



May 14, 2020

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant (2)

**Amendment to and Addition of Various Budget Bill Items and Statutory Changes,
Support and Local Assistance, California Environmental Protection Agency Departments**

On March 4, 2020, the Governor declared a state of emergency to help the state prepare and respond to COVID-19. The impact on the state has resulted in a severe drop in economic activity, with corresponding negative effects on anticipated revenues. As a result of these conditions, all budget change proposals were reevaluated within the context of a workload budget based on the merits of each proposal and ultimately subject to the availability of funding.

As a result, the Administration is withdrawing, without prejudice, specified requests within the California Environmental Protection Agency area that were included in the 2020-21 Governor's Budget. The Administration is also modifying specified requests in this area that were included in the 2020-21 Governor's Budget. Modifications could include either reductions or increases to specific items or programs, or delaying substantial implementation of a new program or activity. Withdrawn requests are included on **Attachment 1 (See rows 1 through 14)**. Additional details on modified requests are listed below and on **Attachment 1 (See rows 15 through 21)**. To the extent there are corresponding Budget Bill language or statutory changes for withdrawn or modified proposals, these are detailed in **Section 1 of Attachment 2**. Although these proposals have substantial merit and may be resubmitted for future consideration, we must pivot to prioritize immediate COVID-19 related needs.

As noted above, pursuant to Budget Letter 20-08, the Department of Finance conducted a thorough assessment of the most critical funding needs within the general framework of a workload budget, as defined in Government Code Section 13308.05, and based upon revised expected revenues. This assessment not only resulted in the changes described in the preceding paragraph, but also requires a number of new adjustments and requests that are respectfully submitted and detailed below. Funding detail for these adjustments can be found in **Attachment 1 (See rows 22 through 50)**, and any related Budget Bill or statutory language changes associated with these

adjustments can be found in **Section 2 of Attachment 2**. If necessary, additional information may be included in a Budget Change Proposal or other back-up documentation submitted to the Legislature.

Finally, after conducting a review of all 2020-21 Governor's Budget Proposals, a number of requests are being sustained. Funding detail for these adjustments can be found on **Attachment 1 (See rows 51 through 77)**.

Modified Governor's Budget Proposals:

California Air Resources Board: Various Cap and Trade Expenditure Plan Allocation Provisions and Control Section 15.14 Modifications—It is requested that the exclusion from Control Section 15.14(b) be eliminated from the following items: 0540-001-3228, 0650-001-3228, 3340-001-3228, 3340-002-3228, 3360-001-3228, 3540-001-3228, 3540-002-3228, 3540-003-3228, 3540-004-3228, 3540-101-3228, 3720-101-3228, 3820-001-3228, 3900-001-3228, 3900-101-3228, 3900-102-3228, and 8570-101-3228. It is also requested that Control Section 15.14 be amended to provide a methodology by which the Department of Finance can calculate allocations based on proceeds generated at each quarterly auction. Non-continuously appropriated auction proceeds shall first be directed to meet the existing allocations for the Safe and Affordable Drinking Water, AB 617 Community Air Protection, Forest Health and Fire Prevention, AB 34 Fire Safety and Defensible Space, and Agricultural Diesel programs; additional auction proceeds will be allocated to the remaining budgeted programs proportionally. Furthermore, departments shall prioritize funding for non-discretionary fixed costs. **(See row 15 of Attachment 1 and Section 1 of Attachment 2)**

Department of Pesticide Regulation: Integrated Pest Management Work Group—It is requested that Item 3930-001-0001 be eliminated and Item 3930-001-0106 be increased by \$215,000 to provide continued support for the Integrated Pest Management Work Group. This modified proposal eliminates funding for a limited-term position to conduct research for the Work Group. **(See row 16 of Attachment 1 and Section 1 of Attachment 2)**

Department of Toxic Substances Control: Base Funding to Maintain Operations—It is requested that Item 3960-012-0001 be decreased by \$19.5 million, Item 3960-011-0115 be added in the amount of \$19.5 million, Item 3960-014-0001 be decreased by \$12 million, and Item 3960-013-0115 be added in the amount of \$7,777,000 to shift the funding source for the backfill transfers for the Hazardous Waste Control Account and Toxic Substances Control Account from the General Fund to the Air Pollution Control Fund. The reduction in the backfill transfer for the Toxic Substances Control Account from \$12 million to \$7,777,000 is due to the decrease in the level of resources provided for state orphan sites. It is also requested that provisional language be added to specify that these transfers are funded from Air Pollution Control Fund penalty revenues. **(See rows 17 and 21 of Attachment 1 and Section 1 of Attachment 2)**

Department of Toxic Substances Control: National Priorities List and State Orphan Sites—It is requested that Items 3960-001-0018 and 3960-012-0557 each be decreased by \$4,223,000 to focus resources on operation and maintenance at National Priority List

and State Orphan Sites and the state's 10 percent match obligation for new National Priority List sites. **(See row 18 of Attachment 1)**

Department of Toxic Substances Control: Board of Environmental Safety Funding—It is requested that Item 3960-001-0001 be decreased by \$3 million and 15 positions and Item 3960-002-0115 be added in the amount of \$3 million and 15 positions to shift the funding source for the Board of Environmental Safety from the General Fund to the Air Pollution Control Fund on a one-time basis. It is also requested that provisional language be added to specify that these expenditures are funded from Air Pollution Control Fund penalty revenues. Beginning in 2021-22, the funding source for the Board of Environmental Safety will shift to the Department of Toxic Substances Control's special funds. **(See row 19 of Attachment 1 and Section 1 of Attachment 2)**

Department of Toxic Substances Control: Argonaut Mine Dam Project Phase II Stormwater Upgrade Construction—It is requested that Item 3960-001-0001 be decreased by \$2.1 million and Item 3960-002-0115 be increased by \$2.1 million. It is also requested that provisional language be added to Item 3960-002-0115 to shift the funding source for the Argonaut Mine Dam Project Phase II stormwater upgrade project from the General Fund to the Air Pollution Control Fund; to allow for encumbrance or expenditure until June 30, 2022; and to specify that these expenditures are funded from Air Pollution Control Fund penalty revenues. **(See row 20 of Attachment 1 and Section 1 of Attachment 2)**

New Requests for May Revision:

California Environmental Protection Agency: Environmental Justice Small Grants Program Reappropriation and Extension of Liquidation—It is requested that Item 0555-490 be added to reappropriate the unencumbered balances of Items 0555-101-0115, 0555-101-0133, and 0555-101-0193, Budget Act of 2019. It is also requested that Item 0555-491 be added to extend the liquidation periods for Items 0555-001-0044, 0555-001-0106, 0555-001-0193, Budget Act of 2017, and Items 0555-101-0115, 0555-101-0133, 0555-101-0193, and 0555-101-0557, Budget Act of 2018 to June 30, 2022. These funds support the Environmental Justice Small Grants Program, which assists non-profit community organizations and federally-recognized Tribal governments with addressing environmental justice issues in areas disproportionately affected by environmental pollution and hazards. **(See row 22 of Attachment 1 and Section 2 of Attachment 2)**

California Environmental Protection Agency: Biological Opinions Litigation—It is requested that Item 0555-001-0001 be increased by \$515,000 for litigation costs associated with the release of the federal biological opinions. **(See row 23 of Attachment 1)**

