund to the Collins-Dugan California Conservation Corps Reimbursement Account in the amount of 25 percent of the reimbursements anticipated in the Collins-Dugan California Conservation Corps Reimbursement Account, not to exceed an aggregate total of \$7,300,000, to meet cashflow needs from delays in collecting reimbursements. Any loan made by the Department of Finance pursuant to this provision shall only be made if the California Conservation Corps has a valid contract or certification signed by the client agency that demonstrates that sufficient funds will be available to repay the loan. All moneys so transferred shall be repaid to the General Fund as soon as possible, but not later than one year from the date of the loan.
2. Notwithstanding Section 28.50, the Department of Finance may augment this item to reflect increases in reimbursements to the Collins-Dugan California Conservation Corps Reimbursement Account received from another officer, department, division, bureau, or other agency of the state that has requested services from the California Conservation Corps. Any augmentation that is deemed to be necessary on a permanent basis shall be submitted for review as a part of the regular budget process.
3. Notwithstanding Section 28.00, the Department of Finance may augment this item to reflect increases in reimbursements to the Collins-Dugan California Conservation Corps Reimbursement Account received from a local government, the federal government, or nonprofit organizations requesting emergency services from the California Conservation Corps after it has notified the Legislature through a letter to the Joint Legislative Budget Committee. Any augmentation that is deemed to be necessary on a permanent basis shall be submitted for review as a part of the regular budget process.
4. Of the amount appropriated in this item, \$5,000,000 is from the Department of Forestry and Fire Protection for forest health projects and shall be available for encumbrance or expenditure until June 30, 2020.

3340-001-3228—For support of California Conservation Corps, payable from the Greenhouse Gas Reduction Fund~~2,513,000~~ 8,513,000

Schedule:

(1) 2360—Training and Work Program	2,513,000	<u>8,513,000</u>
(2) 9900100—Administration	965,000	
(3) 9900200—Administration – Distributed	-965,000	

Provisions:

1. Of the funds appropriated in this item, \$2,513,000 is available pursuant to Section 4213.05 of the Public Resources Code.

3360-001-3228—For support of State Energy Resources Conservation and Development Commission, payable from the Greenhouse Gas Reduction Fund25,000,000

Schedule:

(1) 2390010-Transportation Technology and Fuels..... 25,000,000

Provisions:

1. Notwithstanding subdivision (a) of Section 1.80, funds appropriated in this item shall be available for expenditure or encumbrance during the 2018-2019 and 2019-2020 fiscal years.
2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation until June 30, 2024.
3. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

3360-101-3228—For local assistance, State Energy Resources Conservation and Development Commission, payable from the Greenhouse Gas Reduction Fund..... 38,000,000

Schedule:

(1) 2390019-Research and Development.....34,000,000

(2) 2390028-Renewable Energy.....4,000,000

Provisions:

1. Notwithstanding any other law, funds appropriated in Schedule (1) shall be used to provide grants, loans, or any financial incentives to food processors to implement projects that reduce greenhouse gas emissions.
2. Notwithstanding any other law, funds appropriated in Schedule (2) shall be used to support renewable energy projects in the agriculture sector.
3. Notwithstanding subdivision (a) of Section 1.80, funds appropriated in this item shall be available for expenditure or encumbrance during the 2018-2019 and 2019-2020 fiscal years.
4. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation until June 30, 2024.
5. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

3540-001-3228—For support of the Department of Forestry and Fire Protection, payable from the Greenhouse Gas Reduction Fund..... 160,000,000

Schedule:

(1) 2470-Resource Management.....160,000,000

Provisions:

1. The funds appropriated in this item shall be used for state and local healthy forest and fire prevention programs and projects that improve forest health and reduce greenhouse gas emissions caused by uncontrolled wildfires, including, but not limited to, vegetation management, forest overgrowth reduction, biomass energy generation, and measures to ensure future wildfires are more consistent with historic regenerative fire regime.
2. Of the amount appropriated in this item, \$155,000,000 shall be available for the following:
 - (a) Healthy forests in, or adjacent to, state responsibility areas.
 - (b) Local assistance grants that benefit habitable structures within the state responsibility areas, including public education, that are provided by counties and other local agencies, including special districts, with state responsibility areas within their jurisdictions.
 - (c) Grants to Fire Safe Councils or certified local conservation corps for fire prevention projects and activities in, or adjacent to, the state responsibility areas.

