



April 1, 2022

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 Items and Addition of Item 3900-001-3359, Support, California Air Resources Board

Transport Refrigeration Unit Program Implementation and Enforcement—It is requested that Item 3900-001-0044 be increased by \$596,000 and 6 positions in fiscal year 2022-23, phasing up to \$2.7 million Compliance and Certification Fund and 22 positions in 2024-25 and ongoing to implement and enforce the requirements of the proposed amendments to the "Airborne Toxic Control Measure for In-Use Diesel-Fueled Transport Refrigeration Units (TRU) and TRU Generator Sets and Facilities where TRUs Operate" (California Code of Regulations, Title 13 Section 2477). Specifically, these new resources will allow the Board to execute strategies consistent with the proposed amendments that are focused on further reducing emissions in communities disproportionately burdened by air pollution.

Certification and Compliance Fund Expenditure Authority—It is requested that Item 3900-001-0115 be decreased by \$8,463,000 and 53 positions in 2022-23 and Item 3900-001-3359 be added in the amount of \$9,912,000 in 2022-23 and 53 positions to shift existing positions in various divisions to the Certification and Compliance Fund (CCF). This proposal will phase in to ultimately shift approximately \$30.9 million and 166 positions to CCF commencing in 2025-26 and ongoing. The Board requests approval to shift the funding of existing mobile source certification and compliance (MSCC) efforts currently funded by the Air Pollution Control Fund and other funds to CCF consistent with Section 43019.1 of the Health and Safety Code. The Board adopted the final MSCC Fee schedule in April 2021 and will begin depositing fees into the CCF on April 1, 2022 (see Attachment 1).

Implementation and Enforcement of the Cargo Tank Vapor Recovery Program—It is requested that Item 3900-001-0115 be increased by \$1,945,000 in 2022-23 and 3 positions and approximately \$1 million ongoing for enforcement, equipment, and Information Technology system development and maintenance to be funded by Cargo Tank Certification Fees for the Cargo Tank Vapor Recovery Program. The Board is currently using redirected staff from other sections in the Enforcement Division and this proposal will allow redirected resources to be returned to their respective programs.

Low Carbon Fuel Standard Registration and Reporting Tool—It is requested that Item 3900-002-3237 be increased by \$1 million in 2022-23 and an additional \$4.5 million one-time from 2023-24 until 2025-26 to provide secure registration, reporting, and credit exchange services for the Low Carbon Fuel Standard (LCFS) among participating entities. Reliable systems are critical to maintain confidence in the LCFS, which is a key program in reducing California’s greenhouse gas emissions and reducing diesel particulate matter in heavily burdened communities.

Oil and Gas Enforcement and Community Protection—It is requested that Item 3900-001-0115 be increased by \$685,000 in 2022-23 and 3 positions including \$682,000 ongoing and Item 3900-001-3046 be increased by \$677,000 in 2022-23 and 3 positions with \$674,000 ongoing to support emissions compliance from the oil and gas industry by coordinating more closely with local air districts for on-site facility inspections. This work will help protect disadvantaged communities by supporting compliance with federal air quality attainment standards and California’s greenhouse gas reduction goals for this sector and more broadly.

Technical Adjustment: Community Air Protection Staffing from Air Pollution Control Fund (SB 170)—It is requested that Item 3900-001-0115 be increased by \$4,165,000 ongoing to provide funding authorized by Chapter 240, Statutes of 2021 (SB 170) for AB 617 program operations. The Governor’s proposed budget inadvertently excluded this approved funding and this proposal will align funding levels that were previously approved (see Attachment 2).

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

If you have any questions or need additional information regarding this matter, please call Christian Beltran, 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 Chris R. Holden, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
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Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
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
Hafida Habek, Division Chief, Administrative Services Division, Air Resources Board

3900-001-3359--For support of State Air Resources Board, payable from the Certification and Compliance Fund..... 9,912,000

Schedule:

(1) 3500-Mobile Source..... 9,912,000

" 3900-001-0115—For support of State Air Resources Board,
payable from the Air Pollution Control Fund ~~95,866,000~~ 94,198,000

Schedule:

(1)	3500-Mobile Source	63,029,000 56,511,000
(2)	3505-Stationary Source	31,692,000 32,377,000
(3)	3510-Climate Change	1,145,000
(4)	<u>3530-Community Air Protection</u>	<u>4,165,000</u>

Provisions:

1. The amount appropriated in Schedule (1) and Schedule (2) includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. Of the funds appropriated in Schedule (1), up to \$7,624,000 is allocated for the support of the Heavy Duty Vehicle Inspection Management (HDIM) project and is authorized for expenditure upon the Department of Technology's project approval."



