



April 1, 2023

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, Support, State Air Resources Board

Withdrawal of SB 1137 Implementation: Health Protection Zones—It is requested that Item 3900-001-3046 be decreased by \$2,240,000 and 9 positions ongoing to reflect the Administration's request to withdraw the implementation of Chapter 365, Statutes of 2022 (SB 1137) proposal included in the Governor's Budget, given the Secretary of State certified that the referendum measure on SB 1137 has qualified for the November 2024 ballot.

Policy and Technical Support for California Climate Investment Programs—It is requested that Item 3900-001-3228 be increased by \$629,000 and 3 positions ongoing to provide policy and technical support to agencies administering new California Climate Investments programs established through the 2022 Budget Act, along with other required duties regarding the oversight and administration of California Climate Investments.

Expanding Mobile Air Monitoring in Communities—It is requested that Item 3900-001-3228 be increased by \$750,000 one-time to provide technical air monitoring and community engagement services to support the contracted deployment of new, mobile Community Air Monitoring data collection and visualization approaches. It is further requested that Item 3900-495 be added to revert \$3 million from Item 3900-001-3228, Budget Act of 2022 (see Attachment 1).

Implementation of Zero-Emission Space and Water Heater Measure—It is requested that Item 3900-001-3237 be increased by \$1,159,000 and 4 positions in fiscal year 2023-24 and ongoing from the Cost of Implementation Account to develop and implement a zero-emission space and water heater measure identified in the 2022 Scoping Plan Update that will be needed for the State to meet its long-term greenhouse gas goals, and the 2022 State Implementation Plan Strategy, as necessary to meet federal air quality standards because of its significant air quality co-benefits. This amount includes \$250,000 annually for contract funding to help fill technical gaps during regulation

development and support monitoring and implementation activities once this effort shifts to the implementation phase.

Implementation of Carbon Sequestration: Carbon Capture, Removal, Utilization, and Storage Program (SB 905)—It is requested that Item 3900-001-3237 be increased by \$5,529,000 and 18 positions in 2023-24 and ongoing to implement the requirements of Chapter 359, Statutes of 2022 (SB 905) to establish a Carbon Capture, Removal, Utilization, and Storage Program. This program will be used to evaluate carbon capture, utilization, or storage (CCUS) technologies and carbon dioxide removal (CDR) technologies and facilitate the capture and sequestration of carbon dioxide from those technologies (as required in Health & Safety Code section 39741). Included in the request is \$700,000 in ongoing contract funds to establish an electronic unified permit submittal system for carbon sequestration project operators pursuing permits to operate in California, and \$1 million in contract funds for two years to develop additional protocols for CCUS and CDR technologies.

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 Christian Beltran, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony J. Portantino, 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 Chris R. Holden, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Josh Becker, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 3
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
Eric Jarvis, Assistant Secretary, California Environmental Protection Agency
Edie Chang, Deputy Executive Officer, Air Resources Board
Hafida Habek, Division Chief, Administrative Services Division, Air Resources Board

3900-495—Reversion, State Air Resources Board. As of June 30, 2023, 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.

3228—Greenhouse Gas Reduction Fund

(1) Item 3900-001-3228, Budget Act of 2022 (Chs. 43 and 249, Stats. 2022). Up to \$3 million appropriated in Program 3510-Climate Change.

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Amendment to Various Budget Bill Items, Support, State Water Resources Control Board

Leviathan Creek Diversion Channel Relining—It is requested that Item 3940-001-0001 be increased by \$5,163,000 one-time for the repair of critical infrastructure at Leviathan Mine (the Leviathan Creek Diversion Channel), a federally listed Superfund Site owned by the state of California. This proposal will support the relining of the Leviathan Creek Diversion Channel side walls to prevent further deterioration, which could lead to severe water quality impacts.

Division of Administrative Services Support—It is requested that various items be increased by a total of \$2,340,000 and 15 positions ongoing to provide the State Water Resources Control Board (Water Board) with resources to address increased administrative workload due to rapid and evolving program growth, increased resource management, and other workload within the Division of Administrative Services. Staff will be added to fill critical workload gaps in the Budget Office, Business Operations, Fee and Revenue Branch, Health and Safety Branch, Human Resources, and Equal Employment Opportunity Office. The request includes the following changes:

- Item 3940-001-0193 be increased by \$849,000 and 4 positions
- Item 3940-001-0306 be increased by \$214,000 and 1 position
- Item 3940-001-0439 be increased by \$651,000 and 7 positions
- Item 3940-001-0890 be increased by \$159,000 and 1 position
- Item 3940-001-3058 be increased by \$164,000 and 1 position
- \$149,000 and 1 position be added from the State Water Quality Control Fund
- \$81,000 be added from the Safe and Affordable Drinking Water Fund
- \$73,000 be added from the Cannabis Tax Fund – State Water Resources Control Board

Lead and Copper Rule Revision and Regulatory Development—It is requested that Item 3940-001-0306 be decreased by \$486,000 and 2 positions ongoing to transition positions supporting the Lead and Copper Intake Database to federal funding. It is also requested that Item 3940-001-0890 be increased by \$16,710,000 and 16 positions in 2023-24, \$11,160,000 in 2024-25, \$10,326,000 in 2025-26, \$5,326,000 in 2026-27, and \$4,826,000 in 2027-28 and ongoing to implement requirements of the new federal Lead and Copper Rule Revision and continue the development of a database to intake lead and copper data from state water systems. It is also requested that provisional language be added to Item 3940-001-0890 to make the Lead and Copper Intake Database project funding contingent upon the Water Board's successful completion of the Project Approval Lifecycle documentation, and to exempt the Item from Subdivision (c) of Health and Safety Code section 116590 which will allow the Water Board to utilize federal funds for this purpose (see Attachment 1).

Withdrawal of Health Protection Zones (SB 1137)—It is requested that Item 3940-001-3046 be decreased by \$2,646,000 and 13 positions ongoing to reflect the Administration's request to withdraw the Senate Bill 1137 implementation proposal included in the Governor's Budget, given the Secretary of State certified that the referendum measure on Senate Bill 1137 has qualified for the November 2024 ballot.

Carbon Capture, Removal, Utilization, and Storage Program (SB 905)—It is requested that Item 3940-001-3237 be increased by \$280,000 and 1 position ongoing for the Water Board to assist in the development and implementation of a unified permit application process for the construction and operation of carbon dioxide capture, removal, or sequestration projects that are protective of groundwater resources, consistent with Chapter 359, Statutes of 2022 (SB 905).

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 Krystal Acierto, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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Honorable Josh Becker, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
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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
Eric Jarvis, Assistant Secretary, California Environmental Protection Agency
Eileen Sobeck, Executive Director, State Water Resources Control Board
Ryan Wilson, Budget Officer, State Water Resources Control Board

Add the following provision to Item 3940-001-0890:

1. Up to \$16,710,000 of the amount appropriated in Schedule (2) may be used for administration and implementation of the federal Lead and Copper Rule Revision. Of this amount, \$13,380,000 is allocated to support the Lead and Copper Intake Database project and is authorized for expenditure upon the Department of Technology's project approval. Amounts used under this provision shall not be included in the amounts subject to Subdivision (c) of Section 116590 of the Health and Safety Code in fiscal year 2023-24 but shall be taken into account in applying that Subdivision (c) of Section 116590 of the Health and Safety Code in later fiscal years.



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**Amendment to Budget Bill Items 3970-001-0133 and 3970-001-0386, Support,
Department of Resources Recycling and Recovery**

CalRecycle Integrated Information System (CRIIS)—It is requested that Item 3970-001-0133 be increased by \$6,185,000 in one-time funding for project approval lifecycle planning related to the department's CRIIS project. The CRIIS project will replace the existing Division of Recycling Integrated Information System that is a recycling management system. The CRIIS project will provide a single enterprise solution to consolidate and manage CalRecycle's 37 recyclable material and waste management systems.

Lee Vining Burn Dump Site Remediation—It is requested that Item 3970-001-0386 be increased by \$2,649,000 in one-time funding from the Solid Waste Disposal Site Cleanup Trust Fund to complete required site restoration work on the Lee Vining Burn Dump. Project completion will bring the site into regulatory compliance in the Mono Lake watershed area.

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 Christian Beltran, Principal Program Budget Analyst, at (916) 324-0043.

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Yana Garcia, Secretary, California Environmental Protection Agency
Catalina Hayes-Bautista, Undersecretary, California Environmental Protection Agency
Eric Jarvis, Deputy Secretary, California Environmental Protection Agency
Rachel Machi Wagoner, Director, Department of Resources Recycling and Recovery
Mindy McIntyre, Chief Deputy Director, Department of Resources Recycling and Recovery
Brandy Hunt, Deputy Director of Administration, Department of Resources Recycling and Recovery