

May 14, 2025

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items, Support and Local Assistance, State Air Resources Board

Legal Resources to Respond to Federal Actions—It is requested that Item 3900-001-0115 be increased by \$1,892,000 ongoing and 8 positions to support increased litigation in response to federal legal challenges to environmental laws and regulations.

California Climate Investments—It is requested that Item 3900-001-3228 be increased by \$666,000 and 3 positions in fiscal year 2026-27 to provide guidance to departments that receive funding from the Greenhouse Gas Reduction Fund (GGRF) and develop quantification methodologies, calculator tools, and co-benefit assessments for programs funded by the GGRF.

California Environmental Protection Agency Bond and Technical Adjustments: Various Reappropriations to June 30, 2026—It is requested that Item 3900-490 be amended to reappropriate the balances of funds from various Budget Act state operations and local assistance appropriations to June 30, 2026, which are necessary for CARB to meet project timelines and contractual obligations (see Attachment 1):

- Up to \$66,000 Air Pollution Control Fund in the 2022 Budget Act to cover contract costs associated with audio-visual equipment updates for CalEPA and its Boards, Departments, and Offices.
- Up to \$1.2 million GGRF in the 2024 Budget Act for work related to Ch. 382, Stats. 2023 (SB 253) and Ch. 383, Stats. 2023 (SB 261).
- Up to \$2,419,000 GGRF in the 2016 Budget Act for the Clean Truck and Bus Voucher Incentive Project.
- Up to \$5,671,000 GGRF in the 2018 Budget Act for the Zero- and Near-Zero Emission Freight Facilities Project.
- Up to \$2,550,000 Cost of Implementation Account (COIA) in the 2023 and 2024 Budget Acts for work related to Ch. 359, Stats. 2022 (SB 905).

- Up to \$8,747,000 CA Ports Infrastructure, Security, and Air Quality Improvement Account in the 2019 Budget Act for previously authorized Proposition 1B programs and projects.

California Environmental Protection Agency Bond and Technical Adjustments: Various Reappropriations to June 30, 2027—It is requested that Item 3900-491 be amended to

reappropriate the balances of funds from various Budget Act state operations and local assistance appropriations to June 30, 2027, which are necessary for CARB to meet project timelines and contractual obligations (see Attachment 2):

- Up to \$419,000 GGRF in the 2018 Budget Act for the Rural School Bus Pilot Project.
- Up to \$7,834,000 GGRF in the 2019 Budget Act for the Capture and Control System for Oil Tankers Project and the Zero-Emission Drayage Truck and Infrastructure Pilot Project.
- Up to \$4,879,000 GGRF in the 2019 Budget Act for the Sustainable Transportation Equity Project and the Rural School Bus Pilot Project.
- Up to \$2,970,000 GGRF in the 2022 Budget Act for the California E-Bike Incentive Project.
- Up to \$4 million COIA in the 2023 and 2024 Budget Acts for the implementation of Ch. 352, Stats. 2022 (AB 2446).
- Up to \$1,142,000 COIA in the 2024 Budget Act for the Advanced Clean Cars II Zero-Emission Vehicle Regulation Tracking System.

California Environmental Protection Agency Bond and Technical Adjustments: Various Reappropriations to June 30, 2029—It is requested that Item 3900-493 be amended to

reappropriate the balances of funds from various Budget Act state operations and local assistance appropriations to June 30, 2029, which are necessary for CARB to meet project timelines and contractual obligations (see Attachment 3):

- Up to \$100.2 million GGRF in the 2022 Budget Act for the Methane Monitoring and Accountability Project.

California Environmental Protection Agency Bond and Technical Adjustments: Various Reappropriations and Extensions of Liquidation Dates—It is requested that Item 3900-494 be

added to reappropriate the balances of funds from various Budget Act state operations and local assistance appropriations, and to specify their updated liquidation deadlines, which are necessary for CARB to meet project timelines and contractual obligations (see Attachment 4):

- Up to \$14,207,000 GGRF in the 2021 Budget Act for the Clean Mobility in Schools Project and the Sustainable Transportation Equity Project.
- Up to \$58 million GGRF in the 2021 and 2022 Budget Acts for advanced technology and demonstration projects.
- Up to \$4.8 million GGRF in the 2022 Budget Act for the Methane Monitoring and Accountability Project.

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 Erin Carson, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Heath Flora, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Benjamin Allen, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Yana Garcia, Secretary, California Environmental Protection Agency
Catalina Hayes-Bautista, Undersecretary, California Environmental Protection Agency
Brandy Hunt, Deputy Secretary, California Environmental Protection Agency
Honorable Steven S. Cliff, Ph.D., Executive Officer, State Air Resources Board
Courtney Smith, Principal Deputy Executive Officer, State Air Resources Board

Amend Item 3900-490 as follows:

"3900-490—Reappropriation, State Air Resources 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, 2027~~ June 30, 2026:

0115—Air Pollution Control Fund

- (1) Up to \$66,000 of the amount appropriated in Schedule (1) in Item 3900-001-0115, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), for audio-visual equipment updates for CalEPA and its Boards, Departments, and Offices.

3228—Greenhouse Gas Reduction Fund

- (1) Up to \$1,200,000 in Item 3900-001-3228, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024), related to the requirements of Chapter 382 of the Statutes of 2023 (SB 253) and Chapter 383 of the Statutes of 2023 (SB 261).
- (2) Up to \$2,419,000 in Provision 3 of Item 3900-101-3228, Budget Act of 2016 (Ch. 370, Stats. 2016), as added by Chapter 370 of the Statutes of 2016, as reappropriated by Item 3900-491, Budget Act of 2019 (Chs. 23, and 55, Stats. 2019), as reappropriated by Item 3900-492, Budget Act of 2020 (Chs. 6 and 7, Stats. 2020), as reappropriated by Item 3900-491, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for the Clean Truck and Bus Voucher Incentive Project.
- (3) Up to \$5,671,000 in Provision 2(c) of Item 3900-101-3228, Budget Act of 2018, (Chs. 29 and 30, Stats. 2018), as reappropriated by Item 3900-491, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), as reappropriated by Item 3900-491, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024), for the Zero- and Near-Zero Emission Freight Facilities (ZANZEFF) Project.

3237—Cost of Implementation Account, Air Pollution Control Fund

- ~~(1) Up to \$2,000,000 of the amount appropriated in Program 3510 Climate Change, Item 3900-001-3237, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023), as reappropriated by Item 3900-490, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) related to the implementation of Chapter 352 of the Statutes of 2022 (AB 2446).~~
- (2) Up to \$2,000,000 of the amount appropriated in Program 3510 Climate Change, Item 3900-001-3237, Budget Act of 2024 (Chs. 22, 35, and 994 Stats. 2024), related to the implementation of Chapter 352 of the Statutes of 2022 (AB 2446).

(3) Up to \$1,700,000 in Item 3900-001-3237, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024), for the requirements of Chapter 359 of the Statutes of 2022 (SB 905).

(4) Up to \$850,000 in Item 3900-001-3237, Budget Act of 2023 (Chs. 12, 38, and 189 Stats. 2023) as reappropriated by Item 3900-490, Budget Act of 2024 (Chs. 994, Stats. 2024), for the requirements of Chapter 359 of the Statutes of 2022 (SB 905).

