



**Cap-and-Trade,
Resources,
and
Transportation**

**2014-15
Budget Conference Committee
on SB 852**

**Assembly Member Nancy Skinner, Chair
Senator Mark Leno, Vice Chair**

**Members: Assembly Member Richard Bloom, Assembly Member Jeff Gorell, and Assembly Member Shirley Weber
Senator Loni Hancock, Senator Ricardo Lara, and Senator Jim Nielsen**

Table of Contents

<u>Item #</u>	<u>Title</u>	<u>Page</u>
<u>Cap-and-Trade</u>		
3900	California Air Resources Board Cap-and-Trade Expenditure Plan.....	1
<u>Resources, Environmental Protection & Energy</u>		
0540	Secretary for Natural Resources Agency Fourth Climate Change Assessment	2
	AB 32 Scoping Plan Update	3
0555	Secretary for Environment Protection (Cal-EPA) TBL for Environmental Justice Grants.....	4
3360	Energy Resources Development Commission (California Energy Commission) Electric Program Investment Charge (EPIC).....	5
	Petroleum Fuel Price Vulnerability Analysis	6
	Transportation Energy Supply Forecast Analysis	7
	Fueling Infrastructure: Climate Change Transportation Sector Vulnerability	8

Table of Contents

<u>Item #</u>	<u>Title</u>	<u>Page</u>
<u>Resources, Environmental Protection & Energy</u> – (continued)		
3540	Department of Forestry and Fire Protection (CalFIRE)	
	Fire Protection Pilot Project.....	9
	BBL for Vegetation Treatment Program (VTP).....	10
	City of Buena Park Reappropriation.....	11
	Lumber Product Assessment Retailer Reimbursement	12
3600	Department of Fish and Wildlife	
	Augmentation for Drought Activities	13
	Support for the Wildlife Resource Committee	14
	TBL Timber Regulation and Forest Restoration Fund (Marijuana Enforcement).....	15
3720	California Coastal Commission	
	TBL for Administrative Penalties.....	16
3760	State Coastal Conservancy	
	Climate Ready Grant Program and Climate Resilience Account.....	17
3790	Department of Parks and Recreation	
	TBL to Adjust Tax Allocations for Off-Highway Vehicle Fund	18
	TBL for Parks Project Revolving Fund	19

Table of Contents

<u>Item #</u>	<u>Title</u>	<u>Page</u>
<u>Resources, Environmental Protection & Energy</u> – (continued)		
3820	Bay Conservation Development Commission Baseline Adjustment for Lease Increase.....	20
3860	Department of Water Resources Emergency Response Program	21
	Sustainable Groundwater Management Program	22
	Delta Water Quality Projects	23
	System Reoperation and Surface Storage Program.....	24
	Proposition 13 Agricultural Water Conservation Local Assistance & Drought Mitigation	25
3900	California Air Resources Board Engagement with Other Jurisdictions on Climate Activities.....	26
3930	Department of Pesticide Regulation Research Grants for Fumigant Alternatives.....	27
3940	State Water Resources Control Board Implementation of SB 4, Regulation of Hydraulic Fracturing and Well Stimulation.....	28
	Drinking Water Program Reorganization	29

Table of Contents

<u>Item #</u>	<u>Title</u>	<u>Page</u>
<u>Resources, Environmental Protection & Energy</u> – (continued)		
3970	Department of Resources Recycling and Recovery Education and the Environment Initiative	30
3980	Office of Environmental Health Hazard Assessment Proposition 65 Website	31
8570	California Department of Food and Agriculture AB 32 Scoping Plan Update	32
	California Animal Health and Food Safety Laboratory System One-Time Adjustment	33
8660	California Public Utilities Commission Railroad Safety – Oil Transportation.....	34
	TBL for California Energy Systems for the 21 st Century.....	35
	Implementation of the CPUC Energy-Efficiency Financing Pilot Project.....	36
	Self-Generation Incentive Program Reauthorization.....	37
	Net Energy Metering.....	38
	Implement Greenhouse Gas Rev Return to Energy-Intensive, Trade Exposed Industries .	39

Table of Contents

<u>Item #</u>	<u>Title</u>	<u>Page</u>
<u>Transportation</u>		
2660	Department of Transportation	
	Investment in Transportation Infrastructure	40
	Table – Investment in Transportation Infrastructure	41
	Additional Positions to Build a \$1 Billion Project Shelf.....	42
	District 7 Liberty Canyon Highway 101 Wildlife Crossing.....	43
	Advertising on Changeable Message Signs.....	44
	Fresno Proposition 42 Maintenance of Effort	45
2665	High-Speed Rail Authority	
	Proposals for the On-Going Development of High-Speed Rail	46
	Table – Proposals for the On-Going Development of High-Speed Rail	47
2740	Department of Motor Vehicles	
	Expansion of HOV Sticker Cap for Electric Vehicles.....	48

3900**California Air Resources Board****Issue****Description****Difference**
(dollars in thousands)**Conference Action****3900-001-3228 California Air Resources Board**177 **Cap-and-Trade Expenditure Plan**Senate
-\$650,000

Governor proposed a plan for spending cap-and-trade funds in the budget year and trailer bill language for a long-term expenditure plan.

