



May 14, 2021

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Item 3930-002-0001, Support, Department of Pesticide Regulation**

**Pesticide Notification Network**—It is requested that Item 3930-002-0001 be increased by \$10 million one-time to support implementation of a statewide infrastructure network to notify residents of hazardous pesticide applications to better allow the public, particularly sensitive populations, to take necessary measures to protect themselves from potential pesticide exposure. It is further requested that provisional language be added to provide extended encumbrance availability through June 30, 2024, as follows:

3. Of the funds appropriated in this item, \$10,000,000 is available for the Pesticide Notification Network and shall be available for encumbrance or expenditure until June 30, 2024.

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

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

KEELY MARTIN BOSLER  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

cc: On following page

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, Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
Attention: Jay Dickenson, Chief Consultant  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Attention: Joseph Shinstock, Fiscal Director  
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
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Gabriel Petek, Legislative Analyst  
Christopher W. Woods, Senate President pro Tempore's Office  
Jason Sisney, Assembly Speaker's Office  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office  
Jared Blumenfeld, Secretary, California Environmental Protection Agency  
Eric Jarvis, Assistant Secretary, Fiscal and Administrative Programs, California Environmental  
Protection Agency  
Val Dolcini, Director, Department of Pesticide Regulation  
Anise Severns, Assistant Director, Administrative Services Division, Department of Pesticide  
Regulation  
Leslie Ford, Manager, Fiscal and Business Services, Department of Pesticide Regulation  
Maria Bueb, Budget Officer, Department of Pesticide Regulation



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Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

**Groundwater Sustainability Plan Review**—It is requested that Item 3940-004-0001 be added in the amount of \$1,962,000 one-time, with an extended encumbrance of three years to provide detailed reviews of Groundwater Sustainability Agencies' sustainability plans under the Sustainable Groundwater Management Act. The additional resources will allow the Water Board to analyze drinking water, water quality, water rights, and interconnected surface water issues in the plans (see Attachment 1).

**Technical Adjustments: Reappropriations**—It is requested that Item 3940-493 be added to reappropriate funding for various drinking water projects and programs which require additional time to complete, and funds previously authorized to address drinking water emergencies (see Attachment 2).

**American Rescue Plan Act Water Arrearages Relief**—It is requested that Item 3940-062-8506 be added in the amount of \$15 million one-time, and Item 3940-162-8506 be added in the amount of \$985 million with specified provisional language to authorize the Water Board to provide this funding via grants or direct payments to community water systems to offset COVID-19 Pandemic associated water enterprise customer arrearages or other COVID-19 Pandemic related revenue losses and to aid in the continued provision of water service to customers of these systems (see Attachments 3 and 4).

**Proposition 99 Technical Adjustments**—It is requested that item 3940-001-0235 be increased by \$165,000 to reflect a technical baseline budget adjustment associated with additional tobacco tax revenue pursuant to Public Resources Account. Revenue and Tax Code section 30124(b)(5) specifies that 5 percent of Cigarette and Tobacco Products Surtax Fund revenue shall be deposited into the Public Resources Account for

programs that protect, restore, enhance, or maintain fish, waterfowl, and wildlife habitat, and enhance state and local parks and recreational resources.

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 Sergio Aguilar, Assistant Program Budget Manager, at (916) 324-0043.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

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Luigi Luciano, Legislative Director, Assembly Republican Leader's Office  
Jared Blumenfeld, Secretary, California Environmental Protection Agency  
Eric Jarvis, Assistant Secretary, California Environmental Protection Agency  
Eileen Sobeck, Executive Director, State Water Resources Control Board  
Ryan Wilson, Budget Officer, State Water Resources Control Board

3940-004-0001—For support of State Water Resources Control Board.....1,962,000

Schedule:

(1) 3570-Water Rights..... 1,962,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024.

3940-493—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, 2022, and liquidations until June 30, 2025:

0001—General Fund

- (1) Provisions 2 and 8, Item 3940-101-0001, Budget Act of 2018 as reappropriated by item 3940-491, Budget Act of 2020
- (2) Provisions 2.5, 2.6 (b), (c), (d), (f), and 3, Item 3940-101-0001, Budget Act of 2019 as reappropriated by item 3940-491, Budget Act of 2020
- (3) Item 3940-101-0001, Budget Act of 2020

3940-062-8506—For support of State Water Resources Control Board, payable from the  
Coronavirus Fiscal Recovery Fund of 2021 .....15,000,000

Schedule:

(1) 3560-Water Quality.....15,000,000

Provisions:

1. The amounts appropriated are available for transfer, upon the order of the Department of Finance, between state operations and local assistance.