- (d) Grants to qualified nonprofit organizations with a demonstrated ability to satisfactorily plan, implement, and complete a fire prevention project applicable to the state responsibility areas.
 - (e) Inspections by the Department of Forestry and Fire Protection and local fire departments for compliance with defensible space requirements around habitable structures in, or adjacent to, state responsibility areas, as required by Section 4291 of the Public Resources Code, and in Very High Fire Severity Zones, as required by Chapter 6.8 (commencing with Section 51175) of Part 1 of Division 1 of Title 5 of the Government Code.
 - (f) Public education to reduce fire risk in, or adjacent to, the state responsibility areas. Fire severity and fire hazard mapping by the Department of Forestry and Fire Protection in, or adjacent to, the state responsibility areas.
 - (g) Other fire prevention projects in, or adjacent to, the state responsibility areas, as authorized by the State Board of Forestry and Fire Protection.
3. Notwithstanding any other law, of the amount appropriated in this item, no less than ten percent shall be granted to city, county, city and county, special district, or other political subdivisions of the state providing fire protection.
 4. Of the amount appropriated in this item, no less than \$5,000,000 shall be made available to the California Conservation Corps for fire prevention projects and activities in, or adjacent to, the state responsibility areas.
 5. Of the amount appropriated in this item, up to five percent shall be available to pay salaries, benefits, and associated operating and equipment expenses.
 6. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020, and shall be available for liquidation until June 30, 2022.

3900-101-3228—For local assistance, State Air Resources Board, payable from the Greenhouse Gas Reduction Fund.....592,000,000

Schedule:

(1) 3500-Mobile Source.....	128,000,000
(2) 3510-Climate Change.....	209,000,000
(3) 3530-Community Air Protection.....	255,000,000

Provisions:

1. The funds appropriated in Schedule (1) shall be used as follows:
 - (a) \$102,000,000 shall be used to reduce agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations.
 - (b) \$26,000,000 shall be used for the Carl Moyer Memorial Air Quality Standards Attainment Program.
2. The funds appropriated in Schedule (2) shall be used as follows:
 - (a) \$134,000,000 shall be used for the Zero-Emission Freight Equipment Pilot Commercial Deployment Project and the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project.
 - (b) \$75,000,000 shall be used for the Enhanced Fleet Modernization Program and Plus-Up Pilot Project (Clean Cars 4 All), replacement of school buses, and light-duty equity pilot projects authorized pursuant to Chapter 530 of the Statutes of 2014 (SB 1275).
3. The funds appropriated in Schedule (3) shall be used as follows:
 - (a) \$250,000,000 shall be available for financial incentives to reduce mobile and stationary sources of criteria air pollutants or toxic air contaminants consistent with community emissions reduction programs developed pursuant to Section 44391.2 of the Health and Safety Code.

- (b) \$5,000,000 shall be used for technical assistance grants to community-based organizations pursuant to subdivision (d) of Section 44391.2 of the Health and Safety Code.
4. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020, for support or local assistance, and shall be available for liquidation until June 30, 2022. Not more than five percent of the funds allocated to each project specified in Provisions 1(a), 2, and 3(a) shall be used for administrative costs.

3900-102-3228—For local assistance, State Air Resources Board, payable from the Greenhouse Gas Reduction Fund.....200,000,000

Schedule:

(1) 3510-Climate Change.....200,000,000

Provisions:

1. The funds appropriated in this item shall be used for the Clean Vehicle Rebate Project.
2. Of the amount appropriated in this item, \$25,000,000 shall be used to fund increased rebates for low-income recipients.
3. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020, for support or local assistance, and shall be available for liquidation until June 30, 2022. Not more than five percent of the funds allocated shall be used for administrative costs.

