

# California State Assembly



## Agenda

### Assembly Budget Subcommittee No. 4 on Climate Crisis, Resources, Energy, and Transportation

Assemblymember Steve Bennett, Chair

Wednesday, May 15, 2024  
9:30 A.M. – State Capitol, Room 447

Items To Be Heard		
Item	Description	Page
	Various	
Issues	1. Transportation May Revision Proposals	2
	2. Climate May Revision Proposals	7
	3. Greenhouse Gas Reduction Fund May Revision Spending Plan	15

**Public Comment will be taken in person after the completion of all panels and any discussion from the Members of the Subcommittee.**

## Items To Be Heard

### Issue 1: Transportation May Revision Proposals

The Governor’s May Revision proposes the following changes:

<b>2024-25 May Revision Solutions (millions)</b>							
		CY	BY	BY1	BY2	BY3	
Program	Fund	2023-24	2024-25	2025-26	2026-27	2027-28	Total
ATP	GF			\$ (300)	\$ (100)		\$ (400)
Highways to Boulevards (FS)	GF			\$ (25)	\$ (50)		\$ (75)
Highways to Boulevards (FS)	GGRF			\$ 25	\$ 50		\$ 75
Highways to Boulevards	GF		\$ (50)	\$ (25)			\$ (75)
ZEV Capital	GGRF	\$ (220)	\$ (10)	\$ (230)		\$ 460	\$ -
Grade Separations	GF			\$ (350)			\$ (350)
<b>Total</b>		<b>\$ (220)</b>	<b>\$ (60)</b>	<b>\$ (905)</b>	<b>\$ (100)</b>	<b>\$ 460</b>	<b>\$ (825)</b>
*See separate sheet for TIRCP solutions							

<b>2024-25 May Revision Plan (millions)</b>									
		PY-1	PY	CY	BY	BY1	BY2	BY3	
Program	Fund	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Competitive TIRCP	GF	\$ 1,244			\$ 338	\$ 384	\$ 418	\$ 611	\$ 2,995
Competitive TIRCP	GGRF			\$ 133	\$ 174	\$ 180	\$ 20		\$ 507
Formula TIRCP	GF			\$ 1,537	\$ 812	\$ 812			\$ 3,161
Formula TIRCP	GGRF			\$ 463	\$ 188	\$ 188			\$ 839
Ports and Goods Movement	GF		\$ 600	\$ 50	\$ 100	\$ 200	\$ 100		\$ 1,050
Ports and Goods Movement	SHA			\$ 150					\$ 150
High Speed Rail	Prop 1A	\$ 4,200							
Climate Adaptation	Fed	\$ 200							
Climate Adaptation	SHA			\$ 200					
ATP	GF	\$ 150							\$ 150
ATP	SHA			\$ 300					\$ 300
Safety Rail Grade Separations	GF					\$ -			\$ -
Highways to Boulevards	GGRF					\$ 25	\$ 50		\$ 75
ZEV Capital	GGRF				\$ 220		\$ 230	\$ 460	\$ 910
ZEV Capital	PTA			\$ 190					\$ 190
<b>TOTAL</b>	<b>All</b>	<b>\$ 5,794</b>	<b>\$ 600</b>	<b>\$ 3,023</b>	<b>\$ 1,832</b>	<b>\$ 1,789</b>	<b>\$ 818</b>	<b>\$ 1,071</b>	<b>\$ 14,927</b>

Transit and Intercity Rail Capital Program (TIRCP) and Zero Emission Transit Capital Program (ZETCP)  
2024 May Revision (dollars in millions)

Governor's Budget						
Program	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Competitive TIRCP (GF)	\$ 1,525.0		\$ 546.3	\$ 438.0	\$ 611.0	\$ 3,120.3
Competitive TIRCP (GGRF)		\$ 529.7				\$ 529.7
Formula TIRCP (GF)	\$ 2,000.0	\$ 738.6	\$ 1,000.0			\$ 3,738.6
Formula TIRCP (GGRF)		\$ 261.4				\$ 261.4
ZETCP (GGRF)	\$ 220.0	\$ 230.0	\$ 230.0	\$ 230.0		\$ 910.0
ZETCP (PTA)	\$ 190.0					\$ 190.0