California Environmental Protection Agency: Reduction to Unified Program Account Expenditures—It is requested that Item 0555-001-0028 be decreased by \$750,000 on a one-time basis to align expenditures with revenues. **(See row 24 of Attachment 1)**

California Air Resources Board: Southern California Headquarters—It is requested that Item 3900-001-0115 be increased by \$6,724,000 for relocation costs and facilities management services for the new Southern California Headquarters in Riverside, California. The Air Board requires one-time resources for the physical relocation of information-technology infrastructure and advanced vehicle emission testing equipment from five currently leased sites to the new headquarters, as well as a contract for a vendor to provide building operations and maintenance activities. **(See row 25 of Attachment 1)**

California Air Resources Board: Community Air Protection (AB 617) Program Information Technology Projects—It is requested that Item 3900-001-0115 be increased by \$2.9 million to complete the AB 617 Integrated Multi-Pollutant Emissions Inventory (IMPEI) and the Community Air Quality Monitoring (CAQM) information technology projects. These projects, initiated in 2018, were delayed because the vendor failed to meet project scope requirements and the vendor contract was terminated. Additional one-time funding for these projects is needed for project completion. It is also requested that provisional language be added to make these funds contingent upon California Department of Technology approval of project documents. **(See row 26 of Attachment 1 and Section 2 of Attachment 2)**

California Air Resources Board: Reappropriation for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project—It is requested that Item 3900-492 be added to reappropriate the disencumbered balance of Item 3900-101-3228, Budget Act of 2016. This funding will support heavy duty vehicle investments in the state's disadvantaged and low-income communities through the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project. This funding is available due to the cancellation of an advanced technology freight demonstration project in January 2020. **(See row 27 of Attachment 1 and Section 2 of Attachment 2)**

California Air Resources Board: Cap and Trade Auction Platform and Market Registry Databases—It is requested that Item 3900-002-3237 be increased by \$5.3 million and provisional language be added to cover the state's increased membership costs for the Western Climate Initiative, Incorporated, which supports the administration of the Cap and Trade program. This increase reflects the need to build new auction platform and market registry systems to support the Cap and Trade program. **(See row 28 of Attachment 1 and Section 2 of Attachment 2)**

California Air Resources Board: Statutory Amendments to Recently Chaptered Legislation—It is requested that statutory changes be amended to recently chaptered legislation to delay workload and associated cost pressures from Chapter 298, Statutes of 2019 (SB 210). **(See row 2 Attachment 1)**

State Water Resources Control Board: Accurate and Timely Assessment of California's Surface Water Quality—It is requested that Item 3940-001-0193 be increased by \$1,289,000 and 8 positions to allow the State Water Board to support timely assessments for the California Integrated Report, which is required under the federal Clean Water Act. These additional resources will help the State Water Board and Regional Boards compile and prepare data for these required reports. **(See row 29 of Attachment 1)**

State Water Resources Control Board: Water Quality Permitting of Transportation

Projects—It is requested that Item 3940-001-0439 be amended by increasing reimbursements by \$1,473,000 and 10 positions to implement an interagency agreement with Caltrans for early consultation on water quality permitting compliance for transportation projects. **(See row 30 of Attachment 1)**

State Water Resources Control Board: Reappropriation and Extension of Liquidation—It is requested that Item 3940-491 be added to reappropriate funding with an extended encumbrance period until June 30, 2021, and liquidation until June 30, 2024, for local assistance funding for: urgent drinking water needs, drinking water Administrators, and household drinking water/wastewater projects. It is also requested that Item 3940-492 be added to extend the liquidation period of Timber Regulation and Forest Restoration Funds until June 30, 2021 for a restoration project along the Elk River. The funding for this project has been encumbered but requires an additional year to liquidate the funding. **(See rows 31 and 32 of Attachment 1 and Section 2 of Attachment 2)**

State Water Resources Control Board: Air Pollution Control Fund One-Time Offset—It is requested that Item 3940-001-0001 be decreased by \$24 million and Item 3940-001-0115 be added in the amount of \$24 million to provide a one-time offset of General Fund costs. **(See row 33 of Attachment 1)**

State Water Resources Control Board: Water Resilience Portfolio—It is requested that Item 3940-001-0193 be increased by \$1,338,000 and 6 positions, and reimbursements be increased by \$500,000 and 2 positions to support various goals identified in the Administration's Water Resilience Portfolio. **(See row 34 of Attachment 1)**

State Water Resources Control Board: Reversion of Legislative Investments—It is requested that Item 3940-496 be added to revert the unencumbered balance of various Legislative Investments in the 2019 Budget Act. **(See row 35 of Attachment 1 and Section 2 of Attachment 2)**

State Water Resources Control Board: Loan from the Underground Storage Tank Cleanup Fund to the General Fund—It is requested that Item 3940-011-0439 be added in the amount of \$500 million to authorize a loan from the Underground Storage Tank Cleanup Fund to the General Fund. It is also requested that provisional language be added to authorize repayment of all or a portion of the loan under specified circumstances. **(See row 36 of Attachment 1 and Section 2 of Attachment 2)**

State Water Resources Control Board: Loan from the Site Cleanup Subaccount to the General Fund—It is requested that Item 3940-011-3264 be added in the amount of \$25 million to authorize a loan from the Site Cleanup Subaccount to the General Fund. It is also requested that provisional language be added to authorize repayment of all or a portion of the loan under specified circumstances. **(See row 37 of Attachment 1 and Section 2 of Attachment 2)**

State Water Resources Control Board: Statutory Amendments to Various Recently Chaptered Legislation—It is requested that statutory changes to various recently

chaptered legislation be amended to reduce workload and associated cost pressures including: Chapter 354, Statutes of 2019 (AB 834) and Chapter 470, Statutes of 2019 (SB 205).

State Water Resources Control Board: 401 Water Quality Certification—It is requested that statutory changes be amended to authorize the issuance of water quality certification before the completion of the California Environmental Quality Act environmental review, if necessary, to avoid a waiver of certification and loss of project oversight. This statutory change is needed as a result of new federal policy that reduces the state's flexibility to review and work with water quality certification applicants.

Department of Toxic Substances Control: Exide: 2014 Enforcement Order Program Oversight—It is requested that Item 3960-001-3301 be increased by \$1 million for two years to fund the Department of Toxic Substances Control to perform oversight responsibilities associated with the 2014 Enforcement Order for the Exide Technologies facility in Vernon, CA. It is also requested that statutory changes be added to allow the Lead-Acid Battery Cleanup Fund to fund expenditures associated with the Exide Technologies Facility in Vernon, CA. **(See row 38 of Attachment 1)**

Department of Toxic Substances Control: Exide: Third-Party Quality Assurance Oversight Contract for Closure Implementation—It is requested that Item 3960-001-3301 be increased by \$600,000 for two years to fund a third-party quality assurance contractor to oversee the closure implementation of the Exide Technologies facility in Vernon, CA. It is also requested that statutory changes be adopted to allow the Lead-Acid Battery Cleanup Fund to fund expenditures associated with the Exide Technologies Facility in Vernon, CA. **(See row 39 of Attachment 1)**

Department of Toxic Substances Control: Stringfellow Superfund Site Expenditure Shift—It is requested that Item 3960-002-0001 be decreased by \$17,305,000, Item 3960-004-0115 be added in the amount of \$11,805,000, and Item 3960-001-8083 be added in the amount of \$796,000 to shift General Fund expenditures for the Stringfellow Superfund site to the Air Pollution Control Fund and the Stringfellow Residual Proceeds Account. It is also requested that provisional language be added to Item 3960-004-0115, consistent with Item 3960-002-0001, and to specify that these expenditures are funded from Air Pollution Control Fund penalty revenues. **(See rows 40 and 44 of Attachment 1 and Section 2 of Attachment 2)**