3970-101-3228—For local assistance, Department of Resources Recycling and Recovery, payable from the Greenhouse Gas Reduction Fund.....20,000,000

Schedule:

(1) 3700-Waste Reduction and Management20,000,000

Provisions:

1. The funds appropriated in this item shall be used for Waste Diversion and Greenhouse Gas Reduction Financial Assistance programs specified in Section 42999 of the Public Resources Code.
2. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020, for support and local assistance, and shall be available for liquidation until June 30, 2022. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

8570-101-3228—For local assistance, Department of Food and Agriculture, payable from the Greenhouse Gas Reduction Fund.....104,000,000

Schedule:

(1) 6590-General Agricultural Activities.....104,000,000

Provisions:

1. Of the amount appropriated in this item, \$99,000,000 shall be used for dairy digester research and development, and alternative manure management. Notwithstanding subdivision (e) of Section 16428.86 of the Government Code, the expenditures of these funds for dairy digester research and development shall comply with the requirements of Section 16428.86 of the Government Code.
2. Of the amount appropriated in this item, \$5,000,000 shall be used for the Healthy Soils Program, including no-till and compost applications.
3. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020, for support or local assistance and shall be available for liquidation until June 30, 2022.
4. Not more than five percent of the amount appropriated in this item may be used for the administrative costs

SEC. 15.14.

- (a) Notwithstanding any other law, the Director of Finance may proportionally reduce appropriations from the Greenhouse Gas Reduction Fund in the 2018 Budget Act, upon a determination that available proceeds from the cap-and-trade auctions are not sufficient to fully support the appropriations from the Greenhouse Gas Reduction Fund.
- (b) The funds appropriated in Items 3340-001-3228, 3540-002-3228, 3900-001-3228, and 3900-102-3228 are not subject to the restriction specified in subdivision (a).
- (c) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to guidelines or other standards adopted and used by a state agency in administering an allocation of moneys from the Greenhouse Gas Reduction Fund.
- (d) For the purposes of the 2018–19 fiscal year, the amount transferred pursuant to subsection (B) of paragraph (2) of subdivision (g) of Section 6377.1 of the Revenue and Taxation Code shall not be included in determining the amount of annual proceeds of the fund for purposes of the calculation in Section 39719 of the Health and Safety Code.



EDMUND G. BROWN JR. • GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

February 2, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 3360-001-3117, Support, State Energy Resources Conservation and Development Commission (Energy Commission), and Addition of Budget Bill Item 3900-011-3119, Transfer, California Air Resources Board, Zero-Emission Vehicle Infrastructure Initiative

The Zero-Emission Vehicle (ZEV) Infrastructure Initiative proposes \$900 million in funding over the next 8 years for electrical vehicle charging and hydrogen fueling infrastructure projects to advance the Administration's target of five million ZEVs in California by 2030, pursuant to Executive Order B-48-18. Of this amount, \$235 million will be available for these projects in 2018-19.

ZEV Infrastructure Initiative—It is requested that Item 3360-001-3117 be increased by \$70 million in addition to the existing \$77 million of funding, for electric vehicle charging and hydrogen fueling stations, per the Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program's investment plan. It is also requested that Provisions 5 and 6 be added and Provisions 1 through 4 be deleted to specify that a total of \$147 million is for zero-emission fueling station infrastructure projects (see Attachment 1).

Furthermore, trailer bill language will be proposed to provide an additional \$88 million one-time from the New Solar Homes Partnership funding source for the ZEV Infrastructure Initiative, bringing total state resources for the initiative to \$235 million in 2018-19. To give the Energy Commission maximum flexibility in achieving the Administration's targets, proposed trailer bill language will also amend Health and Safety Code Section 43018.9, which currently limits annual expenditure on hydrogen fueling stations to \$20 million or 20 percent of the moneys appropriated by the Legislature from the Alternative and Renewable Fuel and Vehicle Technology Fund. The removal of the limit will be necessary to spur the construction and installation of 200 hydrogen fueling stations by 2025, pursuant to Executive Order B-48-18.

