



May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items, and Addition of Items 3900-001-3359 and 3900-002-3228, Support and Local Assistance, California Air Resources Board

Wildfire and Forest Resilience Action Plan Implementation—It is requested that Item 3900-101-0001 be increased by 6 permanent positions in 2022-23 and ongoing for prescribed fire permitting activities proposed in the Governor's Budget, as part of the Wildfire and Forest Resilience budget proposal. These positions will assist with the coordination with local air districts to facilitate the permitting of prescribed fire activities to treat more acres statewide. These operations include monitoring of prescribed fires and providing training on the use of monitors and the Prescribed Fire Reporting System so that the Board can track permitted prescribed fire activity throughout the state.

Implementation and Enforcement of the Amended Commercial Harbor Craft Regulation—It is requested that Item 3900-001-3359 be added in the amount of \$2,767,000 and 12.7 permanent positions in 2022-23, and \$2,757,000 ongoing to implement and enforce the Amended Commercial Harbor Craft Regulation (see Attachment 1).

It is further requested that Item 3900-001-0115 be decreased by \$589,000 and 2.7 permanent positions commencing in 2022-23 and ongoing to account for the shift of these positions being funded by the Certification and Compliance Fund, including ongoing contract work and travel expenditures needed to implement the requirements set forth in the Amended Commercial Harbor Craft Regulation.

2022 Cap and Trade Expenditure Plan: Methane Monitoring and Accountability Project—It is requested that Item 3900-002-3228 be added in the amount of \$100 million one-time in 2022-23 and 7 permanent positions ongoing for aerial methane surveillance.

These resources are necessary to expand the area that can be monitored for methane emissions in California using aerial observation technology, to increase the frequency of observations of a specific location, and to enforce and further inform the state's methane regulations. The requested positions will allow the Board to develop, manage, and analyze the new data, and oversee some operational aspects of the new technology (see Attachment 2).

2022 Cap and Trade Expenditure Plan: Community Air Protection Program—It is requested that Provision 1 (a) of Item 3900-102-3228 be increased in the amount of \$20,000,000 in 2022-23 to implement the requirements of Chapter 136, Statutes of 2017 (AB 617). These resources are necessary to continue meeting the requirements of AB 617 to reduce criteria pollutants and toxic air contaminant emissions in communities with the highest cumulative air pollution burden. This proposal will also help incentivize actions to reduce both stationary and mobile source emissions in these communities (see Attachment 3).

Relief Package: Acceleration of Zero-Emission Vehicle Projects—It is requested that statutory changes be added to increase Item 3900-101-0001 by \$1,139,000,000 in 2021-22, with associated amounts of \$575 million in 2022-23, \$305 million in 2023-24, \$169 million in 2024-25, and \$90 million in 2025-26, to accelerate various Zero-Emission Vehicle projects that were funded in the 2021 Budget Act and were proposed in the Governor's Budget. Accelerated projects include investments to purchase more electric passenger vehicles, build more charging stations, expand community based mobility options, and continue to support medium and heavy duty vehicles and infrastructure. This acceleration provides tangible relief to Californian's facing record-high gas prices and moves California toward clean transportation options that reduce the state's overall dependence on gas and fossil fuels (see Attachments 4 and 5).

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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Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
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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, 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..... 2,767,000

Schedule:

(1) 3500-Mobile Source..... 2,767,000

3900-002-3228—For support of State Air Resources Board, payable
from the Greenhouse Gas Reduction Fund 100,000,000

Schedule:

(1) 3510-Climate Change 100,000,000

Provisions:

1. Not more than 5 percent of the amounts appropriated in this item may be used for administrative costs.

2. The funds in this item shall be available for encumbrance or expenditure until June 30, 2025 and shall be available for liquidation until June 30, 2027.

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

"3900-102-3228—For local assistance, State Air Resources Board,
payable from the Greenhouse Gas Reduction Fund ~~240,000,000~~260,000,000

Schedule:

(1) 3530-Community Air Protection . ~~240,000,000~~260,000,000

Provisions:

1. The funds appropriated in this item shall be used as follows:
 - (a) ~~\$180,000,000~~200,000,000 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.
2. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2025, and shall be available for liquidation until June 30, 2027. Not more than 5 percent of the funds allocated in this item shall be used for administrative costs.
3. The funds appropriated in this item shall be subject to the provisions of Section 15.14."