3940-162-8506—For local assistance, State Water Resources Control Board, payable from the Coronavirus Fiscal Recovery Fund of 2021 .....985,000,000

Schedule:

(1) 3560-Water Quality.....985,000,000

Provisions:

1. All actions to implement this funding, including the adoption or development of any plan, handbook, guidelines, or forms, are exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).
2. Of the amount appropriated in this item, \$985,000,000 shall be available to the State Water Board to make grants or direct payments to community water systems to offset COVID-19 Pandemic associated water enterprise customer arrearages or other COVID-19 Pandemic related revenue losses and to aid in the continued provision of water service to customers of these systems.
3. The State Water Board may provide funding in advance of documented substantiation. All funds may be subject to audit, and unsubstantiated claims may be subject to return.
4. All actions to implement this funding, including entering into contracts for services or equipment, are exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. The State Water Board may award a contract under this section on a noncompetitive bid basis as necessary to implement the purposes of this funding.
5. The amounts appropriated in this item are available for transfer, up to 5 percent of the item, upon the order of the Department of Finance, between state operations and local assistance.





May 14, 2021

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

**Information Technology Security Unit**—It is requested that Item 3960-001-0001 be increased by \$28,000 in fiscal year 2021-22 and 2022-23, and \$19,000 ongoing; Item 3960-001-0014 be increased by \$615,000 and 4 positions ongoing, \$609,000 in 2022-23, and \$410,000 in 2023-24 and ongoing; Item 3960-001-0028 be increased by \$6,000 in 2021-22 and 2022-23, and \$4,000 in 2023-24 and ongoing; Item 3960-001-0557 be increased by \$612,000 in 2021-22, \$606,000 in 2022-23, and \$410,000 in 2023-24 and ongoing; Item 3960-001-3084 be increased by \$24,000 in 2021-22 and 2022-23, and \$16,000 in 2023-24 and ongoing; Item 3960-001-3301 be increased by \$16,000 in 2021-22 and 2022-23, and \$11,000 in 2023-24 and ongoing; Item 3960-002-0001 be increased by \$15,000 in 2021-22 and 2022-23, and \$10,000 in 2023-24 and ongoing, to provide ongoing resources to identify and mitigate cybersecurity threats.

**Technical Adjustment: BKK Facility Third-Party Enforcement Initiative Shift**—It is requested that Item 3960-001-0001 be increased by \$434,000 and 2 positions ongoing and Item 3960-002-0001 be decreased by \$434,000 and 2 positions ongoing to correct a technical error.

**Resource Conservation and Recovery Act Authorization**—It is requested that Item 3960-001-0014 be increased by \$1,223,000 and 10 positions ongoing in 2021-22, \$2,527,000 and 7 additional ongoing positions in 2022-23, and \$2,506,000 in 2023-24 and ongoing to provide resources to maintain parity with federal statutes and regulations so the state can maintain Resource Conservation and Recovery Act authorization from the federal government.

**Implementation of the Violation Scoring Procedures Regulations**—It is requested that Item 3960-001-0014 be increased by \$3,491,000 and 11 positions in 2021-22 and ongoing, \$3,058,000 in 2022-23, and \$2,558,000 in 2023-24 and ongoing to provide resources to implement the Violations Scoring Procedures regulations adopted pursuant to Chapter 611, Statutes of 2015 (SB 673).

**Department of Justice Increased Legal Fees**—It is requested that Item 3960-001-0014 be increased by \$326,000 ongoing, Item 3960-001-0557 be increased by \$326,000 ongoing, and Item 3960-001-3301 be increased by \$325,000 ongoing to provide resources associated with a 2019 Department of Justice fee increase for client agencies.

**Exide: Additional Residential Cleanup Funding**—It is requested that Items 3960-001-0557 and 3960-011-0001 both be increased by \$100 million in 2021-22, \$100 million in 2022-23, and \$91 million in 2023-24, to provide a loan from the General Fund to the Toxic Substances Control Account to provide resources to clean up approximately 2,700 properties with soil-lead contamination of 200 parts per million and above within 1.7 miles of the former Exide facility in Vernon, CA. It is also requested that provisional language be amended to provide an extended encumbrance period to June 30, 2024, and liquidation period to June 30, 2025, for funds appropriated in this item for this purpose (see Attachments 1 and 2).

**Exide: Ongoing Closure and Environmental Actions at the Vernon Facility**—It is requested that Item 3960-001-0557 be increased by \$109.8 million one-time, Item 3960-011-0001 be increased by \$132 million one-time, and Item 3960-011-0557 be added in the amount of \$22.2 million one-time (see Attachment 3) to provide a loan from the General Fund to the Toxic Substances Control Account and a transfer from the Toxic Substances Control Account to the Site Operation and Maintenance Account to provide one-time resources for the closure, environmental actions, and ongoing operation and maintenance of the former Exide facility in Vernon, CA. It is also requested that provisional language be amended to allow for funds to be used for this purpose and provide an extended transfer and encumbrance period until June 30, 2026, and liquidation period to June 30, 2027 (see Attachments 1 and 2).