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

(1) Up to \$8,747,000 in Item 3900-101-6054, Budget Act of 2019 (Chs. 23 and 55, Stats. 2019), as reappropriated by Item 3900-494, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for previously authorized Proposition 1B programs and projects authorized under Health and Safety Code (HSC) section 39626.5 related to the Goods Movement Emission Reduction Program."

Amend Item 3900-491 as follows:

“3900-491—Reappropriation, State Air Resources Board. The amounts 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, 2027:

0001—General Fund

- (1) Up to \$5,900,000 of Item 3900-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), as authorized by Provision 5 for administering incentive programs.

3228—Greenhouse Gas Reduction Fund

- (1) Up to \$6,760,000 of Item 3900-101-3228, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), as authorized by Provision 2 for administering zero-emission vehicle incentive programs.
- (2) Up to \$2,200,000 of Item 3900-102-3228, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), as authorized by Provision 3 for administering incentive and community air protection programs.
- (3) Up to \$419,000 in Provision 2(b) of Item 3900-101-3228, Budget Act of 2018 (Chs. 29 and 30, Stats. 2018), as reappropriated by Item 3900-491, Budget Act of 2021, (Chs. 21, 69, and 240, Stats. 2021), as reappropriated by Item 3900-491, Budget Act of 2024, (Chs. 22, 35, and 994, Stats. 2024), for the Rural School Bus Pilot Project.
- (4) Up to \$7,834,000 in Provision 2(a) of Item 3900-101-3228, Budget Act of 2019, (Chs. 23 and 55, Stats. 2019) as reappropriated by Item 3900-490, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for the Capture and Control System for Oil Tankers Project and the Zero-Emission Drayage Truck and Infrastructure Pilot Project.
- (5) Up to \$4,879,000 in Provision 2(b) of Item 3900-101-3228, Budget Act of 2019 (Chs. 23 and 55, Stats. 2019) for the Sustainable Transportation Equity Project (STEP) and the Rural School Bus Pilot Project.
- (6) Up to \$2,970,000 in Provision 1(b) of Item 3900-101-3228, Budget Act of 2022, (Chs. 43, 45, and 249, Stats. 2022), for the California E-Bike Incentive Project.

3237—Cost of Implementation Account, Air Pollution Control Fund

- (1) Up to \$2,000,000 of the amount appropriated in Program 3510-Climate Change, Item 3900-001-3237, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023), as reappropriated by Item 3900-490, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) related to the implementation of Chapter 352 of the Statutes of 2022 (AB 2446).
- (2) Up to \$2,000,000 of the amount appropriated in Program 3510-Climate Change, Item 3900-001- 3237, Budget Act of 2024 (Chs. 22, 35, and 994 Stats. 2024), related to the implementation of Chapter 352 of the Statutes of 2022 (AB 2446).
- (3) Up to \$1,142,000 of Item 3900-001-3237, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) for information technology costs related to the implementation of the Advanced Clean Cars II Zero-Emission Vehicle Regulation Tracking System."

Amend Item 3900-493 as follows:

“3900-493—Reappropriation, State Air Resources Board. The amounts 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, 2029:

0001—General Fund

- (1) Up to \$10,000,000 in Item 3900-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) as authorized by Provision 3(a) for administrative costs related to Zero Emission School Buses administered through the Hybrid and Zero Emission Truck and Voucher Incentive Project and funded by Proposition 98 General Funds.

3228—Greenhouse Gas Reduction Fund

- (1) Up to \$100,200,000 in Item 3900-002-3228, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Methane Monitoring and Accountability Project.”

3900-494—Reappropriation, State Air Resources Board. The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance, expenditure, or liquidation as specified:

3228—Greenhouse Gas Reduction Fund

- (1) Up to \$14,207,000 in Provision 1(c) of Item 3900-101-3228, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for the Clean Mobility in Schools Project and the Sustainable Transportation Equity Project (STEP) shall be available for encumbrance or expenditure until June 30, 2026, and for liquidation until June 30, 2029.
- (2) Up to \$36,000,000 in Provision 1(b) of Item 3900-101-3228, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), as reappropriated by Item 3900-490, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) for advanced technology and demonstration projects shall be available for encumbrance or expenditure until June 30, 2026, and for liquidation until June 30, 2029.
- (3) Up to \$22,000,000 of Provision 1(a) of Item 3900-101-3228, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for advanced technology and demonstration projects shall be available for encumbrance or expenditure until June 30, 2026, and for liquidation until June 30, 2030.
- (4) Up to \$4,800,000 in Item 3900-002-3228, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Methane Monitoring and Accountability Project shall be available for encumbrance or expenditure until June 30, 2026, and for liquidation until June 30, 2029.

May 14, 2025

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance,
Department of Pesticide Regulation**

California Environmental Protection Agency Bond and Technical Adjustments: New Local Assistance Items—It is requested that Item 3930-001-0106 be decreased by \$5.9 million in fiscal year 2025-26 and \$6.9 million in 2026-27 ongoing and Provisions 2 and 3 be deleted (see Attachment 1). It is also requested that Item 3930-103-0106 be added in the amount of \$4.9 million in 2025-26 and \$5.9 million in 2026-27 ongoing, reflecting a net-zero shift of the same amount of funds from Item 3930-001-0106 to allow the Department to more accurately track its expenditures (see Attachment 2). Similarly, it is requested that Item 3930-104-0106 be added in the amount of \$1 million in 2025-26 ongoing, reflecting a net-zero shift of the same amount of funds from Item 3930-001-0106 to allow the Department to more accurately track its expenditures (see Attachment 3).

California Environmental Protection Agency Bond and Technical Adjustments: Audio-Visual Equipment Reappropriation—It is requested that Item 3930-490 be added to reappropriate up to \$173,000 from the 2022 Budget Act to provide additional time to cover contract costs associated with audio-visual equipment updates for CalEPA and its Boards, Departments, and Offices (see Attachment 4).

The effects of my requested actions are reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Erin Carson, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Heath Flora, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Benjamin Allen, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Yana Garcia, Secretary, California Environmental Protection Agency
Catalina Hayes-Bautista, Undersecretary, California Environmental Protection Agency
Brandy Hunt, Deputy Secretary, California Environmental Protection Agency
Karen Morrison, Director, Department of Pesticide Regulation
Christina Bugai, Deputy Director of Administrative Services Division, Department of
Pesticide Regulation

Amend Item 3930-001-0106 as follows:

"3930-001-0106—For support of Department of Pesticide Regulation, payable from the Department of Pesticide Regulation Fund~~117,755,000~~ 105,560,000

Schedule:

- (1) 3540-Pesticide Programs~~118,365,000~~ 106,170,000
- (2) Reimbursements to 3540-Pesticide Programs-610,000

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. ~~Of the funds available in this item, \$4,900,000 is available to fund pest management research and alliance grants and shall be available for encumbrance or expenditure until June 30, 2028.~~
3. ~~Of the funds available in this item, \$1,000,000 is available to fund demonstration projects related to IPM and SPM and shall be available for encumbrance or expenditure until June 30, 2028.~~
4. Of the funds appropriated in this item, \$365,000 is allocated for planning activities in support of the Licensing Applications, Renewals, and Payments Project and is authorized for expenditure upon the Department of Technology's approval of the appropriate Project Approval Lifecycle documents and shall be available for encumbrance or expenditure until Jun 30, 2027.
5. The amount appropriated in Schedule (1) for an agreement with the Department of Food and Agriculture to perform analytical chemistry testing shall be adjusted annually, as necessary, for state-negotiated employee compensation and benefit adjustments."