Assembly
\$190,000

Senate rejected the Governor's proposal.

Difference
\$390,000

Assembly adopted a spending plan for the budget year and long-term borrowing for high-speed rail.

0540 Secretary for Natural Resources

Issue	Description	Difference (dollars in thousands)	Conference Action
0540-001-0140	Secretary for Natural Resources		
301	<p>Fourth Climate Change Assessment</p> <p>Governor proposed \$5 million for a fourth climate change assessment and trailer bill language to allow the use of Environmental License Plate Funds for this purpose.</p>	<p>Senate -\$5,005 Reject TBL Assembly AAB</p>	
	<p>Senate rejected the proposal and took action under the State Coastal Conservancy (page 17), to add \$10 million from Tidelands Oil Revenues for direct climate adaptation related to sea level rise.</p>	<p>Difference \$5,005+TBL</p>	
	<p>Assembly approved as proposed.</p>		

0540 Secretary for Natural Resources

Issue	Description	Difference (dollars in thousands)	Conference Action
150	AB 32 Scoping Plan Update	Senate -\$529	
	<p>Governor proposed \$529,000 (Cost of Implementation Account) and two positions to prepare and publish a forest carbon plan, and further efforts to develop sustainability criteria to support forest biomass utilization. Includes \$250,000 per year for two years to fund an economic resources study to support a forest carbon plan. Positions are directed by the Air Resources Board (ARB) by the AB 32 Scoping Plan Update.</p>	<p>Assembly AAB</p> <p>Difference \$529</p>	
	<p>Senate rejected the proposal.</p>		
	<p>Assembly approved as budgeted.</p>		

0555**Secretary for Environmental Protection**

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

0555-001-0440 Secretary for Environmental Protection (Cal-EPA)

500 **TBL for Environmental Justice Grants** Senate
(no proposal)

Governor (no proposal) Assembly
Senate (no proposal) TBL

Assembly approved placeholder TBL to increase the cap on environmental justice grants from \$20,000 to \$50,000 and to authorize the Secretary of Cal-EPA to award \$3 million per year for this purpose. Difference
TBL

The Cal-EPA Environmental Justice (EJ) Small Grants Program was established in 2002 to provide grants of up to \$20,000 per project to eligible nonprofit organizations and federally recognized tribal governments. Funding is provided by excess funds donated by boards and departments within Cal-EPA.

3360**Energy Resources Conservation Development Commission**

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3360-001-0465 Energy Resources Conservation Development Commission

102	Electric Program Investment Charge (EPIC)	Senate -\$1	
-----	--	----------------	--

Governor The budget requests baseline authority for 26 positions to administer \$172.5 million (direct ratepayer funds) in program funds for implementation of the California Public Utilities Commission (CPUC)-created EPIC program. The total request of \$17 million is comprised of \$3.8 million for state operations and \$13.2 million for local assistance. This item was heard on March 6 of this year and held open.

Assembly
AAB

Difference
\$1

Senate reduced by \$1,000 to allow the court more time to rule on the legality of the program, and to move this to conference.

Assembly approved as proposed.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3360-001-0465 Energy Resource Conservation Development Commission

175	Petroleum Fuel Price Vulnerability Analysis	Senate Fund Source	
	<p>Governor The budget requests \$342,000 and one position to evaluate the vulnerability of the economy and transportation energy sector to petroleum fuel price fluctuations, and recommend action to minimize adverse impacts of price changes.</p>	<p>Assembly AAB</p>	
	<p>Senate approved the proposal but rather than use funds from the Energy Resource Program Account, which is derived from electricity and gas ratepayers, shifted the funding to the Motor Vehicle Account.</p>	<p>Difference Fund Source</p>	
	<p>Assembly approved as proposed.</p>		

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3360-001-0465 Energy Resource Conservation Development Commission (Energy Commission)

310	Transportation Energy Supply Forecast Analysis	Senate Fund Source	
-----	---	-----------------------	--

Governor proposed to redirect \$1 million Energy Resource Program Account ([ERPA], mainly from electric and natural gas ratepayers) baseline contract funds to establish two new permanent positions to initiate a transportation supply and economic impact analysis framework, gather energy supply data, and initiate economic impact analysis.

Assembly
AAB

Difference
Fund Source

Senate approved the proposal, but rather than use funds from the ERPA, which is derived from electricity and gas ratepayers, shifted the funding to the Motor Vehicle Account.