**Base Funding to Maintain Operations**—It is requested that Item 3960-012-0001 be increased by \$6.5 million one-time and Item 3960-014-0001 be decreased by \$1.5 million one-time to adjust General Fund backfills for the Hazardous Waste Control Account and the Toxic Substances Control Account to accommodate for May Revision proposals.

**Argonaut Mine Dam Project Phase II Stormwater Upgrade Construction Supplemental Funding**—It is requested that Item 3960-062-8506 be added in the amount of \$1.4 million one-time to provide resources to augment the funding provided in the 2020 Budget Act to upgrade the stormwater system in Jackson, California as part of the Argonaut Mine Dam Project.

**Governance and Fiscal Reform Statutory Change Update**—It is requested that amendments to the statutory changes proposed at the Governor's Budget be adopted. Modifications include an increase of \$200 million to the appropriation along with several other changes.

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

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

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
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Jason Sisney, Assembly Speaker's Office  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Luigi Luciano, Legislative Director, 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  
Meredith Williams, Director, Department of Toxic Substances Control  
Francesca Negri, Chief Deputy Director, Department of Toxic Substances Control

“3960-011-0001—For transfer by the Controller to the Toxic Substances Control Account..... ~~(31,400,000)~~ (263,400,000)

Provisions:

1. The Department of Finance may transfer, until June 30, 2024, up to ~~\$31,400,000~~ \$131,400,000 as a loan from the General Fund to the Toxic Substances Control Account for the Department of Toxic Substances Control to use for any of the following purposes:
  - (a) Activities related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.
  - (b) Notwithstanding Section 25173.6 of the Health and Safety Code, job training activities related to the cleanup and investigation of the properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.
2. All funds recovered from the potentially responsible parties shall be used to repay the loan made pursuant to this item. If the amount of moneys received from the cost recovery efforts is insufficient to fully repay the loan made pursuant to this item, the Director of Finance may forgive any remaining balance if at least 90 days before forgiving any balance, the Director of Finance submits a notification to the Joint Legislative Budget Committee.
3. ~~The funds identified in this item shall be available for transfer until June 30, 2023.~~
4. The Department of Finance may transfer, until June 30, 2026, up to \$132,000,000 as a loan from the General Fund to the Toxic Substances Control Account for the Department of Toxic Substances Control to use for the following purpose:
  - (a) Oversight or performance of closure activities and response and corrective actions to protect public health and the environment from hazardous substances and hazardous waste at or from the former Exide Technologies lead-acid battery recycling facility in the City of Vernon.”

“3960-001-0557—For support of Department of Toxic Substances Control, payable from the Toxic Substances Control Account..... ~~93,424,000~~ 304,162,000”

Schedule:

(1) 3620011-Other Site Mitigation Activities.....	<del>60,302,000</del>	<u>61,141,000</u>
(2) 3625-Hazardous Waste Management.....		699,000
(3) 3630-Safer Consumer Products.....	<del>15,440,000</del>	<u>15,539,000</u>
(4) 3645-Exide Technologies Facility Contamination Cleanup.....	<del>31,400,000</del>	<u>241,200,000</u>
(5) Reimbursements to 3620011-Other Site Mitigation Activities.....		-14,273,000
(6) Reimbursements to 3630-Safer Consumer Products.....		-144,000

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. The amount appropriated in this item includes state oversight costs at military installations. The expenditure of these funds shall not relieve the federal government of the responsibility to pay for all state oversight costs. The Department of Toxic Substances Control shall take all steps necessary to recover these costs from the federal government, including, but not limited to, filing civil actions authorized by state and federal law.
3. ~~The funds \$131,400,000 of the amount~~ appropriated in Schedule (4) shall be available for encumbrance or expenditure until ~~June 30, 2023~~ June 30, 2024, and for liquidation until ~~June 30, 2024~~ June 30, 2025, for any of the following:
  - (a) Activities related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California.
  - (b) Notwithstanding Section 25173.6 of the Health and Safety Code, job training activities related to the cleanup and investigation of the properties contaminated with lead in the communities surrounding the Exide Technologies facility in the City of Vernon, California
4. \$109,800,000 of the amount appropriated in Schedule (4) shall be available for encumbrance or expenditure until June 30, 2026, and for liquidation until June 30, 2027, for oversight or performance of closure activities and response and corrective actions to protect public health and the environment from hazardous substances and hazardous waste at or from the former Exide Technologies lead-acid battery recycling facility in the City of Vernon."

3960-011-0557—For transfer by the Controller from the Toxic Substances Control Account to the Site Operation and Maintenance Account, Hazardous Substance Account.....(22,200,000)



May 14, 2021

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Various Budget Bill Items and Statutory Changes, Support and Local Assistance, Department of Resources Recycling and Recovery**

**Emergency Debris Removal Office Additional Staffing**—It is requested that Item 3970-001-0001 be increased by \$891,000 and 6 positions ongoing to provide resources for the Department of Resources Recycling and Recovery (CalRecycle) to adequately manage debris removal contracts and coordinate reimbursements with the Governor's Office of Emergency Services and the Federal Emergency Management Agency.