Department of Toxic Substances Control: General Fund Expenditure Shift to Air Pollution Control Fund—It is requested that Item 3960-001-0001 be decreased by \$9,493,000 and Item 3960-002-0115 be added in the amount of \$9,493,000 to shift baseline General Fund expenditures to the Air Pollution Control Fund on a one-time basis. It is also requested that provisional language be added to Item 3960-002-0115, consistent with Item 3960-001-0001, and to specify that these expenditures and transfer are funded from Air Pollution Control Fund penalty revenues. **(See row 41 of Attachment 1 and Section 2 of Attachment 2)**

Department of Toxic Substances Control: Lease Revenue Debt Service Adjustment—It is requested that Item 3960-003-0001 be decreased by \$4,399,000 and Item 3960-003-0115

be added in the amount of \$4,399,000 to shift lease revenue debt service from the General Fund to the Air Pollution Control Fund on a one-time basis. It is also requested that provisional language be added to Item 3960-003-0115, consistent with Item 3960-003-0001, and to specify that these expenditures are funded from Air Pollution Control Fund penalty revenues. **(See row 42 of Attachment 1 and Section 2 of Attachment 2)**

Department of Toxic Substances Control: Reversion of Legislative Investment—It is requested that Item 3960-495 be added to revert the unencumbered balance of a Legislative Investment in the 2019 Budget Act. **(See row 43 of Attachment 1 and Section 2 of Attachment 2)**

Department of Toxic Substances Control: Illegal Drug Lab Cleanup Account Backfill Shift—It is requested that Item 3960-013-0001 be eliminated and Item 3960-012-0115 be added in the amount of \$749,000 to shift the Illegal Drug Lab Cleanup Account backfill from the General Fund to the Air Pollution Control Fund on a one-time basis. It is also requested that provisional language be added to Item 3960-012-0115 to specify that this transfer is funded from Air Pollution Control Fund penalty revenues. **(See row 45 of Attachment 1 and Section 2 of Attachment 2)**

Department of Resources Recycling and Recovery: Extension of Loan Repayment Period for Used Mattress Recycling Fund—It is requested that Item 3970-401 be added to extend the loan repayment period for the loan authorized by Item 3970-012-0387, Budget Act of 2014. This was a loan from the Integrated Waste Management Account to the Used Mattress Recycling Fund and is expected to be repaid by June 30, 2022. **(See row 46 of Attachment 1 and Section 2 of Attachment 2)**

Department of Resources Recycling and Recovery: Mendocino Complex Fire Augmentation—It is requested that Item 3970-001-0001 be increased by \$2,213,000 to fund the completion of the residential debris removal operation for the 2018 Mendocino Complex Fires. **(See row 47 of Attachment 1)**

Department of Resources Recycling and Recovery: Loan to the General Fund from the Solid Waste Disposal Site Cleanup Trust Fund—It is requested that Item 3970-011-0386 be added to authorize a loan of up to \$4 million from the Solid Waste Disposal Site Cleanup trust Fund Account to the General Fund. It is also requested that provisional language be added to authorize repayment of all of a portion of the loan under specified circumstances. **(See row 48 of Attachment 1 and Section 2 of Attachment 2)**

Department of Resources Recycling and Recovery: Loan to the General Fund from the Electronic Waste Recovery and Recycling Account—It is requested that Item 3970-012-3065 be added to authorize a loan of up to \$20 million from the Electronic Waste Recovery and Recycling Account to the General Fund. It is also requested that provisional language be added to authorize repayment of all of a portion of the loan under specified circumstances. **(See row 49 of Attachment 1 and Section 2 of Attachment 2)**

Office of Environmental Health Hazard Assessment: Budget Bill Language for General

Fund Cash Flow Loan—It is requested that provisional language be added to Item 3980-001-0001 to allow a short-term General Fund cash flow loan, not to exceed 20 percent of the Office of Environmental Health Hazard Assessment's (OEHHA) reimbursements, to meet cash needs resulting from the lag between invoicing for services and receipt of reimbursements by state departments. The General Fund serves as OEHHA's primary funding source and must cover costs until reimbursements are collected and received. At times, the lag between expenditures and reimbursement creates difficulties in meeting cash flow needs, particularly at the end of the fiscal year. **(See row 50 of Attachment 1 and Section 2 of Attachment 2)**

If you have any questions or need additional information regarding this matter, please contact the appropriate Principal Program Budget Analyst for that subject matter area.

KEELY MARTIN BOSLER

Director

By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Cyndi Hillery, Budget Director
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst (4)
Christopher W. Woods, Senate President pro Tempore's Office (2)
Jason Sisney, Assembly Speaker's Office (2)
Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Alex Khan, Chief Consultant, Assembly Republican Leader's Office
Jared Blumenfeld, Secretary, California Environmental Protection Agency
Serena McIlwain, Undersecretary, California Environmental Protection Agency
Eric Jarvis, Deputy Secretary, California Environmental Protection Agency

GB WITHDRAWN ISSUES

Row	Entity	Department	BR Title	General Fund BY	Other Funds BY	Positions BY	BBL	TBL	Assembly Consultant	Senate Consultant	LAO Consultant
1	3900	Air Resources Board	Withdraw San Diego County Air Pollution Control District Audit (AB 423)	--	-185,000	--	--	--	SC	JR	BB
2	3900	Air Resources Board	Withdraw Heavy-Duty Vehicle Inspection and Maintenance Program (SB 210)	--	-1,047,000	-4.0	--	Yes	SC	JR	BB
3	3900	Air Resources Board	Withdraw Wildfire Smoke Clean Air Shelters for Vulnerable Populations Incentive Pilot Program (AB 836)	--	-5,510,000	-1.0	Yes	--	SC	JR	BB
4	3900	Air Resources Board	Withdraw Cutting Toxic Air Pollution in California Communities	--	-2,492,000	-8.0	--	--	SC	JR	BB
5	3930	Department of Pesticide Regulation	Withdraw Pesticide Air Monitoring Network Continuation	--	-1,879,000	-5.0	Yes	--	SC	JR	BB
6	3940	State Water Resources Control Board	Withdraw Funding for Public Health: Fish and Shellfish: Public Health Advisories (AB 762)	-400,000	--	--	--	--	SC	JR	BB
7	3940	State Water Resources Control Board	Withdraw Business Licenses: Stormwater Discharge Compliance (SB 205)	--	-175,000	-1.0	--	Yes	SC	JR	BB
8	3940	State Water Resources Control Board	Withdraw Freshwater and Estuarine Harmful Algal Bloom Program (AB 834)	--	-1,500,000	-5.0	--	Yes	SC	JR	BB
9	3940	State Water Resources Control Board	Withdraw Funding for Stream Gaging Plan (SB 19)	-67,000	-200,000	--	--	--	SC	JR	BB
10	3940	State Water Resources Control Board	Withdraw Funding for Onsite Wastewater Treatment Systems: Prohibited Chemicals (SB 317)	-200,000	--	--	--	--	SC	JR	BB
11	3940	State Water Resources Control Board	Withdraw Funding for Update Uniform Statewide Criteria for Nonpotable Recycled Water Use (AB 1180)	-525,000	--	-1.0	--	--	SC	JR	BB
12	3940	State Water Resources Control Board	Withdraw Oil and Gas Monitoring Program Ongoing Funding for Underground Injection Control (UIC) Project Review	--	-1,353,000	--	--	--	SC	JR	BB
13	3980	Office of Environmental Health Hazard Assessment	Withdraw Evaluating Unassessed Chemicals Using Precision Prevention Methodologies	-5,962,000	--	-5.0	Yes	--	SC	JR	BB
14	3980	Office of Environmental Health Hazard Assessment	Withdraw Well Stimulation Treatment Health and Environmental Risks	--	-425,000	-2.0	--	--	SC	JR	BB
Totals, GB Withdrawn Issues				-7,154,000	-14,766,000	-32.0					