Assembly approved as proposed.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3360-001-0465 Energy Resource Conservation Development Commission (Energy Commission)

314	Fueling Infrastructure: Climate Change Transportation Sector Vulnerability	Senate -\$2	
-----	---	----------------	--

Governor proposed \$2 million (Petroleum Violation Escrow Account) and one, two-year limited-term position, to support an evaluation of the vulnerability of the fuel infrastructure for the transportation sector to climate change impacts. This work is intended to contribute to the Fourth Climate Change Assessment (see page xx of this agenda, Item 0140-001-0140).	Assembly AAB Difference \$2
--	--

Senate rejected the proposal.

Assembly approved as proposed.

3540**Department of Forestry and Fire Protection (CalFIRE)**

Issue	Description	Difference (dollars in thousands)	Conference Action
3540-001-0001 Department of Forestry and Fire Protection (CalFIRE)			
202	Fire Protection Pilot Project	Senate (no proposal)	
	Governor (no proposal).		
	Senate (no proposal).	Assembly \$450	
	Assembly approved \$450,000 (one-time, General Fund) to support a fire protection pilot project with the Los Angeles County Fire Department. The project proposes to use dirigibles (rigid, airship balloons) to provide monitoring technology to detect fires.	Difference \$450	

3540**Department of Forestry and Fire Protection (CalFIRE)**

Issue	Description	Difference (dollars in thousands)	Conference Action
3540-001-0001 Department of Forestry and Fire Protection (CalFIRE)			
301	BBL for Vegetation Treatment Program (VTP)	Senate BBL	
	Governor (no proposal).		
	Senate added provisional language similar to that approved in 2013, to continue to address reporting and communication issues between locals and CalFIRE during the final year of the VTP Environmental Impact Report. (SB 851, beginning on page 197, line 44 [Provision 2].)	Assembly - Difference BBL	
	The State Board of Forestry and Fire Protection (BOF) proposes to initiate a California Statewide Vegetation Treatment Program (VTP). The proposed program is intended to lower the risk of catastrophic wildfires on nonfederal lands by reducing hazardous fuels. The initiation of this program is a project, subject to the California Environmental Quality Act (CEQA). As the CEQA lead agency, the BOF will provide policy direction for implementation of the VTP to CalFIRE.		
	Assembly (no proposal).		

3540**Department of Forestry and Fire Protection (CalFIRE)**

Issue	Description	Difference (dollars in thousands)	Conference Action
3540-494 Department of Forestry and Fire Protection (CalFIRE)			
301	City of Buena Park Reappropriation	Senate	--
	Governor (no proposal).		
	Senate (no proposal).	Assembly Re- appropriation	
	Assembly approved a reappropriation (Prop 40) for the City of Buena Park for a CALFIRE Urban and Community Forestry Program grant.	Difference Re- appropriation	

3540**Department of Forestry and Fire Protection (CalFIRE)**

Issue	Description	Difference (dollars in thousands)	Conference Action
3540-001-3212 Department of Forestry and Fire Protection (CalFIRE)			
TBL	Lumber Product Assessment Retailer Reimbursement	Senate	
	Governor (no proposal).	Assembly TBL	
	Senate (no proposal).		
	Assembly approved TBL to clarify the Legislature’s intent regarding the level of reimbursement allowable for retailers under AB 1492 (Committee on Budget), Chapter 289, Statutes of 2012. The change would affirm that the Board of Equalization’s reimbursement regulations that were adopted on September 10, 2013, are the intent of the Legislature by codifying these actions.	Difference TBL	

3600**Department of Fish and Wildlife**

Issue	Description	Difference (dollars in thousands)	Conference Action
3600-001-0200 Department of Fish and Wildlife			
150	Augmentation for Drought Activities	Senate -\$12,800	
	Governor proposed multiple one-time proposals intended to provide immediate drought relief. The overall proposal requests \$25 million (General Fund, \$2.6 million special funds, and \$3.7 million Proposition 84 bond funds).	Assembly AAB	
	Senate reduced this by \$12.8 million. The rejected items were (1) \$2 million for San Joaquin River Restoration; (2) \$6.8 million to develop and apply 21 st Century technology to monitoring; and, (3) \$4 million for an infrastructure project at state and federal public wildlife refuges.	Difference \$12,800	
	Assembly approved as proposed.		