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Addition of Budget Bill Item 3930-490, Support, Department of Pesticide Regulation

Technical Adjustment: Reappropriation of Transition to Safer, Sustainable Pest Management Funds—It is requested that Item 3930-490 be added to reappropriate the unencumbered balances of Items 3930-001-0001 and 3930-101-0001, Budget Act of 2021 for the purposes specified, with funding available for encumbrance or expenditure until June 30, 2023 (see Attachment 1). This funding supports various activities to facilitate California’s transition to safer, sustainable pest management, including expansion of the Department of Pesticide Regulation’s integrated pest management program and enhanced community engagement.

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 Christian Beltran, Principal Program Budget Analyst, at (916) 324-0043.

KEELY MARTIN BOSLER
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Chief Deputy Director

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Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Jared Blumenfeld, Secretary, California Environmental Protections Agency
Eric Jarvis, Assistant Secretary, Fiscal and Administrative Programs, California Environmental
Protection Agency
Julie Henderson, Director, Department of Pesticide Regulation
Christina Bugai, 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

3930-490—Reappropriation, Department of Pesticide Regulation. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in the appropriations and shall be available for encumbrance or expenditure until June 30, 2023:

0001—General Fund

- (1) Item 3930-001-0001, Budget Act of 2021
- (2) Item 3930-101-0001, Budget Act of 2021



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Attention: Joe Stephenshaw, Staff Director

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

Implementation of the Sustainable Groundwater Management Act (SGMA)—It is requested that Item 3940-001-0001 be increased by \$1,657,000 and 7 positions ongoing to support implementation of SGMA. Per statute, the Board is required to act as a backstop when groundwater extractors fail to sustainably manage groundwater in their basins. As part of this responsibility, the Board must place basins with deficiencies in their groundwater sustainability plans into probation, work with the basins to identify and correct deficiencies, and assess progress toward achieving a sustainably managed groundwater plan, among other requirements.

It is also requested that statutory changes be added to exempt the Board from the California Environmental Quality Act when preparing and adopting a temporary interim plan, except as specified (see Attachment 1).

Drought Planning for Nontransient Noncommunity Water Systems (SB 552)—It is requested that Item 3940-001-0306 be increased by \$675,000 and 3 positions ongoing to support implementation of Chapter 245, Statutes of 2021 (SB 552). SB 552 requires the Board to develop templates for submission of Water Shortage Contingency Plans, develop and maintain a platform for electronic annual reporting of water supply conditions, and coordinate with counties, groundwater sustainability agencies, and other stakeholders on drought planning for domestic wells and state small water systems.

Technical Adjustments—It is requested that Item 3940-001-0890 be increased by \$28,580,000 and Item 3940-001-6083 be decreased by \$580,000 ongoing to facilitate the receipt and disbursement of federal grants for the Overflow and Stormwater Grant program. It is also requested that Item 3940-491 be added to extend the liquidation

period of specified provisions within Item 3940-101-0001, Budget Act of 2018 until June 30, 2026 (see Attachment 2).

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

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

KEELY MARTIN BOSLER

Director

By:

ERIKA LI

Chief Deputy Director

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Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Jared Blumenfeld, Secretary, California Environmental Protection Agency
Eric Jarvis, Assistant Secretary, California Environmental Protection Agency
Eileen Sobek, Executive Director, State Water Resources Control Board
Ryan Wilson, Budget Officer, State Water Resources Control Board

Section 10736.2 of the Water Code is amended to read:

10736.2. (a) Except as provided in subdivision (b), Division 13 (commencing with Section 21000) of the Public Resources Code does not apply to any action or failure to act by the board under this ~~chapter~~ chapter, ~~other than the adoption or amendment of an interim plan pursuant to Section 10735.8.~~

(b) Subdivision (a) does not apply to the approval of a physical solution as part of an interim plan pursuant to Section 10735.8 to the extent the physical solution involves construction that may have a significant effect on the environment.