3930-103-0106—For support of Department of Pesticide Regulation, payable from the Department of Pesticide Regulation Fund4,900,000

Schedule:

(1) 3540-Pesticide Programs.....4,900,000

Provisions:

1. Of the funds available in this item, \$4,900,000 is available to fund pest management research and alliance grants and shall be available for encumbrance or expenditure until June 30, 2028.

3930-104-0106—For support of Department of Pesticide Regulation, payable from the
Department of Pesticide Regulation Fund 1,000,000

Schedule:

(1) 3540-Pesticide Programs.....1,000,000

Provisions:

1. Of the funds available in this item, \$1,000,000 is available to fund demonstration projects related to IPM and SPM and shall be available for encumbrance or expenditure until June 30, 2028.

3930-490—Reappropriation, Department of Pesticide Regulation. The amounts specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure through June 30,2026.

0106—Department of Pesticide Regulation Fund

- (1) Up to \$173,000 of the amount appropriated in item 3930-001-0106, Budget Act of 2022 (Chs.43, 45, and 249, Stats. 2022) for audio-visual equipment updates for CalEPA and its Boards, Departments, and Offices.

May 14, 2025

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendments to and Addition of Various Budget Bill Items, Support and Local Assistance, and Statutory Changes, State Water Resources Control Board

California Environmental Protection Agency (CalEPA) Bond and Technical Adjustments:

Administrative Hearings Office—It is requested that Item 3940-001-0001 be amended by making a net-zero transfer of \$572,000 and 2.2 positions from the Water Rights Program (3570) to the Administrative Hearings Office Program (3571). It is also requested that Item 3940-001-3058 be amended by making a net-zero transfer of \$2,820,000 and 10.8 positions from the Water Rights Program (3570) to the Administrative Hearings Office Program (3571). These changes are intended to separately and clearly display the budget for the Board's Administrative Hearings Office (see Attachments 1 and 2).

Legal Resources to Respond to Federal Actions—It is requested that Items 3940-001-0193, 3940-001-0306, 3940-001-0439, and 390-001-3058 be increased by \$200,000 each for a total of \$800,000 ongoing and 3 permanent positions to support increased litigation in response to federal legal challenges to environmental laws and regulations.

Monterey County Primacy Delegation Agreement Termination—It is requested that Item 3940-001-0306 be increased by \$2,720,000 ongoing and 12 permanent positions to provide regulatory oversight of public small water systems in Monterey County. Oversight of 284 water systems is anticipated to be transferred from the County to the Water Board in August 2025, and the state is legally mandated to administer this regulatory program.

California Environmental Protection Agency (CalEPA) Bond and Technical Adjustments:

Proposition 13 (2000)—It is requested that Item 3940-101-6013 be added in the amount of \$1,512,000 one-time, and that Item 3940-101-6022 be added in the amount of \$1,133,000 one-time with extended encumbrance periods to allow additional time for design, bid, construction, and project monitoring for newly executed projects that provide watershed and coastal water quality benefits (see Attachments 3 and 4).

Replacing, Removing or Upgrading Underground Storage Tanks (RUST) Program

Augmentation—It is requested that Item 3940-101-8026 be increased by \$23 million one-time to provide sufficient expenditure authority to meet current funding demand for the removal or replacement of petroleum underground storage tanks. It is also requested that statutory changes be added to enable administrative efficiencies that allow tank owners to begin projects while waiting for a final funding agreement to be executed. These changes will maximize compliance with the requirement to remove single-walled tanks by December 31, 2025, and help prevent groundwater contamination.

California Environmental Protection Agency Bond and Technical Adjustments: Audio-Visual

Equipment Reappropriation—It is requested that Item 3940-491 be added to reappropriate by \$36,000 from Item 3940-001-0193 and \$211,000 from Item 3940-001-0193, in the 2022 Budget Act, to provide additional time to cover contract costs associated with audio-visual equipment updates for CalEPA and its Boards, Departments, and Offices (see Attachment 5).

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 Andrew Hull, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Heath Flora, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Benjamin Allen, Chair, Senate Budget and Fiscal Review Subcommittee
No. 2
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
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Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Yana Garcia, Secretary, California Environmental Protection Agency
Brandy Hunt, Deputy Secretary for Fiscal and Administrative Programs, California
Environmental Protection Agency
Eric Oppenheimer, Executive Director, State Water Resources Control Board

Amend Item 3940-001-0001 as follows:

"3940-001-0001—For support of State Water Resources Control Board67,093,000

Schedule:

(1) 3560-Water Quality	33,601,000
(2) 3565-Drinking Water Quality	7,664,000
(3) 3570-Water Rights	25,439,000 <u>24,867,000</u>
(3.5) 3571-Administrative Hearings Office	572,000
(4) 3575-Department of Justice Legal Services	389,000

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 schedule submitted by the State Public Works Board.

4. The amount appropriated in Program 3571 shall be used to administer Sections 1110 through 1114 of the Water Code for operation of the Administrative Hearings Office."

Amend Item 3940-001-3058 as follows:

“3940-001-3058—For support of State Water Resources Control Board, payable from the Water Rights Fund37,105,000

Schedule:

(1) 3570-Water Rights~~36,069,000~~ 33,249,000

(1.5) 3571-Administrative Hearings Office2,820,000

(2) 3575-Department of Justice Legal Services1,036,000

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. 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 Department 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. No augmentation shall be made sooner than 30 days after the Joint Legislative Budget Committee has been notified in writing.

3. The Director of Finance may authorize a short-term cash loan of up to \$15,000,000 from the Underground Storage Tank Cleanup Fund to provide cashflow needed to support operational costs that will be covered by fee revenue received by the end of the fiscal year. The cash loan shall be subject to the terms and conditions for repayment as may be prescribed by the Department of Finance. Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code. For purposes of the budgetary and legal bases of accounting and budgeting, the principal amount of any loans made pursuant to this provision shall not be considered part of the balance of the fund that receives the loan, nor shall it be deducted from the balance of the fund from which the loan is made. These loans are considered cashflow loans for temporary cash shortages and shall not constitute budgetary loans, revenues, or expenditures. The Department of Finance shall make the final determination of the budgetary and accounting transactions and treatments to ensure proper implementation of this provision pursuant to Section 13344 of the Government Code.

4. The amount appropriated in Program 3571 shall be used to administer Sections 1110 through 1114 of the Water Code for operation of the Administrative Hearings Office.”

3940-101-6013—For local assistance, State Water Resources Control Board, payable
from the Watershed Protection Subaccount.....1,512,000

Schedule: (1) 3560-Water Quality..... 1,512,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance or
expenditure until June 30, 2028.

3940-101-6022—For local assistance, State Water Resources Control Board, payable
from the Coastal Nonpoint Source Control Subaccount..... 1,133,000

Schedule: (1) 3560-Water Quality..... 1,133,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance or
expenditure until June 30, 2028.