3600 Department of Fish and Wildlife

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3600-001-0200 Department of Fish and Wildlife

200	Support for the Wildlife Resource Committee	Senate	
	(no proposal).	(no proposal)	
	Governor (no proposal).		
	Senate (no proposal).	Assembly	
		\$138 + 1PY	
	Assembly approved \$138,300 and one position to support the Wildlife Resource Committee (WRC) within the Fish and Game Commission. This position would allow the WRC to conduct meetings, provide direct collaboration with commissioners and staff, and would allow state and federal government officials and the public a direct line of communication with the WRC. This would also alleviate the substantial workload related to the responding to public and private individuals related to wildlife resources at the Commission.	Difference	
		\$138 + 1PY	

3600**Department of Fish and Wildlife****Issue****Description****Difference**
(dollars in thousands)**Conference Action****3600-001-0200 Department of Fish and Wildlife (DFW)**

203	TBL Timber Regulation and Forest Restoration Fund (Marijuana Enforcement)	Senate AAB
-----	--	---------------

<p>Governor proposed, as part of a larger item, \$500,000 (Timber Harvest Regulation and Forest Restoration Fund) to implement a task force to address issues with marijuana cultivation including permitting, enforcement, education and outreach, and coordination with other agencies. The DFW proposed shifting \$500,000 from the general enforcement budget to the task force and backfilling with Fish and Game Preservation Fund.</p>	<p>Assembly AAB+TBL</p> <p>Difference TBL</p>
--	---

Senate approved as proposed.

Assembly approved the funding but added TBL to limit the use of the timber funds to a maximum of \$500,000 per year for three years, to ensure that the marijuana task force does not receive priority funding over the state's timber harvest regulatory program, and to require the funds to be repaid. The TBL also gives DFW specific administrative penalty authority over trespass and unpermitted marijuana grow operations.

3720**California Coastal Commission****Issue****Description****Difference**
(dollars in thousands)**Conference Action****3720-001-0001 California Coastal Commission (CCC)**200 **TBL for Administrative Penalties**Senate
(no proposal)**Governor** (no proposal).Assembly
TBL**Senate** (no proposal).**Assembly** approved TBL authorizing the CCC, by majority vote and at a duly noticed public hearing, to impose an administrative civil penalty on a person who intentionally and knowingly violates the public access provisions of the California Coastal Act.Difference
TBL

3760**State Coastal Conservancy**

Issue	Description	Difference (dollars in thousands)	Conference Action
3760-001-0565 State Coastal Conservancy (SCC)			
300	Climate Ready Grant Program and Climate Resilience Account	Senate +\$10,000	
	Governor (no proposal).	Assembly TBL	
	Senate approved \$10 million from Tidelands Oil Revenues to be allocated to the SCC Climate Ready program for grants to locals to adapt to sea level rise.	Difference \$10,000+TBL	
	Assembly approved TBL that would establish the Climate Resilience Account in the Coastal Trust Fund. The purpose of the fund would be to implement activities to address the risks and impacts of climate change, sea level rise, and associated extreme events to coastal and bay communities and natural resources. Upon appropriation, this fund would be expended by the SCC, California Coastal Commission, and San Francisco Bay Conservation Development Commission. The fund would be allowed to accept non-state funding.		

3790**Department of Parks and Recreation**

Issue	Description	Difference (dollars in thousands)	Conference Action
3790-001-0392 Department of Parks and Recreation			
202	TBL to Adjust Tax Allocations for Off-Highway Vehicle Fund	Senate (no proposal)	
	Governor (no proposal).	Assembly TBL	
	Senate (no proposal).	Difference TBL	
	Assembly approved TBL to require the Department of Transportation, Department of Parks and Recreation, and the Department of Motor Vehicles to study and adjust the percent of Motor Vehicle Fuel Account (MVA) that is allocated to the Off-Highway-Vehicle (OHV) Trust Fund. The language would include an 18-month moratorium to limit the expansion of off-road vehicle parks.		

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3790-001-0392 Department of Parks and Recreation

202	TBL for Parks Project Revolving Fund (PPRF)	Senate Rejected TBL	
	Governor proposed TBL to reauthorize Assembly Bill 3042 (Committee on Natural Resources), Chapter 966, Statutes of 2002, which established the PPRF and authorized transfer of funds appropriated for expenditure for construction, alteration, repair and improvements to the State Park System, without regard to fiscal year. The PPRF authority expired on January 1, 2014. The TBL proposes to reestablish this fund.	Assembly TBL	
		Difference TBL	

Senate rejected the TBL.

