



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. ■ GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

MAY 14 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

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

Technical Adjustments for Administration and Distributed Administration—This proposal makes a series of technical adjustments to the Administration and Distributed Administration program to properly allocate Distributed Administration to various funds. These changes result in a net zero change to Administration and Distributed Administration.

Bay Delta Water Quality Control Plan Update and Implementation—It is requested that Item 3940-001-0001 be increased by \$3,709,000 and 4 positions, and Item 3940-001-3058 be increased by \$4,120,000 and 12 positions to complete the comprehensive update of the Bay Delta Water Quality Control Plan.

Facilities Operations Funding—It is requested that Item 3940-001-0193 be increased by \$170,000, and Item 3940-001-0439 be increased by \$949,000. The State Water Resources Control Board will also increase expenditures from the State Water Quality Control Fund by \$28,000. This request will support two office relocations, one in Sacramento and one in Victorville. Additional space is necessary in Sacramento because the California Environmental Protection Agency building is at capacity and the State Water Resources Control Board has received additional positions as a result of the Drinking Water Program transfer and the enactment of Proposition 1. A new location is needed in Victorville to address safety concerns and comply with the Americans with Disabilities Act.

Drinking Water Program Technical Bond Adjustments—It is requested that Item 3940-001-6031 be increased by \$378,000, Item 3940-001-6051 be increased by \$404,000, Item 3940-101-6031 be increased by \$8.5 million, and Item 3940-101-6051 be increased by \$8.8 million. It is also requested that Item 3940-491 be added to reappropriate the unencumbered balances of Proposition 84 funds (Attachment 1), and that Item 3940-496 be added to revert the unencumbered balance of various Proposition 50 and Proposition 84 appropriations (Attachment 2).

MAY 14 2015

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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 Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Lois Wolk, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Jennifer Taylor, Budget Officer, State Water Resources Control Board
Mr. John Russell, Financial Assistance, State Water Resources Control Board

Attachment 1

NEW ITEM

3940-491—Reappropriation, State Water Resources Control Board. As of June 30, 2015, the unencumbered balance of the appropriation provided in the following citation is reappropriated for the purpose provided for in the appropriation and shall be available for encumbrance or expenditure until June 30, 2018.

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

- (1) Paragraph (1) of subdivision (b) of Section 83002 of the Water Code, as reappropriated by Item 4265-490, Budget Act of 2010 (Ch. 12, Stats. 2010)
- (2) Paragraph (2) of subdivision (b) of Section 83002 of the Water Code, as reappropriated by Item 4265-490, Budget Act of 2010 (Ch. 12, Stats. 2010)

Attachment 2

NEW ITEM

3940-496—Reversion, State Water Resources Control Board. As of June 30, 2015, the unencumbered balance of the appropriations provided in the following citations shall revert to the balance in the funds from which the appropriation was made:

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

(1) Item 4265-111-6031, Budget Act of 2012 (Ch. 21, Stats. 2012)

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

(1) Item 3940-001-6051, Budget Act of 2014 (Ch. 25, Stats. 2014)



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

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

Enhanced Enforcement Initiative—It is requested that Item 3960-001-0014 be increased by \$222,000 and Item 3960-001-0557 be increased by \$1,917,000 to provide three-year limited-term funding to increase inspections of hazardous waste transporters and to begin inspections of metal recyclers. It also is requested that trailer bill language be added allowing use of the Toxic Substances Control Account for the costs associated with inspecting metal recyclers (see Attachment 1).

Hazardous Waste Enforcement Program Improvements—It is requested that Item 3960-001-0557 be increased by \$1,409,000 to provide two-year limited-term funding to improve the efficiency and effectiveness of the hazardous waste enforcement program by reviewing the hazardous waste inspection and enforcement processes and creating an improvement plan. It also is requested that trailer bill language be added allowing use of the Toxic Substances Control Account for this purpose (see Attachment 1).

Position Funding Realignment—It is requested that Item 3960-001-0557 be increased by \$2,440,000 and Item 3960-001-0890 be decreased by \$2,440,000 to shift funding for 18 positions from federal funds to the Toxic Substances Control Account. This request reverses a shift from the Toxic Substances Control Account to federal funds included in the 2012 Budget Act because anticipated federal funds did not materialize.

Safer Consumer Products Priority Work Plan—It is requested that Item 3960-001-0557 be increased by \$643,000 to provide two-year limited-term funding to implement a priority work plan for the Safer Consumer Products program.

Expedited Remedial Action Program—It is requested that Item 3960-001-0456 be added in the amount of \$3,425,000 to reimburse claimants for the orphan share associated with cleanup activities at the Golden Technology Site in the City of Santa Rosa (see Attachment 2). It is also requested that Item 3960-013-0557 be added in the amount of \$652,000 to transfer sufficient funds to support this appropriation (see Attachment 3), and that Item 3960-495 be added to revert the unencumbered balance in Item 3960-001-0456, Budget Act of 2014 (Chapter 25, Statutes of 2014) (see Attachment 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 Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Lois Wolk, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Miriam Ingenito, Chief Deputy Director, Department of Toxic Substances Control
Mr. Larry Yurk, Budget Officer, Department of Toxic Substances Control
Ms. Sara Benson, Chief, Financial Planning Branch, Department of Toxic Substances Control

Attachment 1

Add provisions (17) and (18) to Health and Safety Code section 25173.6(b) as follows:

(b) The funds deposited in the Toxic Substances Control Account may be appropriated to the department for the following purposes:

- ...
- (17) *Commencing July 1, 2015 and terminating on June 30, 2018, allocation for funds to the department as appropriated by the Legislature may be expended for the administration and implementation of Chapter 6.5 (commencing with Section 25100) to inspect, investigate, and take enforcement actions against metal recycling facilities. For purposes of this subdivision only, "metal recycling facilities" includes any facility receiving and handling discarded manufactured metal objects and other metal containing wastes for the purpose of extracting the ferrous and non-ferrous constituents or for the purpose of processing discarded manufactured metal objects and other metal containing wastes in preparation for extracting the ferrous and non-ferrous constituents. For purposes of this subdivision only, "metal recycling facilities" does not include metal shredding facilities that have been issued a nonhazardous waste determination by the department pursuant to subdivision (f) of Section 66260.200 of Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations and are continuing to operate under the terms and conditions of that determination. The funds may be expended to:*
- (A) Conduct inspections and investigations.*
 - (B) Pursue administrative, civil and/or criminal enforcement actions against metal recycling facilities.*
 - (C) Develop interim industry operating standards to use in enforcement actions in part by collecting and analyzing data to identify the various types of metal recycling facilities, their locations, the types and scale of their activities and their regulatory history.*
 - (D) Conduct outreach efforts with the metal recycling facility industry and the communities surrounding the facilities.*
 - (E) Develop and adopt industry-specific regulations.*
 - (F) Conduct sampling and analyze samples collected at or within the vicinity of metal recycling facilities.*
- (18) *Commencing July 1, 2015 and terminating on June 30, 2017, allocation for funds to the department as appropriated by the Legislature may be expended to review the enforcement program of the department's Hazardous Waste Management Program. This review will include an assessment of the enforcement program, including, but not limited to, evaluating workload and processes for hazardous waste inspection, investigatory, and enforcement activities; developing, revising and standardizing policies and guidance documents for enforcement staff; and evaluating statutory and regulatory provisions governing the enforcement program.*

Attachment 2

NEW ITEM

3960-001-0456—For support of Department of Toxic Substances Control, payable from the Expedited Site Remediation Trust Fund \$3,425,000

Schedule:

(1) 3620011—Other Site Mitigation Activities \$3,425,000

Provisions:

1. Notwithstanding any other provision of law, upon request of the Department of Toxic Substances Control, and approval by the Department of Finance, the Controller shall augment the appropriation in this item to pay costs associated with the orphan shares at the Golden Technology Site for the Expedited Site Remediation Pilot Program from uncommitted funds in the Expedited Site Remediation Trust Fund.
2. 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.

Attachment 3

NEW ITEM

3960-013-0557—For transfer by Controller from the Toxic Substances Control Account to the Expedited Site Remediation Trust Fund.....(\$652,000)

Attachment 4

NEW ITEM

3960-495—Reversion, Department of Toxic Substances Control. As of June 30, 2015, the unencumbered balances of the appropriations provided in the following citations shall revert to the balances of the funds from which the appropriations were made:

0456—Expedited Site Remediation Trust Fund

(1) Item 3960-001-0456, Budget Act of 2014 (Ch. 25, Stats. 2014)



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

**Amendment to Health and Safety Code Section 116365, Office of Environmental Health
Hazard Assessment**

Trailer Bill Language to Eliminate Duplicative Peer Review Requirement

It is requested that Health and Safety Code section 116365 be amended to remove a duplicative provision that could result in the Office of Environmental Health Hazard Assessment being required to perform two external scientific peer reviews for the same Public Health Goal for a contaminant in drinking water.

This amendment is needed as a result of the July 2014 transfer of the Drinking Water Program from the California Department of Public Health to the State Water Resources Control Board. This reorganization now makes Public Health Goals subject to Health and Safety Code section 57004, which also requires a peer review of the scientific basis for any rule or standard adopted by the California Environmental Protection Agency or its boards, departments, or office. Therefore, it is requested that Health and Safety Code section 116365 be amended to eliminate the duplicative and unnecessary requirement.

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 Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director
Attachment

cc: On following page

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
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Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Eric Jarvis, Assistant Secretary, Fiscal and Administrative Programs, California Environmental
Protection Agency
Mr. George Alexeeff, Director, Office of Environmental Health Hazard Assessment
Ms. Susan Villa, Deputy Director, Administrative Services Division, Office of Environmental Health
Hazard Assessment
Mr. Mike Gyurics, Chief, Fiscal Operations Branch, Office of Environmental Health Hazard
Assessment

ATTACHMENT A

Section 116365 of the Health and Safety Code is amended to read:

(a) The department shall adopt primary drinking water standards for contaminants in drinking water that are based upon the criteria set forth in subdivision (b) and shall not be less stringent than the national primary drinking water standards adopted by the United States Environmental Protection Agency. Each primary drinking water standard adopted by the department shall be set at a level that is as close as feasible to the corresponding public health goal placing primary emphasis on the protection of public health, and that, to the extent technologically and economically feasible, meets all of the following:

(1) With respect to acutely toxic substances, avoids any known or anticipated adverse effects on public health with an adequate margin of safety, and

(2) With respect to carcinogens, or any substances that may cause chronic disease, avoids any significant risk to public health.

(b) The department shall consider all of the following criteria when it adopts a primary drinking water standard:

(1) The public health goal for the contaminant published by the Office of Environmental Health Hazard Assessment pursuant to subdivision (c).

(2) The national primary drinking water standard for the contaminant, if any, adopted by the United States Environmental Protection Agency.