3940-491—Reappropriation, State Water Resources Control Board. The amounts 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, 2026:

0193—Waste Discharge Permit Fund

- (1) Up to \$36,000 of the amount appropriated in Schedule (1) of Item 3940-001-0193, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022)

0439—Underground Storage Tank Cleanup Fund

- (1) Up to \$211,000 of the amount appropriated in Schedule (1) of Item 3940-001-0439, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022)

May 14, 2025

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

Santa Susana Field Laboratory Litigation Contracts Costs—It is requested that Item 3960-001-0014 be increased by \$2 million one-time in fiscal year 2025-26 to fund legal services contracts for the Santa Susana Field Laboratory Litigation. It is also requested that provisional language be added to provide an extended encumbrance period to June 30, 2027, for funds appropriated in this item for this purpose (see Attachment 1).

Implementation of Generation and Handling Fee Regulations—It is requested that Item 3960-001-0014 be increased by \$837,000 ongoing and 9 positions, and Item 3960-001-0557 be increased by \$1,719,000 ongoing to support implementation of the Generation and Handling Fee exemption review and reporting penalty assessment processes.

California Environmental Protection Agency Bond and Technical Adjustments:

Reimbursement Authority Increase—It is requested that the reimbursement authority in Item 3960-001-0557 be increased in the amount of \$10,150,000 ongoing to align the Department's reimbursement authority with the actual reimbursements to allow the Board of Environmental Safety to more accurately set fee rates.

Federal Fund Authority Restoration—It is requested that Item 3960-101-0890 be increased by \$2 million one-time in 2025-26 to restore expenditure authority that was inadvertently not included in the Governor's Budget. The expenditure authority will cover oversight and cleanup costs for Department of Defense sites as part of the federal Defense and State Memorandum of Agreement grant.

Loan Repayment Deferral—It is requested that Item 3960-401 be added to extend the repayment date, from June 30, 2026, to June 30, 2027, for the \$40 million loan from the Hazardous Waste Control Account to the Beverage Container Recycling Fund from the 2023 Budget Act (see Attachment 2).

Audio-Visual Equipment Reappropriation—It is requested that Item 3960-490 be added to reappropriate various special fund items from the 2022 Budget Act for a new encumbrance deadline of June 30, 2026, to provide additional time to cover contract costs associated with audio-visual equipment updates for CalEPA and its Boards, Departments, and Offices (see Attachment 3).

Exide: Repurpose Facility Closure and Cleanup Funding:

New Expenditure and General Fund Loan Authority—It is requested that Item 3960-001-0557 be increased by \$40 million one-time and Item 3960-011-0001 be added in the amount of \$40 million one-time to provide a loan from the General Fund to the Toxic Substances Control Account for cleanup of residential properties within 1.7 miles of the former Exide facility in Vernon and oversight or performance of closure activities and response and corrective actions. It is also requested that provisional language be added to both items to provide an extended encumbrance period to June 30, 2029, for funds appropriated in this item for this purpose (see Attachments 4 and 5).

New Expenditure Authority—Lead-Acid Battery Cleanup Fund—It is also requested that Item 3960-001-3301 be increased by \$35 million one-time for cleanup of residential properties within 1.7 miles of the former Exide facility in Vernon, CA and oversight or performance of closure activities and response and corrective actions. It is also requested that provisional language be added to provide an extended encumbrance period to June 30, 2029, for funds appropriated in this item for this purpose (see Attachment 6).

2021 Budget Act Loan Repayment—It is requested that Item 3960-402 be added to require the repayment of \$75 million of the original General Fund loan authorized in Item 3960-011-0001 of the 2021 Budget Act (Chs. 21, 69, and 240, Stats. 2021) no later than June 30, 2026 (see Attachment 7).

Reappropriation of Physical Evidence Storage Funding—It is requested that Item 3960-491 be added to reappropriate up to \$1.2 million in Item 3960-001-0001, 2021 Budget Act, and up to \$1 million in Item 3960-001-3301, 2024 Budget Act, with funding available for encumbrance or expenditure until June 30, 2027, to cover the costs of storing physical evidence as part of the ongoing Exide Technologies facility cost recovery litigation (see Attachment 8).

Reversion of 2021 Budget Act Unencumbered Funds—It is requested that Item 3960-495 be added to revert up to \$75 million in Item 3960-001-0557, 2021 Budget Act, for oversight or performance of closure activities and response and corrective actions to protect public health and the environment from hazardous substances and hazardous waste at or from the former Exide Technologies lead-acid battery recycling facility in the City of Vernon (see Attachment 9).

Imperial County Certified Unified Program Agency Costs—It is requested that Item 3960-001-3084 be increased by \$475,000 and reimbursements be eliminated on an ongoing basis to cover increasing costs for Imperial County to operate as the Certified Unified Program Agency for certain programs.

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 Erin Carson, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
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Yana Garcia, Secretary, California Environmental Protection Agency
Catalina Hayes-Bautista, Undersecretary, California Environmental Protection Agency
Brandy Hunt, Deputy Secretary, California Environmental Protection Agency
Katherine M. Butler, Director, Department of Toxic Substances Control
Craig Scholer, Chief Deputy Director, Department of Toxic Substances Control
Brian Brown, Chief Financial Officer, Department of Toxic Substances Control

Amend Item 3960-001-0014 as follows:

"3960-001-0014—For support of Department of Toxic Substances Control, payable from the Hazardous Waste Control Account~~114,316,000~~ 103,870,000

Schedule:

(1) 3620011-Other Site Mitigation Activities	136,000
(2) 3625-Hazardous Waste Management	108,798,000 <u>99,532,000</u>
(3) 3626-Hazardous Waste Facilities	7,149,000 <u>6,243,000</u>
(4) 3650-Board of Environmental Safety	1,823,000 <u>1,685,000</u>
(5) 9900100-Administration	55,089,000 <u>56,513,000</u>
(6) 9900200-Administration— Distributed	=55,089,000 <u>-56,513,000</u>
(7) Reimbursements to 3625-Hazardous Waste Management	-3,590,000

Provisions:

1. Positions approved under this item or any other actions of the Department of Toxic Substances Control shall not be used to investigate or work on a sale, lease, or other transfer of control of land at Santa Susana Field Laboratory until the Director of Toxic Substances Control certifies that the cleanups specified in the Administrative Orders on Consent signed on December 6, 2010, for that portion of Santa Susana Field Laboratory, have been completed and the requirements of Section 79465 of the Health and Safety Code, are met.

2. Notwithstanding any other law, up to \$2,000,000 of the funds appropriated in Schedule (2) shall be used for legal services contracts at Santa Susana Field Laboratory. These funds shall be available for encumbrance or expenditure until June 30, 2027."

3960-401—Notwithstanding Provision 3 of Item 3970-012-0133, Budget Act of 2023 (Chs.12, 38, and 189, Stats. 2023), the \$40,000,000 loan authorized by Item 3970-012-0133 Budget Act of 2023 (Ch.12, 38, and 189, Stats. 2023) shall be fully repaid to the California Beverage Container Recycling Fund by June 30, 2027. Notwithstanding any other law, the Department of Finance is authorized to waive interest charges on this loan.

