



APR - 1 2005

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Item 0555-001-0044, Support, Secretary for Environmental Protection and Item 3900-001-0044, Support, Air Resources Board, and Addition of Item 3900-001-0465, Support, Air Resources Board

It is requested that Item 0555-001-0044 be increased by \$154,000, Item 3900-001-0044 be increased by \$6,693,000 and Item 3900-001-0465 be added in the amount of \$5.5 million to implement the Hydrogen Highway Blueprint Plan (Plan) and promote a transition to a clean, hydrogen-based transportation system in California. The use of hydrogen technologies has the potential to significantly reduce air pollution generated from fossil fuel emissions. The Plan's goal is to establish 50 to 100 hydrogen fueling stations in California. This request includes funding for the installation of 11 hydrogen refueling stations and incentive grants for purchasing hydrogen vehicles. Suggested Budget Bill language is attached that would authorize the funds to be available for expenditure through June 30, 2008 (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 Matt Almy, Principal Program Budget Analyst, at 324-0043.

TOM CAMPBELL
Director
By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Carole Migden, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Jeff Bell, Staff Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Sheila Kuehl, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Mr. Donald Owen, Assistant Secretary, Fiscal Issues, California Environmental Protection
Agency
Ms. Marie LaVergne, Chief of Administration, Air Resources Board
Ms. Judy Tanimoto, Fiscal Officer, Air Resources Board

Attachment 1

Specific amendments for Item 3900-001-0044 are proposed in the following provisional language:

Provisions:

1. Of the funds appropriated in this item, \$6,693,000 shall be available for purposes of implementing the Hydrogen Highway Network Blueprint Plan Program and, notwithstanding any other provision of law, these funds shall be available for expenditure through June 30, 2008.

Specific amendments for Item 3900-001-0465 are proposed in the following provisional language:

Provisions:

1. Funds appropriated in this item shall be available on a one-time basis for purposes of implementing the Hydrogen Highway Network Blueprint Plan Program and shall be available for expenditure through June 30, 2008.



APR - 1 2005

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Addition of Budget Bill Item 3900-301-0115, Capital Outlay, Air Resources Board

It is requested that Item 3900-301-0115 be added to provide \$103,000 funding for preliminary plans for the seismic retrofit of the Haagen-Smit Laboratory. This building has been rated a seismic level V, meaning it would experience substantial structural damage in an earthquake.

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 Rocel Bettencourt, Principal Program Budget Analyst, at (916) 445-9694.

TOM CAMPBELL

Director

By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER

Chief Deputy Director

Attachment

cc: On following page

APR - 1 2005

cc: Honorable Carole Migden, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Jeff Bell, Staff Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Sheila Kuehl, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Mr. Don Owen, Assistant Secretary, Fiscal Issues, California Environmental Protection
Agency
Ms. Marie LaVergne, Chief of Administration, Air Resources Board
Ms. Judy Tanimoto, Fiscal Officer, Air Resources Board



APR - 1 2005

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Provision 1 of Budget Bill Item 3910-001-0193 and Provision 3 of Budget Bill Item 3910-001-0387, Support, Integrated Waste Management Board

It is requested that Provision 1 of Item 3910-001-0193 and Provision 3 of Item 3910-001-0387 be deleted. It is also requested that new provisional language be added to authorize the use of funds for the development of environmental education curriculum, subject to the enactment of clean-up legislation (see suggested Budget Bill language Attachment A and Attachment B).

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

If you have any questions or need additional information regarding this matter, please call Matt Almy, Principal Program Budget Analyst, at 324-0043.

TOM CAMPBELL
Director
By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Carole Migden, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Jeff Bell, Staff Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Sheila Kuehl, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Mr. Donald Owen, Assistant Secretary, Fiscal Issues, California Environmental Protection
Agency
Mr. Tom Estes, Deputy Director, Administration and Finance Division, Integrated Waste
Management Board
Ms. Elsie Brenneman, Budget Officer, Integrated Waste Management Board

Attachment A

Specific language for Provision 1 of Item 3910-001-0193 is proposed as follows:

1. Of the amount appropriated by this item, \$200,000 shall be available to support development of the Education and Environment Initiative. The funds shall become available no sooner than the chaptering of legislation to repeal subdivision (a) of Section 60041 of the Education Code; repeal Section 71301(d)(1) of the Public Resources Code, amend Section 71301(d)(2) of the Public Resources Code to specify that the education principles for the environment shall be incorporated, as the State Board of Education determines to be appropriate, in criteria developed for textbook adoption required pursuant to Section 60200 or 60400 of the Education Code in Science, Mathematics, English/Language Arts, and History/Social Sciences; and to specify that if the State Board of Education determines that the education principles for the environment are not appropriate for inclusion in the textbook adoption criteria, the State Board of Education shall collaborate with the Office to make the changes necessary to ensure that the principles are included in the textbook adoption criteria in Science, Mathematics, English/Language Arts, and History/Social Sciences; amend Section 71302(b) of the Public Resources Code to replace the word Supplementary with the word Supplemental; amend Section 71303(a) of the Public Resources Code to insert as determined appropriate by the Superintendent of Public Instruction at the beginning of the first sentence; and to specify that if the Superintendent of Public Instruction determines that materials developed by the Office that provide information on the education principles for the environment are not appropriate for inclusion in publications that provide examples of curriculum resources for teacher use, the Superintendent of Public Instruction shall collaborate with the Office to make the changes necessary to ensure that the materials are included in that information; amend Section 71304 of the Public Resources Code by deleting subdivision (d); amend Section 71305 of the Public Resources Code to specify that notwithstanding any other provision of law to the contrary, a state agency that requires the development or encourages the promotion of environmental education for elementary and secondary school pupils, may contribute to the account; and add Section 13383.6 to the Water Code to specify if a regional or state board issues a municipal stormwater permit pursuant to Section 402(p) of the Clean Water Act (33 U.S. C. Sec. 1342 (p)) that includes a requirement to provide elementary and secondary public schools with educational materials on stormwater pollution, the permittee may satisfy the requirement, upon approval by the regional board or state board, by contributing an equivalent amount of funds to the Environmental Education Account established pursuant to subdivision (a) of Section 71305 of the Public Resources Code.

Attachment B

Specific language for Provision 3 of Item 3910-001-0387 is proposed as follows:

3. Of the amount appropriated by this item, \$3,300,000 shall be available to support development of the Education and Environment Initiative. The funds shall become available no sooner than the chaptering of legislation to repeal subdivision (a) of Section 60041 of the Education Code; repeal Section 71301(d)(1) of the Public Resources Code, amend Section 71301(d)(2) of the Public Resources Code to specify that the education principles for the environment shall be incorporated, as the State Board of Education determines to be appropriate, in criteria developed for textbook adoption required pursuant to Section 60200 or 60400 of the Education Code in Science, Mathematics, English/Language Arts, and History/Social Sciences; and to specify that if the State Board of Education determines that the education principles for the environment are not appropriate for inclusion in the textbook adoption criteria, the State Board of Education shall collaborate with the Office to make the changes necessary to ensure that the principles are included in the textbook adoption criteria in Science, Mathematics, English/Language Arts, and History/Social Sciences; amend Section 71302(b) of the Public Resources Code to replace the word Supplementary with the word Supplemental; amend Section 71303(a) of the Public Resources Code to insert as determined appropriate by the Superintendent of Public Instruction at the beginning of the first sentence; and to specify that if the Superintendent of Public Instruction determines that materials developed by the Office that provide information on the education principles for the environment are not appropriate for inclusion in publications that provide examples of curriculum resources for teacher use, the Superintendent of Public Instruction shall collaborate with the Office to make the changes necessary to ensure that the materials are included in that information; amend Section 71304 of the Public Resources Code by deleting subdivision (d); amend Section 71305 of the Public Resources Code to specify that notwithstanding any other provision of law to the contrary, a state agency that requires the development or encourages the promotion of environmental education for elementary and secondary school pupils, may contribute to the account; and add Section 13383.6 to the Water Code to specify if a regional or state board issues a municipal stormwater permit pursuant to Section 402(p) of the Clean Water Act (33 U.S. C. Sec. 1342 (p)) that includes a requirement to provide elementary and secondary public schools with educational materials on stormwater pollution, the permittee may satisfy the requirement, upon approval by the regional board or state board, by contributing an equivalent amount of funds to the Environmental Education Account established pursuant to subdivision (a) of Section 71305 of the Public Resources Code.



