



MAR 29 2007

Honorable Denise Moreno Ducheny, 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, Air Resources Board, Integrated Waste Management Board, Department of Pesticide Regulation, State Water Resources Control Board, Department of Toxic Substances Control and the Office of Environmental Health Hazard Assessment

The California Environmental Protection Agency (CalEPA) proposes to implement a Network Refresh Project within the CalEPA building at 1001 I Street for its constituent boards, departments and office. The project will replace CalEPA's information technology infrastructure equipment, which supports all programs and organizations agency-wide. The equipment will reach end-of-life beginning July 2007, after which the equipment manufacturer will no longer provide technical support, operating system updates, or replacement parts.

CalEPA prepared a Feasibility Study Report (FSR) for this project, and the FSR has been approved by the Office of Technology Review, Oversight and Security. The FSR indicates that replacing the entire CalEPA network at a single time will produce a system that is more efficient and less costly than replacing the existing system piecemeal as components wear out. The total one-time cost for the project is \$3,209,923 over two years. Of this total, \$2,762,000 is covered in this Finance Letter. The cost will be shared among CalEPA's boards, departments and office as described in the following paragraphs.

Air Resources Board (ARB)—Information Technology Network Refresh Project (Issue 110)—It is requested that Item 3900-001-0044 be increased by \$382,000, Item 3900-001-0115 be increased by \$312,000, and Item 3900-001-0044 be amended to reflect these changes. This funding is necessary to fund the ARB's portion of the Agency-wide Network Refresh Project.

Integrated Waste Management Board (IWMB)—Information Technology Network Refresh Project (Issue 110)—It is requested that Item 3910-001-0387 be increased by \$507,000 to provide IWMB's portion of the funding for the Agency-wide Network Refresh Project referenced above.

Department of Pesticide Regulation (DPR)—Information Technology Network Refresh Project (Issue 110)—It is requested that Item 3930-001-0106 be increased by \$364,000 to provide DPR's portion of the funding for the Agency-wide Network Refresh Project referenced above.

State Water Resources Control Board (SWRCB)—Information Technology Network Refresh Project (Issue 110)—It is requested that Item 3940-001-0193 be increased by \$766,000 and that Item 3940-001-0001 be amended to reflect this change. This funding is necessary to provide SWRCB's portion of the funding for the Agency-wide Network Refresh Project referenced above.

Department of Toxic Substances Control (DTSC)—Information Technology Network Refresh Project (Issue 110)—It is requested that Item 3960-001-0014 be increased by \$183,000, Item 3960-001-0557 be increased by \$176,000, and Item 3960-001-0014 be amended to reflect these changes. This funding is necessary to provide DTSC's portion of the funding for the Agency-wide Network Refresh Project referenced above.

Office of Environmental Health Hazard Assessment (OEHHA)—Information Technology Network Refresh Project (Issue 110)—It is requested that Item 3980-001-3056 be increased by \$72,000 and Item 3980-001-0001 be amended to reflect this change. This funding is necessary to provide OEHHA's portion of the funding for the Agency-wide Network Refresh Project referenced above.

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 Dave Harper, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL C. GENEST
Director
By:

/s/ Vincent P. Brown

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Alan Lowenthal, Chair, Senate Budget and Fiscal Review Committee No. 2
Honorable Ira Ruskin, 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)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Honorable Linda S. Adams, Secretary, California Environmental Protection Agency
Mr. Donald Owen, Assistant Secretary, California Environmental Protection Agency
Ms. Marie Stephans, Deputy Director, Administration, California Air Resources Board



MAR 29 2007

Honorable Denise Moreno Ducheny, 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 Items 3940-101-0001, 3940-101-6031, and Addition of
Items 3940-101-6013, 3940-101-6019, and 3940-490, Local Assistance, State Water
Resources Control Board**

Proposition 13

It is requested that Item 3940-101-6013 be added in the amount of \$1,572,000 and Item 3940-101-0001 be amended for additional grants to municipalities, local public agencies, and non-profit organizations to implement watershed projects that improve flood and erosion control and wildlife habitats. The requested funds are from canceled projects or unused balances from completed projects.