ZEV Infrastructure Transfer—It is also requested that Item 3900-011-3119 be added to transfer \$15 million from the Air Quality Improvement Fund (3119) to the Alternative and Renewable Fuel and Vehicle Technology Fund (3117) (see Attachment 2).

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) 322-2263.

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 Fletcher, Chair, Assembly Appropriations Committee
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Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. John Laird, Secretary, Natural Resources Agency
Mr. Bryan Cash, Assistant Secretary-Administrative and Finance, Natural Resources Agency
Mr. Drew Bohan, Executive Director, Energy Resources Conservation and Development
Commission
Mr. Rob Cooke, Deputy Director of Administrative Services Division, Energy Resources
Conservation and Development Commission
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
Mr. Matthew Rodriguez, Secretary, California Environmental Protection Agency
Mr. Eric Jarvis, Assistant Secretary, California Environmental Protection Agency

3360-001-3117—For support of State Energy Resources Conservation and Development Commission, payable from the Alternative and Renewable Fuel and Vehicle Technology Fund107,858,000 177,858,000

Schedule:

(1) 2390010-Transportation Technology and Fuels107,858,000 177,858,000

Provisions:

- ~~1. Notwithstanding subdivision (a) of Section 1.80, funds appropriated in this item shall be available for expenditure or encumbrance during the 2018-19 and 2019-20 fiscal years.~~
- ~~2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances or expenditure until June 30, 2024.~~
- ~~3. Notwithstanding subdivision (a) of Section 1.80, up to \$20,000,000 of the funds appropriated in this item, not to exceed 20 percent of the moneys appropriated, pursuant to Chapter 401 of the Statutes of 2013, shall be available for expenditure for hydrogen-fueling stations and shall be available for encumbrance or expenditure until June 30, 2022.~~
- ~~4. Notwithstanding Section 16304.1 of the Government Code, the \$20,000,000 or 20 percent of the moneys appropriated as identified in Provision 3 shall be available for liquidation of encumbrances until June 30, 2026.~~
5. Funds appropriated in this item shall be available for allocation by the State Energy Resources Conservation and Development Commission until June 30, 2022, and available for encumbrance and liquidation until June 30, 2026.
6. Of the amount provided in Schedule (1), up to \$147,000,000 shall be made available to support the Zero-Emission Vehicle (ZEV) Infrastructure Initiative.

Attachment 2

3900-011-3119—For transfer by the Controller from the Air Quality Improvement Fund to the Alternative and Renewable Fuel and Vehicle Technology Fund.....(15,000,000)



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, 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 and Local Assistance,
Air Resources Board**

Heavy Duty In-Use Program—It is requested that Item 3900-001-0044 be increased by \$1,243,000 as a technical adjustment to expand heavy-duty testing capability and improve heavy-duty inspection programs. The 2017-18 Governor's Budget included \$2,243,000 Motor Vehicle Account, State Transportation Fund to expand heavy-duty vehicle programs, of which \$1 million was for local assistance grants. During the 2017-18 Conference Committee process, funding for support was removed with the expectation that it would be included in the Cap and Trade trailer bill; however, it was not included in any enacted 2017-18 trailer bills. This adjustment restores funding to protect public health by ensuring heavy-duty engine emissions standards are met.

Portable Equipment Registration Program Regulation Amendments—It is requested that Item 3900-001-0115 be increased by \$182,000 and 9 permanent positions and decreased by 6 temporary positions to implement regulatory amendments to the Portable Equipment Registration Program that address compliance challenges, improve enforceability, and increase program fees.

Proposition 1B Goods Movement Emissions Reduction Program—It is requested that Item 3900-101-6054 be added in the amount of \$11,308,000 of reverted bond funds to continue to fund cleaner freight vehicles and equipment through the Goods Movement Emission Reduction Program. It is also requested that provisional language be added to provide an extended encumbrance period until June 30, 2020 (see Attachment 1).