May Revision Solutions						
Program	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Competitive TIRCP Cut (GF)	\$ (148.0)					\$ (148.0)
Competitive TIRCP Fund Shift (GF)	\$ (133.2)	\$ 338.0	\$ (162.3)	\$ (20.0)		\$ 22.5
Competitive TIRCP Fund Shift (GGRF)	\$ 133.2	\$ (355.7)	\$ 180.0	\$ 20.0		\$ (22.5)
Formula TIRCP Fund Shift (GF)	\$ (463.0)	\$ 73.4	\$ (188.0)			\$ (577.6)
Formula TIRCP Fund Shift (GGRF)	\$ 463.0	\$ (73.4)	\$ 188.0			\$ 577.6
ZETCP (GGRF)	\$ (220.0)	\$ (10.0)	\$ (230.0)		\$ 460.0	\$ -
ZETCP (PTA)						\$ -

Plan Post-May Revision						
Program	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Competitive TIRCP (GF)	\$ 1,243.8	\$ 338.0	\$ 384.0	\$ 418.0	\$ 611.0	\$ 2,994.8
Competitive TIRCP (GGRF)	\$ 133.2	\$ 174.0	\$ 180.0	\$ 20.0		\$ 507.2
Formula TIRCP (GF)	\$ 1,537.0	\$ 812.0	\$ 812.0			\$ 3,161.0
Formula TIRCP (GGRF)	\$ 463.0	\$ 188.0	\$ 188.0			\$ 839.0
ZETCP (GGRF)	\$ -	\$ 220.0	\$ -	\$ 230.0	\$ 460.0	\$ 910.0
ZETCP (PTA)	\$ 190.0	\$ -	\$ -	\$ -	\$ -	\$ 190.0

**Transportation Agency (CalSTA)**

Reductions:

- Cuts \$148 million from the Competitive Transit and Intercity Capital Rail Program, this cut will come from a combination of uncommitted funding for the LOSSAN (Los Angeles San Diego) Corridor and the Southern California Cycle 6 projects.
- Cuts \$350 million from the Safety Grade Separations program, which eliminates the program.

Fund Shifts:

- Shifts \$577.6 million from GF to GGRF for the Formula Transit and Intercity Capital Rail Program (TIRCP).

- Shifts \$22.5 million from GF to GGRF for the Competitive Transit and Intercity Capital Rail Program.

Delays:

- Delays \$17.7 million from 2024-25 to 2025-26 for the Competitive Transit and Intercity Capital Rail Program.

Other:

- Proposes trailer bill to implement the budgetary changes to the Formula TIRCP program.
- Appropriates \$452,000 (\$444,300 in Federal Fund and \$7,700 in various State Funds) and three permanent positions for 24-25 and ongoing to support federal workload increase for the Office of Traffic Safety.

**Department of Transportation (Caltrans)**

Reductions:

- Cuts \$75 million from Highways to Boulevards.
- Cuts \$400 million from the Active Transportation Program (on top of the \$200 million cut proposed in January).

Fund Shifts:

- Shifts \$75 million from GF to GGRF for Highways to Boulevards.

Other:

- Funds a three-year increase of \$66,055,000 in 2024-25, \$72,119,000 in 2025-26, and 72,508,000 in 2026-27 in Operating Expenses from the Public Transportation Account for the operation of the Intercity Passenger Rail Program.
- Appropriates \$442,000 ongoing and two (2) positions from the State Highway Account (SHA) to provide State Highway System project data and information on Caltrans' public website, as required by Chapter 629, Statutes of 2023 (SB 695).
- Allocates \$211,000 ongoing from the State Highway Account for one position to act as the Chief Advisor on Bicycling and Active Transportation that shall serve as the department's primary advisor on all issues related to bicycle transportation, safety, and infrastructure, as required by Chapter 617, Statutes of 2023 (SB 538).