Assembly approved the TBL as part of a broader effort to update the revenue generation program at Parks.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3820-001-0001 Bay Conservation Development Commission (BCDC)

101	Baseline Adjustment for Lease Increase	Senate	
	<p>Governor's proposed \$85,000 (General Fund) to cover the additional lease costs due to the BCDC office relocation to the Hiram Johnson State Building in San Francisco. The move was prompted by the Department of General Services in order to save overall state funds due vacancies in state buildings.</p>	AAB (one-time)	
	<p>Senate approved on a one-time basis. Additionally (separate Supplemental Reporting Language), required the BCDC to submit a proposal in January 2015 for a move to the MTC building, including cost estimates.</p>	Assembly AAB	
	<p>Assembly approved as budgeted.</p>	Difference One-time	

Issue	Description	Difference (dollars in thousands)	Conference Action
3860-001-0001 Department of Water Resources			
202	Emergency Response Program	Senate AAB+BBL	
	Governor proposed \$18 million (General Fund) for immediate drought relief efforts, including funding for 72 existing positions.	Assembly AAB	
	Senate approved the proposal with BBL to require the department to report on fund savings from the backfill of the 72 positions. Additionally approved BBL to allocate \$4 million to be made available for immediate water supply for projects that do not fit into other drought relief allocations, and that serve at least 200,000 people.	Difference BBL	
	Assembly approved the proposal with BBL to require the department to report on fund savings from the backfill of the 72 positions.		

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3860-001-0001 Department of Water Resources

155 **Sustainable Groundwater Management Program** Senate

AAB+BBL

Governor proposed \$2.5 million to enhance the monitoring and management of the state’s groundwater supplies. In January, the Governor’s office stated that they would be introducing comprehensive groundwater TBL and policy bill language. This language was made available the week of May 21 and did not include TBL.

Assembly
AAB+TBL

Difference
BBL+TBL

Senate approved the proposal with BBL making the funding contingent upon the passage of groundwater legislation.

Assembly approved TBL that states legislative intent and defines sustainable groundwater management.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3860-491 Department of Water Resources

151 Delta Water Quality Projects

Senate
AAB+BBL

Governor proposed reappropriation of funds for Delta Water Quality projects from bond funds.

Assembly
AAB

Senate approved the proposal and added BBL to require the department, to all extent possible, to allocate the reappropriations to projects identified by the Department of Fish and Wildlife in its drought proposal in order to effect immediate change in water supply and water quality.

Difference
BBL

Assembly approved as proposed.

3860 Department of Water Resources

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3860-001-6051 Department of Water Resources

105	System Reoperation and Surface Storage Program	Senate -\$260	
	Governor proposed \$6.2 million (bond funds) for continued system reoperation. The proposal would allow the department to be more flexible with its existing infrastructure. The proposal included \$260,000 for continued surface storage studies north of the Sacramento-San Joaquin Delta.	Assembly AAB Difference \$260	

Senate rejected \$260,000 for surface storage studies.

Assembly approved as proposed.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3860-001-6023 Department of Water Resources

105	Proposition 13 Agricultural Water Conservation Local Assistance and Drought Mitigation	Senate AAB+BBL	
-----	---	-------------------	--

<p>Governor proposed an appropriation of \$17.9 million in Proposition 13 bond funds to support the Agriculture Water Conservation Local Assistance loans program. \$17 million is proposed to be used for local assistance funding to provide loans for projects that include the implementation of efficient water management practices and agricultural water management plan criteria that can effectively contribute to immediate water savings. \$900,000 is proposed to be used to fund 1.5 existing positions to administer the program for three years.</p>	<p>Assembly AAB Difference BBL</p>
---	---

Senate added BBL per LAO recommendation to add provisional language stating that the state operations funding proposed—\$300,000—is only available to fund the actual administrative costs incurred to issue loans.

Assembly approved as proposed.

3900**California Air Resources Board**

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3900-001-0044 California Air Resources Board

177	Engagement with Other Jurisdictions on Climate Activities.	Senate -\$550	
-----	---	------------------	--

	Governor requests six positions and \$1.1 million (\$550,000 Cost of Implementation Account [COIA]; \$550,000 Motor Vehicle Account [MVA]) to accommodate increased workload associated with advising other jurisdictions such as Brazil, Canada, Chile, China, Costa Rica, Kazakhstan, Mexico, New Zealand, South Korea, South Africa, Turkey, the European Union, and other Pacific states on air quality and climate change activities.	Assembly Reject Difference \$550	
--	---	---	--

Senate reduced the proposal by half.

Assembly rejected the proposal.

3930**Department of Pesticide Regulation**

Issue	Description	Difference (dollars in thousands)	Conference Action
3930-001-0106 Department of Pesticide Regulation			
200	Research Grants for Fumigant Alternatives. Governor (no proposal).	Senate +\$500 one-time	
	Senate added \$500,000 (Department of Pesticide Regulation Fund) for one-time grants to develop effective alternatives for fumigant research.	Assembly +\$713 2PY	
	Assembly added \$713,000 and two positions, ongoing, to develop effective alternatives for fumigant research.	Difference \$213 2PY	

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3940-001-0439 State Water Resources Control Board (SWRCB)

206	Implementation of SB 4, Regulation of Hydraulic Fracturing and Well Stimulation	Senate AAB
-----	--	---------------

<p>Governor proposed \$6.2 million and 14 positions in 2014-15 for SWRCB to develop the groundwater monitoring criteria and plan, as well as to evaluate compliance by well owners and operators who develop their own groundwater monitoring plans. It also includes funding for contracts to perform groundwater monitoring. The request for SWRCB would increase to \$9.4 million in 2015-16, which is primarily due to additional costs related to groundwater monitoring contracts.</p>	<p>Assembly -\$3,500 and 3 LT PYs</p> <p>Difference \$3,500, 3 LT PYs</p>
---	---

Senate approved as proposed.