Statutory changes to Item 3900-101-0001 of Section 2.00 of the Budget Act of 2021:

"3900-101-0001—For support of State Air Resources Board
..... 1,065,000,000~~2,204,000,000~~

Schedule:

(1)	3505-Stationary Source	180,000,000
(2)	3510-Climate Change	885,000,000 <u>2,024,000,000</u>

Provisions:

1. The funds appropriated in Schedule (1) shall be granted to the San Joaquin Valley Air Pollution Control District to support incentives for alternatives to agricultural burning in the San Joaquin Valley required pursuant to the regulation to phase out burning adopted by the State Air Resources Board on February 25, 2021. Funds may be expended only for noncombustion incentives including, but not limited to, chipping, mulching, soil reincorporation, and composting, unless the board makes a finding in a public hearing, based on clear and convincing evidence, that such noncombustion alternatives are not available. No funding pursuant to this item may be provided to stationary sources, other than a stationary source that consists of a facility that composts organic solid waste.
2. The funds appropriated in schedule (2) shall be used as follows:
 - (a) \$98,000,000 for clean trucks, buses, and off-road freight equipment including the Hybrid and Zero Emission Truck and Bus Voucher Incentive Project, advanced technology freight demonstration and pilot commercial deployment projects. Any funds available for projects for ships at berth shall not be allocated for the purchase of fully automated cargo handling equipment. For the purposes of this provision, "fully automated" means equipment that is remotely operated or remotely monitored with or without the exercise of human intervention or control. This provision does not prohibit the use of the funds for a project that includes the purchase of human-operated zero emission equipment, human-operated near zero emission equipment, and infrastructure

supporting that human-operated equipment. Furthermore, this provision does not prohibit the purchase of devices that support human-operated equipment, including equipment to evaluate the utilization and environmental benefits of that human-operated equipment.

- (b) ~~\$75,000,000~~ ~~\$150,000,000~~ 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 State Air Resources Board-State Energy Resources Conservation and Development Commission Zero Emission Drayage Truck and Infrastructure Pilot Project solicitation held between November 2020 and February 2021.
- (d) ~~\$70,000,000~~ ~~\$140,000,000~~ for zero emission transit buses to be administered through the Hybrid and Zero Emission Truck and Bus Voucher Incentive Project.
- (e) ~~\$130,000,000~~ ~~\$265,000,000~~ for zero emission school buses to be administered through the Hybrid and Zero Emission Truck and Voucher Incentive Project.
- (f) \$425,000,000 for the Clean Vehicle Rebate Project, as follows:
 - (1) Rebate programs funded through this subprovision shall not be limited solely to customers whose incomes are at or below 400 percent of the federal poverty level.
 - (2) These funds shall be prioritized for customers on the waitlist as of July 1, 2021.
 - (3) By January 1, 2022, the State Air Resources Board shall develop individual rebate levels that can phase down in increments based on cumulative sales levels, consistent with action 44258.4 of the Health and Safety Code. The rebate levels shall encourage the earliest adoption of zero emission vehicles, encourage a sustainable market, and seek to reach the state's goal of 5 million zero emission vehicles by 2030. The

rebate schedule shall not affect the low- and moderate-income rebate bonus.

- (4) Of the funds described in this subprovision, \$10,000,000 is available to establish the Electric Bicycle Incentives Project, no later than July 1, 2022, to provide financial incentives for purchasing electric bicycles. Up to 10 percent of the total funding for this purpose is available to support related programs such as safety education programs. Electric bicycles eligible for the incentives include, but are not limited to, those designed for people with disabilities; utility bicycles for carrying equipment or passengers, including children; and folding bicycles.
 - (5) As part of the budget for the 2023–24 fiscal year, the board shall report to the Legislature on the progress and outcomes of this program, including: (A) the number of rebates awarded, (B) the location of sales for which rebates were awarded, and (C) the estimated climate impact of the program, including estimated greenhouse gases abated.
- (g) \$45,000,000 for local air districts in severe or extreme nonattainment through the Carl Moyer Air Quality Standards Attainment Program (Chapter 9 (commencing with Section 44275) of Part 5 of Division 26 of the Health and Safety Code) for the purchase of nondiesel medium- and heavy-duty vehicles emitting no more than 0.02g/bhp-hr NO_x or lower, as certified by the State Air Resources Board, that replace diesel vehicles. Projects must make use of existing refueling infrastructure and self-certify that no new infrastructure will be needed to support their use. Projects must be completed by the end of the 2022–23 fiscal year, after which remaining monies may be used for the purchase of zero emission medium- and heavy-duty vehicles that replace diesel vehicles.
- (h) \$430,000,000 shall be used for a suite of equity transportation programs established under the Charge Ahead California Initiative, including but not limited to the Clean Cars 4 All Program. A minimum of \$250,000,000 shall be used to establish the Clean Cars 4 All Program statewide.