- Provides \$1,287,000 ongoing for seven (7) positions from the State Highway Account to complete the program evaluation for renewable energy created by Chapter 379, Statutes of 2023 (SB 49). This bill requires Caltrans to complete the evaluation in partnership with the California Energy Commission and Public Utilities Commission.
- Funds \$474,000 ongoing from the State Highway Account for two (2) positions and consultant services for coordinated efforts to recognize historical and cultural importance of California tribes along State Route 210, as stipulated by Chapter 543, Statutes of 2023 (AB 776). Caltrans will work with the Native American Heritage Commission, the California Advisory Committee on Geographic Names, the Counties of Los Angeles and San Bernardino, and California tribes local to, or historically located along, State Route 210.

**Department of Motor Vehicles**

Reductions:

- Cuts \$30.6 million from the California Commercial Drive Test Centers.

Other:

- Reverts existing design-build authority of \$41,654,000 Public Buildings Construction Fund and proposes trailer bill language to shift the San Francisco Field Office Replacement from a capital outlay project to a build-to-suit lease project.
- Appropriates \$60,268,000 from the Motor Vehicle Account to continue the DXP project, which will comprehensively replace DMV's backend Information Technology software and hardware for most of its - 2 - main functions. DMV plans on beginning the vehicle registration phase of the project in 2024-25.
- Allocates \$17.3 million Motor Vehicle Account in FY 2024/25 and ongoing for CDT rate increases for services pertaining to technology project oversight, planning, procurement, and data center.
- Funds \$4.5 million from the General Fund (GF) in FY 2024/25, for one-time costs of \$4.3 million, and an ongoing amount of \$198,000 for one permanent position and legal workload related to AB 796. The AB 796 – California New Motor Voter Program Project will allow the DMV to modify and improve current business process flows of various customer service channels that impact multiple DMV systems, applications, and services such as: kiosks, remittance processing equipment, online customer DL/ID card applications, identity, and document management.
- Appropriates \$2.4 Million from the Motor Vehicle Account in FY 24/25, for eleven temporary (11) IT positions to support the planning, development, and implementation activities for updates to the CDLIS program. CDLIS is a national commercial driver program that will both send data to and receive information through the American

Association of Motor Vehicle Administrators (AAMVA) to share information amongst states with the goal of increasing public safety on roads. The federal government is requiring DMV to share data regarding driving convictions by August 22, 2024, data regarding drug and alcohol convictions by November 18, 2024, and medical examinations by June 23, 2025, for commercial driver license holders. These new federally mandated changes are required for all commercial drivers and are enhancements and refinements to the current CDLIS programming in DMV’s systems.

**California Transportation Commission**

- Provides \$190,000 (\$89,000 State Highway Account, \$101,000 Public Transportation Account) for one limited-term Staff Services Manager II to implement the provisions of Assembly Bill 744 (Carrillo, Chapter 541, Statutes of 2023).
- Funds \$734,000 (\$345,000 State Highway Account, \$ 389,000 Public Transportation Account) for one limited-term Supervising Transportation Planner and a one-time consultant contract to implement the provisions of Assembly Bill 251 (Ward Chapter 320, Statutes of 2023).

**Board of Pilot Commissioners**

- Funds \$139,000 in Fiscal Year (FY) 2024-25, and \$288,000 in FY 2025-26 from the Board of Pilot Commissioners’ Special Fund to complete evaluation and planning efforts for business modernization to support program operation.

**Panel**

This panel will include representatives from the Department of Finance and the Legislative Analyst’s Office.

**Staff Comments**

Staff notes that the \$5.1 billion transit package adopted last year remains intact, with slight new delays proposed to the ZEV funding component.

**Issue 2: Climate May Revision Proposals**

The Governor's May Revision proposes the following changes to Energy, Broadband, Natural Resources, and Environmental Protection:

**California Public Utilities Commission**

Reductions:

- Cuts \$10 million from the Capacity Building Grant Program, thereby eliminating the program.
- Cuts \$350 million from the Residential Solar and Storage Program, leaving \$280 million.
- Cuts \$500 million from the Broadband - Loan Loss Reserve, thereby eliminating the program.