**Regulations Development Unit**—It is requested that Item 3970-001-0100 be increased by \$92,000 and 0.6 positions, Item 3970-001-0133 be increased by \$246,000 and 1.6 positions, Item 3970-001-0226 be increased by \$92,000 and 0.6 positions, Item 3970-001-0387 be increased by \$246,000 and 1.6 positions, and Item 3970-001-3065 be increased by \$91,000 and 0.6 positions to provide ongoing resources for CalRecycle to develop a Regulations Development Unit to support, coordinate, and provide expertise for the development of regulations across CalRecycle.

**Beverage Container Recycling Pilot Project Staffing and Funding Extension**—It is requested that Item 3970-001-0133 be increased by \$129,000 with varying amounts in out years to provide temporary resources until fiscal year 2026-27 for CalRecycle to extend the temporary staffing resources needed to administer, implement, maintain, and provide fiduciary oversight of the expansion of the Beverage Container Recycling Pilot Project Program. It is also requested that provisional language be added to Item 3970-101-0133 to extend the encumbrance period to June 30, 2023, and the liquidation period to June 30, 2026, and not withstand existing law that limits the amount of funding provided for Beverage Container Recycling Pilot Project Grants (see Attachment 1).

**San Diego Field Office Relocation**—It is requested that Item 3970-001-0133 be increased by \$256,000 with varying amounts ongoing to provide resources associated with the relocation of CalRecycle's San Diego Field Office and increased lease costs.

**Statutory Changes to Exempt Certain Products from Sustainable Food Packaging Regulations**—It is requested that statutory changes be adopted to exempt certain medically required food packaging from sustainable food packaging regulations adopted pursuant to Public Resources Code section 42370.2.

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

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

KEELY MARTIN BOSLER  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
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Luigi Luciano, Legislative Director, Assembly Republican Leader's Office  
Jared Blumenfeld, Secretary, California Environmental Protections Agency  
Serena McIlwain, Undersecretary, California Environmental Protection Agency  
Eric Jarvis, Assistant Secretary, California Environmental Protection Agency  
Rachel Machi Wagoner, Director, Department of Resources Recycling and Recovery  
Ken DaRosa, Chief Deputy Director, Department of Resources Recycling and Recovery  
Sarah Keck, Deputy Director, Department of Resources Recycling and Recovery



Add the following provisions to Item 3970-101-0133:

1. Notwithstanding subparagraph (A) of paragraph (9) of subsection (a) of Section 14581 of the Public Resources Code, the amount appropriated in this item shall be used to support the pilot projects created pursuant to Section 14571.9 of the Public Resources Code.
2. The amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2023, and available for liquidation until June 30, 2026.



May 14, 2021

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Item 0509-012-0001, Support, Governor's Office of Business and Economic Development, and Addition of Item 3970-101-0001, Local Assistance, Department of Resources Recycling and Recovery**

This proposal includes requests for the Governor's Office of Business and Economic Development and the Department of Resources Recycling and Recovery to accelerate California's transition to a circular economy to increase recycling and reuse and decrease the amount of waste created.

**Climate Catalyst Fund-Recycling Infrastructure**—It is requested that Item 0509-012-0001 be increased by \$50 million one-time to provide low-interest loans to attract recycling and reuse businesses to California. The loans would be designed to align with existing tax incentives. Additionally, it is requested that provisional language be added to this item as follows to provide extended encumbrance availability through June 30, 2024, and to allow up to 5 percent of the amount appropriated in the item to be used for administrative costs:

2. Of the amount appropriated in this item, \$50,000,000 is for the Circular Economy Package-Recycling Infrastructure and not more than 5 percent of the amount appropriated for this purpose may be used to support administrative costs. This funding shall be available for encumbrance or expenditure until June 30, 2024.

**Food Waste Prevention and Rescue Grants**—It is requested that Item 3970-101-0001 be added in the amount of \$5 million one-time to provide grants to establish and expand food waste prevention projects to reduce landfill methane emissions and benefit disadvantaged communities. Additionally, it is requested that provisional language be added to provide extended encumbrance availability through June 30, 2024, and to allow up to 5 percent of the amount appropriated in the item to be used for administrative costs (see Attachment 1).

**Increase Community Composting Opportunities**—It is also requested that Item 3970-101-0001 be added in the amount of \$5 million one-time to provide grants to create or expand community composting opportunities in disadvantaged communities (see Attachment 1).

**Invest in New Composting and Anaerobic Digester Facilities**—It is also requested that Item 3970-101-0001 be added in the amount of \$35 million one-time to provide grants for new composting and anaerobic digester facilities to increase organic waste recycling capacity and reduce methane emissions from landfills (see Attachment 1).

**Expand Co-Digestion Capacity at Wastewater Facilities**—It is also requested that Item 3970-101-0001 be added in the amount of \$20 million one-time to provide grants to expand co-digestion capacity at existing wastewater facilities to increase organic waste recycling capacity and reduce methane emissions from landfills (see Attachment 1).