In addition, a minimum of \$50,000,000 will be equally appropriated between the following air districts who are currently operating their own Clean Cars 4 All programs: South Coast Air Quality Management District, San Joaquin Air Pollution Control District, Bay Area Air Quality Management District, Sacramento Metropolitan Air Quality Management District and San Diego Air Pollution Control District. A minimum of \$100,000,000 shall be used for statewide financing assistance for lower-income consumers. A minimum of \$15,000,000 shall be used for the Electric Bike Incentives Project.

- (i) \$419,000,000 shall be used for sustainable community-based transportation equity projects established under the Charge Ahead California Initiative, which increase access to zero-emission mobility in low-income communities, reducing vehicle miles traveled and air pollution. A minimum of \$110,000,000 shall be used for the Clean Mobility Options Project. A minimum of \$122,000,000 shall be used for the Clean Mobility in Schools Pilot Project.

- (1) The funds in Provisions 2 (i) shall be available for encumbrance or expenditure until June 30, 2025 and shall be available for liquidation until June 30, 2027.

- (j) \$2,000,000 for enhanced permitting of prescribed burns.

- (k) \$10,000,000 shall be used to support Emerging Opportunities within zero emission vehicles, zero emission vehicle components, and zero emission vehicle charging or refueling equipment, established under Health and Safety Code 39719.2.

- (1) The funds in Provisions 2 (k) shall be available for encumbrance or expenditure until June 30, 2025 and shall be available for liquidation until June 30, 2027.

- 3. Not more than 5 percent of the amounts appropriated in this item may be used for administrative costs. The funds in this item shall be available for encumbrance or expenditure until June 30, 2024."

"3900-101-0001—For support of State Air Resources Board
.....

~~762,000,000~~187,000,000

Schedule:

(1)	3500-Mobile Source	150,000,000
(2)	3510-Climate Change	612,000,000 <u>37,000,000</u>

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. Funding for agricultural diesel replacement and upgrades shall be based on criteria that include the following: (i) the diesel particulate matter emissions and exposures in an air district, and (ii) 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) ~~\$75,000,000 for zero emission drayage trucks to be administered through the Hybrid and Zero Emission Truck and Bus Voucher Incentive Project.~~
 - (b) ~~\$70,000,000 for zero emission transit buses to be administered through the Hybrid and Zero Emission Truck and Bus Voucher Incentive Project.~~
 - (c) ~~\$135,000,000 for zero emission school buses to be administered through the Hybrid and Zero Emission Truck and Voucher Incentive Project.~~
 - (d) ~~\$220,000,000 shall be used for a suite of equity transportation programs established under the Charge Ahead California Initiative, including but not~~

~~limited to the Clean Cars 4 All Program. A minimum of \$125,000,000 shall be used to establish the Clean Cars 4 All Program statewide.~~

~~(e) \$65,000,000 shall be used for sustainable community-based transportation equity projects established under the Charge Ahead California Initiative, which increase access to zero-emission mobility in low-income communities, reducing vehicle miles traveled and air pollution.~~

~~(f) \$10,000,000 shall be used to support Emerging Opportunities within zero-emission vehicles, zero-emission vehicle components, and zero-emission vehicle charging or refueling equipment, established under Health and Safety Code 39719.2.~~

~~(g)(a) \$20,000,000 shall be used for accelerating the adoption of ultra-low-global-warming-potential refrigerants through the Equitable Building Decarbonization Program.~~

~~(h)(b) \$15,000,000 shall be used for the Fluorinated Gases Emission Reduction Incentive Program, established by Chapter 75, Statutes of 2018 (SB 1013).~~

~~(i)(c) \$2,000,000 shall be used for enhanced permitting of prescribed fire burns.~~

3. Not more than 5 percent of the amounts appropriated in this item may be used for administrative costs. The funds in this item shall be available for encumbrance or expenditure until June 30, 2025 and shall be available for liquidation until June 30, 2027."