Reappropriation for Monitoring Airborne Agricultural Pesticides—It is requested that Item 3900-490 be added to reappropriate the unencumbered balances from Item 3900-001-0115, Budget Acts of 2016 and 2017 to complete a two-year pilot that expands the pesticide air monitoring network. Sampling and monitoring did not begin until March 2018 due to procurement delays. An extended encumbrance period of until June 30, 2020, is requested to provide additional time to complete the monitoring of the network sites (see Attachment 2).

Reversions—It is requested that Item 3900-495 be added to revert unexpended bond funds in Item 3900-001-6054, Budget Act of 2014 for the Proposition 1B Program to prevent over-allocation of funds and provide for a new appropriation (see Attachment 3).

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 Juliana Morozumi, 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 Fletcher, Chair, Assembly Appropriations Committee
Attention: Mr. Jay Dickenson, 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. Christopher Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, 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. Pam Biggins, Branch Chief, Budget, Contracts, and Grants Branch, Air Resources Board
Ms. Kelley Moss, Budget Officer, Air Resources Board

3900-101-6054—For local assistance, State Air Resources Board, payable from the California Ports Infrastructure, Security, and Air Quality Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....11,308,000

Schedule:

(1) 3500-Mobile Source.....11,308,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020.

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

0115—Air Pollution Control Fund

(1) Item 3900-001-0115, Budget Act of 2016 (Ch. 23, Stats. 2016)

(2) Item 3900-001-0115, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017)

3900-495—Reversion, State Air Resources Board. As of June 30, 2018, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

6054—California Ports Infrastructure, Security, and Air Quality Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006

(1) Item 3900-001-6054, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014) as reverted by Item 3900-495, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017). Up to \$11,308,000 appropriated in Program 15-Mobile Source.



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March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 3930-001-0106, Support, Department of Pesticide Regulation

Information Security Officer—It is requested that Item 3930-001-0106 be increased by \$159,000 to support 1 new Information Security Officer to remediate deficiencies identified in various security survey and assessment reports. The requested position will coordinate, prioritize, and oversee the completion of security remediation issues and will lead the Department's information security program.

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 Juliana Morozumi, 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 Fletcher, Chair, Assembly Appropriations Committee
Attention: Mr. Jay Dickenson, 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. Christopher Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, 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
Mr. Brian Leahy, Director, Department of Pesticide Regulation
Ms. Anise Severns, Assistant Director, Administrative Services Division, Department of Pesticide Regulation
Ms. Leslie Ford, Manager, Fiscal and Business Services, Department of Pesticide Regulation
Ms. Karen Munoz, Budget Officer, Department of Pesticide Regulation



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March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, 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 and Local Assistance,
State Water Resources Control Board**

Settlement Costs for the Santa Monica Bay Restoration Commission—It is requested that Item 3940-001-0001 be increased by \$15,000 to cover the costs of a recent settlement in a case involving the Santa Monica Bay Restoration Commission. To reduce the state's exposure to future liability, it is also requested that provisional language be added to require the Commission to update its Memoranda of Agreement with The Bay Foundation to better define roles and responsibilities of the two parties (see Attachment 1).

Reappropriations—It is requested that Item 3940-490 be added to reappropriate \$2 million in support funding from Proposition 1 with funding available for encumbrance or expenditure until June 30, 2019 (see Attachment 2). It is also requested that Item 3940-491 be added to reappropriate funding from Proposition 1 and Proposition 84 with funding available for encumbrance or expenditure until June 30, 2021 (see Attachment 3). It is further requested that Item 3940-494 be added to reappropriate funding from various special funds with funding available for encumbrance or expenditure until June 30, 2021, and extend the liquidation period to June 30, 2024 (see Attachment 4).