3940-491—Reappropriation, State Water Resources Control Board. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended to June 30, 2026.

0001—General Fund

(1) Provisions 4 and 5 of Item 3940-101-0001, Budget Act of 2018



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

Santa Susana Field Lab Cleanup Team—It is requested that Item 3960-001-0014 be increased by \$2,071,000 ongoing, Item 3960-001-0890 be increased by \$1,020,000 ongoing, and 14 positions be added to establish and support the Santa Susana Field Laboratory Cleanup Implementation Team. The additional resources will allow the Department to address a substantial increase in workload associated with cleanup design, planning, and implementation activities that are required as a result of the certification of the Program Environmental Impact Report for the Santa Susana Field Lab Cleanup project.

Biomonitoring Program Reimbursement—It is requested that Item 3960-001-0557 be increased by \$425,000 one time, which will be offset by a reimbursement authority. This is a technical adjustment that is needed as a result of a new two-year interagency agreement that will require the Department to provide analytical and consulting support to the California Department of Public Health consistent with the mission of the Department's existing Biomonitoring California program.

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 Christian Beltran, Principal Program Budget Analyst, at (916) 324-0043.

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Katja Townsend, Capitol 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
Brian Brown, Chief Financial Officer, Department of Toxic Substances Control



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Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Item 3970-101-0133, Local Assistance, Department of Resources Recycling and Recovery

Beverage Container Recycling: Strengthening the Circular Economy with Consumer Recycling Credits and Market Incentives—It is requested that Item 3970-101-0133 be added in the amount of \$330 million one-time to maximize climate, environmental, and consumer benefits, and enhance the circular economy of the Beverage Container Recycling Program. The investments will target returns of beverage containers by consumers, provide market incentives for clean collection to support achieving minimum content goals and encourage remanufacturing, allow for innovative recycling mechanisms to increase redemption opportunities, and provide a targeted mobile program to serve rural areas and provide green jobs (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 Christian Beltran, Principal Program Budget Analyst, at (916) 324-0043.

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Serena McIlwain, Undersecretary, California Environmental Protection Agency
Eric Jarvis, Assistant Secretary, California Environmental Protection Agency
Rachel Wagoner, Director, Department of Resources Recycling and Recovery
Mindy McIntyre, Chief Deputy Director, Department of Resources Recycling and Recovery
Brandy Hunt, Deputy Director of Administration, Department of Resources Recycling and Recovery

3970-101-0133—For local assistance, Department of Resources Recycling and Recovery,
payable from the California Beverage Container Recycling
Fund.....330,000,000

Schedule:

(1) 3715-Beverage Container Recycling and Litter Reduction.....330,000,000

Provisions:

1. The Funds appropriated in this item shall be available for programs and activities to increase returns of beverage containers by consumers, provide market incentives for clean collection to support achieving minimum content goals and encourage remanufacturing, allow for innovative recycling mechanisms to increase redemption opportunities, and provide a targeted mobile program to serve rural areas.
2. Notwithstanding any other provision of law, the Department of Resources Recycling and Recovery shall use the funds appropriated in this item and is authorized to provide a Consumer Recycling Credit, establish mobile recycling programs, enter into contracts with providers of mobile recycling programs, increase redemption opportunities including but not limited to the use of automated recycling machines, award grants for the use of increasing redemption opportunities including but not limited to the use of automated recycling machines, provide loans, provide quality incentive payments, and contract with local workforce development groups to support redemption activities.
3. Notwithstanding any other provision of law, the Department of Resources Recycling and Recovery may adopt emergency regulations specifically for implementing proposals to support programs and activities identified in this item. These emergency regulations shall not be repealed by the Office of Administrative Law and shall remain in effect until revised by the department.
4. Grants and contracts pursuant to this item are exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code, and the department may award those contracts on a noncompetitive bid basis as necessary to implement the purposes of this item. The Department may adopt guidelines to implement this item. Those guidelines are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
5. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2025, for support and local assistance. Not more than five percent of the amount appropriated in this item may be used for administrative costs.