(3) The technological and economic feasibility of compliance with the proposed primary drinking water standard. For the purposes of determining economic feasibility pursuant to this paragraph, the department shall consider the costs of compliance to public water systems, customers, and other affected parties with the proposed primary drinking water standard, including the cost per customer and aggregate cost of compliance, using best available technology.

(c) (1) The Office of Environmental Health Hazard Assessment shall prepare and publish an assessment of the risks to public health posed by each contaminant for which the department proposes a primary drinking water standard. The risk assessment shall be prepared using the most current principles, practices, and methods used by public health professionals who are experienced practitioners in the fields of epidemiology, risk assessment, and toxicology. The risk assessment shall contain an estimate of the level of the contaminant in drinking water that is not anticipated to cause or contribute to adverse health effects, or that does not pose any significant risk to health. This level shall be known as the public health goal for the contaminant. The public health goal shall be based exclusively on public health considerations and shall be set in accordance with all of the following:

(A) If the contaminant is an acutely toxic substance, the public health goal shall be set at the level at which no known or anticipated adverse effects on health occur, with an adequate margin of safety.

(B) If the contaminant is a carcinogen or other substance that may cause chronic disease, the public health goal shall be set at the level that, based upon currently available data, does not pose any significant risk to health.

(C) To the extent information is available, the public health goal shall take into account each of the following factors:

(i) Synergistic effects resulting from exposure to, or interaction between, the contaminant and one or more other substances or contaminants.

(ii) Adverse health effects the contaminant has on members of subgroups that comprise a meaningful portion of the general population, including, but not limited to, infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subgroups that are identifiable as being at greater risk of adverse health effects than the general population when exposed to the contaminant in drinking water.

(iii) The relationship between exposure to the contaminant and increased body burden and the degree to which increased body burden levels alter physiological function or structure in a manner that may significantly increase the risk of illness.

(iv) The additive effect of exposure to the contaminant in media other than drinking water, including, but not limited to, exposures to the contaminant in food, and in ambient and indoor air, and the degree to which these exposures may contribute to the overall body burden of the contaminant.

(D) If the Office of Environmental Health Hazard Assessment finds that currently available scientific data are insufficient to determine the level of a contaminant at which no known or anticipated adverse effects on health will occur, with an adequate margin of safety, or the level that poses no significant risk to public health, the public health goal shall be set at a level that is protective of public health, with an adequate margin of safety. This level shall be based exclusively on health considerations and shall, to the extent scientific data are available, take into account the factors set forth in clauses (i) to (iv), inclusive, of subparagraph (C), and shall be based on the most current principles, practices, and methods used by public health professionals who are experienced practitioners in the fields of epidemiology, risk assessment, and toxicology. However, if adequate scientific evidence demonstrates that a safe dose response threshold for a contaminant exists, then the public health goal should be set at that threshold. The department may set the public health goal at zero if necessary to satisfy the requirements of this subparagraph.

(2) The determination of the toxicological endpoints of a contaminant and the publication of its public health goal in a risk assessment prepared by the Office of Environmental Health Hazard Assessment are not subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The Office of Environmental Health Hazard Assessment and the department shall not impose any mandate on a public water system that requires the public water system to comply with a public health goal. The Legislature finds and declares that the addition of this paragraph by the act amending this section during the 1999–2000 Regular Session of the Legislature is declaratory of existing law.

(3) (A) Beginning July 1, 2001, the Office of Environmental Health Hazard Assessment shall, at the time it commences preparation of a risk assessment for a contaminant as required by this subdivision, electronically post on its Internet web page a notice that informs interested persons that it has initiated work on the risk assessment. The notice shall also include a brief description, or a bibliography, of the technical documents or other information the office has identified to date as relevant to the preparation of the risk assessment and inform persons who wish to submit information concerning the contaminant that is the subject of the risk assessment of the name and address of the person in the office to whom the information may be sent, the date by which the information must be received in order for the office to consider it in the preparation of the risk assessment, and that all information submitted will be made available to any member of the public who requests it. Until July 1, 2001, the Office of Environmental Health Hazard Assessment shall send the notice to interested persons who request it by mail.

(B) Each draft risk assessment prepared by the Office of Environmental Health Hazard Assessment pursuant to this subdivision shall be made available to the public at least 45 calendar days prior to the date that public comment and discussion on the risk assessment are solicited at the public workshop required by Section 57003.

(C) At the time the Office of Environmental Health Hazard Assessment publishes the final risk assessment for a contaminant, the office shall respond in writing to significant comments, data, studies, or other written information submitted by interested persons to the office in connection with the preparation of the risk assessment. Any such comments, data, studies, or other written information submitted to the office shall be made available to any member of the public who requests it.

~~(D) Any interested person may, within 15 calendar days of the date the public workshop on a risk assessment is completed pursuant to Section 57003, request the Office of Environmental Health Hazard Assessment to submit the risk assessment to external scientific peer review prior to its publication. If the office receives such a request, the office shall submit the risk assessment to external scientific peer review in a manner substantially equivalent to the external scientific peer review process set forth in Section 57004, if the person requesting the external scientific peer review enters into an enforceable agreement with the office within 15 calendar days of making the request that requires the person requesting the external scientific peer review to fully reimburse the office for all of the costs associated with conducting the external scientific peer review.~~

(D) After the public workshop on the draft risk assessment required by Section 57003 is completed, the Office of Environmental Health Hazard Assessment shall submit the draft risk assessment for external scientific peer review using the process set forth in Section 57004 and shall comply with paragraph (2) of subdivision (d) of Section 57004 prior to publication of the final public health goal.