Other:

- Delays \$200 million from Broadband - Last Mile from 2025-26 to 2027-28.
- Broadband Equity, Access, and Deployment (BEAD)— Authorized federal funding of \$1.860 billion one-time and 31.0 permanent positions in anticipation of federal funds to implement the Broadband Equity, Access, and Deployment (BEAD) programs.
- California Lifeline Program— Increases the Universal Lifeline Telephone Service Trust Administrative Committee Fund by \$31 million ongoing to implement the California Lifeline Program. The support item is increasing by \$2,243,000 ongoing due to a new contract for a Third-Party Administrator who will administer CPUC's Foster Youth Line Program. The local assistance item is increasing by \$28,780,000 ongoing based on projected increases in program participation. The CPUC estimates that project participation will increase as customers who were previously enrolled in the federal Affordable Connectivity Program will transition back to the California Lifeline Program given that the federal program expired in April 2024.

**California Energy Commission**

Reductions:

- Cuts an additional \$130 million from the Equitable Building Decarbonization Program, bringing the total proposed cut to \$413 million of the original \$922 million total.
- Cuts \$63 million from Distributed Electricity Backup Assets.
- Cuts an additional \$25 million from Hydrogen Grants, bringing the total cut to \$60 million or 60%.

- Cuts \$111.5 million from Demand Side Grid Support.
- Cuts \$4.1 million from Energy Data Infrastructure & Analysis.
- Cuts \$143.9 million from Fueling Infrastructure Grants (ZEV Package) for EV charging and hydrogen refueling.
- Cuts \$20 million from Equitable At-Home Charging (ZEV Package).
- Cuts \$80.8 million from Drayage Trucks & Infrastructure (ZEV Package).
- Cuts \$137.8 million from Clean Trucks, Buses and Off-Road Equipment infrastructure for EV charging and hydrogen refueling (ZEV Package).
- Cuts \$20 million for Offshore Wind Infrastructure of the \$45 million total.

**Fund Shifts:**

- Shifts \$15 million from GF to GGRF for Equitable Building Decarbonization.
- Shifts \$380 million from GF to GGRF for Distributed Electricity Backup Assets.
- Shifts \$40 million from GF to GGRF for Hydrogen Grants.
- Shifts \$150 million from GF to GGRF for Demand Side Grid Support.
- Shifts \$900 million from GF to GGRF for Clean Energy Reliable Investment Plan (SB 486).

**Other:**

- Division of Petroleum Market Oversight— Authorizes \$494,000 from ERPA for additional support to implement the Division of Petroleum Market Oversight.
- Various Federal Funding Awards— Increases federal funding authority by \$390 million to reflect various federal grants awarded to the Commission for programs that will be implemented in 2024.
- Zero Emission Vehicle School Bus Program— Appropriates \$35 million of Proposition 98 funding to support ZEV School Bus Infrastructure Investments.



**Go-Biz- IBank**

- Cuts \$225 million from the IBank Clean Energy Transmission program that would have loaned money to build a transmission line to the Salton Sea geothermal area, thereby eliminating the program.

**Office of Planning and Research**

Fund Shifts:

- Shifts \$9.4 million ongoing from GF to GGRF for the Climate Action Corps.

**California Air Resources Board**

- Loans \$300 million from the Air Pollution Control Fund to General Fund.
- Proposes trailer bill language regarding the Implementation of Climate-Related Financial Risk (SB 261) and the Climate Corporate Data Accountability Act (SB 253).
- Funds \$8.4 million for 28.0 permanent positions, including \$1.2 million in contract funds and \$500,000 in estimated litigation costs in 2024-25; \$12.3 million for 40.0 permanent positions and \$3.2 million in contract funds in 2025-26; and \$13.9 million for 42.0 permanent positions and \$4.3 million in contract funds in 2026-27 and ongoing to implement SB 261 and SB 253. Once established, funding will be provided by two new funds.
- Zero Emission Vehicle Package – Proposition 98 School Bus Grants— Requests trailer bill language to shift funding between years for the Zero Emission Vehicle Prop 98 School Bus Grants program by increasing \$105 million in Proposition 98 General Fund and \$191,060,000 in Reimbursements in fiscal year 2024-25 and decreasing the 2025-26 commitment by \$296,060,000.