Extensions of Liquidation—It is requested that Item 3940-492 be added to extend the liquidation period to June 30, 2021 for various bonds and special funds (see Attachment 5). It is also requested that Item 3940-493 be added to extend the liquidation period to June 30, 2022 for previously encumbered local assistance grants (see Attachment 6). These extensions will provide additional time for final accounting and payments to be completed.

Reversions—It is requested that Items 3940-495 and 3940-496 be added to revert various unexpended bond funds to prevent any bond allocations from being over-committed (see Attachments 7 and 8).

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 Matt Almy, Assistant Program Budget Manager, 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 Fletcher, 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
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Christopher Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Eileen Sobeck, Executive Director, State Water Resources Control Board
Ms. Susan Montoya, Budget Officer, State Water Resources Control Board

"3940-001-0001—For support of State Water Resources Control Board, payable from the General Fund.....40,243,000 40,258,000

Schedule:

(1) 3560-Water Quality.....~~19,414,000~~ 19,429,000
 (2) 3565-Drinking Water Quality.....4,864,000
 (3) 3570-Water Rights.....15,798,000
 (4) 3575-Department of Justice legal services.....167,000

Provisions:

1. The amount appropriated in Program 3575 shall be used to reimburse the Department of Justice for legal services. In addition to the amount in Program 3575, upon order of the Director of Finance, any non-General Fund Budget Act item for support of the State Water Resources Control Board may be augmented to reimburse the Department of Justice for legal services. An augmentation shall not be made sooner than 30 days after the Joint Legislative Budget Committee has been notified in writing.
2. Of this amount, \$981,000 is to reimburse the State Department of Public Health for lease-revenue bond base rental payments associated with the State Water Resources Control Board's occupancy in the State Department of Public Health's Richmond Laboratory.
3. The Controller shall transfer funds appropriated in this item to the State Department of Public Health, in the amount shown in Provision 2, as and when provided for in the Transaction Request submitted by the State Public Works Board.
4. Of the amount in Program 3560, \$15,000 is appropriated for the benefit of the Santa Monica Bay Restoration Commission to resolve Los Angeles Superior Court Case No. BS165860. No later than December 31, 2018, the Santa Monica Bay Restoration Commission shall update its Memoranda of Agreement with The Bay Foundation to better delineate roles and responsibilities of the two parties as may be needed to reduce the likelihood of any future litigation by outside parties."

3940-490—Reappropriation, State Water Resources Control Board. 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, 2019:

6083—Water Quality, Supply, and Infrastructure Improvement Fund of 2014

(1) \$2,000,000 in Item 3940-001-6083, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015), as reverted by Item 3940-495, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017)

3940-491—Reappropriation, State Water Resources Control 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, 2021:

6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006

(1) Item 3940-101-6051, Budget Act of 2015 (Chs.10 and 11, Stats. 2015)

6083—Water Quality, Supply, and Infrastructure Improvement Fund of 2014

(1) Item 3940-101-6083, Budget Act of 2014, as added by Chapter 1, Statutes of 2015

(2) Item 3940-101-6083, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015)

3940-494—Reappropriation, State Water Resources Control 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, 2021, and liquidation until June 30, 2024:

3262—Expedited Claim Account, Underground Storage Tank Cleanup Fund

(1) Item 3940-101-3262, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015)

3264—Site Cleanup Subaccount

(1) Item 3940-101-3264, Budget Act of 2016 (Ch. 23, Stats. 2016)

(2) Item 3940-101-3264, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017)

8026—Petroleum Underground Storage Tank Financing Account

(1) Item 3940-101-8026, Budget Act of 2016 (Ch. 23, Stats. 2016)

(2) Item 3940-101-8026, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017)

3940-492—Reappropriation, State Water Resources Control Board. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2021.