GB MODIFIED ISSUES

Row	Entity	Department	BR Title	General Fund BY	Other Funds BY	Positions BY	BBL	TBL	Assembly Consultant	Senate Consultant	LAO Consultant
15	3900	California Air Resources Board	Various Cap and Trade Expenditure Plan Allocation Provisions and Control Section 15.14 Amendments	--	--	--	Yes	--	SC	JR	BB
16	3930	Department of Pesticide Regulation	Modify Integrated Pest Management Work Group	-350,000	215,000	--	Yes	--	SC	JR	BB

17	3960	Department of Toxic Substances Control	Base Funding to Maintain Operations	-27,277,000	27,277,000	--	Yes	--	SC	JR	BB
18	3960	Department of Toxic Substances Control	National Priorities List and State Orphan Sites	--	-4,223,000	--	--	--	SC	JR	BB
19	3960	Department of Toxic Substances Control	Board of Environmental Safety Funding	-3,000,000	3,000,000	--	Yes	Yes	SC	JR	BB
20	3960	Department of Toxic Substances Control	Argonaut Mine Dam Project Phase II Stormwater Upgrade Construction	-2,100,000	2,100,000	--	Yes	--	SC	JR	BB
21	3960	Department of Toxic Substances Control	Base Funding to Maintain Operations Reduction	-4,223,000	4,223,000	--	Yes	--	SC	JR	BB
Totals, GB Modified Issues				-36,950,000	32,592,000			0.0			

NEW MR BCP ISSUES

Row	Entity	Department	BR Title	General Fund BY	Other Funds BY	Positions BY	BBL	TBL	Assembly Consultant	Senate Consultant	LAO Consultant
22	0555	Secretary for Environmental Protection	Technical Adjustment: Environmental Justice Small Grants Program Reappropriation and Extension of Liquidation	--	--	--	Yes	--	SC	JR	BB
23	0555	Secretary for Environmental Protection	Federal Biological Opinions Litigation	515,000	--	--	--	--	SC	JR	BB
24	0555	Secretary for Environmental Protection	Technical Adjustment: Reduction to Unified Program Account Expenditures	--	-750,000	--	--	--	SC	JR	BB
25	3900	Air Resources Board	Southern California Headquarters Relocation and Building Management	--	6,724,000	--	--	--	SC	JR	BB
26	3900	Air Resources Board	Community Air Protection Program (AB 617) Information Technology Projects	--	2,900,000	--	--	--	SC	JR	BB
27	3900	Air Resources Board	Technical Adjustment: Reappropriation of Greenhouse Gas Reduction Funds	--	--	--	Yes	--	SC	JR	BB
28	3900	Air Resources Board	Cap and Trade Auction and Registry Databases	--	5,300,000	--	Yes	--	SC	JR	BB
29	3940	State Water Resources Control Board	Accurate and Timely Assessment of California's Surface Water Quality	--	1,289,000	8.0	--	--	SC	JR	BB
30	3940	State Water Resources Control Board	Water Quality Permitting of Transportation Projects	--	1,473,000	10.0	--	--	SC	JR	BB
31	3940	State Water Resources Control Board	General Fund Reappropriation	--	--	--	Yes	--	SC	JR	BB
32	3940	State Water Resources Control Board	Extension of Liquidation	--	--	--	Yes	--	SC	JR	BB
33	3940	State Water Resources Control Board	Air Pollution Control Fund One-Time Offset	-24,000,000	24,000,000	--	Yes	--	SC	JR	BB
34	3940	State Water Resources Control Board	Water Resilience Portfolio	--	1,838,000	8.0	--	--	SC	JR	BB
35	3940	State Water Resources Control Board	Reversion of Legislative Investments	--	--	--	Yes	--	SC	JR	BB
36	3940	State Water Resources Control Board	Loan from the Underground Storage Tank Cleanup Fund (0439) to the General Fund (0001) per Item 3940-011-0439, Budget Act of 2020	--	0	--	Yes	--	SC	JR	BB

37	3940	State Water Resources Control Board	Loan from the Site Cleanup Subaccount (3264) to the General Fund (0001) per Item 3940-011-3264, Budget Act of 2020	--	0	--	Yes	--	SC	JR	BB
38	3960	Department of Toxic Substances Control	Exide: 2014 Enforcement Order Program Oversight	--	1,000,000	--	--	Yes	SC	JR	BB
39	3960	Department of Toxic Substances Control	Exide: Third-Party Quality Assurance Oversight Contract for Closure Implementation	--	600,000	--	--	Yes	SC	JR	BB
40	3960	Department of Toxic Substances Control	Stringfellow Superfund Site Expenditure Shift	-11,805,000	11,805,000	--	Yes	--	SC	JR	BB
41	3960	Department of Toxic Substances Control	General Fund Expenditure Shift to Air Pollution Control Fund	-9,493,000	9,493,000	--	Yes	--	SC	JR	BB
42	3960	Department of Toxic Substances Control	Lease Revenue Debt Service Adjustment	-4,399,000	4,399,000	--	Yes	--	SC	JR	BB
43	3960	Department of Toxic Substances Control	Reversion of Legislative Investments	--	--	--	Yes	--	SC	JR	BB
44	3960	Department of Toxic Substances Control	Stringfellow Superfund Site Expenditure Reduction	-5,500,000	796,000	--	Yes	--	SC	JR	BB
45	3960	Department of Toxic Substances Control	Illegal Drug Lab Cleanup Account Backfill Shift	-749,000	749,000	--	Yes	--	SC	JR	BB
46	3970	Department of Resources Recycling and Recovery	Extension of the Loan Repayment Period for the 2014 Loan from the Integrated Waste Management Account (Fund 0387) to the Used Mattress Recycling Fund (Fund 3257)	--	--	--	Yes	--	SC	JR	BB
47	3970	Department of Resources Recycling and Recovery	Mendocino Complex Fire Augmentation	2,213,000	--	--	--	--	SC	JR	BB
48	3970	Department of Resources Recycling and Recovery	Loan from Solid Waste Disposal Site Cleanup Trust Fund (0386) to the General Fund (0001) per Item 3970-011-0386 Budget Act of 2020	--	0	--	Yes	--	SC	JR	BB
49	3970	Department of Resources Recycling and Recovery	Loan from Electronic Waste Recovery and Recycling Account (3065) to General Fund (0001) per Item 3970-012-3065 Budget Act of 2020	--	0	--	Yes	--	SC	JR	BB
50	3980	Office of Environmental Health Hazard Assessment	Budget Bill Language for General Fund Cash Flow Loan	--	--	--	Yes	--	SC	JR	BB
Totals, New MR BCP Issues				-53,218,000	71,616,000	26.0					