**Department of Water Resources**

Reductions:

- Cuts \$500 million for Water Storage.
- Reverts \$1.4 million GF for drought-proofing conveyance and SGMA implementation.
- Reverts \$11 million GF from the Emergency Water Tank Storage Program.
- Reverts \$21.6 million GF from the Save Our Water campaign.
- Cuts \$55 million from the Strategic Reliability Reserve (Energy).

Fund Shifts:

- Shifts \$102.5 million for habitat restoration from GF to GGRF.
- Shifts \$126 million for Urban Flood Risk Reduction and System wide Flood Programs – Little Egbert Project from GF to GGRF.
- Shifts \$230 million from GF to GGRF from the Oroville Pump Storage (Energy).

**Wildlife Conservation Board**

Reductions:

- Reverts \$45 million GF in 23-24, and \$20 million annually starting in 24-25 from the Habitat Conservation Fund.

Fund Shifts:

- Shifts \$70 million for Protecting Fish and Wildlife from Changing Conditions from GF to GGRF.
- Shifts \$42 million for Nature Based Solutions Programs from GF to GGRF.
- Shifts \$101.1 million for Streamflow Enhancement Programs from GF to GGRF.

**Department of Fish and Wildlife**

New Spending/Proposals:

- Adds 29 permanent positions to increase capacity for cannabis environmental restoration, protection, and law enforcement funded through the Department’s continuous appropriation from the Cannabis Tax Fund.

Fund Shifts:

- Shifts \$17.2 million for Wetlands Restoration from GF to GGRF.

Reductions:

- Cut \$33.4 million GF from Stewardship of State-owned Lands (originally proposed for a GGRF fund shift in GB).

**Department of Parks and Recreation**

Reductions:

- Reverts \$50 million GF from the Outdoor Equity Grant Program (in addition to the \$25 million GF reduction proposed in the Governor’s Budget).
- Reverts \$6.7 million GF from Adapting to Sea Level Rise in State Parks.
- Reverts \$10 million GF from the Recreational Trails and Greenways Program.

Fund Shifts:

- Shifts \$5.9 million for Deferred Maintenance Funding from GF to GGRF.

**California Environmental Protection Agency**

Fund Shifts:

- Shifts \$5 million for Environmental Justice Action Grants from GF to GGRF.

**Department of Toxic Substances Control**

New Spending/ Proposals:

- Includes Trailer Bill Language and a Budget Change Proposal to address the structural deficit in the Hazardous Waste Control Account.

Reductions:

- Reverts \$136 million GF in 23-24, cuts \$85 million GF in 25-26, and cuts \$47.5 million in 26-27 from the Toxic Cleanup in Vulnerable Communities Initiative.

Fund Shifts:

- Shifts \$65 million in 23-24, and \$42.5 million in 26-27 from GF to GGRF from the Toxic Cleanup in Vulnerable Communities Initiative.

**California Conservation Corps**

Reductions:

- Reverts \$300,000 GF or the unencumbered balance from the Los Padres Facility Repairs.

**California Natural Resources Agency**

Fund Shifts:

- Shifts \$27.5 million for Ocean Protection from GF to GGRF.

Reductions:

- Annually reduces the Ocean Protection Council's Marine Mammal Center Funding by \$2 million GF starting in 24-25.
- Reverts \$18.3 million GF from the California Climate Information System.
- Reverts \$3.2 million GF from Natural and Working Lands (AB 1757) Implementation.
- Reverts \$600,000 GF from the Ocean Protection Council Data, Research, and Communications program.