3960-490—Reappropriation, Department of Toxic Substances Control. The amounts 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, 2026:

0014—Hazardous Waste Control Account

- (1) Up to \$10,000 of the amount appropriated in Item 3960-001-0014, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for audio-visual equipment updates for CalEPA and its Boards, Departments, and Offices.

0557—Toxic Substances Control Account

- (1) Up to \$20,000 of the amount appropriated in Item 3960-001-0557, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for audio-visual equipment updates for CalEPA and its Boards, Departments, and Offices.

3301—Lead Acid Battery Cleanup Fund

- (1) Up to \$8,000 of the amount appropriated in Item 3960-001-3301, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for audio-visual equipment updates for CalEPA and its Boards, Departments, and Offices.

Amend Item 3960-001-0557 as follows:

"3960-001-0557—For support of Department of Toxic Substances Control, payable from the Toxic Substances Control Account~~118,136,000~~ 144,447,000

Schedule:

(1) 3620011-Other Site Mitigation Activities~~103,240,000~~ 103,182,000

(2) 3625-Hazardous Waste Management~~598,000~~ 551,000

(3) 3630-Safer Consumer Products~~29,301,000~~ 26,005,000

(3.1) 3645 – Exide Technologies Facility Contamination Cleanup.....40,000,000

(4) 3650-Board of Environmental Safety~~1,823,000~~ 1,685,000

(5) Reimbursements to 3620011-Other Site Mitigation Activities=~~16,665,000~~
~~-26,664,000~~

(6) Reimbursements to 3630-Safer Consumer Products=~~161,000~~ 312,000

~~(7) 9900100-Administration13,000~~

~~(8) 9900200-Administration—Distributed-13,000~~

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. The amount appropriated in this item includes state oversight costs at military installations. The expenditure of these funds shall not relieve the federal government of the responsibility to pay for all state oversight costs. The Department of Toxic Substances Control shall take all steps necessary to recover these costs from the federal government, including, but not limited to, filing civil actions authorized by state and federal law.

3. The funds appropriated in Schedule (3.1) shall be available for encumbrance or expenditure until June 30, 2029, for any of the following:

a) Activities related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.

(b) Notwithstanding Section 25173.6 of the Health and Safety Code, job training activities related to the cleanup and investigation of the properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.

(c) Actions taken to pursue all available remedies against potentially responsible parties, including, but not limited to, cost recovery actions against entities that are potentially responsible, for the costs related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.

(d) Activities related to the oversight or performance of closure activities and response and corrective actions to protect public health and the environment from hazardous substances and hazardous waste at or from the former Exide Technologies lead-acid battery recycling facility in the City of Vernon."

3960-011-0001—For transfer by the Controller to the Toxic Substances Control Account.....(40,000,000)

Provisions:

1. The Department of Finance may transfer, until June 30, 2029, up to \$40,000,000 as a loan from the General Fund to the Toxic Substances Control Account for the Toxic Substances Control Account to use for any of the following purposes:

(a) Activities related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.

(b) Notwithstanding Section 25173.6 of the Health and Safety Code, job training activities related to the cleanup and investigation of the properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.

(c) Actions taken to pursue all available remedies against potentially responsible parties, including, but not limited to, cost recovery actions against entities that are potentially responsible, for the costs related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.

(d) Activities related to the oversight or performance of closure activities and response and corrective actions to protect public health and the environment from hazardous substances and hazardous waste at or from the former Exide Technologies lead-acid battery recycling facility in the City of Vernon.

Amend Item 3960-001-3301 as follows:

"3960-001-3301—For support of Department of Toxic Substances Control, payable from the Lead-Acid Battery Cleanup Fund~~15,573,000~~49,297,000

Schedule:

(1) 3620011-Other Site Mitigation Activities~~11,225,000~~9,958,000

(2) 3645-Exide Technologies Facility Contamination Cleanup
.....~~4,348,000~~39,339,000

Provisions:

1. By March 1, annually, the Department of Toxic Substances Control shall provide to the Chairperson and the Vice Chairperson of Senate Budget Subcommittee No. 2 and Assembly Budget Subcommittee No. 3 a report on the department's progress towards implementing provisions of the Lead-Acid Battery Recycling Act of 2016 (Ch. 666, Stats. 2016). The report shall include a list of all sites that: (a) have been identified as potentially meeting the definition of a lead-acid battery recycling facility, as defined in subdivision (g) of Section 25215.1 of the Health and Safety Code, (b) have been investigated to determine if they qualify as lead-acid battery recycling facilities that require cleanup along with a summary of the results of those investigations, (c) are pending investigation, and (d) have been evaluated for lead contamination, along with a summary of those evaluations.

2. Of the funds appropriated in Schedule (2), \$35,000,000 shall be available for encumbrance or expenditure until June 30, 2029, for any of the following:

(a) Activities related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.

(b) Notwithstanding Section 25173.6 of the Health and Safety Code, job training activities related to the cleanup and investigation of the properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.

(c) Actions taken to pursue all available remedies against potentially responsible parties, including, but not limited to, cost recovery actions against entities that are potentially responsible, for the costs related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.

(d) Activities related to the oversight or performance of closure activities and response and corrective actions to protect public health and the environment from hazardous substances and hazardous waste at or from the former Exide Technologies lead-acid battery recycling facility in the City of Vernon."

3960-402—Notwithstanding Provision 4 of Item 3960-011-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), upon order of the Department of Finance, \$75,000,000 of the amount loaned to the Toxic Substances Control Account will be repaid to the General Fund no later than June 30, 2026. Notwithstanding any other law, the Department of Finance is authorized to waive interest charges on this loan.

3960-491—Reappropriation, Department of Toxic Substances Control. The amounts specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure through June 30, 2027:

0001—General Fund

(1) Up to \$1,200,000 of the amount appropriated in Schedule (2) of Item 3960-001-0001, Budget Act of 2021 (Ch. 21, 69, and 240, Stats. 2021) for payment of ongoing storage of physical evidence that is required due to the ongoing Exide cost recovery litigation.

3301—Lead-Acid Battery Cleanup Fund

(2) Up to \$1,000,000 of the amount appropriated in Schedule (2) of Item 3960-001-3301, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) for payment of ongoing storage of physical evidence that is required due to the ongoing Exide cost recovery litigation.

3960-495—Reversion, Department of Toxic Substances Control. As of June 30, 2025, 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:

0557—Toxic Substances Control Account

(1) Up to \$75,000,000 in Item 3960-001-0557, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for activities related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.

May 14, 2025

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, Support, Department of Resources Recycling and Recovery

CalRecycle Integrated Information System—It is requested that Items 3970-001-0100, 3970-001-0133, and 3970-001-3065 each be increased by \$15 million one-time to complete the final phase of development of a single enterprise solution for the Department. This solution includes the modernization of the California Beverage Container Recycling Program's current application—Division of Recycling Integrated Information System—and will establish a cloud-based, modern, and stable information technology platform for all programs.