~~(E) It is the intent of the Legislature that, if the Office of Environmental Health Hazard Assessment receives a request to submit a risk assessment prepared for a contaminant to which paragraph (2) of subdivision (e) applies to external scientific review, the peer review shall be conducted in a manner that does not affect the schedule for publishing the public health goal for that contaminant as set forth in paragraph (2) of subdivision (e).~~

(d) Notwithstanding any other provision of this section, any maximum contaminant level in effect on August 22, 1995, may be amended by the department to make the level more stringent pursuant to this section. However, the department may only amend a maximum contaminant level to make it less stringent if the department shows clear and convincing evidence that the maximum contaminant level should be made less stringent and the amendment is made consistent with this section.

(e) (1) All public health goals published by the Office of Environmental Health Hazard Assessment shall be established in accordance with the requirements of subdivision (c) and shall be reviewed at least once every five years and revised, pursuant to subdivision (c), as necessary based upon the availability of new scientific data.

(2) On or before January 1, 1998, the Office of Environmental Health Hazard Assessment shall publish a public health goal for at least 25 drinking water contaminants for which a primary drinking water standard has been adopted by the department. The office shall publish a public health goal for 25 additional drinking water contaminants by January 1, 1999, and for all remaining drinking water contaminants for which a primary drinking water standard has been adopted by the department by no later than December 31, 2001. A public health goal shall be published by the Office of Environmental Health Hazard Assessment at the same time the department proposes the adoption of a primary drinking water standard for any newly regulated contaminant.

(f) The department or Office of Environmental Health Hazard Assessment may review, and adopt by reference, any information prepared by, or on behalf of, the United States Environmental Protection Agency for the purpose of adopting a national primary drinking water standard or maximum contaminant level goal when it establishes a California maximum contaminant level or publishes a public health goal.

(g) At least once every five years after adoption of a primary drinking water standard, the department shall review the primary drinking water standard and shall, consistent with the criteria set forth in subdivisions (a) and (b), amend any standard if any of the following occur:

(1) Changes in technology or treatment techniques that permit a materially greater protection of public health or attainment of the public health goal.

(2) New scientific evidence that indicates that the substance may present a materially different risk to public health than was previously determined.

(h) Not later than March 1 of every year, the department shall provide public notice of each primary drinking water standard it proposes to review in that year pursuant to this section. Thereafter, the department shall solicit and consider public comment and hold one or more public hearings regarding its proposal to either amend or maintain an existing standard. With adequate public notice, the department may review additional contaminants not covered by the March 1 notice.

(i) This section shall operate prospectively to govern the adoption of new or revised primary drinking water standards and does not require the repeal or readoption of primary drinking water standards in effect immediately preceding January 1, 1997.

(j) The department may, by regulation, require the use of a specified treatment technique in lieu of establishing a maximum contaminant level for a contaminant if the department determines that it is not economically or technologically feasible to ascertain the level of the contaminant.



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

**Amendment to and Addition of Various Budget Bill Items and Proposed Trailer Bill
Language, Support, Local Assistance, and Capital Outlay, Various Departments—Cap
and Trade Expenditure Plan**

The May Revision supports the Governor's 2030 greenhouse gas (GHG) emission reduction target of 40 percent below 1990 levels by 2030 by proposing a \$2.2 billion Cap and Trade Expenditure Plan. The Plan will further reduce emissions by providing additional resources for clean transportation and mass transit, energy efficiency and renewable energy, waste reduction, and ecosystem restoration programs. The Plan also reflects continued commitment to expending funds on programs that provide benefits to Californians living in disadvantaged communities.

Continuously Appropriated Programs and Project Update—Chapter 36, Statutes of 2014 (SB 862), established a long-term plan for the expenditure of Cap and Trade auction proceeds. SB 862 continuously appropriates 60 percent of annual proceeds to specified programs and the High Speed Rail Project beginning in fiscal year 2015-16. Pursuant to SB 862, the May Revision reflects updated estimates of the continuous appropriations, as follows:

- \$249,897,000 increase for the High Speed Rail Project.
- \$200 million increase for the Affordable Housing and Sustainable Communities Program.
- \$100 million increase for the Transit and Intercity Rail Capital Program.
- \$50 million increase for the Low Carbon Transit Operations Program.

Furthermore, the estimated amounts for three of the continuously appropriated programs have been adjusted to reflect state operations costs that support these programs as follows:
(1) \$514,000 to the Transportation Agency, (2) \$1,199,000 to the Office of Planning and Research, and (3) \$225,000 to State Transit Assistance.

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Transit and Intercity Rail Capital Program—It is requested that Item 2660-101-3228 be added in the amount of \$64,999,000 and Item 2660-301-3228 be added in the amount of \$1,000 to provide additional resources above the continuously appropriated program to modernize California's intercity, commuter, and urban rail systems through investments in the Transit and Intercity Rail Capital Program. In addition, provisional language is requested that authorizes shifting funds between local assistance and capital outlay to provide flexibility in the administration of the grant program.

Water Efficient Appliance and Fixture Rebate Program—It is requested that Item 3360-001-3228 be added in the amount of \$7 million and 5 positions and Item 3360-101-3228 be added in the amount of \$23 million for the California Energy Commission (CEC) to implement a consumer rebate program for consumers who purchase energy efficient and water saving appliances in accordance with the most recent executive order on drought, Governor's Executive Order B-29-15.

Water and Energy Technology Program—It is requested that Item 3360-001-3228 be added in the amount of \$1,474,000 and 4 positions and Item 3360-101-3228 be added in the amount of \$28,526,000 for the CEC to administer the Water and Energy Technology program in accordance with Governor's Executive Order B-29-15.