**CalFire**

New Spending/Proposals:

- Provides \$46.5 million GF and 226 positions in 24-25, and \$43.8 million GF and 234 ongoing positions starting in 28-29 to make five existing temporary CalFire hand crews permanent.
- Provides an additional \$12 million one-time GF for the acquisition phase of the Additional CalFire Training Center Project (on top of \$18.7 million GF requested in GB).

Reductions:

- Reverts \$12.1 million GF in 22-23 and \$4.9 million GF in 23-24 for the Alma Helitack Base, Hollister Air Attack Base, and Bear Valley Helitack Base Acquisition.
- Reverts \$300,000 GF for the California Vegetation Treatment Program.
- Reverts \$11.6 million GF for deferred maintenance.
- Reverts \$1.7 million GF for the Green Schoolyards program.
- Reverts \$3.2 million GF for the Forest Health Grant Program.
- Reverts \$300,000 GF for the Forest Inventory Analysis.
- Reverts \$4.2 million GF for the Interagency Forest Data Hub.

- Withdraws Governor’s Budget BCP requesting \$57.6 million one-time Public Buildings Construction Fund for the Butte Fire Center Facility Replacement.

Fund Shifts:

- Shifts \$20 million for the Prescribed Fire Liability Pilot Program from GF to GGRF.
- Shifts \$10 million for Tribal Wildfire and Forest Resilience from GF to GGRF.
- Shifts \$120 million for wildfire prevention from GGRF to Timber Regulation and Forest Restoration Fund (TRFRF) or AB 1492 funds.

**State Water Resources Control Board**

New Spending/Proposals:

- Provides \$3.7 million one-time GF for performance, efficiency, and safety upgrades to the aging Pond Water Treatment System at the Leviathan Mine Superfund site.

Reductions:

- Reverts \$29.1 million GF for Per-and polyfluoroalkyl substances (PFAS) support (in addition to the \$101.6 million cut in the Governor’s budget).
- Cuts \$100 million GF from Water Recycling/Groundwater Clean Up (in addition to the proposed \$174.4 million cut in the Governor’s budget).

Fund Shifts:

- Shifts \$152.2 million in 23-24 and \$200 million in 24-25 for Drinking Water/ Wastewater Infrastructure from GF to GGRF.

**Department of Food and Agriculture**

New Spending/Proposals:

- Adds \$25 million GF one-time and \$28 million in one-time federal funding to address emergencies related to the infestation of invasive fruit flies.

Reductions:

- Reverts \$5 million GF from the Relief for Small Farms from droughts program.
- Reverts \$10 million GF from the Farm to School Program.
- Reverts \$200,000 GF from the Technical Assistance Program for Underserved Farms.

- Reverts \$2.1 million GF from Fairs Resilience Grants.
- Reverts \$2.8 million GF from the State Water Efficiency and Enhancement Program.
- Reverts \$400,000 GF from the Pollinator Habitat Program.
- Refers \$6.9 million GF from the Water Efficiency Technical Assistance Program.

**Department of Conservation**

Reductions:

- Reverts \$7 million GF from the Climate Smart Land Management Program.
- Reverts \$5.7 million from the Multi-benefit Land Repurposing Program.

**Various Departments**

Funds Shifts:

- Shifts \$6.8 million in 23-24, \$65.2 million in 24-25, and \$3.3 million in 25-26 for Salton Sea restoration efforts from GF to GGRF.
- Shifts \$150 million for the Diablo Canyon Land Conservation and Economic Development (SB 846) from GF to GGRF.

**Panel**

This panel will include representatives from the Department of Finance and the Legislative Analyst’s Office.

**Issue 3: Greenhouse Gas Reduction Fund May Revision Spending Plan**

The Governor’s May Revision requests an additional \$3.6 billion in fund shifts from GF to GGRF which results in the following multi-year discretionary GGRF spending plan:

**Discretionary Cap and Trade Funding @  
2024 May Revision  
(Dollars in Millions)\***

Dept.	Program	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
CARB	AB 617 - Community Air Protection		\$195	\$195	\$195	\$195	\$195
	AB 617 - Local Air District Implementation		\$50	\$50	\$50	\$50	\$50
	AB 617 - Technical Assistance Grants		\$5	\$5	\$5	\$5	\$5
	ZEV Programs (preexisting agreement)			\$215	\$301	\$213	
CalSTA	Zero Emission Transit Capital Program	(-220)	(220)		\$230	\$460	
	Transit Inter-City Rail Capital Program and Other Transportation (Formula and Competitive (Fund Shift)	\$596	\$362	\$368	\$20		
Caltrans	Highways to Boulevards (Fund Shift)			\$25	\$50		
CEC	ZEV Programs (preexisting agreement)			\$385	\$299	\$387	
	ZEV Fueling Infrastructure Grants (Fund Shift)	\$119.5				\$99	
	Drayage Trucks & Infrastructure (Fund Shift)	\$157					
	Transit Buses & Infrastructure (Fund Shift)	\$29					
	Clean Trucks, Buses, and Off-Road Equipment (Fund Shift)	\$71					
	Equitable Building Decarbonization (Fund Shift)					\$93	
	Carbon Removal Program (Fund Shift)			\$20			
	Distributed Electricity Backup Assets (Fund Shift)			\$200	\$180		
	Hydrogen Grants (Fund Shift)			\$40			
	Demand Side Grid Support (Fund Shift)		\$75	\$75			
	Clean Energy Reliable Investment Plan (Fund Shift)			\$50	\$150	\$50	\$650
CPUC	Community Solar			\$25			\$25
CalFIRE	Fire Prevention Grants (Fund Shift)		\$40			\$42	
	Unit Fire Prevention Projects (Fund Shift)					\$26	
	Prescribed Fire Liability Pilot (Fund Shift)		\$20				

	Tribal Wildfire and Forest Resilience (Fund Shift)			\$10			
CDFA	Livestock Methane Reduction (Fund Shift)		\$17	\$7			
	State Water Efficiency and Enhancement Program (Fund Shift)				\$20.6		
CNRA	Ocean Protection (Fund Shift)		\$27.5				
	Ocean Protection/SB 1 Implementation (Fund Shift)				\$36.8		
DOC	Regional Forest & Fire Capacity (Fund Shift)					\$20	
	Oil Well Plug and Abandonment (Fund Shift)				\$50		
DWR	Urban Flood Risk Reduction/Systemwide Flood Programs-Little Egbert Project (Fund Shift)		\$126				
	Oroville Pump Storage (Fund Shift)		\$10	\$20	\$100	\$100	
	Habitat Restoration (Fund Shift)		\$102.5				
WCB	Streamflow Program (Fund Shift)		\$101.1				
	Nature Based Solution Programs (Fund Shift)		\$42.0				
	Protecting Fish and Wildlife from Changing Conditions (Fund Shift)		\$70.0				
DFW	Wetland Restoration (Fund Shift)		\$17.2				
Cal EPA	Environmental Justice Action Grants (Fund Shift)				\$5		
DTSC	Vulnerable Community Toxic Clean-Up (Fund Shift)		\$65.0		\$43		
SWRCB	Drinking Water/Wastewater (Fund Shift)		\$322.5	\$30			
OPR	California Climate Action Corps (Fund Shift)		\$9.4	\$9.4	\$9.4	\$9.4	\$9.4
Various	Salton Sea (Fund Shift)		\$72.0	\$3.3			
Various	Diablo Canyon Land Conservation and Economic Development (SB 846) (Fund Shift)			\$50.0	\$50	\$50	
<b>Total</b>		<b>\$973</b>	<b>\$1,729</b>	<b>\$1,783</b>	<b>\$1,794</b>	<b>\$1,799</b>	<b>\$934</b>

\*Does not include baseline support items for various departments.

<sup>1</sup>Previously funded by General Fund now being shifted to GGRF as part of solutions.