Responsible Textile Recovery Act of 2024 – Implementation of SB 707—It is requested that Item 3970-001-0133 be decreased by \$1,629,000 and 18 positions ongoing, Item 3970-001-3065 be decreased by \$1,628,000 ongoing, and Item 3970-001-3450 be added in the amount of \$3,257,000 and 18 positions ongoing, as a technical correction to the Governor's Budget proposal to reflect expenditures from the newly created Textile Stewardship Recovery Fund. It is further requested that Items 3970-012-0133 and 3970-014-3065 be added to authorize loans from the California Beverage Container Recycling Fund and the Electronic Waste Recovery and Recycling Account, Integrated Waste Management Fund, to the Textile Stewardship Recovery Fund for implementation costs until reimbursement is received (see Attachments 1 and 2).

California Environmental Protection Agency Bond and Technical Adjustments—It is requested that Item 3970-492 be added to reappropriate up to \$61,000 from the 2022 Budget Act to provide additional time to cover contract costs associated with audio-visual equipment updates for CalEPA and its Boards, Departments, and Offices (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 Erin Carson, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Heath Flora, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Benjamin Allen, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Yana Garcia, Secretary, California Environmental Protection Agency
Catalina Hayes-Bautista, Undersecretary, California Environmental Protection Agency
Brany Hunt, Deputy Secretary, California Environmental Protection Agency
Zoe Heller, Director, Department of Resources Recycling and Recovery
Mindy McIntyre, Chief Deputy Director, Department of Resources Recycling and Recovery

3970-012-0133—For transfer by the Controller, upon order of the Department of Finance, from the California Beverage Container Recycling Fund to the Textile Stewardship Recovery Fund as a loan (1,629,000)

Provisions:

1. Notwithstanding any other law, the Department of Finance may transfer up to \$1,629,000 as a loan to the Textile Stewardship Recovery Fund. The Department of Finance shall order the repayment of all or a portion of the loan from the Textile Stewardship Recovery Fund if the director determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, including, but not limited to, the potential for proportional reduction in payments pursuant to subdivision (c) of Section 14581 of the Public Resources Code, or (b) there is no longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer, no later than June 30, 2032.
2. The Department of Finance may adjust the amount of the loan in this item annually, as necessary, for negotiated employee compensation and benefit adjustments.

3970-014-3065—For transfer by the Controller, upon order of the Department of Finance, from the Electronic Waste Recovery and Recycling Account, Integrated Waste Management Fund, to the Textile Stewardship Recovery Fund as a loan
(1,628,000)

Provisions:

1. Notwithstanding any other law, the Department of Finance may transfer up to \$1,628,000 as a loan to the Textile Stewardship Recovery Fund. The Department of Finance shall order the repayment of all or a portion of the loan from the Textile Stewardship Recovery Fund if the director determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, (b) there is no longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer, no later than June 30, 2032.
2. The Department of Finance may adjust the amount of the loan in this item annually, as necessary, for negotiated employee compensation and benefit adjustments.

3970-490—Reappropriation, Department of Resources Recycling and Recovery. The amounts specified in the following citations are reappropriated for audio-visual equipment updates for CalEPA and its Boards, Departments, and Offices, and shall be available for encumbrance or expenditure through June 30, 2026:

0100—California Used Oil Recycling Fund

(1) Up to \$16,000 of the amount appropriated in Item 3970-001-0100, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

0133—California Beverage Container Recycling Fund

(1) Up to \$20,000 of the amount appropriated in Item 3970-001-0133, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

0387—Integrated Waste Management Account, Integrated Waste Management Fund

(1) Up to \$20,000 of the amount appropriated in Item 3970-001-0387, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

3065—Electronic Waste Recycling and Recovery Account, Integrated Waste Management Fund

(1) Up to \$5,000 of the amount appropriated in Item 3970-001-3065, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).



May 14, 2025

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Item 3980-490, Support, Office of Environmental Health Hazard Assessment

California Environmental Protection Agency (CalEPA) Bond and Technical Adjustments: CalHeatScore—It is requested that Item 3980-490 be added to extend the encumbrance period until June 30, 2026, to support ongoing work on the statewide extreme heat ranking system (CalHeatScore) (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 Erin Carson, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
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Honorable Benjamin Allen, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
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Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Yana Garcia, Secretary, California Environmental Protection Agency
Catalina Hayes-Bautista, Undersecretary, California Environmental Protection Agency
Brandy Hunt, Deputy Secretary, California Environmental Protection Agency
David Edwards, Acting Director, Office of Environmental Health Hazard Assessment
Mike Gyurics, Deputy Director for Administrative Services, Office of Environmental Health
Hazard Assessment

3980-490—Reappropriation, Office of Environmental Health Hazard Assessment. The amount specified in the following citations is reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2026:

0001—General Fund

- (1) Up to \$950,000 of the amount appropriated in Schedule (1) of Item 3980-001-0001 of the Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) for the statewide extreme heat ranking system (CalHeatScore).



May 14, 2025

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to and Elimination of Various Budget Bill Items, Support and Local Assistance,
Various Departments**

Cap-and-Invest Reauthorization Adjustments

0521-Secretary for Transportation Agency

- **Zero Emission Transit Capital Program and Transit and Intercity Rail Capital Programs**—It is requested that Item 0521-101-3228 be eliminated.

0680-Governor's Office of Service and Community Engagement

- **California Climate Action Corps**—It is requested that Item 0680-001-3228 be eliminated.

2660-Department of Transportation

- **Highways to Boulevards**—It is requested that item 2660-101-3228 be eliminated.

3360-Energy Resources Conservation and Development Commission

- **Various Discretionary Programs**—It is requested that Items 3360-001-3228, 3360-002-3228, and 3360-101-3228 be eliminated.

3540-Department of Forestry and Fire Protection

- **Tribal Wildfire and Forest Resilience**—It is requested that Item 3540-101-3228 be eliminated.
- **Shift CAL FIRE Operational Costs for Fire Control, Fire Prevention, and Resource Management from the General Fund to the Greenhouse Gas Reduction Fund**—It is requested that Item 3540-001-0001 be decreased by \$1,541,262,000 to remove the amounts in Schedule (2) for fire protection that are for fire prevention, and fire control, all of the amount in Schedule (3) for resource management, and the associated reimbursement amounts in Schedules (9) and (10). It is also requested that Item 3540-001-3228 be added in the amount of \$1,541,262,000 to reflect a one-for-one shift of the amounts removed from Item 3540-001-0001 into this new item for the same purposes.

In addition, it is requested that provisional language be eliminated from Item 3540-001-0001 and added to Item 3540-001-3228 to effectuate this funding shift. New provisional language added in Item 3540-001-3228 will allow the amount appropriated in that item to be reduced if Cap-and-Invest auction proceeds come in below estimated amounts and the amount appropriated in Item 3540-001-0001 to be augmented in the same amount to backfill any reductions, so that CAL FIRE's levels of funding for fire protection and resource management are maintained, as well as other provisions to operationalize this fund shift (see Attachments 1 and 2).

3600-Department of Fish and Wildlife

- **Salton Sea**—It is requested that Item 3600-001-3228 be eliminated.

3640-Wildlife Conservation Board

- **Watershed Climate Resilience**—It is requested that Item 3640-101-3228 be eliminated.

3860-Department of Water Resources

- **Salton Sea**—It is requested that Item 3860-001-3228 be eliminated.
- **Oroville Pump Storage Program**—It is requested that Item 3860-101-3228 be eliminated.