May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 3930-001-0001 and Addition of Budget Bill Item 3930-491, Support, Department of Pesticide Regulation

Extreme Heat: Integrated Pest Management Technical Assistance—It is requested that Item 3930-001-0001 be increased by \$1,075,000 in 2022-23 and by \$1,575,000 in 2023-24 to support disadvantaged urban centers in implementing integrated pest management strategies in response to extreme heat events (see Attachment 1). This request includes provisional language to allow for encumbrance or expenditure of funds until June 30, 2026.

Technical Adjustment: Pesticide Notification Network—It is requested that Item 3930-491 be added to reappropriate the balance of funds from Item 3930-002-0001, Budget Act of 2021 with funding available for support or local assistance and for encumbrance or expenditure until June 30, 2026 (see Attachment 2). This funding supports the development of a statewide Pesticide Notification Network that will enhance public transparency of and provide consistent and equitable access to information regarding local restricted material pesticide application.

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

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, Fiscal Director
Honorable Chris R. Holden, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
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Jason Sisney, Assembly Speaker's Office
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

Addition of Provision 6 to Item 3930-001-0001 as follows:

6. Of the funds appropriated in this item, \$1,075,000 is available for integrated pest management technical assistance and shall be available for encumbrance or expenditure until June 30, 2026.

3930-491—Reappropriation, Department of Pesticide Regulation. The funding appropriated by Item 3930-002-0001 in Budget of 2021 as amended by Chapter 69, Statutes of 2021 for the Pesticide Notification Network may be used for support or local assistance and shall be available for encumbrance or expenditure until June 30, 2026.



May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

Drought Resilience and Response Package: Various Investments—It is requested that the following Items be amended and added as follows:

Expediting Large Scale Habitat Restoration—It is requested that Item 3940-001-0001 be increased by \$2,036,000 and 8 positions ongoing to expedite planning, permitting, and implementation of large scale habitat restoration.

Curtailments and Water Rights Enforcement—It is requested that Item 3940-005-0001 be increased by 17 positions ongoing beginning in fiscal year 2022-23 and \$6,917,000 ongoing beginning in 2023-24, and statutory changes be made to add Item 3940-001-3398 in the amount of \$8 million in 2021-22, to support curtailments and water rights enforcement. This proposal accelerates funding to address immediate needs of the state and aligns appropriations to the fiscal year in which the resources are available. These activities are especially critical during periods of drought when water supply and environmental flows are below average. It is also requested that provisional language be added to Item 3940-001-3398 in 2021-22, to allow funds to be available for encumbrance or expenditure until June 30, 2024 (see Attachment 1).

Water Rights Modernization and Drought Resilience—It is requested that Item 3940-005-0001 be increased by 26 positions ongoing beginning in 2022-23 and \$5,747,000 beginning in 2023-24, and statutory changes be made to add Item 3940-001-3398 in the amount of \$43,747,000 in 2021-22, to support modernization of water rights policies and regulations. This proposal accelerates funding to address immediate needs of the state and aligns appropriations to the fiscal year in which the resources are available. It is also requested that provisional

language be added to Item 3940-001-3398 in 2021-22, to allow funds to be available for encumbrance or expenditure until June 30, 2024 (see Attachment 1).

Drinking Water Emergencies—It is requested that Item 3940-106-0001 be decreased by \$25 million in 2022-23, and statutory changes be made to add Item 3940-101-3398 in the amount of \$50 million in 2021-22, to support drinking water emergency purchases and activities. This proposal accelerates funding to address immediate needs of the state and aligns appropriations to the fiscal year in which the resources are available. Further, it is requested that Provision 3 be removed from Item 3940-106-0001 in 2022-23, and provisional language be added to Item 3940-101-3398 in 2021-22, to allow funds to be available for encumbrance or expenditure until June 30, 2024, and to provide a five percent administrative cap (see Attachments 2).