GB SUSTAIN ISSUES

Row	Entity	Department	BR Title	General Fund BY	Other Funds BY	Positions BY	BBL	TBL	Assembly Consultant	Senate Consultant	LAO Consultant
51	0555	Secretary for Environmental Protection	Technical Adjustment: Environmental Enforcement and Training Account	--	--	--	--	--	SC	JR	BB
52	3900	Air Resources Board	Monitoring and Laboratory Division & Information Services Program Support	--	172,000	3.0	--	--	SC	JR	BB

53	3900	Air Resources Board	Technical Adjustment: Reappropriation for Extension of Liquidation for Low Carbon Transportation and Zero/Near-Zero Emission Warehouse Facilities Program Funds	--	--	--	--	--	SC	JR	BB
54	3900	Air Resources Board	Technical Adjustment: Proposition 1B Grant Program	--	--	--	--	--	SC	JR	BB
55	3900	Air Resources Board	Cap and Trade Expenditure Plan: Local Air District Implementation of AB 617	--	25,000,000	--	Yes	--	SC	JR	BB
56	3900	Air Resources Board	Cap and Trade Expenditure Plan: AB 617 - Community Air Protection	--	200,000,000	--	Yes	--	SC	JR	BB
57	3900	Air Resources Board	Cap and Trade Expenditure Plan: AB 617 - Technical Assistance to Community Groups	--	10,000,000	--	Yes	--	SC	JR	BB
58	3900	Air Resources Board	Cap and Trade Expenditure Plan: Clean Trucks, Buses & Off-Road Freight Equipment	--	150,000,000	--	Yes	--	SC	JR	BB
59	3900	Air Resources Board	Cap and Trade Expenditure Plan: Enhanced Fleet Modernization Program	--	75,000,000	--	Yes	--	SC	JR	BB
60	3900	Air Resources Board	Cap and Trade Expenditure Plan: Agricultural Diesel Engine Replacement Upgrades	--	50,000,000	--	Yes	--	SC	JR	BB
61	3900	Air Resources Board	Cap and Trade Expenditure Plan: Clean Vehicle Rebate Project	--	-75,000,000	--	Yes	--	SC	JR	BB
62	3930	Department of Pesticide Regulation	Implementation of Cannabis Regulations	--	3,487,000	9.0	--	--	SC	JR	BB
63	3940	State Water Resources Control Board	Technical Adjustments: Bond Technical Adjustments	--	1,784,000	--	--	--	SC	JR	BB
64	3940	State Water Resources Control Board	Administrative and Accounting Support	--	--	10.0	--	--	SC	JR	BB
65	3940	State Water Resources Control Board	Continuation of Cannabis Program	--	22,556,000	116.0	--	--	SC	JR	BB
66	3940	State Water Resources Control Board	Safe and Affordable Drinking Water Staffing	--	--	48.0	--	--	SC	JR	BB
67	3960	Department of Toxic Substances Control	Cost Recovery Management System (CRMS) IT Project	--	2,710,000	--	--	--	SC	JR	BB
68	3960	Department of Toxic Substances Control	Technical Adjustment: Reimbursement Authority Alignment	--	3,000,000	--	--	--	SC	JR	BB
69	3970	Department of Resources Recycling and Recovery	Technical Adjustment: Greenhouse Gas Reduction Fund Reappropriation	--	--	--	--	--	SC	JR	BB
70	3970	Department of Resources Recycling and Recovery	Pharmaceutical and Sharps Waste Stewardship Program Enforcement	--	454,000	3.0	--	--	SC	JR	BB
71	3970	Department of Resources Recycling and Recovery	Solid Waste Reporting, Inspection, and Enforcement	--	367,000	3.0	--	--	SC	JR	BB
72	3970	Department of Resources Recycling and Recovery	Technical Adjustment: Extended Producer Responsibility Program Expenditure Authority Alignment	--	200,000	--	--	--	SC	JR	BB

73	3970	Department of Resources Recycling and Recovery	Carpet Stewardship Program (AB 729)	--	119,000	1.0	--	--	SC	JR	BB
74	3970	Department of Resources Recycling and Recovery	Financing Mechanisms and Support for In- state Recycling Manufacturing Infrastructure (AB 1583)	--	390,000	2.8	--	--	SC	JR	BB
75	3970	Department of Resources Recycling and Recovery	Used Mattress Recovery and Recycling Program (AB 187)	--	103,000	1.0	--	--	SC	JR	BB
76	3970	Department of Resources Recycling and Recovery	Beverage Container Redemption Pilot Project Grant Program (AB 54)	--	126,000	--	--	--	SC	JR	BB
77	3970	Department of Resources Recycling and Recovery	Cap and Trade Expenditure Plan: Waste Diversion	--	15,000,000	--	Yes	--	SC	JR	BB
Totals, GB Sustain Issues				0	485,468,000	196.8					

Section 1

Provisional changes for withdrawn and modified Governor's Budget proposals:

1. *California Air Resources Board: Wildfire Smoke Clean Air Shelters for Vulnerable Populations Incentive Pilot Program (AB 836) (See row 3 of Attachment 1).* To effectuate the withdrawal of this proposal, the following Budget Bill language change is necessary:

Provision 1 of Item 3900-101-0115 is eliminated.

2. *Department of Pesticide Regulation: Pesticide Air Monitoring Network Continuation (See row 5 of Attachment 1).* To effectuate the withdrawal of this proposal, the following Budget Bill language change is necessary:

Item 3930-001-0115 is eliminated.

3. *Office of Environmental Health Hazard Assessment: Evaluating Unassessed Chemicals Using Precision Prevention Methodologies (See row 13 of Attachment 1).* To effectuate the withdrawal of this proposal, the following Budget Bill language change is necessary:

Provision 1 of Item 3980-001-0001 is eliminated.

4. *California Air Resources Board: Various Cap and Trade proposals and Control Section 15.14 language (See row 15 of Attachment 1).* To effectuate the modification of this proposal, the following Budget Bill language changes are necessary:

Provision 2 of Item 0540-001-3228 is eliminated.

Provision 2 of Item 0650-001-3228 is eliminated.

Provision 1 of Item 3340-001-3228 is eliminated.

Provision 2 of Item 3340-002-3228 is eliminated.

Provision 1 of Item 3360-001-3228 is eliminated.

Provision 5 of Item 3540-001-3228 is eliminated.

Provision 3 of Item 3540-002-3228 is eliminated.

Provision 2 of Item 3540-003-3228 is eliminated.

Provision 1 of Item 3540-004-3228 is eliminated.

Provision 3 of Item 3540-101-3228 is eliminated.

Provision 2 of Item 3720-101-3228 is eliminated.

Provision 1 of Item 3820-001-3228 is eliminated.

Provision 1 of Item 3900-001-3228 is eliminated.

Provision 5 of Item 3900-101-3228 is eliminated.

Provision 4 of Item 3900-102-3228 is eliminated.