Assembly denied \$3.5 million for groundwater monitoring contracts and converted three permanent positions to limited-term status.

3940**State Water Resources Control Board**

Issue	Description	Difference (dollars in thousands)	Conference Action
3940-001-0439 State Water Resources Control Board			
TBL	Drinking Water Program Reorganization	Senate Rejected TBL	
	Governor proposed trailer bill to provide the necessary statutory changes to move the drinking water program from the Department of Public Health to the State Water Resources Control Board.	Assembly TBL	
	Senate rejected TBL.	Difference TBL	
	Assembly approved TBL.		

3970**Department of Resources Recycling and Recovery**

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3970-001-0133 Department of Resources Recycling and Recovery (CalRecycle)

303	Education and the Environment Initiative (EEI)	Senate	
	Governor (no proposal).	+\$800 SF	
	Senate approved \$800,000 (Environmental License Plate Fund [ELPF]) for transfer to the Department of Education, to provide base leveraging funding to support EEI, a public/private partnership. The Senate also took action to reject further allowable uses of the ELPF under a separate item. This would direct resources to a current and priority use of the ELPF, environmental education. The funding would require an interagency agreement with the Department of Education.	Assembly No proposal	
	Assembly (no proposal).	Difference \$800 SF	

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

3980-001-0001 Office of Environmental Health Hazard Assessment

185	Proposition 65 Website	Senate AAB	
	Governor’s May Revision proposal requests \$520,000 (Safe Drinking Water and Toxic Enforcement Fund) to address higher information technology development costs identified in the draft feasibility study. This proposal increases the one-time contract funding in 2014-15 and eliminates a like amount in 2015-16. The corresponding budget proposal was approved by both houses.	Assembly -\$160	
		Difference \$160	

Senate approved as proposed.

Assembly reduced by \$160,000, per the LAO recommendation, to align the program costs with the Feasibility Study Report.

8570-001-0001 California Department of Food and Agriculture

302 AB 32 Scoping Plan Update

Senate
-\$140

Governor proposed \$140,000 (Cost of Implementation Account), and one existing position, to assist and implement the requirements of the AB 32 Scoping Plan Update. The funding would be used to establish emission reduction targets for the agriculture sector and to develop GHG reduction activities. Positions are directed by the Air Resources Board by the AB 32 Scoping Plan Update.

Assembly
AAB

Difference
\$140

Senate rejected the proposal.

Assembly approved as budgeted.

8570-001-0001 California Department of Food and Agriculture

315	California Animal Health and Food Safety (CAHFS) Laboratory System One-Time Adjustment	Senate AAB
-----	---	---------------

<p>Governor proposed \$1 million (General Fund), one-time, to offset the employee compensation increases at CAHFS. The Administration proposes to convene stakeholders to develop a sustainable long-term funding plan for CAHFS.</p>	<p>Assembly -\$1</p> <p>Difference \$1</p>
--	--

Senate rejected the proposal.

Assembly reduced the item by \$1,000.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

8660-001-0462 California Public Utilities Commission

151	Railroad Safety—Oil Transportation	Senate	
		AAB	
	Governor's requested seven rail inspectors and \$1.1 million (Public Utilities Commission Transportation Reimbursement Account) to address new rail risks and mandates.	Assembly	
		-\$1	
		Difference	
	Senate approved as proposed.	\$1	
	Assembly reduced by \$1,000 to move to conference.		

Issue	Description	Difference (dollars in thousands)	Conference Action
8660-001-0462 California Public Utilities Commission			
176	TBL for California Energy Systems for the 21st Century (CES-21)	Senate (no proposal)	
	Governor’s (no proposal).	Assembly TBL	
	Senate (no proposal).	Difference TBL	
	Assembly approved TBL to authorize up to \$15 million from ratepayer funds for the Lawrence Livermore Laboratories to support cybersecurity research. Funding for the project would be directed from ratepayers.		

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

8660-001-0462 California Public Utilities Commission (CPUC)

100	<p>Implementation of the CPUC Energy-Efficiency Financing Pilot Project (Conforming item in 0971-001-0528 California Alternative Energy and Advanced Transportation Financing Authority [CAEATFA])</p>	<p>Senate -\$1 Assembly AAB</p>	
-----	---	--	--

Governor’s budget requests reimbursement and expenditure authority of \$4.4 million, over two years, to enable it to serve as the administrator of Investor-Owned Utilities (IOU) ratepayer funds. The proposal would allow CAEATFA to act as the California Hub for Energy Efficiency Financing (CHEEF). Overall funding for the pilot program would use \$65.9 million from IOU ratepayer funds (derived directly from the IOUs, not from the CPUC). Of the \$65.9 million, approximately 65 percent of the funds would go directly to residential customers and 35 (\$23 million) percent would be spent by IOUs and CAEATFA for administrative costs, outreach, and evaluation.