**Recycling Technology Feasibility Grants**—It is further requested that Item 3970-101-0001 be added in the amount of \$15 million one-time to provide grants to companies that are in the research, development, feasibility, or pilot phase of recycling projects that are interested in locating in California (see Attachment 1).

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

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

KEELY MARTIN BOSLER  
Director  
By:

/s/ Erika Li

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Chief Deputy Director

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Luigi Luciano, Legislative Director, Assembly Republican Leader's Office  
Jared Blumenfeld, Secretary, California Environmental Protections Agency  
Serena McIlwain, Undersecretary, California Environmental Protection Agency  
Eric Jarvis, Deputy Secretary, California Environmental Protection Agency  
Rachel Machi Wagoner, Director, Department of Resources Recycling and Recovery  
Ken DaRosa, Chief Deputy Director, Department of Resources Recycling and Recovery  
Dee Dee Myers, Director, Governor's Office of Business and Economic Development  
Chris Dombrowski, Chief Deputy Director, Governor's Office of Business and Economic  
Development  
Maral Farsi, Deputy Director, Governor's Office of Business and Economic Development  
Scott Wu, Executive Director, California Infrastructure and Economic Development Bank  
Clint Kellum, Chief Deputy Executive Director, California Infrastructure and Economic  
Development Bank

3970-101-0001—For local assistance, Department of Resources Recycling and Recovery.....80,000,000

Schedule:

(1) 3700-Waste Reduction and Management..... 80,000,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024, for support and local assistance. Not more than 5 percent of the amount appropriated in this item may be used for administrative costs.



May 14, 2021

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance, Various Departments, Zero Emission Vehicle Package**

This proposal includes requests for various departments related to accelerating the deployment of zero emission vehicles (ZEV) and charging infrastructure in disadvantaged communities and communities living near ports and warehouses to help the state achieve its climate and transportation goals, including those established in Executive Order N-79-20. This proposal also includes adjustments to the Governor's Budget Cap and Trade Expenditure Plan to shift funding included in the 2020-21 early action package to fiscal year 2021-22.

**Zero Emission Vehicle Package**

**ZEV Market Development Strategy**—It is requested that Item 0509-001-0001 be increased by \$5 million one-time to provide funding for a consumer education campaign that supports consumer awareness of ZEV and fueling options at all income levels to decrease charging and range anxiety.

**ZEV Manufacturing Grants**—It is requested that Item 3360-001-0001 be added in the amount of \$337,000 in 2021-22 and \$337,000 in 2022-23, and Item 3360-101-0001 be added in the amount of \$124,663,000 in 2021-22, and \$124,663,000 in 2022-23, to provide grants to incentivize the expansion of ZEV manufacturing operations within California to support the demand for ZEV vehicles and infrastructure further accelerated by the investments made in the ZEV package. It is also requested that provisional language be added to provide extended encumbrance availability through June 30, 2024, and to provide various authorities for administrative costs (see Attachments 1 and 2).

**ZEV Fueling Infrastructure Grants**—It is requested that Item 3360-001-0001 be added in the amount of \$5,810,000, and Item 3360-101-0001 be added in the amount of \$494,190,000. It is also requested that amendments to the statutory changes proposed at Governor's Budget be adopted related to the securitization of \$1 billion in future vehicle registration revenues, consistent with this proposal. It is further requested that provisional language be added to provide extended encumbrance availability through June 30, 2024, and to provide various authorities for administrative costs (see Attachments 1 and 2).

**Zero Emission Drayage Trucks and Pilot Project**—It is requested that Item 3360-001-0001 be added in the amount of \$300,000 in 2021-22, \$300,000 in 2022-23, and \$300,000 in 2023-24; Item 3360-101-0001 be added in the amount of \$109.7 million in 2021-22, \$84.7 million in 2022-23, and \$84.7 million in 2023-24; and Item 3900-101-0001 be increased by \$115 million in 2021-22, \$75 million in 2022-23, and \$70 million in 2023-24 to support the deployment of 1,150 zero emission drayage trucks and supporting charging infrastructure, including the drayage truck pilot and demonstration project that will deploy 150 trucks and further the development of heavy-duty zero emission vehicle and infrastructure technology in the Central Valley and Los Angeles County. It is also requested that provisional language be added to Items 3360-001-0001, 3360-101-0001, and 3900-101-0001 to provide extended encumbrance availability through June 30, 2024, and to provide various authorities for administrative costs (see Attachments 1, 2, and 3).