Enhancing Forest Carbon Storage Capacity—It is requested that Item 3540-001-3228 be increased by \$45 million and 9 positions and Item 3540-101-3228 be increased by \$5 million for the Department of Forestry and Fire Protection to implement a comprehensive forestry program that will further secure forest carbon and reduce emissions. Further forestry investments to meet this goal are needed as four years of drought have impacted forests with insect/disease epidemics and severe moisture stress, potentially reducing the amount of carbon that can be sequestered, while at the same time increasing fire risk.

Wetlands and Watershed Restoration Grant Program—It is requested that Item 3600-101-3228 be increased by \$40 million to accelerate Department of Fish and Wildlife high priority Delta wetlands and watershed restoration projects that increase carbon sequestration and provide ecosystem benefits, consistent with restoration efforts identified in the Water Action Plan. These restoration projects have been scheduled for implementation between 2015 and 2018. The Water Action Plan identified several specific action items to support water supply reliability and ecosystem restoration for the Delta, including the implementation of near-term Delta improvement projects. The Administration is implementing the California Eco Restore program to accelerate habitat restoration projects that support the long-term health of the Delta's native fish and wildlife species

Water Energy Grant Program—It is requested that Item 3860-001-3228 be increased by \$1 million and Item 3860-101-3228 be increased by \$19 million to increase funding for the Water Energy Grant Program administered by the Department of Water Resources for projects that reduce energy and water use.

Low Carbon Transportation—It is requested that Item 3900-001-3228 be increased by \$2.2 million and 12 positions and Item 3900-101-3228 be increased by \$147.8 million to augment the Air Resources Board (ARB) Low Carbon Transportation programs. The programs support the expansion and creation of clean transportation by providing incentives for sustainable freight technology, near and zero-emission passenger vehicles, and clean trucks and buses.

Waste Diversion and Recycling—It is requested that Item 3970-001-3228 be increased by \$747,000 and 7 positions and Item 3970-101-3228 be increased by \$34,253,000 for the Department of Resources Recycling and Recovery to support activities that reduce methane emissions from landfills and decrease GHG emissions through upstream management and manufacturing processes. This proposal also includes continuing funding for 9 positions, along with trailer bill language to clarify statute regarding project eligibility (see Attachment 1).

Low-Income Weatherization Program—It is requested that Item 4700-001-3228 be increased by \$4,073,000 and Item 4700-101-3228 be increased by \$60,927,000 for the Department of Community Services and Development to provide additional grants for weatherization and solar programs benefiting disadvantaged communities. It is also requested that schedules for Administration and Distributed Administration be added to correct a technical omission in Item 4700-001-3228 (see Attachment 2).

University of California Energy Projects—It is requested that Item 6440-001-3228 be added in the amount of \$25 million to support renewable energy and energy efficiency projects consistent with the University of California systemwide initiative to achieve carbon neutrality by 2025.

California State University Energy Projects—It is requested that Item 6610-001-3228 be added in the amount of \$35 million to support renewable energy and energy efficiency projects throughout the 23-campus system.

Energy Efficiency for Public Buildings—It is requested that Item 7760-001-3228 be added in the amount of \$60 million and 6 positions to implement Executive Order B-8-12 requiring state agencies to reduce GHG emissions and reduce energy usage in state facilities.

GHG Emissions Reductions in Agriculture—It is requested that Item 8570-001-3228 be increased by \$80 million and 14 positions to support Department of Food and Agriculture activities that promote GHG emission reductions in agriculture. This request includes provisional language (see Attachment 2) that modifies Provision 1 of Item 8570-001-3228 to specify the following: (1) \$40 million is to be available until June 30, 2017 to support grants that reduce energy and water usage; (2) \$20 million is to be available until June 30, 2018 to support a new Healthy Soils initiative that promotes activities that increase carbon in soils; and (3) \$20 million is to be available until June 30, 2018 to support agricultural energy and operational efficiency activities that reduce methane emissions from dairy waste.

In addition, the proposals listed below represent technical and workload adjustments necessary to further support the above-proposed Cap and Trade Expenditure Plan.

Administrative Support—The May Revision includes the following adjustments to administrative support of various Cap and Trade funded programs:

- **Transit and Intercity Rail Capital Program**—It is requested that Item 0521-001-3228 be added in the amount of \$71,000 and 1 position for the Transit and Intercity Rail Capital Program. It is also requested that provisional language be added to this item to clarify that these resources are from the program's share of Cap and Trade proceeds (see Attachment 2).