It is requested that Item 3940-101-6019 be added in the amount of \$786,000 and Item 3940-101-0001 be amended for additional grants to local agencies and non-profit organizations for non-point source pollution control projects. The remaining funds are also from canceled projects or unused balances from completed projects. (See Attachment 1)

Technical Adjustment—Proposition 50 Funds

It is requested that Item 3940-101-6031 be decreased by \$145,000 and Item 3940-101-0001 be amended to reflect this change. Additional encumbrances against previous Water Board appropriations of Proposition 50 funds were identified after the release of the 2007-08 Governor's Budget, and have decreased the amount available in 2007-08. This proposal will bring the amount proposed for appropriation in the 2007-08 Budget Bill in line with available resources.

Reappropriation—Proposition 40 Funds

It is requested that Item 3940-490 be added to reappropriate a total of \$1,926,000 from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40). The State Water Resources Control Board (Water Board) has distributed all but a small portion of the \$166.0 million in Proposition 40 local assistance funds. The original encumbrance period for the funds expired on December 31, 2006. The Water Board proposes to use the funds as follows:

- \$94,637 for the Small Community Wastewater Program to provide grants to support installation or replacement of sewer systems so that small communities can comply with water pollution requirements.
- \$1,831,363 for the Urban Stormwater Grant Program to provide grants to support local agencies to reduce pollution from stormwater runoff. (See Attachment 2)

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

If you have any questions or need additional information regarding this matter, please call Dave Harper, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Alan Lowenthal, Chair, Senate Budget and Fiscal Review Committee No. 2
Honorable Ira Ruskin, 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)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Honorable Linda Adams, Secretary, California Environmental Protection Agency
Mr. Don Owen, Assistant Secretary for Fiscal & Administrative Programs, California
Environmental Protection Agency
Ms. Tam Doduc, Chair, State Water Resources Control Board
Mr. Esteban Almanza, Deputy Director, Administration, State Water Resources Control
Board
Mr. Bill Damian, Budget Officer, State Water Resources Control Board

Attachment 1

3940-101-6013----For local assistance, State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Watershed Protection Subaccount, to be available for expenditure until June 30, 2010..... 1,752,000

3940-101-6019----For local assistance, Sate Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Nonpoint Source Pollution Control Subaccount to be available for expenditure until June 30, 2010.....786,000

Attachment 2

3940-490-Reappropriation, State Water Resources Control Board. The balance of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2008:

6029— California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

(1) Chapter 727 of the Statutes of 2002, Section 3(a) (2)--Small Community Wastewater Program.

(2) Chapter 727 of the Statutes of 2002, Section 3(a) (3)--Urban Storm Water Grant Program.



MAR 29 2007

Honorable Denise Moreno Ducheny, 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 3960-001-0014, Support, Department of Toxic Substances Control

Pollution Prevention in the Bottle Recycling Program

It is requested that Item 3960-001-0014 be amended in order to increase the Department of Toxic Substances Control's reimbursement authority by \$1,571,000 to support 8.5 new positions. This augmentation will support a four-year joint effort with the Department of Conservation to evaluate alternatives to standard plastics such as biodegradable plastics and to develop strategies that reduce the chemical and pollution impacts of plastic containers on the environment. Funding will be reimbursed by the California Beverage Container Recycling Fund.

Mitigating the environmental impact of plastic containers is important for three reasons: (1) plastic containers form a large volume waste that decomposes very slowly, (2) plastic materials are a major source of ocean pollution and, when broken into small fragments, can be ingested by and harm or kill marine birds and animals, and (3) the additives used in manufacturing plastics, such as phthalate plasticizers, could be harmful to public health.

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 Dave Harper, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL C. GENEST
Director
By:

/s/ Vincent P. Brown

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Alan Lowenthal, Chair, Senate Budget and Fiscal Review Committee No. 2
Honorable Ira Ruskin, 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)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Honorable Linda Adams, Secretary, California Environmental Protection Agency
Mr. Don Owen, Assistant Secretary for Fiscal & Administrative Programs, Cal-EPA
Ms. Maureen Gorsen, Director, Department of Toxic Substances Control
Ms. Vicki Vandergriff, Deputy Director of Administrative Services, Department of Toxic
Substances Control
Ms. Sara Benson, Acting Chief, Budgets and Fiscal Systems, Department of Toxic
Substances Control