**Zero Emission Transit Buses**—It is requested that Item 3360-001-0001 be added in the amount of \$300,000 in 2021-22, \$300,000 in 2022-23, and \$300,000 in 2023-24; Item 3360-101-0001 be added in the amount of \$29.7 million in 2021-22, \$29.7 million in 2022-23, and \$29.7 million in 2023-24; and Item 3900-101-0001 be increased by \$70 million in 2021-22, \$70 million in 2022-23, and \$60 million in 2023-24 to support the deployment of 1,000 zero emission transit buses and supporting charging infrastructure. It is also requested that provisional language be added to Items 3360-001-0001, 3360-101-0001, and 3900-101-0001 to provide extended encumbrance availability through June 30, 2024, and to provide various authorities for administrative costs (see Attachments 1, 2, and 3).

**Zero Emission School Buses**—It is requested Item 3360-001-0001 be added in the amount of \$150,000 in 2021-22, \$150,000 in 2022-23, and \$150,000 in 2023-24; Item 3360-101-0001 be added in the amount of \$19,850,000 in 2021-22, \$14,850,000 in 2022-23, and \$14,850,000 in 2023-24; and Item 3900-101-0001 be increased by \$130 million in 2021-22, \$135 million in 2022-23, and \$135 million in 2023-24 to support the deployment of 1,000 zero emission school buses in underserved rural school districts. It is also requested that provisional language be added to Items 3360-001-0001, 3360-101-0001, and 3900-101-0001 to provide extended encumbrance availability through June 30, 2024, and to provide various authorities for administrative costs (see Attachments 1, 2, and 3).

**Clean Vehicle Rebate Project**—It is requested that Item 3900-101-0001 be increased by \$134 million in 2021-22, \$133 million in 2022-23, and \$133 million in 2023-24 to provide funding for the Clean Vehicle Rebate Project, which promotes clean vehicle adoption by offering rebates for the purchase or lease of new zero emission vehicles. These

vehicle rebates will specifically be targeted to low-income households and low-income and disadvantaged communities. It is also requested that provisional language be added to provide extended encumbrance availability through June 30, 2024, and to allow up to 5 percent of the amount appropriated to be used for administrative costs (see Attachment 3).

**Clean Trucks, Buses, and Off-Road Equipment**—It is requested that Item 3900-101-0115 be increased by \$86,453,000 one-time to provide additional investments in clean transportation, including replacement of diesel transit buses with zero emission transit buses. It is also requested that provisional language be added to provide extended encumbrance availability through June 30, 2024 (see Attachment 4). Additionally, it is requested that Item 3900-101-3228 be increased by \$165 million one-time to shift funding included in the 2020-21 early action package in the Governor's Budget for these programs to 2021-22. It is further requested that provisional language be amended to provide extended encumbrance availability through June 30, 2024 (see Attachment 5).

**Clean Cars 4 All and Transportation Equity Programs**—It is requested that local assistance General Fund for the Air Resources Board be increased by \$125 million in 2022-23, and \$125 million in 2023-24, to support and expand the Clean Cars 4 All program statewide. This program helps get lower-income consumers into cleaner vehicles by retiring their older, higher-polluting vehicle and upgrading to a cleaner vehicle. It is also requested that Item 3900-101-3228 be increased by \$74 million one-time to shift funding included in the 2020-21 early action package in the Governor's Budget for Clean Cars 4 All and other transportation equity programs to 2021-22. It is further requested that provisional language be amended to provide extended encumbrance availability through June 30, 2024 (see Attachment 5).

### **Cap and Trade Expenditure Plan**

**California Coastal Commission State Operations**—It is requested that Item 3720-001-3228 be increased by \$750,000 one-time to shift funding included in the 2020-21 early action package in the Governor's Budget for this program to 2021-22.

**Community Air Protection Program (AB 617)**—It is requested that Item 3900-101-3228 be increased by \$125 million one-time to shift funding included in the 2020-21 early action package in the Governor's Budget for this program to 2021-22. It is further requested that provisional language be amended to provide extended encumbrance availability through June 30, 2024 (see Attachment 5).

**Amendment to Budget Bill Control Section 15.14**—It is requested that Control Section 15.14 be amended to allow the repayment of the loan authorized by Item 3940-012-0439, Budget Act of 2020, from the Greenhouse Gas Reduction Fund (see Attachment 6).

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



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

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

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, Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
Attention: Jay Dickenson, Chief Consultant  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Attention: Joseph Shinstock, Fiscal 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  
Christopher W. Woods, Senate President pro Tempore's Office  
Jason Sisney, Assembly Speaker's Office  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office  
Dee Dee Myers, Director, Governor's Office of Business and Economic Development  
Chris Dombrowski, Chief Deputy Director, Governor's Office of Business and Economic  
Development  
Maral Farsi, Deputy Director, Legislative Affairs, Governor's Office of Business and  
Economic Development  
Tyson Eckerle, Deputy Director, Zero Emission Vehicles, Governor's Office of Business and  
Economic Development  
Jenifer Henneke, Budget Officer, Governor's Office of Business and Economic  
Development  
Drew Bohan, Executive Director, California Energy Commission  
Rob Cook, Deputy Executive Director, California Energy Commission  
Melanie Vail, Chief Budget Officer, California Energy Commission  
Jared Blumenfeld, Secretary, California Environmental Protection Agency  
Serena McIlwain, Undersecretary, California Environmental Protection Agency  
Eric Jarvis, Assistant Secretary, California Environmental Protection Agency  
Richard Corey, Deputy Executive Officer, Air Resources Board  
Edie Chang, Deputy Executive Officer, Air Resources Board  
Edna Murphy, Division Chief, Administrative Services Division, Air Resources Board  
Wade Crowfoot, Secretary, California Natural Resources Agency  
Amanda Martin, Deputy Assistant Secretary, California Natural Resources Agency  
Jack Ainsworth, Executive Director, California Coastal Commission  
Alison Dettmer, Chief Deputy Director, California Coastal Commission