Provision 2 of Item 8570-101-3228 is amended to read:

"2. Of the amount appropriated in this item, \$18,000,000 shall be used for the Healthy Soils Program, including no-till and compost applications. ~~Funds available for the Healthy Soils program shall not be subject to the restrictions specified in subdivision (b) of Section 15.14.~~"

Control Section 15.14 is amended to read:

"SEC 15.14 (a) Any appropriation from the Greenhouse Gas Reduction Fund shall be subject to the restrictions specified in subdivision (b), ~~except for those appropriation items that have provisional language that specifically exempts the appropriation from that subdivision.~~

(b) ~~Notwithstanding costs specified in subdivision (c)(2), no department shall encumber or commit more than 75 percent of any appropriation cap and trade auction proceeds prior to the fourth each of the quarterly cap and trade auction auctions in the 2020–21 fiscal year and until after the allocations are determined pursuant to the procedures described in (c)(3).~~

~~(c)(1) Upon determination of the final amount of auction proceeds after the fourth each quarterly cap and trade auction, the Department of Finance shall make a final determination for the expenditure of the remaining auction proceeds. The Department of Finance shall notify the Joint Legislative Budget Committee no later than 30 days after the final determination, calculate the appropriations identified by Section 39719 of the Health and Safety Code.~~

~~(2) The Department of Finance shall calculate the budgeted amount for payroll and state operations expenditures for state civil service employees, as defined by Section 18526 and Sections 18590 through 18599 of the Government Code, and corpsmembers and special corpsmembers, as described in Section 14306 of the Public Resources Code.~~

~~(3) After accounting for those payroll and state operation amounts, the remaining amount shall be allocated, on a proportional basis, to the following programs in schedules (A) through (E):~~

~~(A) For the purposes of the Safe and Affordable Drinking Water program pursuant to Chapter 4.6 (commencing with Section 116765) of Part 12 of Division 104 of the Health and Safety Code. The sum of the amounts continuously appropriated by Section 39719 of the Health and Safety Code and amounts appropriated by this act shall not exceed one hundred and thirty million dollars (\$130,000,000).~~

~~(B) For the purposes of the Community Air Protection Program grants consistent with community emissions-reduction programs pursuant to Section 44391.2 of the Health and Safety Code. The amount appropriated by this act shall not exceed two hundred million dollars (\$200,000,000).~~

~~(C) For the purposes of healthy forest and fire prevention programs and projects that improve forest health and reduce greenhouse gas emissions caused by uncontrolled wildfires, including prescribed fire and other fuel-reduction projects through proven forestry practices, consistent with subdivisions (a) and (b) of Section 45 of Chapter 626 of the Statutes of 2018 (SB 901). The amounts appropriated by this act shall not exceed two hundred million dollars (\$200,000,000).~~

(D) For supporting implementation of defensible space-related and other requirements of Chapter 391 of the Statutes of 2019 (AB 38), including those specified in Section 1102.19 of the Civil Code and Section 4123.7 of the Public Resources Code. The amount appropriated by this act shall not exceed eight million three hundred and fourteen thousand dollars (\$8,314,000), unless amended by another control section or provision of this act.

(E) For the reduction of agricultural-sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other diesel equipment used in agricultural operations. The amount appropriated by this act shall not exceed fifty million dollars (\$50,000,000).

(4) After reaching the caps identified in paragraph (3), the Department of Finance shall distribute remaining funds proportionally across programs as budgeted in this act.

~~(e)(d)~~ The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to guidelines or other standards adopted and used by a state agency in administering an allocation of moneys from the Greenhouse Gas Reduction Fund.

~~(d)(e)~~ For the purposes of the 2020-21 fiscal year, the following amounts amount transferred pursuant to subparagraph (A) of paragraph (3) of subdivision (g) of Section 6377.1 of the Revenue and Taxation Code shall not be included in determining the amount of annual proceeds of the fund for purposes of the calculation in Section 39719 ~~subparagraph (3) of subdivision (b)~~ of the Health and Safety Code:

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

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

5. *Department of Pesticide Regulation: Integrated Pest Management Work Group* **(See row 16 of Attachment 1)**. To effectuate the modification of this proposal, the following Budget Bill language change is necessary:

Item 3930-001-0001 is eliminated.

6. *Department of Toxic Substances Control: Base Funding to Maintain Operations* **(See rows 17 and 21 of Attachment 1)**. To effectuate the modification of this proposal, the following Budget Bill language changes are necessary:

Items 3960-012-0001 and 3960-014-0001 are eliminated.

Item 3960-011-0115 is added:

3960-011-0115—For transfer by the Controller from the Air Pollution Control Fund to the Hazardous Waste Control Account (19,500,000)

Provisions:

1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. Notwithstanding any other law, the amount appropriated in this item, shall be from penalty revenues that are subject to separate accounting in accordance with Sections 38580, 39674, 39675, 42400 to 42410, inclusive, 43025 to 43031.5, inclusive, 43154, 43211, and 43212 of the Health and Safety Code.

Item 3960-013-0115 is added:

3960-013-0115—For transfer by the Controller from the Air Pollution Control Fund to the Toxic Substances Control Account (7,777,000)

Provisions:

1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. Notwithstanding any other law, the amount appropriated in this item, shall be from penalty revenues that are subject to separate accounting in accordance with Sections 38580, 39674, 39675, 42400 to 42410, inclusive, 43025 to 43031.5, inclusive, 43154, 43211, and 43212 of the Health and Safety Code.

7. *Department of Toxic Substances Control: Board of Environmental Safety Funding and Argonaut Mine Dam Project Phase II Stormwater Upgrade Construction (See rows 19 and 20 of Attachment 1).* To effectuate the modification of these proposals, the following Budget Bill language changes are necessary:

Item 3960-001-0001 is eliminated.

Item 3960-002-0115 is added **(Note, this item also reflects Issue 12, Section 2; See row 41 of Attachment 1):**

3960-002-0115—For support of Department of Toxic Substances Control, payable from the Air Pollution Control Fund 14,593,000

Schedule:

- | | |
|---|------------|
| (1) 3620011-Other Site Mitigation Activities..... | 11,593,000 |
| (2) 3650-Board of Environmental Safety | 3,000,000 |

Provisions:

1. Of the amount appropriated in Schedule (1), \$2,788,000 shall be used for the purposes of emergency response activity pursuant to Section 25354 of the Health and Safety Code, in lieu of the appropriation made pursuant to that section.
2. Of the amount appropriated in Schedule (1), \$2,100,000 shall be available for the Argonaut Dam Phase II Stormwater Upgrade Project and shall be available for encumbrance or expenditure until June 30, 2022.
3. The amount appropriated in Schedule (1) includes \$6,705,000 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 reimbursement of the amount of that expenditure. Additionally, those recovered funds shall be spent before funds from the Air Pollution Control Fund, consistent with the language in any settlement agreements between the department and the potentially responsible parties.
4. As of June 30, 2021, or earlier, any unexpended funds in Provision 3 shall revert to the Air Pollution Control Fund if the Director of Toxic Substances Control and the Director of Finance agree that sufficient funds have been provided by the other potentially responsible parties.
5. The Director of Toxic Substances Control shall send a letter notifying the chairpersons of the fiscal committees of each house of the Legislature that act on the department's budget and the Legislative Analyst's Office within 30 days of receiving any moneys from potentially responsible parties for the BKK Landfill.
6. 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.
7. Notwithstanding any other law, the amount appropriated in this item, shall be from penalty revenues that are subject to separate accounting in accordance with Sections 38580, 39674, 39675, 42400 to 42410, inclusive, 43025 to 43031.5, inclusive, 43154, 43211, and 43212 of the Health and Safety Code.