Water Recycling and Groundwater Cleanup—It is requested that Item 3940-106-0001 be decreased by \$100 million in 2022-23, and statutory changes be made to increase Item 3940-106-0001 in the amount of \$200 million in 2021-22, for water recycling projects. This proposal accelerates funding which enables the state to prioritize these projects moving forward at a point when the state has available resources and aligns appropriations to the fiscal year in which the resources are available. Further, it is requested that Provision 1 be removed from Item 3940-106-0001 in 2022-23, and provisional language be amended in Item 3940-106-0001 in 2021-22, to specify use of funds for water recycling projects (see Attachments 3).

State Revolving Funds—It is requested that 9 positions be added associated with Water Code sections 13477 and 13478, and 20 positions be added associated with Health and Safety Code section 116760.40(a)(12), to provide financial assistance to a wide variety of local water and wastewater infrastructure projects. It is also requested that statutory changes be made to increase Item 3940-106-0001 by \$400 million one-time in 2021-22, to support these revolving funds and leverage significant federal investments, and add provisional language to allow funds to be available for encumbrance or expenditure until June 30, 2027 (see Attachment 3). It is further requested that statutory changes be added to remove the restriction on use of state funds in the State Water Pollution Control Revolving Fund to provide greater flexibility to use those funds for principal forgiveness. This proposal accelerates funding which enables the state to prioritize these projects moving forward at a point when the state has available resources and aligns appropriations to the fiscal year in which the resources are available.

Augmentation to Underground Storage Tank Cleanup Fund—It is requested that Item 3940-001-0439 be decreased by \$80,899,000 ongoing and Item 3940-101-0439 be added in the amount of \$280,899,000 in 2022-23 and \$80,899,000 ongoing, to support cleanup of leaking underground storage tanks. It is also requested that provisional language be added to allow funds to be available for encumbrance or expenditure until June 30, 2025, and liquidation until June 30, 2028 (see Attachment 4).

Wildfire and Forest Resilience Package: California Vegetation Treatment Program—It is requested that Item 3940-002-0001 be increased by 6 positions ongoing to support permitting workload associated with the California Vegetation Treatment Program. These positions will be supported by funding included in the Wildfire and Forest Resilience Package and will help expedite critical workload necessary for wildfire-related projects and activities.

Reversion of American Rescue Plan Act (ARPA) Water Arrearages—It is requested that Item 3940-495 be amended to revert \$200 million in unspent ARPA water arrearages funding (see Attachment 5). The application period for the water arrearages program at the Board has expired and these funds will be shifted to other water utility arrearages.

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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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

Statutory Changes to Add Item 3940-001-3398 to the Budget Act of 2021:

3940-001-3398—For support of State Water Resources Control Board.....51,747,000

Schedule:

(1) 3570-Water Rights.....51,747,000

Provisions:

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

Statutory Changes to Add Item 3940-101-3398 to the Budget Act of 2021:

3940-101-3398—For local assistance, State Water Resources Control Board, payable from California Emergency Relief Fund....50,000,000

Schedule:

(1) 3570-Water Rights.....50,000,000

Provisions:

1. Of the amount appropriated in this item, \$50,000,000 shall be used for emergency interim or permanent solutions to drinking water drought emergencies.

(a) All actions to implement this funding in Provision 3, including the adoption or development of any plan, handbook, or map, shall not be subject to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(b) Notwithstanding any other law, the State Water Resources Control Board may provide advance payment of up to 25 percent of grant funds awarded to public agencies, nonprofit organizations, public utilities, mutual water companies, federally recognized California Native American tribes, non-federally recognized Native American tribes on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004, administrators, and groundwater sustainability agencies that have demonstrated cashflow problems according to the criteria set forth by the board.

(c) If the State Water Resources Control Board approves a request for emergency funding, it may provide the funding as a grant to the public water system, or the board may expend emergency funding on behalf of the public water system, or some combination thereof. A direct expenditure may be via a written or oral contract. An oral contract is limited to expenditure of a maximum of \$10,000.