APR - 1 2005

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Addition of Budget Bill Item 3940-490, Local Assistance, State Water Resources Control Board

Extension of Liquidation Period for Local Assistance—Proposition 13 and Proposition 50

It is requested that Item 3940-490 be added to extend the liquidation period for the following appropriations:

- Item 3940-101-6013, Budget Act of 2000
- Item 3940-101-6016, Budget Act of 2000
- Item 3940-101-6019, Budget Act of 2000
- Item 3940-101-6022, Budget Act of 2000
- Item 3940-101-6013, Budget Act of 2001
- Item 3940-101-6017, Budget Act of 2001
- Item 3940-101-6019, Budget Act of 2001
- Item 3940-101-6022, Budget Act of 2001
- Item 3940-101-6031, Budget Act of 2002

A number of water projects funded from Proposition 13 and Proposition 50 will not be completed until after the liquidation period has expired. These projects have been delayed for a variety of reasons, such as delays in obtaining environmental permits and natural disasters in Southern California. Suggested Budget Bill language is attached (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 Matt Almy, Principal Program Budget Analyst, at 324-0043.

TOM CAMPBELL

Director

By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER

Chief Deputy Director

Attachment

cc: Honorable Carole Migden, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Jeff Bell, Staff Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Sheila Kuehl, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Mr. Don Owen, Assistant Secretary for Fiscal and Administrative Programs, California
Environmental Protection Agency
Ms. Celeste Cantú, Executive Director, State Water Resources Control Board
Mr. Bill Damian, Chief, Budget Branch, State Water Resources Control Board

Attachment 1

3940-490—Extension of Liquidation Period, State Water Resources Control Board.
Notwithstanding any other provision of law, funds appropriated in the following citations shall be available for liquidation until June 30, 2006:

6013—Watershed Protection Subaccount

- (1) Item 3940-101-6013, Budget Act of 2000 (Ch. 52, Stats. 2000), as amended by Ch. 672, Stats. 2000 (Section 18)
- (2) Item 3940-101-6013, Budget Act of 2001 (Ch. 106, Stats. 2001)

6016—Santa Ana River Watershed Subaccount

- (1) Item 3940-101-6016, Budget Act of 2000 (Ch. 52, Stats. 2000), as amended by Ch. 672, Stats. 2000 (Section 18)

6017—Lake Elsinore and San Jacinto Watershed Subaccount

- (1) Item 3940-101-6017, Budget Act of 2001 (Ch. 106, Stats. 2001)

6019—Nonpoint Source Pollution Control Subaccount

- (1) Item 3940-101-6019, Budget Act of 2000 (Ch. 52, Stats. 2000), as amended by Ch. 672, Stats. 2000 (Section 21)
- (2) Item 3940-101-6019, Budget Act of 2001 (Ch. 106, Stats. 2001)

6022—Coastal Nonpoint Source Control Subaccount

- (1) Item 3940-101-6022, Budget Act of 2000 (Ch. 52, Stats. 2000), as amended by Ch. 672, Stats. 2000 (Section 24)
- (2) Item 3940-101-6022, Budget Act of 2001 (Ch. 106, Stats. 2001)

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

- (1) Item 3940-101-6031, Budget Act of 2002 (Ch. 379, Stats. 2002)



APR - 1 2006

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

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

BKK Hazardous Waste Landfill Site Maintenance

It is requested that Item 3960-001-0001 be increased by \$8,491,000 to provide emergency response and essential site operations at the BKK hazardous waste landfill facility in West Covina and that Item 3960-001-0014 be amended to reflect this change. This request will provide funds for daily site maintenance and repair or replacement of essential equipment. The Department of Toxic Substances Control (Toxics) will continue to seek release of site maintenance responsibility or cost relief from potential responsible parties through appropriate legal remedies. The state is a potential responsible party at the site, and any costs incurred for post-closure activities will offset any future liability the state may be assigned when all the potential responsible parties are identified. Suggested Budget Bill language is attached that would require Toxics to take all reasonable actions to recover post-closure costs from potential responsible parties, and that the amounts received be paid to the General Fund (Attachment 1).