Section 2

Provisional and statutory changes for new May Revision Budget Change Proposals:

1. *California Environmental Protection Agency: Environmental Justice Small Grants Program Reappropriation and Extension of Liquidation (See row 22 of Attachment 1)*. Add the following items:

0555-490—Reappropriation, Secretary for Environmental Protection. The balances 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, 2021:

0115—Air Pollution Control Fund

(1) Item 0555-101-0115, Budget Act of 2019

0133—California Beverage Container Recycling Fund

(2) Item 0555-101-0133, Budget Act of 2019

0193—Waste Discharge Permit Fund

(3) Item 0555-101-0193, Budget Act of 2019

0555-491—Reappropriation, Secretary for Environmental Protection.

Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2022:

0044—Motor Vehicle Fund, State Transportation Fund

(1) Item 0555-001-0044, Budget Act of 2017

0106—Department of Pesticide Regulation Fund

(1) Item 0555-001-0106, Budget Act of 2017

0115 Air Pollution Control Fund

(1) Item 0555-101-0115, Budget Act of 2018

0133—California Beverage Container Recycling Fund

(1) Item 0555-101-0133, Budget Act of 2018

0193—Waste Discharge Permit Fund

(1) Item 0555-101-0193, Budget Act of 2018

(2) Item 0555-001-0193, Budget Act of 2017

0557—Toxic Substances Control Account

(1) Item 0555-101-0557, Budget Act of 2018

2. *California Air Resources Board: Community Air Protection Program (AB 617) Information Technology Projects (See row 26 of Attachment 1)*. Add the following provision to Item 3900-001-0115:

2. Of the funds appropriated in this item, up to \$2,900,000 is allocated for the support of the Integrated Multi-Pollutant Emissions Inventory and the Community Air Quality Monitoring projects and is authorized for expenditure upon the Department of Technology's project approval. The Department of Finance shall notify in writing the Chairperson of the Joint Legislative Budget Committee upon project approval. The expenditure is authorized no sooner than 30 calendar days after written notification to the Chairperson of the Joint Legislative Budget Committee, or whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or the chairperson's designee, may determine. The written notification shall include, from the project approval documents, the total cost and schedule of the Integrated

Multi-Pollutant Emissions Inventory and the Community Air Quality Monitoring projects.

3. *California Air Resources Board: Reappropriation for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (See row 27 of Attachment 1).* Add the following item:

3900-492—Reappropriation, State Air Resources Board. The balances 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, 2022:

3228—Greenhouse Gas Reduction Fund

(1) Provision (3) of Item 3900-101-3228, Budget Act of 2016, as reappropriated by Item 3900-491, Budget Acts of 2018 and 2019

4. *California Air Resources Board: Cap and Trade Auction and Registry Databases (See row 28 of Attachment 1).* Add the following provision to Item 3900-002-3237:

1. Notwithstanding any other law, the State Air Resources Board may provide advance payment of up to 25 percent of quarterly membership costs to Western Climate Initiative, Incorporated.

5. *State Water Resources Control Board: General Fund Reappropriation (See row 31 of Attachment 1).* Add the following item:

3940-491—Reappropriation, State Water Resources Control Board. The balances 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, 2021, and liquidation until June 30, 2024:

0001—General Fund

(1) Provisions 2, 6(a), 6(b), 7, and 8, Item 3940-101-0001, Budget Act of 2018

6. *State Water Resources Control Board: Extension of Liquidation (See row 32 of Attachment 1).* Add the following item:

3940-492—Reappropriation, State Water Resources Control Board. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2021.

3212—Timber Regulation and Forest Restoration Fund

(1) Item 3940-101-3212, Budget Act of 2015, as reappropriated by Item 3940-493, Budget Act of 2017

7. *State Water Resources Control Board: Air Pollution Control Fund One-Time Offset (See row 33 of Attachment 1).* Add the following item:

3940-001-0115—For support of State Water Resources Control Board, payable from the Air Pollution Control Fund24,000,000

Schedule:

(1) 3560-Water Quality.....12,000,000
(2) 3570-Water Rights.....12,000,000

Provisions:

1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. Notwithstanding any other law, the amount appropriated in Schedule (1) and (2)), shall be from penalty revenues that are subject to separate accounting in accordance with Sections 38580, 39674, 39675, 42400 to 42410, inclusive, 43025 to 43031.5, inclusive, 43154, 43211, and 43212 of the Health and Safety Code, and shall be made available to the State Water Resources Control Board.

8. *State Water Resources Control Board: Reversion of Legislative Investments (See row 35 of Attachment 1).* Add the following item:

9.

3940-496—Reversion, State Water Resources Control Board. As of June 30, 2020, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0001—General Fund

(1) Provisions 1, 2, 2.5, and 2.6(a) through (g), Item 3940-101-0001, Budget Act of 2019

9. State Water Resources Control Board: Loan from the Underground Storage Tank Cleanup Fund to the General Fund (See row 36 of Attachment 1). Add the following item:

3940-011-0439—For transfer by the Controller, upon order of the Department of Finance, from the Underground Storage Tank Cleanup Fund, to the General Fund500,000,000

Provisions:

1. The Department of Finance may transfer up to \$500,000,000 as a loan to the General Fund. The Department of Finance shall order the repayment of all or a portion of the loan if it determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for

the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer.

10. *State Water Resources Control Board*: Loan from the Site Cleanup Subaccount to the General Fund (**See row 37 of Attachment 1**). Add the following item:

3940-011-3264—For transfer by the Controller, upon order of the Department of Finance, from the Site Cleanup Subaccount, to the General Fund25,000,000

Provisions:

1. The Department of Finance may transfer up to \$25,000,000 as a loan to the General Fund. The Department of Finance shall order the repayment of all or a portion of the loan if it determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer.

11. *Department of Toxic Substances Control*: Stringfellow Superfund Site Expenditure Shift (**See row 40 of Attachment 1**). To effectuate this proposal, the following Budget Bill language changes are necessary:

Item 3960-002-0001 is eliminated.

Item 3960-004-0115 is added:

3960-004-0115—For support of Department of Toxic Substances Control, payable from the Air Pollution Control Fund..... 11,805,000

Schedule:

(1) 3620010-Stringfellow Removal Remedial Action 3,560,000
(2) 3620011-Other Site Mitigation Activities8,245,000

Provisions:

1. The funds appropriated in this item shall be for the following activities at the federal Stringfellow Superfund site: (a) operation and maintenance of pretreatment plants to treat contaminated groundwater extracted from the site, (b) site maintenance and groundwater monitoring, and (c) implementation of work to stabilize the site.
2. Notwithstanding any other law, the funds appropriated for removal and remedial action at the federal Stringfellow Superfund site shall be available for encumbrance for three fiscal years subsequent to the fiscal year in which the funds are appropriated, and disbursements in liquidation of

encumbrances shall be pursuant to Section 16304.1 of the Government Code.

3. 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.
4. Notwithstanding any other law, the amount appropriated in this item, shall be from penalty revenues that are subject to separate accounting in accordance with Sections 38580, 39674, 39675, 42400 to 42410, inclusive, 43025 to 43031.5, inclusive, 43154, 43211, and 43212 of the Health and Safety Code.

Item 3960-001-8083 is added:

3960-001-8083—For support of Department of Toxic Substances Control, payable from the Stringfellow Residual Proceeds Account.....796,000

Schedule:

(1) 3620011-Other Site Mitigation Activities796,000

12. *Department of Toxic Substances Control: General Fund Expenditure Shift to Air Pollution Control Fund (See row 41 of Attachment 1).* To effectuate this proposal, the following Budget Bill language changes are necessary:

Item 3960-001-0001 is eliminated.