3360-001-0001—For support of State Energy Resources Conservation and Development Commission ..... 6,897,000

Schedule:

(1) 2390010-Transportation Technology and Fuels.....6,897,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024, and shall be available for liquidation until June 30, 2026.
2. Notwithstanding any other law, funds appropriated in this item may be transferred to Item 3360-101-0001. These transfers shall require the prior approval of the Department of Finance.
3. The funds appropriated in Schedule (1) shall be used as follows:
  - (a) \$300,000 shall be used for administrative costs to support charging infrastructure for the deployment of zero emission drayage trucks.
  - (b) \$300,000 shall be used for administrative costs to support charging infrastructure for the deployment of zero emission transit buses.
  - (c) \$150,000 shall be used for administrative costs to support charging infrastructure for the deployment of zero emission school buses.
  - (d) \$5,810,000 shall be used for administrative costs to support charging infrastructure for light duty vehicles and medium and heavy-duty vehicles.
  - (e) \$337,000 shall be used for administrative costs to support manufacturing grants to increase in-state manufacturing of zero-emission vehicles.

3360-101-0001—For local assistance, State Energy Resources Conservation and Development Commission ..... 778,103,000

Schedule:

(1) 2390010-Transportation Technology and Fuels.....778,103,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024, and shall be available for liquidation until June 30, 2026.
2. Notwithstanding any other law, funds appropriated in this item may be transferred to Item 3360-001-0001 for administrative costs. These transfers shall require the prior approval of the Department of Finance.
3. The funds appropriated in Schedule (1) shall be used as follows:
  - (a) \$84,700,000 shall be used to support charging infrastructure for the deployment of zero emission drayage trucks. Up to \$3,950,000 may be made available for administrative costs.
  - (b) \$29,700,000 shall be used to support charging infrastructure for the deployment of zero emission transit buses. Up to \$1,200,000 may be made available for administrative costs.
  - (c) \$19,850,000 shall be used to support charging infrastructure for the deployment of zero emission school buses. Up to \$850,000 of this amount may be made available for administrative costs.
  - (d) \$25,000,000 shall be used to support charging infrastructure for the deployment of drayage truck pilot project.
  - (e) \$494,190,000 shall be used to support charging infrastructure for light duty vehicles and medium and heavy-duty vehicles. Up to \$19,190,000 of this amount may be made available for administrative costs.
  - (f) \$124,663,000 shall be used to support manufacturing grants to increase in-state manufacturing of zero-emission vehicles. Up to \$5,913,000 of this amount may be made available for administrative costs.

"3900-101-0001—For local assistance, State Air Resources Board .... ~~2,000,000~~451,000,000

Schedule:

(1) 3510-Climate Change ..... ~~2,000,000~~451,000,000

Provisions:

1. The funds appropriated in ~~this item~~ Schedule (1) shall be available for encumbrance or expenditure until June 30, 2024 and shall be available for liquidation until June 30, 2026-, and shall be used as follows:

- (a) \$2,000,000 for enhanced permitting of prescribed burns.
- (b) \$75,000,000 for zero emission drayage trucks to be administered through the Hybrid and Zero Emission Truck and Bus Voucher Incentive Project.
- (c) \$40,000,000 for zero-emission drayage trucks to fund additional applications received through the joint California Air Resources Board-California Energy Commission Zero Emission Drayage Truck and Infrastructure Pilot Project solicitation held between November 2020 and February 2021.
- (d) \$70,000,000 for zero emission transit buses to be administered through the Hybrid and Zero Emission Truck and Bus Voucher Incentive Project.
- (e) \$130,000,000 zero-emission school buses to be administered through the Hybrid and Zero Emission Truck and Voucher Incentive Project.
- (f) \$134,000,000 for the Clean Vehicle Rebate Project, with rebates targeted to low- and moderate-income consumers as defined by the California Air Resources Board's Funding Plan for Clean Transportation Incentives.
- (h) Not more than 5 percent of the amounts appropriated in each of subdivisions (b) through (g) may be used for administrative costs."