Brownfield Remediation

It is requested that Item 3960-001-0890 be increased by \$500,000 to provide cleanup loans and grants for brownfield properties from the federal Brownfields Cleanup and Redevelopment Program and that Item 3960-001-0014 be amended to reflect this change. The federal funds would be used for program development and outreach, and the distribution of loans and grants would likely begin in 2006-07. Suggested Budget Bill language is attached to provide Toxics the authority to make brownfield loans and grants pursuant to the federal requirements (Attachment 2).

APR - 1 2005

Stringfellow Pretreatment Plant

It is requested that Item 3960-001-0001 be decreased by \$1,063,000 and that Item 3960-001-0014 be amended to reflect this change. It is also requested that Item 3960-301-0001 be added in the amount of \$1,063,000 and Item 3960-490 be added to reappropriate funds for the purpose of preparing preliminary plans for the construction of a new pretreatment plant at the Stringfellow Federal Superfund site. The funding was originally earmarked for Stringfellow remediation activities. This reappropriation is consistent with the purposes of the original appropriations (Attachments 3 and 4).

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

If you have any questions or need additional information regarding this matter, please call Matt Almy, Principal Program Budget Analyst, at 324-0043.

TOM CAMPBELL

Director

By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER

Chief Deputy Director

Attachment

cc: Honorable Carole Migden, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Jeff Bell, Staff Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Sheila Kuehl, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Mr. Don Owen, Assistant Secretary for Fiscal and Administrative Programs, California
Environmental Protection Agency
Mr. B.B. Blevins, Director, Department of Toxic Substances Control
Ms. Vickie Vandergrif, Chief, Budgets and Fiscal Systems, Department of Toxic
Substances Control

Attachment 1

Add the following provisions to Item 3960-001-0001:

Provisions:

3. The amount appropriated in this item includes \$8,491,000 for emergency response activities at the BKK Landfill. This appropriation is subject to the condition that, to the extent that funds are expended for purposes for which any private or public entity is or may be held financially liable, the Department of Toxic Substances Control shall take all reasonable actions to recover the amount of that expenditure from one or more of those entities, and that the amounts so recovered be paid to the General Fund in reimbursements of the amount of that expenditure. Additionally, those recovered funds shall be spent before the General Fund, consistent with the language in any settlement agreements between the Department and the potentially responsible parties.
4. As of June 30, 2006, or earlier, any unspent funds in provision 3 shall revert to the General Fund if the Directors of the Department of Toxic Substances Control and the Department of Finance agree that sufficient funds have been provided by other potentially responsible parties.

Attachment 2

Add the following provision to Item 3960-001-0890

Provisions:

1. Upon receipt of the federal Revolving Fund Grant, the Department of Toxic Substances Control is authorized to make loans and grants as authorized under the federal regulations and in accordance with all applicable federal laws and guidelines.

Attachment 3

3960-490—Reappropriation, Department of Toxic Substances Control. The balance of the appropriations provided in the following citations are reappropriated for the purposes specified and shall be available for encumbrance or expenditure until June 30, 2006:

0001—General Fund

- (1) \$920,000 in Item 3960-001-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (2) \$1,080,000 in Item 3960-001-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).

Provisions:

1. Notwithstanding any other provision of law, a total of \$2,000,000 from the unencumbered balances of the Budget Act of 2002 and 2003 appropriations cited above are reappropriated to capital outlay for the purpose of preliminary plan development for a new pretreatment plant at the Stringfellow Federal Superfund site and shall be available for encumbrance until June 30, 2006. This reappropriation is consistent with the remediation efforts authorized in the original appropriation.

2. Notwithstanding any other provision of law, the Department of Toxic Substances Control may enter into any and all contracts for the design, construction and management of the project authorized in this item. In doing so, the Department of Toxic Substances Control shall comply with the State Contract Act and other applicable competitive selection processes. The Department of Toxic Substances Control shall provide management oversight of the project, which shall be subject to the review of the State Public Works Board.

Attachment 4

Add the following provision to Item 3960-001-0890.

Provisions:

1. Notwithstanding any other provision of law, the Department of Toxic Substances Control may enter into any and all contracts for the design, construction and management of the project authorized in this item. In doing so, the Department of Toxic Substances Control shall comply with the State Contract Act and other applicable competitive selection processes. The Department of Toxic Substances Control shall provide management oversight of the project, which shall be subject to the review of the State Public Works Board.