3900-California Air Resources Board

- **Various Discretionary Programs**—It is requested that Item 3900-101-3228 be eliminated.

3940-State Water Resources Control Board

- **Drinking Water/Wastewater and Water Recycling/Groundwater Clean-Up**—It is requested that Item 3940-102-3228 be eliminated.

8570-Department of Food and Agriculture

- **Livestock Methane Reduction**—It is requested that item 8570-101-3228 be eliminated.

8660-Public Utilities Commission

- **Community Renewable Energy Program**—It is requested that Item 8660-001-3228 be eliminated.

Control Section 15.14 Amendments—It is requested that Control Section 15.14 be amended to align with proposed changes in funding from the Greenhouse Gas Reduction Fund (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 Erin Carson, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

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Honorable Christopher Cabaldon, Chair, Senate Budget and Fiscal Review
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Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
Honorable Laura Richardson, Chair, Senate Budget and Fiscal Review
Subcommittee No. 5
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
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Brandy Hunt, Deputy Secretary, California Environmental Protection Agency
Wade Crowfoot, Secretary, California Natural Resources Agency
Bryan Cash, Assistant Secretary of Administration and Finance, California Natural
Resources Agency
Amanda Martin, Deputy Assistant Secretary for Administration and Finance, California
Natural Resources Agency
Andrea Scharffer, Deputy Assistant Secretary for Bonds and Grants, Natural Resources
Agency
Julie Alvis, Deputy Assistant Secretary for Administration, Natural Resources Agency
Toks Omishakin, Secretary of Transportation
Alicia Fowler, Acting Undersecretary, General Counsel, California State Transportation
Agency
Carlos Quant, Deputy Secretary for Budget and Administration, California State
Transportation Agency
Karen Ross, Secretary of the Department of Food and Agriculture
Christine Birdsong, Undersecretary, Department of Food and Agriculture
Arima Kozina, Deputy Secretary of Administration and Finance, Department of Food and
Agriculture
Samuel Assefa, Director, Governor's Office of Land Use and Climate Innovation
Rachel Peterson, Executive Director, California Public Utilities Commission
Ryan Dulin, Deputy Director, California Public Utilities Commission
Hon. Steven S. Cliff, Ph.D., Executive Officer, State Air Resources Board
Courtney Smith, Principal Deputy Executive Officer, State Air Resources Board

Amend Item 3540-001-0001 as follows:

"3540-001-0001—For support of Department of Forestry and Fire Protection
~~.....2,349,034,000~~ 813,135,000

Schedule:

(1) 2461-Office of the State Fire Marshal	33,618,000
(2) 2465-Fire Protection	3,269,072,000 <u>1,543,295,000</u>
(3) 2470-Resource Management	21,268,000
(4) 2475-Board of Forestry and Fire Protection	370,000
(5) 2480-Department of Justice Legal Services	6,828,000
(6) 9900100-Administration	215,314,000
(7) 9900200-Administration—Distributed	-214,944,000
(8) Reimbursements to 2461-Office of the State Fire Marshal	-25,567,000
(9) Reimbursements to 2465-Fire Protection	=954,979,000 <u>-745,409,000</u>
(10) Reimbursements to 2470-Resource Management	=1,576,000
(11) Reimbursements to 9900100-Administration	-370,000

Provisions:

1. Notwithstanding any other law, the Director of Finance may authorize the temporary or permanent redirection of funds from this item for purposes of emergency fire suppression and detection costs and related emergency revegetation costs.

2. Notwithstanding any other law, the Director of Finance may authorize a loan from the General Fund, in an amount not to exceed 45 percent of reimbursements appropriated in Schedule (9) of this item, to the Department of Forestry and Fire Protection, provided that:

(a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.

(b) The loan is for a short term and shall be repaid by November 15 of the fiscal year following that in which the loan was authorized.

(c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.

(d) Within 10 days after approval, the Director of Finance shall notify the Joint Legislative Budget Committee of the loan approved pursuant to this provision.

3. The Director of Finance may adjust amounts in Schedule (2) to provide equivalent fire protection base funding changes to contract counties in accordance with Section 4130 of the Public Resources Code.

4. Notwithstanding any other law, the funds appropriated in this item for purposes of Division 10.5 (commencing with Section 12200) of the Public Resources Code shall be available for purposes of support or capital outlay.

5. Notwithstanding any other law, the Director of Finance may adjust this item for the direct and indirect cost reimbursements received pursuant to Sections 4142 and 4144 of the Public Resources Code. Any increase shall occur no sooner than 30 days after notification in writing of the necessity of the increase to the Joint Legislative Budget Committee, or not sooner than whatever lesser time after notification the Chairperson of the Joint Legislative Budget Committee, or the Chairperson's designee, may in each instance determine.

6. Notwithstanding any other law, the Department of Forestry and Fire Protection may provide contractual services pursuant to Sections 4142 and 4144 of the Public Resources Code without an executed agreement from July to September of each fiscal year to better align contract start times with the budget process and to finalize staff benefit rates that are dependent upon actions by the Public Employees' Retirement System and passage of the annual Budget Act.

7. Notwithstanding any other law or administrative procedure, the Department of Forestry and Fire Protection may amend its pilot and mechanic contract, along with its parts contract, for both scope changes and contracted amounts to address unanticipated workload resulting from higher than anticipated demand for these contracted services. The Department of Finance may augment this item and authorize expenditures in excess of the amounts appropriated in this item no sooner than 30 days after providing notification in writing of the necessity therefor to the Chairperson of the committee in each house of the Legislature that considers appropriations, the Chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time after that notification the Chairperson of the joint committee, or the Chairperson's designee, may in each instance determine.

~~8. Of the amount appropriated in Schedule (2), \$7,680,000 shall be available for encumbrance or expenditure until June 30, 2027, for initial purchase of training-based items following Department of Forestry and Fire Protection training academy site requirements.~~

9. Notwithstanding Section 28.00 of this act, upon request of the Department of Forestry and Fire Protection, the Department of Finance may adjust Schedules (2) and (9) of this item to reflect increases in reimbursements from non-state entities ~~provided~~providing assistance-by-hire emergency fire suppression services. The Director of Finance may authorize expenditures in excess of the amount appropriated in this item after the receipt of the request from the Department of Forestry and Fire Protection. Within 10 days of approval, the Department of Finance shall provide written notification of any such augmentation to the Chairpersons of the committees in each house of the Legislature that consider appropriations, the Chairpersons of the committees and the appropriate subcommittees of each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee.

~~10. Of the amount appropriated in Schedule (2), \$91,818,000 shall be exempt from any applicable law requiring competitive bidding or the supervision or approval of another department or agency of state government for the procurement of or contracting with vendors for logistical support, including, but not limited to, feeding, lodging, training, and the purchase of personal protective equipment for additional fire suppression staff hired for the implementation of the 66-hour workweek.~~

11. Of the amount appropriated in Schedule (2), \$2,250,000 shall be available for deferred maintenance and special repair projects at existing Department of Forestry and Fire Protection facilities to accommodate additional hand crews. These funds shall be available for encumbrance or expenditure until June 30, 2030."