2. Up to 5 percent of the amount appropriated in this item may be used for administrative costs.

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

Statutory Changes to Amend Item 3940-106-0001 in the Budget Act of 2021:

“3940-106-0001—For local assistance, State Water Resources Control Board.....~~1,550,000,000~~ 2,150,000,000

Schedule:

(1) 3560-Water Quality.....~~1,550,000,000~~ 2,150,000,000

Provisions:

1. Of the amount appropriated in this item, \$650,000,000 shall be available for drinking water projects and \$650,000,000 shall be available for wastewater projects.
 - (a) The State Water Resources Control Board shall prioritize disadvantaged communities for drinking water projects.
 - (b) The board shall prioritize septic-to-sewer conversions with local investment for wastewater projects.
 - (c) Funding may be utilized by the board as a state share of the clean water and drinking water state revolving funds.
 - (d) Up to 10 percent of funds may be utilized for technical assistance and capacity building in disadvantaged communities.
2. Of the amount appropriated in this item, ~~\$400,000,000~~\$200,000,000 shall be utilized for groundwater cleanup and water recycling projects. At least \$100,000,000 shall be used specifically for water recycling projects.
 - (a) Not less than \$50,000,000 shall be allocated for the project that is referenced in Section 10609.21 of the Water Code, and shall be allocated directly to the local agency constructing the project in the form of a lump sum payment no later than February 1, 2022.
3. Except as provided in Provision 7, the ~~The~~ amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024.
4. Up to 5 percent of the amount appropriated in this item may be used for administrative costs.
5. Of the amount appropriated in this item, \$30,000,000 shall be available for technical and financial assistance to drinking water systems to address Per-and Polyfluoroalkyl Substances (PFAS).
6. Of the amount appropriated in this item, \$20,000,000 shall be available to address water quality problems arising in the rivers that come across the border from Mexico.
 - (a) Expenditures shall be consistent with the work of the California Environmental Protection Agency Border Affairs Program to build collaboration with the United States Government and the governments of Mexico, Baja California Norte, and the cities of Tijuana and Mexicali. This funding shall have priority for projects that have funding committed by one of the other governments.
 - (b) The State Water Resources Control Board and the California Environmental Protection Agency shall consult and collaborate with the Legislature, including the protocol office of each house’s leadership office, on cross-border collaboration and the expenditure of this funding.
 - (c) This funding may be expended for actions in Baja California Norte, provided the actions provide water quality benefits to the portions of the rivers in California.

7. Of the amount appropriated in this item, \$400,000,000 shall be utilized by the board as a state share of the clean water and drinking water state revolving funds, consistent with existing law. These funds may be expended for project costs incurred by funding recipients in fiscal years prior to enactment of this Budget Act. The funding provided in this Provision shall be available for encumbrance or expenditure until June 30, 2027."

3940-101-0439—For local assistance, State Water Resources Control Board, payable from the Underground Storage Tank Cleanup Fund.....280,899,000

Schedule:

(1) 3560-Water Quality.....280,899,000

Provisions:

1. The amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2025, and liquidation through June 30, 2028.

“3940-495—Reversion, State Water Resources Control Board. As of June 30, 2022, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

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

(1) Item 4265-111-6031, Budget Act of 2013, as amended by Item 3940-401, Budget Act of 2014, as reverted by Item 3940-495, Budget Act of 2016, as reverted by Item 3940-495, Budget Act of 2017 and Budget Act of 2018, and as reappropriated by Item 3940-492, Budget Act of 2018. \$4,000.

8506—Coronavirus Fiscal Recovery Fund of 2021

(1) Item 3940-162-8506, Budget Act of 2021. \$200,000,000.”



May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 3960-001-0001, Support, Department of Toxic Substances Control

Metal Shredders Initiative—It is requested that Item 3960-001-0001 be increased by \$5,459,000 in 2022-23 and \$5,852,000 and 19 positions ongoing to address the increased workload related to the environmental violations caused by the operations of metal shredder facilities. The ongoing costs will be funded from the Hazardous Waste Facility Account beginning in Fiscal Year 2023-24. These resources will be used to enhance enforcement of hazardous waste regulations for metal shredder facility operations, support the processing of applications for authorization from the Department, and facilitate communications and transparency of the Department's actions regarding the metal shredder industry in vulnerable communities.