- **Affordable Housing and Sustainable Communities Technical Adjustment**—It is requested that provisional language be added to Item 0650-001-3228 to specify that these resources are from the program's share of Cap and Trade proceeds (see Attachment 2).
- **Affordable Housing and Sustainable Communities Program**—It is requested that position authority in Section 39719(b)(1)(c) of the Health and Safety Code be increased by 11 positions and funded by transfers from the Greenhouse Gas Reduction Fund (GGRF), as approved by the Strategic Growth Council (SGC). The SGC designated the Department of Housing and Community Development (HCD) to administer the Affordable Housing and Sustainable Communities Program. Additionally, it is requested that trailer bill language be added to provide clarification that the SGC has the authority to transfer funds to HCD and other designated agencies for specified activities (see Attachment 1).
- **Low Carbon Transit Operations and the Transit and Intercity Rail Capital Programs**—It is requested that Item 2660-001-3228 be increased by \$439,000 and 4 positions to support the implementation of the Low Carbon Transit Operations Program and the Transit and Intercity Rail Capital Program administered by the Department of Transportation. It is also requested that provisional language be added to this item to clarify that these resources are from the program's share of Cap and Trade proceeds (see Attachment 2).
- **High Speed Rail Project**—It is requested that Item 2665-001-3228 be added in the amount of \$103,000 and 1 position to support disadvantaged communities liaison activities at the High Speed Rail Authority. This position will work with state entities, local governments, and community groups during the station area planning process to maximize benefits for disadvantaged communities. It is further requested that provisional language be added to this item to clarify that these resources are from the program's share of Cap and Trade proceeds (see Attachment 2).
- **Energy Conservation Assistance Account Program Support Reduction**—The Energy Conservation Assistance Account will be decreased by \$603,000 and 5 positions in response to the shift of \$20 million to the Department of General Services to implement Executive Order B-8-12 that requires state agencies to reduce GHG emissions, and reduce energy usage in state facilities.

Tracking and Quantifying GHG Emissions—The May Revision includes augmentations to the funds available to quantify and track GHG emission reductions. The specific proposals are as follows:

- **GHG Reduction Quantification Methods**—It is requested that Item 3900-001-3228 be increased by \$1,820,000 and 7 positions to augment the resources the ARB has to develop and validate the application of GHG reduction quantification methodologies given the increased number of GGRF programs and project types. The additional assistance for quantification methodologies is needed by state agencies to provide consistent and comparable information across GGRF programs.
- **GGRF Expenditure Project Tracking System**—It is requested that Item 3900-001-3228 be amended to include provisional language making expenditure of

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\$1 million available for a project tracking system only upon project approval by the Department of Technology (see Attachment 2). This language was inadvertently omitted in the proposed budget. It is also requested that Item 3900-490 be added to reappropriate \$1 million provided to the ARB in the 2014 Budget Act for the project tracking system (see Attachment 2). These funds will be available until June 30, 2017, only upon project approval by the Department of Technology.

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 Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

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cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Marty Block, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Tony Thurmond, Chair, Assembly Budget Subcommittee No. 1
Honorable Lois Wolk, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Kevin McCarty, Chair, Assembly Budget Subcommittee No. 2
Honorable Holly J. Mitchell, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Adrin Nazarian, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Scott Morgan, Deputy Director, Administration, Office of Planning and Research
Mr. Mike McCoy, Executive Director, Strategic Growth Council
Ms. Allison Joe, Deputy Director, Strategic Growth Council
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Brian Annis, Undersecretary, California State Transportation Agency
Mr. Jeff Morales, Director, High Speed Rail Authority
Mr. Russell Fong, Chief Financial Officer, High Speed Rail Authority
Mr. Dennis Trujillo, Chief Deputy Director, High Speed Rail Authority
Ms. Norma Ortega, Chief Financial Officer, Department of Transportation
Mr. Steven Keck, Chief, Budgets, Department of Transportation
Ms. Susan Riggs, Acting Director, Department of Housing and Community Development
Mr. Randall Deems, Chief Deputy Director, Department of Housing and Community Development
Ms. Karen Moreno, Assistant Deputy Director, Administration and Management Division,
Department of Housing and Community Development
Ms. Diane Richardson, Deputy Director, Legislative Division, Department of Housing and
Community Development
Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, Natural Resources Agency
Mr. Bryan Cash, Deputy Assistant Secretary, Natural Resources Agency
Mr. Mark Cowin, Director, Department of Water Resources
Ms. Kathie Kishaba, Deputy Director, Business Operations, Department of Water Resources
Ms. Perla Netto-Brown, Controller, Department of Water Resources
Mr. Duard MacFarland, Budget Officer, Department of Water Resources
Mr. Rob Oglesby, Executive Director, California Energy Commission
Mr. Mark Hutchinson, Deputy Director, Administrative Services, California Energy Commission
Ms. Melanie Vail, Budget Officer, California Energy Commission
Ms. Janet Barentson, Deputy Director, Department of Forestry and Fire Protection
Ms. Melissa Gamer, Budget Officer, Department of Forestry and Fire Protection
Mr. Gabe Tiffany, Deputy Director, Administration Division, Department of Fish and Wildlife
Mr. Eric Jarvis, Assistant Secretary, Fiscal and Administrative Programs, California Environmental
Protection Agency

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Ms. Carol Mortensen, Director, Department of Resources Recycling and Recovery
Mr. Ken DaRosa, Chief Deputy Director, Department of Resources Recycling and Recovery
Mr. Tom Estes, Deputy Director, Administration, Finance, and Information Technology Services,
Department of Resources Recycling and Recovery
Ms. Sarah Keck, Chief Financial Officer, Department of Resources Recycling and Recovery
Mr. Richard Corey, Executive Director, Air Resources Board
Ms. Alice Stebbins, Chief of Administrative Services Division, Air Resources Board
Ms. Pam Biggins, Branch Chief, Budgets/Contracts/Grants Branch, Air Resources Board
Mr. John Wordlaw, Assistant Secretary, Health and Human Services Agency
Ms. Linne Stout, Director, Department of Community Services and Development
Mr. Jason Wimbley, Chief Deputy Director, Department of Community Services and Development
Mr. Nathan Brostrom, Executive Vice President and Chief Financial Officer, University of California
Office of the President
Ms. Debora Obley, Associate Vice President, Budget Analysis and Planning, University of
California Office of the President
Mr. Steve Relyea, Executive Vice Chancellor and Chief Financial Officer, California State
University
Mr. Ryan Storm, Assistant Vice Chancellor for Budget, California State University
Ms. Marybel Batjer, Secretary, Government Operations Agency
Ms. Jennifer Osborn, Deputy Secretary-Fiscal, Government Operations Agency
Mr. Esteban Almanza, Director (Acting), Department of General Services
Mr. Miles Burnett, Chief, Administrative Services, Department of General Services
Ms. Rhonda Basarich, Chief, Office of Fiscal Services, Department of General Services
Mr. Justin Smith, Budget Officer, Department of General Services
Honorable Karen Ross, Secretary, California Department of Food and Agriculture
Ms. Kari Morrow, Division Director, Administrative Services, California Department of Food and
Agriculture
Ms. Jody Lusby, Assistant Director, Administrative Services, California Department of Food and
Agriculture
Ms. Mandy Heitz, Budget Officer, Administrative Services, California Department Food and
Agriculture