Difference
\$1

Senate reduced by \$1,000.

Assembly approved as proposed.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

8660-001-0462 California Public Utilities Commission (CPUC)

176	<p>Self-Generation Incentive Program Reauthorization</p> <p>Governor’s proposed TBL to extend the funding and administration of the Self-Generation Incentive Program (SGIP) for five years. This would authorize the CPUC to collect up to \$415 million (\$83 million per year) from ratepayers for certain “clean energy” projects.</p> <p>Senate approved the proposal, but changed the language to require the TBL to include a statement ensuring that funds would be used for clean energy investments.</p> <p>Assembly approved as proposed.</p>	<p>Senate TBL amendment</p> <p>Assembly AAB</p> <p>Difference TBL amendment</p>	
-----	--	---	--

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

8660-001-0462 California Public Utilities Commission

176 **Net Energy Metering** Senate
AAB

Governor proposed 11 positions and \$1.5 million (PURA), including \$130,000 in consultant costs, to implement AB 327. AB 327 (Perea), Chapter 611, Statutes of 2013, proposed changes to CPUC rate design, grid distribution, net energy metering, and renewable portfolio standard programs.

Assembly
Limited-term
positions

Difference
Limited-term
positions

Senate approved the proposal.

Assembly approved positions on a two-year, limited-term basis.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

8660-001-0462 California Public Utilities Commission

176	Implement Greenhouse Gas Revenue (GHG) Return to Energy-Intensive, Trade Exposed Industries (EITE)	Senate AAB Assembly -\$1,000 Difference \$1,000	
-----	---	--	--

Governor proposed an increase of \$1 million (reimbursable authority) in 2014-15 and \$500,000 per year from 2015-16 through 2021-22, to enable the CPUC to implement the return of GHG revenue to EITE industries. Senate Bill 1018 (Committee on Budget and Fiscal Review), Chapter 39, Statutes of 2011, required this revenue to be provided directly to residential customers, small businesses, and companies in emission intensive, trade-exposed (EITE) industries. The allocation to EITE companies is intended to ensure that industrial production currently occurring in California does not move outside the state as a result of cap-and-trade, thus causing emissions to “leak” out of the state.

Senate approved the proposal.

Assembly rejected the proposal.

2660**Department of Transportation**

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

2660-001-0062 California Department of Transportation (Caltrans)

300 **Investment in Transportation Infrastructure** Senate
\$0

Governor proposed to repay \$337 million in outstanding General Fund loans with 70 percent of the funds going to the state and 30 percent to the cities and counties. Assembly
\$163,000

Senate proposed to repay \$337 million in outstanding General Fund loans with 60 percent of the funds going to the state and 40 percent to the cities and counties. Difference
\$163,000

Assembly adopted the Governor’s proposal and provided an additional \$120 million from the State Highway Account (SHA) for locals and \$43 million for state highway maintenance projects resulting in a split of 56 percent of the funds for the state and 44 percent for the cities and counties.

Conforms with items 2660-001-0042; 9350-160-0042; 9350-165-0042; 9350-170-0042; and 9350-175-0042.

2660

Department of Transportation

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

2660 California Department of Transportation (Caltrans)

Investment in Transportation Infrastructure

(Dollars in Thousands)

	Governor's Plan	Senate Plan	Assembly Plan
City and County Projects	\$100,000	\$134,800	\$220,000
SHOPP Capital Projects	\$110,000	\$110,200	\$110,000
SHOPP Traffic Management	\$100,000	\$65,000	\$100,000
Highway Maintenance	<u>\$27,000</u>	<u>\$27,000</u>	<u>\$70,000</u>
Total	\$337,000	\$337,000	\$500,000
 State/County Split	 70/30	 60/40	 56/44

SHOPP= State Highway Operation and Protection Program

2660**Department of Transportation**

Issue	Description	Difference (dollars in thousands)	Conference Action
2660-001-0042 California Department of Transportation (Caltrans)			
300	Additional Positions to Build a \$1 Billion Project Shelf	Senate \$0	
	Governor (no proposal).		
	Senate (no proposal).	Assembly \$29,491	
	Assembly authorized 95 positions (\$29.5 million in State Highway Account funds) and directed Caltrans to build a transportation project shelf worth \$1 billion.	Difference \$29,491	