3540-001-3228—For support of Department of Forestry and Fire Protection, payable from the Greenhouse Gas Reduction Fund.....1,541,262,000

Schedule:

- (1) 2465-Fire Protection1,731,140,000
- (2) 2470-Resource Management21,268,000
- (3) Reimbursements to 2465-Fire Protection-209,570,000
- (4) Reimbursements to 2470-Resource Management-1,576,000

Provisions:

1. The Department of Finance may reduce the amount of this appropriation by any amount necessary if the actual amount of Cap-and-Invest auction proceed receipts are lower than projected and it determines the Greenhouse Gas Reduction Fund balance is projected to be insufficient to support the full amount of this appropriation. The Department of Finance may also augment Item 3540-001-0001 by the same amount of any reduction to maintain full funding for the Department of Forestry and Fire Protection's fire protection and resource management operations. The Department of Finance may also establish any schedules in Item 3540-001-0001 that are necessary to facilitate any such augmentation. Any provisions of this item that are necessary to effectuate the purposes of any funding shifted from this item to Item 3540-001-0001 pursuant to this provision shall also apply to Item 3540-001-0001.

2. Notwithstanding any other law, upon the order of the Department of Finance, one or more loans, not to exceed a cumulative total of 75 percent of the amount appropriated in this item, shall be made available from the General Fund to the Greenhouse Gas Reduction Fund, to be transferred as needed to meet cash needs resulting from the delay in receipt of Cap-and-Invest auction proceeds. All moneys so transferred shall be repaid as soon as sufficient Cap-and-Invest auction proceeds have been collected to meet immediate cash needs, but not later than June 30 of the fiscal year in which the loan was authorized. Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.

3. Notwithstanding any other law, the Director of Finance may authorize a loan from the General Fund, in an amount not to exceed 45 percent of reimbursements appropriated in Schedule (3) of this item, to the Department of Forestry and Fire Protection, provided that:

(a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.

(b) The loan is for a short term and shall be repaid by November 15 of the fiscal year following that in which the loan was authorized.

(c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.

(d) Within 10 days after approval, the Director of Finance shall notify the Joint Legislative Budget Committee of the loan approved pursuant to this provision.

4. Notwithstanding any other law, the funds appropriated in this item for purposes of Division 10.5 (commencing with Section 12200) of the Public Resources Code shall be available for purposes of support or capital outlay.

5. Notwithstanding any other law or administrative procedure, the Department of Forestry and Fire Protection may amend its pilot and mechanic contract, along with its parts contract, for both scope changes and contracted amounts to address unanticipated workload resulting from higher than anticipated demand for these contracted services. The Department of Finance may augment this item and authorize expenditures in excess of the amounts appropriated in this item no sooner than 30 days after providing notification in writing of the necessity therefor to the chairperson of the committee in each house of the Legislature that considers appropriations, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the State Budget, and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time after that notification the chairperson of the joint committee, or the chairperson's designee, may in each instance determine.

6. Notwithstanding Section 28.00, upon request of the Department of Forestry and Fire Protection, the Department of Finance may adjust Schedules (1) and (3) of this item to reflect increases in reimbursements from non-state entities providing assistance-by-hire emergency fire suppression services. The Director of Finance may authorize expenditures in excess of the amount appropriated in this item after the receipt of the request from the Department of Forestry and Fire Protection. Within 10 days of approval, the Department of Finance shall provide written notification of any such augmentation to the chairpersons of the committee in each house of the Legislature that considers appropriations, the chairpersons of the committees and the appropriate subcommittees of each house of the Legislature that consider the State Budget, and the chairperson of the Joint Legislative Budget Committee.

7. Of the amount appropriated in Schedule (1), \$91,818,000 shall be exempt from any applicable law requiring competitive bidding or the supervision or approval of another department or agency of state government for the procurement of or contracting with vendors for logistical support, including, but not limited to, feeding, lodging, training, and the purchase of personal protective equipment for additional fire suppression staff hired for the implementation of the 66-hour workweek.

8. The funds appropriated in this item shall not be subject to the provisions of subdivision (b) of Section 15.14. The funds appropriated in this item are exempt from sections 39712, 39715, and 39718 of the Health and Safety Code. Additionally, the funds appropriated in this item shall not be included in the calculation of funding appropriated from the Greenhouse Gas Reduction Fund for the purposes of section 39713 of the Health and Safety Code.

Amend Control Section 15.14 as follows:

“SEC. 15.14.

(a) Any appropriation from the Greenhouse Gas Reduction Fund shall be subject to the restrictions specified in subdivision (b).

(b) No department shall encumber or commit more than 75 percent of any appropriation prior to the fourth cap and trade auction in the ~~2025-26~~ 2024-25 fiscal year. Upon determination of the final amount of auction proceeds after the fourth cap and trade auction, the Department of Finance shall make a final determination for the expenditure of the remaining available auction proceeds. The Department of Finance shall notify the Joint Legislative Budget Committee no later than 30 days after its final determination if there are decreased auction proceeds that require a modification to the expenditure of funds.

(c) Subparagraph (A) of paragraph (3) of subdivision (b) of Section 39719 of the Health and Safety Code requires 5 percent of annual proceeds to be transferred to the Safe and Affordable Drinking Water Fund. The Director of Finance may transfer to the Safe and Affordable Drinking Water Fund an additional amount equal to the difference between the amount transferred in a quarter pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 39719 of the Health and Safety Code and \$32,500,000 per quarter of the 2023-24 fiscal year.

(d) 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.

(e) The following amounts 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:

(1) Amounts appropriated by subparagraph (A) of paragraph (3) of subdivision (g) of Section 6377.1 of the Revenue and Taxation Code.

(2) Amounts described in Sections 4210 to 4214, inclusive, of the Public Resources Code to replace the revenues generated by the State Responsibility Area fire prevention fee authorized by Section 4212 of the Public Resources Code, which is suspended, pending repeal, pursuant to Section 4213.05 of the Public Resources Code.

~~(f) The following provisions apply to specified Greenhouse Gas Reduction Fund appropriations, including Items 0540-001-3228, 2660-101-3228, 3360-001-3228, 3360-101-3228, 3540-101-3228, 3600-001-3228, 3640-101-3228, 3760-102-3228, 3860-001-3228, 3860-101-3228, 3860-301-3228, 3940-102-3228, and 8660-101-3228.~~

~~(1) The funds shall be used for the purpose of facilitating the achievement of reductions of greenhouse gas emissions in this state in accordance with the requirements of Section 39712 of the Health and Safety Code or to improve climate change adaptation and resiliency, or environmental quality and public health, of California's communities, with an emphasis on disadvantaged communities, as defined in Section 39711 of the Health and Safety Code, or low-income households or communities, as defined in Section 39713 of the Health and Safety Code, consistent with Division 25.5 (commencing with Section 38500) of the Health and Safety Code.~~

~~(2) A state agency may also comply with the requirements of paragraphs (2) and (3) of subdivision (a) of Section 16428.9 of the Government Code by describing how each proposed expenditure will improve climate change adaptation and resiliency, or environmental quality and public health, of disadvantaged communities or low-income households or communities.~~

~~(3) For the purposes of subdivision (b) of Section 16428.9 of the Government Code and Section 39720 of the Health and Safety Code, the State Air Resources Board, in consultation with the relevant state agency, may develop methodologies and collect metrics or other information related to the description provided pursuant to paragraph (2) from the state agency."~~