Greenville Lead Cleanup Project—It is requested that Item 3960-001-0001 be increased by \$47 million one-time to remove soil with elevated lead concentrations in Greenville, which were discovered during debris cleanup following the Dixie Fire of 2021. The resources will be used for contracting the services needed to remove contaminated soil, which will allow property owners to rebuild and residents to return with significantly reduced risk of exposure to contamination.

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) 445-9694.

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
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
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
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



May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items and Addition of Budget Bill Item 3970-401, Support, Department of Resources Recycling and Recovery

Disaster Debris Removal Support Staffing—It is requested that Item 3970-001-0001 be increased by \$1,954,000 in 2022-23 and \$1,927,000 and 14 positions ongoing to provide operational support when conducting debris removal as a result of disasters. These resources will provide the necessary level of staffing to support multiple operational incident management teams when mission tasked by the Governor's Office of Emergency Services for the implementation of the state's consolidated debris removal program.

Nature-Based Solutions: Compost Permitting Pilot Program—It is requested that Item 3970-001-0001 be increased by \$500,000 one-time in 2022-23 and \$7 million one-time in 2023-24 to fund a new composting permitting pilot program. This new pilot program will result in tools and resources that will help local government entities and facility proponents to identify appropriate locations for small- to medium-sized compost facilities and outline potential pathways to support the permitting and development of these facilities. This includes provisional language that provides extended encumbrance through June 30, 2024 (see Attachment 1).

DayCent Model—It is requested that Item 3970-001-3228 be increased by \$270,000 one-time to fund efforts to update compost amendment impacts in DayCent for Greenhouse Gas modeling. DayCent is a daily time series biogeochemical model that simulates fluxes of carbon and nitrogen among the atmosphere, vegetation, and soil. The DayCent model is used to inform the COMET-Planner, an evaluation tool designed to provide generalized estimates of the greenhouse gas impacts of conservation practices and is intended for initial planning purposes. These updates will include additions and adjustments to the model components, enabling the model to better represent the diversity of compost types as well as nitrogen immobilization and mineralization rates and nitrous oxide emissions from soils that have received compost.

Used Mattress Recycling Fund Loan Repayment to Integrated Waste Management

Account—It is requested that Item 3970-401 be added to extend the repayment period of an outstanding Integrated Waste Management Account loan that was made to the Used Mattress Recycling Fund (Mattress Fund). The Mattress Fund will phase in repayment by transferring \$200,000 in fiscal year 2022-23, followed by an increase in the repayment amount to \$400,000 for fiscal years 2023-24 through 2025-26, and complete the final payment of \$200,000 in 2026-27. The repayment plan will ensure that the Department can continue to carry out its statutory obligations (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 Christian Beltran, Principal Program Budget Analyst, at (916) 445-9694.

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
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
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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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
Rachel Wagoner, Director, Department of Resources Recycling and Recovery
Mindy McIntyre, Chief Deputy Director, Department of Resources Recycling and Recovery
Brandy Hunt, Deputy Director, Department of Resources Recycling and Recovery

Item 3970-001-0001 is amended to read:

“3970-001-0001—For support of Department of
Resources Recycling and Recovery 4,267,0006,721,000

Schedule:

(1) 3700-Waste Reduction and
Management 4,267,0006,721,000

Provisions

1. Of the amount appropriated in this item, \$500,000 shall be for the purposes of establishing a new composting permitting pilot program consistent with Chapter 258, Statutes of 2021.
2. The amount appropriated in Provision 1 shall be available for encumbrance or expenditure until June 30, 2024.”

3970-401—Notwithstanding Item 3970-401, Budget Act of 2016, the \$1,600,000 loan authorized by Item 3970-012-0387, Budget Act of 2014 shall be fully repaid to the Integrated Waste Management Account, Integrated Waste Management Fund, no later than June 30, 2027, upon order of the Director of Finance. This loan may be repaid in annual installments to address cash needs. Notwithstanding any other law, the Director of Finance is authorized to waive interest charges on this loan. The director shall order the repayment of all or a portion of this loan if the director 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.