Issue	Description	Difference (dollars in thousands)	Conference Action
2660-001-0042 California Department of Transportation (Caltrans)			
301	District 7 Liberty Canyon Highway 101 Wildlife Crossing	Senate \$0	
	Governor (no proposal).	Assembly \$250	
	Senate (no proposal).	Difference \$250	
	Assembly proposed \$250,000 in State Highway Account funds to prepare environmental documents for a wildlife passage under Highway 101 in Los Angeles County.		
	The Mountain Recreation and Conservation Authority and Caltrans District 7 are preparing a cooperative draft agreement for Caltrans to provide a project study report to address the feasibility and cost of wildlife crossings of Highway 101 at Liberty Canyon in Los Angeles County. The Authority is paying Caltrans \$200,000 from Proposition 40 funds to prepare this report. After this study is completed, it is anticipated that \$250,000 will be needed to prepare an environmental impact report for the project to progress.		

2660	Department of Transportation	Difference (dollars in thousands)	Conference Action
Issue	Description		

2660 California Department of Transportation (Caltrans)

<p>Advertising on Changeable Message Signs Governor (no proposal).</p>	<p>Senate TBL</p>
<p>Senate proposed to require Caltrans to provide a report to the budget committee and appropriate policy committees of both houses of the Legislature on the use of advertising on electronic signage on the state’s highway system and the feasibility of a pilot project, including estimates of revenues, on or before March 1, 2015.</p>	<p>Assembly - Difference TBL</p>
<p>Assembly (no proposal).</p>	

2660	Department of Transportation	Difference (dollars in thousands)	Conference Action
Issue	Description		

2660 California Department of Transportation (Caltrans)

TBL	<p>Fresno Proposition 42 Maintenance of Effort</p> <p>Governor (no proposal).</p> <p>Senate (no proposal).</p> <p>Assembly adopted placeholder trailer bill language to extend the Fresno County exemption from the Proposition 42 maintenance of effort (MOE) for five years. This extension would be contingent on Fresno County providing medical services to the indigent.</p>	<p>Senate</p> <p>-</p> <p>Assembly</p> <p>TBL</p> <p>Difference</p> <p>TBL</p>
-----	--	--

Proposition 42, approved by voters in March of 2002, continued the Traffic Congestion Relief Act which allocated the sales tax on motor vehicle fuel for transportation program and road maintenance. The measure included a MOE for cities and counties to receive these funds. In 2010, legislation was enacted that exempted Fresno County from the MOE requirement for 2008-09 and 2009-10. This authority would sunset in June 30, 2015, at which time Fresno County's General Fund would have to repay its road fund approximately \$5.5 million.

2665	High-Speed Rail Authority	Difference (dollars in thousands)	Conference Action
Issue	Description		

2665 High-Speed Rail Authority

Proposals for the On-Going Development of High-Speed Rail Senate
-\$71,372

Governor made six proposals from various funding sources to continue the development of high-speed rail (see summary of proposals on next page). Assembly
\$0

Senate rejected proposals. Difference
\$71,372

Assembly approved proposals.

2665 High-Speed Rail Authority

Issue	Description	Difference <small>(dollars in thousands)</small>	Conference Action
-------	-------------	---	-------------------

2665 High-Speed Rail Authority (HSRA)

Proposals for the On-Going Development of High-Speed Rail

(Dollars in Thousands)

Item	Issue	Proposal	2014-15 Funding
2665-104-0890	202	Federal local assistance funds for infrastructure projects and improvements that will prepare the Southern California Passenger rail corridors for connectivity to high-speed rail.	\$32,000
2665-011-0046	201	Loan from the Public Transportation Account to fund high-speed rail's state operations budget which includes administration, program management, outreach and communications, and fiscal and other external contracts.	\$29,316
2665-004-6043	151	Budget bill language to allow for a mid-year augmentation of up to \$5.3 million to fund 35 additional positions for project management.	NA
2660-001-0042	201	Funding to continue eight positions at Caltrans to provide legal services on behalf of HSRA.	\$3,148
8660-001-0462	306	Funding for three staff at the California Public Utilities Commission to perform the required system planning and permitting to support high-speed rail.	\$1,855
3480-001-3046	301	Reimbursement authority for four years for the Department of Conservation to establish conservation easements to offset the impact of the development of high-speed rail.	\$5,053
			\$71,372

2740	Department of Motor Vehicles	Difference (dollars in thousands)	Conference Action
Issue	Description		

2740 Department of Motor Vehicles

Expansion of HOV Sticker Cap for Electric Vehicles	Senate
Governor (no proposal).	-
Senate (no proposal).	Assembly TBL
Assembly adopted placeholder trailer bill language which would increase the green sticker cap by 10,000 to meet the expected immediate demand for the program to ensure the program continues in the near term as the Legislature deliberates the long-term program design.	Difference TBL