Add the following provisions to Item 3960-002-0115:

1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. Notwithstanding any other law, the amount appropriated in this item, shall be from penalty revenues that are subject to separate accounting in accordance with Sections 38580, 39674, 39675, 42400 to 42410, inclusive, 43025 to 43031.5, inclusive, 43154, 43211, and 43212 of the Health and Safety Code.

Item 3960-002-0115 is added (**Note, this Item also reflects Issue 7, Section 1; See rows 19 and 20 of Attachment 1**):

Item 3960-002-0115 is added:

3960-002-0115—For support of Department of Toxic Substances Control, payable from the Air Pollution Control Fund 14,593,000

Schedule:

(1) 3620011-Other Site Mitigation Activities..... 11,593,000
(2) 3650-Board of Environmental Safety 3,000,000

Provisions:

1. Of the amount appropriated in Schedule (1), \$2,788,000 shall be used for the purposes of emergency response activity pursuant to Section 25354 of the Health and Safety Code, in lieu of the appropriation made pursuant to that section.
 2. Of the amount appropriated in Schedule (1), \$2,100,000 shall be available for the Argonaut Dam Phase II Stormwater Upgrade Project and shall be available for encumbrance or expenditure until June 30, 2022.
 3. The amount appropriated in Schedule (1) includes \$6,705,000 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 reimbursement of the amount of that expenditure. Additionally, those recovered funds shall be spent before funds from the Air Pollution Control Fund, consistent with the language in any settlement agreements between the department and the potentially responsible parties.
 4. As of June 30, 2021, or earlier, any unexpended funds in Provision 3 shall revert to the Air Pollution Control Fund if the Director of Toxic Substances Control and the Director of Finance agree that sufficient funds have been provided by the other potentially responsible parties.
 5. The Director of Toxic Substances Control shall send a letter notifying the chairpersons of the fiscal committees of each house of the Legislature that act on the department's budget and the Legislative Analyst's Office within 30 days of receiving any moneys from potentially responsible parties for the BKK Landfill.
 6. 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.
 7. Notwithstanding any other law, the amount appropriated in this item, shall be from penalty revenues that are subject to separate accounting in accordance with Sections 38580, 39674, 39675, 42400 to 42410, inclusive, 43025 to 43031.5, inclusive, 43154, 43211, and 43212 of the Health and Safety Code.
13. *Department of Toxic Substances Control: Lease Revenue Debt Service Adjustment (See row 42 of Attachment 1).* To effectuate this proposal, the following Budget Bill language changes are necessary:

Item 3960-003-0001 is eliminated.

Item 3960-003-0115 is added:

3960-003-0115—For support of Department of Toxic Substances Control, payable from the Air Pollution Control Fund, for rental payments on lease-revenue bonds 4,399,000

Schedule:

(1) 3620011-Other Site Mitigation Activities 4,399,000

Provisions:

1. The Controller shall transfer funds appropriated in this item for base rental as and when provided for in the schedule submitted by the State Public Works Board. Notwithstanding the payment dates in any related Facility Lease or Indenture, the schedule may provide for an earlier transfer of funds to ensure debt requirements are met and pay base rental in full when due.
2. The Controller shall transfer for additional rental no later than 30 days after enactment of this budget, \$24,000 of the amount appropriated in this item, to the Expense Account in the Public Buildings Construction Fund.
3. This item may be adjusted pursuant to Section 4.30. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Section 4.30
4. 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.
5. Notwithstanding any other law, the amount appropriated in this item, shall be from penalty revenues that are subject to separate accounting in accordance with Sections 38580, 39674, 39675, 42400 to 42410, inclusive, 43025 to 43031.5, inclusive, 43154, 43211, and 43212 of the Health and Safety Code.

14. *Department of Toxic Substances Control*: Reversion of Legislative Investment (**See row 43 of Attachment 1**). Add the following item:

3960-495—Reversion, Department of Toxic Substances Control. As of June 30, 2020, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0001—General Fund

- (1) Item 3960-101-0001, Budget Act of 2017, as reappropriated by Item 3960-490, Budget Act of 2019

15. *Department of Toxic Substances Control: Illegal Drug Lab Cleanup Account Backfill Shift* **(See row 45 of Attachment 1)**. To effectuate this proposal, the following Budget Bill language changes are necessary:

Item 3960-013-0001 is eliminated.

Item 3960-012-0115 is added:

3960-012-0115—For transfer by the Controller from the Air Pollution Control Fund to the Illegal Drug Lab Cleanup Account (749,000)

Provisions:

1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. Notwithstanding any other law, the amount appropriated in this item, shall be from penalty revenues that are subject to separate accounting in accordance with Sections 38580, 39674, 39675, 42400 to 42410, inclusive, 43025 to 43031.5, inclusive, 43154, 43211, and 43212 of the Health and Safety Code.

16. *Department of Resources Recycling and Recovery: Extension of Loan Repayment Period for Used Mattress Recycling Fund* **(See row 46 of Attachment 1)**. Add the following:

3970-401—Notwithstanding Item 3970-401 of the Budget Act of 2016, the \$1,600,000 loan authorized by Item 3970-012-0387 of the Budget Act of 2014 shall be fully repaid to the Integrated Waste Management Account, Integrated Waste Management Fund, no later than June 30, 2022. Notwithstanding any other law, the Director of Finance shall have the authority to waive interest charges on this loan. The Director of Finance shall order the repayment of all or a portion of this loan if they determine that either of the following circumstances exist: (a) the fund or account from which the loan was made has a need for the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan.

17. *Department of Resources Recycling and Recovery: Loan to the General Fund from the Solid Waste Disposal Site Cleanup Trust Fund* **(See row 48 of Attachment 1)**. Add Item 3970-011-0386:

3970-011-0386—For transfer by the Controller, upon order of the Department of Finance, from the Solid Waste Disposal Site Cleanup Trust Fund, to the General Fund.....(4,000,000)

Provisions:

1. The Department of Finance may transfer up \$4,000,000 as a loan to the General Fund. The Department of Finance shall order the repayment of all or a portion of the loan if it determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer.

18. *Department of Resources Recycling and Recovery*: Loan to the General Fund from the Electronic Waste Recovery and Recycling Account, Integrated Waste Management Fund (**See row 49 of Attachment 1**). Add the following item:

3970-012-3065—For transfer by the Controller, upon order of the Department of Finance, from the Electronic Waste Recovery and Recycling Account, Integrated Waste Management Fund, to the General Fund.....(20,000,000)

Provisions:

1. The Department of Finance may transfer up \$20,000,000 as a loan to the General Fund. The Department of Finance shall order the repayment of all or a portion of the loan if it determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer.

19. *Office of Environmental Health Hazard Assessment*: Budget Bill Language for General Fund Cash Flow Loan (**See row 50 of Attachment 1**). Add the following provision to Item 3980-001-0001:

2. Notwithstanding any other law, the Director of Finance may authorize a loan from the General Fund, in an amount not to exceed 20 percent of reimbursements appropriated in Schedule (2) of this item, to Office of Environmental Health Hazard Assessment, provided that:

- (a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.
- (b) The loan is for a short term and shall be repaid by September 30 of the fiscal year following that in which the loan was authorized.
- (c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.