**Total**

<b>Total Fund Shifts</b>	<b>\$972.5</b>	<b>\$1,479.2</b>	<b>\$907.7</b>	<b>\$714.3</b>	<b>\$489.4</b>	<b>\$659.4</b>	<b>\$5,222.5</b>
Governor's Budget	\$376.3	\$868.1	\$7.0	\$107.4	\$265.0	\$0.0	\$1,623.8
May Revision	\$596.2	\$611.1	\$900.7	\$606.9	\$224.4	\$659.4	\$3,598.7



The discretionary spending is on top of the following ongoing commitments:

**Cap and Trade Revenues & Continuous Appropriations: 2024-25**

(Dollars in Millions)

		2024-25 Governor's Budget	2024-25 May Revision	Difference
<b>Revenues</b>	Estimated Auction Proceeds	\$4,030	\$4,457	\$427
	Estimated Interest Earnings	\$400	\$400	\$0
	<b>Subtotal</b>	<b>\$4,430</b>	<b>\$4,857</b>	<b>\$427</b>
<b>Statutory Obligations</b>	State Responsibility Area Fee Backfill	\$87	\$87	\$0
	Manufacturing Tax Credit	\$97	\$97	\$0
	Healthy and Resilient Forests (SB 901)	\$200	\$80	-\$120
	<b>Net Revenues Available</b>	<b>\$4,046</b>	<b>\$4,593</b>	<b>\$547</b>
<b>Continuous Appropriations</b>	High-Speed Rail Project	\$912	\$1,018	\$106
	Affordable Housing & Sustainable Communities Program	\$729	\$815	\$86
	Transit and Intercity Rail Capital Program	\$365	\$407	\$42
	Low Carbon Transit Operations Program	\$182	\$204	\$22
	Safe & Affordable Drinking Water Program	\$130	\$130	\$0
	<b>Total Continuous Appropriations</b>	<b>\$2,318</b>	<b>\$2,574</b>	<b>\$256</b>

For context, below is the historic annual GGRF revenues:

**Cap and Trade Auction Proceeds through February 2024\***

(Dollars in Thousands)

Budget Year	Proceeds
2012-13	\$257,264
2013-14	\$477,140
2014-15	\$1,490,777
2015-16	\$1,829,134
2016-17	\$891,915
2017-18	\$2,913,175
2018-19	\$3,207,446
2019-20	\$2,105,810
2020-21	\$2,623,651
2021-22	\$4,500,750
2022-23	\$4,013,036
August 2023	\$1,242,442
November 2023	\$1,422,190
February 2024	\$1,301,951
<b>Total</b>	<b>\$28,276,681</b>

**Panel**

This panel will include representatives from the Department of Finance and the Legislative Analyst's Office.

**Staff Comments**

The proposed GGRF spending plan requires \$1.8 billion in discretionary revenue each year for the next four years.

Roughly 35% of the GGRF revenues are for discretionary spending, thus this spending plan requires roughly \$5.14 billion in GGRF revenue per year for the next 4 years.

While GGRF revenues are on pace to reach that amount in this fiscal year, they have never reached that amount before and the revenues vary from year to year. The final auction of the 2023-24 fiscal year will be held on May 15<sup>th</sup>, 2024, and totals will be available a few weeks after.

Additionally, adopting an aggressive GGRF spending plan for the next four years limits the ability for the Legislature to fund any additional priorities with GGRF and likely additional/new climate spending would only be possible if the General Fund grows in those years (and is allocated to climate priorities) or GGRF grows even faster than expected. This could mean that there is no new funding for Zero-Emission Vehicles (which have limited funding in future years) or new issues that arise.

If GGRF revenues do not match authorized expenditures, the budget typically includes a control section that requires departments to withhold 25% of authorized funds until the final auction of the fiscal year (Mid May). If revenues come in lower, each program faces a proportionate cut reflective of the percentage that revenue was short. This occurred in 2020 and programs were reduced 14%.

Staff notes that \$120 million for wildfire prevention was fund shifted with Timber Regulation and Forest Restoration Fund (TRFRF) or AB 1492 funds.

Lastly, staff notes that many of the programs proposed for funding have never been funded by GGRF before and many have no correlation to emissions reductions.

Members of this subcommittee may wish to ask:

- Can you provide us the total GGRF revenues required for the next 4 years to achieve the spending proposed in the May Revision?