Affordable Housing and Sustainable Communities—Proposed Trailer Bill Language

SECTION 1. 75200.2 of the Public Resources Code is added to Division 44, Part 1, Chapter 1 to read:

75200.2 Funds made available to the council pursuant to Section 39719 of the Health and Safety Code may be available for transfer to designated state agencies or departments for support costs and local assistance.

Department of Resources Recycling and Recovery—Proposed Trailer Bill Language

Public Resources Code Section 42999 is amended to read:

(a) Any additional funds appropriated by the Legislature from the Greenhouse Gas Reduction Fund, established pursuant to Section 16428.8 of the Government Code, to the department shall be used to administer a grant program to provide financial assistance to reduce greenhouse gas emissions by promoting in-state development of infrastructure to reduce organics waste or process organics and other recyclable materials into new value-added products. The moneys shall be expended consistent with the requirements of Article 9.7 (commencing with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code and Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26 of the Health and Safety Code.

~~(b) For a grant made pursuant to this section, the~~ The department shall expend the moneys to provide grants, incentive payments, contracts, or other funding mechanisms to public and private entities for in-state infrastructure projects that reduce greenhouse gas emissions located in the state for ~~by~~ any of the following:

- ~~(1) Organics composting;~~
- ~~(2) Anaerobic Organics digestion;~~
- ~~(3) Recyclable material manufacturing; or infrastructure projects or other related activities that reduce greenhouse gas emissions.~~
- (4) Related activities that reduce greenhouse gas emissions and expand and improve waste diversion and recycling, including, but not limited to, food waste prevention.

(c) For purposes of this section, eligible infrastructure projects that reduce greenhouse gas emissions include, but are not limited to, any of the following:

- (1) Capital investments in new facilities and increased throughput at existing facilities for activities, such as converting windrow composting to aerated-static-pile composting to use food waste as feedstock.
- (2) Designing and constructing anaerobic organics digestion facilities to produce products such as biofuels, bioenergy, and soil amendments
- (3) Designing and constructing facilities for processing recyclable materials.

Amendment to and Addition of Various Budget Bill Items and Provisions

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Addition of Various Budget Bill Items:

0521-001-3228—For support of Secretary of Transportation, payable from the Greenhouse Gas Reduction Fund..... 71,000

Schedule:

(1) 0275-California Traffic Safety Program.....71,000

Provision:

1. Funds appropriated in this item shall count towards the share of annual proceeds continuously appropriated to the Transit and Intercity Rail Capital Program as specified in subparagraph (A) of paragraph (1) of subdivision (b) of Section 39719 of the Health and Safety Code.

2660-101-3228—For local assistance, Department of Transportation, payable from the Greenhouse Gas Reduction Fund..... 64,999,000

Schedule:

(1) 1840019-State and Federal Mass Transit..... 64,999,000

Provisions:

1. Funds appropriated in this item shall be available for the Transit and Intercity Rail Capital Program for allocation by the California Transportation Commission until June 30, 2017, and available for encumbrance and liquidation until June 30, 2021.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-301-3228. These transfers shall require the prior approval of the Department of Finance.

2660-301-3228—For capital outlay, Department of Transportation, payable from the Greenhouse Gas Reduction Fund..... 1,000

Schedule:

(1) 1840019-State and Federal Mass Transit.....1,000

Provisions:

1. Funds appropriated in this item shall be available for the Transit and Intercity Rail Capital Program for allocation by the California Transportation Commission until June 30, 2017, and available for encumbrance and liquidation until June 30, 2021.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-101-3228. These transfers shall require the prior approval of the Department of Finance.

2665-001-3228—For support of High-Speed Rail Authority, payable from the Greenhouse Gas Reduction Fund..... 103,000

Schedule:

(1) 1970-Administratioin 103,000

Provision:

1. Funds appropriated in this item shall count towards the share of annual proceeds continuously appropriated to the High Speed Rail Authority as specified in paragraph (2) of subdivision (b) of Section 39719 of the Health and Safety Code.

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3360-001-3228-For support of Energy Resources Conservation and Development Commission, payable from the Greenhouse Gas Reduction Fund.....8,474,000

Schedule:

- (1) 2385019-Energy Projects Evaluation and Assistance.....7,000,000
- (2) 2390019-Research and Development.....1,474,000

Provisions:

- 1. Notwithstanding subdivisions (a) of Section 1.80, funds appropriated in this item shall be available for expenditure during the 2015-16 and 2016-17 years.
- 2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2019.
- 3. Of the funds appropriated in Schedule (2), \$1,474,000 shall be available for liquidation of encumbrances until June 30, 2021.