“3900-101-0115—For local assistance, State Air Resources Board, payable from the Air Pollution Control Fund ..... ~~247,000,000~~333,453,000

Schedule:

(1) 3500-Mobile Source ..... 247,000,000  
(2) 3510-Climate Change ..... 86,453,000

Provisions:

1. Notwithstanding any other law, the funds appropriated in this item shall be available for allocation to local air pollution control districts for implementation of the Carl Moyer Air Quality Standards Attainment Program.
2. The funds appropriated in Schedule (2) shall be used as follows:
  - (a) \$86,453,000 shall be used for clean trucks, buses, and off-road equipment including the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project and advanced technology demonstration and pilot commercial deployment projects. Clean, Trucks, Buses (transit buses). These funds may be transferred to Schedule (1) for other existing Low Carbon Transportation programs pursuant to the Low Carbon Transportation Investments and Air Quality Improvement public process, upon approval of the Department of Finance. These funds shall be available for encumbrance or expenditure until June 30, 2024 and shall be available for liquidation until June 30, 2026.

“3900-101-3228—For local assistance, State Air Resources Board, payable from the Greenhouse Gas Reduction Fund .....~~506,000,000~~870,000,000

Schedule:

(1) 3500-Mobile Source ..... 80,000,000  
 (2) 3510-Climate Change .....~~226,000,000~~465,000,000  
 (3) 3530-Community Air Protection ..... ~~200,000,000~~325,000,000

Provisions:

1. The funds appropriated in Schedule (1) shall be used to reduce 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.

(a) Funding for agricultural diesel replacement and upgrades shall be based on criteria that include the following:

- (1) The diesel particulate matter emissions and exposures in the air district.
- (2) The NOx and PM 2.5 emissions and attainment status in each district.

2. The funds appropriated in Schedule (2) shall be used as follows:

(a) ~~\$150,000,000~~\$315,000,000 shall be used for clean trucks, buses, and off-road freight equipment including the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project and advanced technology freight demonstration and pilot commercial deployment projects.

(b) ~~\$76,000,000~~\$150,000,000 shall be used for the Enhanced Fleet Modernization Program and Plus-Up Pilot (Clean Cars 4 All), replacement of school buses, and light-duty equity pilot projects authorized pursuant to Chapter 530 of the Statutes of 2014.

3. The funds appropriated in Schedule (3) shall be used as follows:

(a) ~~\$140,000,000~~\$265,000,000 shall be available for financial incentives to reduce mobile and stationary sources of criteria air pollutants or toxic air contaminants consistent with community emissions reduction programs developed pursuant to Section 44391.2 of the Health and Safety Code.

(b) \$50,000,000 shall be available to support local air districts' implementation of Chapter 136 of the Statutes of 2017, notwithstanding any other law.

(c) \$10,000,000 shall be used for technical assistance grants to community-based organizations pursuant to subdivision (d) of Section 44391.2 of the Health and Safety Code. These grants may be used to support community participation, including activities that enable meeting attendance, consistent with State Air Resources Board grant guidelines and agreements, in the implementation of subdivision (d) of Section 44391.2 and Section 42705.5 of the Health and Safety Code.

4. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, ~~2023~~2024 and shall be available for liquidation until June 30, 2026. Not more than 5 percent of the funds allocated in this item shall be used for administrative costs.

5. The funds appropriated in this item shall be subject to the provisions of Control Section 15.14.”

"SEC. 15.14. (a) Any appropriation from the Greenhouse Gas Reduction Fund shall be subject to the restrictions specified in subdivision (b).

(b) No department shall encumber or commit more than 75 percent of any appropriation prior to the fourth cap and trade auction in the 2021–22 fiscal year. Upon determination of the final amount of auction proceeds after the fourth cap and trade auction, the Department of Finance shall make a final determination for the expenditure of the remaining available auction proceeds. The Department of Finance shall notify the Joint Legislative Budget Committee no later than 30 days after its final determination.

(c) Subdivision (3)(A) of Section 39719 of the Health and Safety Code requires five percent of annual proceeds be transferred to the Safe and Affordable Drinking Water Fund. The Director of Finance may transfer to the Safe and Affordable Drinking Water Fund an additional amount equal to the difference between the amount transferred in a quarter pursuant to subdivision (3)(A) of Section 39719 of the Health and Safety Code and \$32,500,000 per quarter of the 2021-22 fiscal year. Additionally, the Director of Finance may order the repayment of the loan authorized by Item 3940-012-0439, Budget Act of 2020, from the Greenhouse Gas Reduction Fund. The total amount transferred from the Greenhouse Gas Reduction Fund to the Safe and Affordable Drinking Water Fund in the 2021–22 fiscal year shall not exceed \$130,000,000.

(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.

(e) The following amounts shall not be included in determining the amount of annual proceeds of the fund for purposes of the calculation in Section 39719 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 to 4214, inclusive, of the Public Resources Code to replace the revenues generated by the State Responsibility Area fire prevention fee authorized by Section 4212 of the Public Resources Code, which is suspended, pending repeal, pursuant to Section 4213.05 of the Public Resources Code."