3147—State Water Pollution Control Revolving Fund Small Community Grant Fund

- (1) Item 3940-101-3147, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014)
- (2) Item 3940-101-3147, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015)
- (3) Item 3940-101-3147, Budget Act of 2016 (Ch. 23, Stats. 2016)

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

- (1) Item 4265-111-6031, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), as amended by Item 3940-401, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014), as reverted by Item 3940-495, Budget Act of 2016 (Ch. 23, Stats. 2016), and as reverted by Item 3940-495, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017)

6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006

- (1) Item 4265-111-6051, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), as amended by Item 3940-401, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014), and as reverted by Item 3940-495, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017)

3940-493—Reappropriation, State Water Resources Control Board. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2022.

3147—State Water Pollution Control Revolving Fund Small Community Grant Fund

(1) Item 3940-101-3147, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017)

3940-495—Reversion, State Water Resources Control Board. As of June 30, 2018, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

- (1) Item 4265-111-6031, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as amended by Item 3940-401, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014), as reverted by Item 3940-496, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015), as reappropriated by Item 3940-490, Budget Act of 2016 (Ch. 23, Stats. 2016), and as reverted by Item 3940-495, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017) up to \$1,433,011.
- (2) Item 4265-111-6031, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), as amended by Item 3940-401, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014), as reverted by Item 3940-495, Budget Act of 2016 (Ch. 23, Stats. 2016), and as reverted by Item 3940-495, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017) up to \$1,373,989.

6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006

- (1) Item 4265-111-6051, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), as amended by Item 3940-401, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014), and as reverted by Item 3940-495, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017) up to \$523,472.

3940-496—Reversion, State Water Resources Control Board. As of June 30, 2018, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006

- (1) Item 3940-001-6051, Budget Act of 2016 (Ch. 23, Stats 2016). Up to \$2,000,000 appropriated in Program 3560-Water Quality.

6083—Water Quality, Supply, and Infrastructure Improvement Fund of 2014

- (1) Item 3940-001-6083, Budget Act of 2015 (Chs. 10 and 11, Stats 2015), as reverted by Item 3940-495, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017) up to \$4,000,000 appropriated in Program 3560-Water Quality.
- (2) Item 3940-001-6083, Budget Act of 2016 (Ch. 23, Stats 2016). Up to \$3,500,000 appropriated in Program 3560-Water Quality.



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March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Addition of Budget Bill Item 3970-491, Support, Department of Resources Recycling and Recovery

Reappropriation—It is requested that Item 3970-491 be added to reappropriate up to \$4.2 million in support funding from the Integrated Waste Management Account (see Attachment 1). This funding was originally approved in the Budget Act of 2017 to implement the requirements for the closure and post-closure maintenance of the inactive Bonzi Landfill. The closure project requires the construction to occur only during dry months. Due to the time required to complete the environmental review and design work necessary to support the contract for construction, the construction will not be carried out until fiscal year 2018-19.

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 Juliana Morozumi, 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 Fletcher, Chair, Assembly Appropriations Committee
Attention: Mr. Jay Dickenson, 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. Christopher Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, 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. Nicole Clay, Budget Officer, Department of Resources Recycling and Recovery

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, 2019:

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, 22, and 54, Stats. 2017) for the Bonzi Landfill Closure
- (1) 3700—Waste Reduction and Management.



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March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

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

**Addition of Position Authority, Support, Office of Environmental Health Hazard
Assessment**

Position Authority for Librarian—It is requested that 1 Senior Librarian position be authorized to perform systematic searches of the scientific literature regarding the health effects of chemicals and related subjects. The University of California Berkeley notified the Office of Environmental Health Hazard Assessment (OEHHA) that it will no longer be able to provide library services at the same level as in the past beginning July 1, 2017, and will phase out services completely as of June 2018. OEHHA will redirect existing funding to support the new position.

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 Juliana Morozumi, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
Chief Deputy Director

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Ms. Cheri West, Deputy Chief of Staff, 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. Lauren Zeise, Director, Office of Environmental Health Hazard Assessment
Ms. Susan Villa, Deputy Director, Administrative Services Division, Office of Environmental Health
Hazard Assessment
Mr. Mike Gyurics, Fiscal Officer, Fiscal Operations Branch, Office of Environmental Health Hazard
Assessment