3360-101-3228-For Local Assistance, Energy Resources Conservation and Development Commission, payable from the Greenhouse Gas Reduction Fund.....51,526,000

- (1) 2385019-Energy Projects Evaluation and Assistance.....23,000,000
- (2) 2390019-Research and Development.....28,526,000

Provisions:

- 1. Notwithstanding subdivisions (a) of Section 1.80, funds appropriated in this item shall be available for expenditure during the 2015-16 and 2016-17 years.
- 2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2019.
- 3. Of the funds appropriated in Schedule (2), \$28,526,000 shall be available for liquidation of encumbrances until June 30, 2021.

3900-490—Reappropriation, 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, 2017:

- (1) \$1,000,000 in Item 3900-001-3228, Budget Act of 2014 (Ch. 25 and 663, Stats. of 2014), for state operations of the Air Resources Board. This amount is reappropriated for development of an information technology Greenhouse Gas Reduction Fund Expenditure project tracking system to be available only upon project approval by the Department of Technology.

6440-001-3228—For support of University of California, payable from the Greenhouse Gas Reduction Fund.....25,000,000

Schedule:

- (1) 5440-Support.....25,000,000

Provisions:

- 1. Notwithstanding subdivision (a) of Section 1.80, the funds appropriated in this item shall be available for expenditure until June 30, 2018.

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6610-001-3228—For support of California State University, payable from the Greenhouse Gas Reduction Fund.....35,000,000

Schedule:

(1) 5560-Support.....35,000,000

Provisions:

1. Notwithstanding subdivision (a) of Section 1.80, the funds appropriated in this item shall be available for expenditure until June 30, 2018.

7760-001-3228—For support of Department of General Services..... 60,000,000

Schedule:

(1) 6325064 Project Management and Development Branch..... 60,000,000

(2) 9900100-Administration..... 111,000

(3) 9900200-Administration—Distributed..... -111,000

Provisions:

1. Of the funds appropriated in Schedule (1), at least \$8,000,000 shall be provided to the California Department of Corrections and Rehabilitation for energy and water efficiency projects that reduce greenhouse gas emissions.

Amendment to Various Budget Bill Items:

"4700-001-3228—For support of Department of Community Services and Development, payable from the Greenhouse Gas Reduction Fund.....4,700,000-8,773,000

Schedule:

(1) 4180-Energy Programs..... 4,700,000-8,773,000

(2) 9900100-Administration.....2,135,000

(3) 9900200-Administration—Distributed.....-2,135,000

Provisions:

1. Notwithstanding any other provision of law, the department may transfer funds from this item to Item 4700-101-3228, upon the Department of Finance's approval.
2. Notwithstanding any other provision of law, any unexpended funds of this appropriation as of June 30, 2016, shall be available for encumbrances in the subsequent fiscal year; and, liquidation through June 30, 2018-2019."

"4700-101-3228—For local assistance, Department of Community Services and Development, for Weatherization and Renewable Energy Projects, payable from the Greenhouse Gas Reduction Fund..... 70,300,000 131,227,000

Schedule:

(1) 4180-Energy Programs 70,300,000-131,227,000

Provisions:

1. Notwithstanding any other provision of law, the department may transfer funds from this item to Item 4700-001-3228, upon the Department of Finance's approval.
2. Notwithstanding any other provision of law, any unexpended funds of this appropriation as of June 30, 2016, shall be available for encumbrances in the subsequent fiscal year; and, liquidation through June 30, 2018 2019."

"8570-001-3228—For Support of Department of Food and Agriculture, payable from the Greenhouse Gas Reduction Fund.....16,609,000 86,069,000

Schedule:

(1) 6590-General Agricultural Activities.....16,069,000 86,069,000

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Provisions:

1. ~~The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2017.~~ Of the funds appropriated in this item, \$40,000,000 shall be available for expenditure or encumbrance until June 30, 2017 to support greenhouse gas emission reductions through water and energy efficiency grants promoting water and energy savings. Additionally, \$20,000,000 to support greenhouse gas emission reductions through Healthy Soils activities that increase the sequestration of atmospheric carbon in soils, and \$20,000,000 to support greenhouse gas emission reductions through agricultural energy and operational efficiency activities reducing methane emissions from dairy waste shall be available for expenditure or encumbrance until June 30, 2018."

Addition of Provisions to Item 0650-001-3228 as follows:

Provisions:

- x. Funds appropriated in this item shall count towards the share of annual proceeds continuously appropriated to the Strategic Growth Council as specified in Provision (c) of subsection (1) of section (b) of Section 39719 of the Health and Safety Code.

Addition of Provisions to Item 2660-001-3228 as follows:

Provisions:

- x. Of the funds appropriated in this item, \$443,000 shall count towards the share of annual proceeds continuously appropriated to the Transit and Intercity Rail Capital Program as specified in subparagraph (A) of paragraph (1) of subdivision (b) of Section 39719 of the Health and Safety Code
- x. Of the funds appropriated in this item, \$225,000 shall count towards the share of annual proceeds continuously appropriated to the Low Carbon Transit Operations as specified in subparagraph (B) of paragraph (1) of subdivision (b) of Section 39719 of the Health and Safety Code.

Addition of Provisions to Item 3900-001-3228 as follows:

Provision:

- x. Notwithstanding any other provision of law, of the funds appropriated in this item, up to \$1,000,000 is available to fund the Greenhouse Gas Reduction Fund Expenditure project tracking system to be available only upon project approval by the Department of Technology and shall be available for expenditure until June 30, 2017.