



May 14, 2024

Honorable Scott D. Wiener, Chair  
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance, Department of Food and Agriculture**

**Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:**

**General Fund Solution: Fairs and Exposition Resiliency Grant Program**—It is requested that Item 8570-495 be amended to revert \$2,075,000 for the Fairs and Exposition Resiliency Grant Program, which was included in the 2021 Budget Act and is available for expenditure until June 30, 2024 (see Attachment 1).

**General Fund Solution: Relief for Small Farmers Program**—It is requested that Item 8570-495 be amended to revert \$5 million for the Relief for Small Farmers program, which was included in the 2023 Budget Act and is available for expenditure until June 30, 2024 (see Attachment 1).

**General Fund Solution: Farm to School Incubator Grant Program**—It is requested that Item 8570-495 be amended to revert \$10 million for the Farm to School Incubator Grant Program, which was included in the 2022 Budget Act and is available for expenditure until June 30, 2025 (see Attachment 1).

**General Fund Solution: Technical Assistance Program for Underserved Farmers**—It is requested that Item 8570-495 be amended to revert \$200,000 for the Technical Assistance Program for Underserved Farmers, which was included in the 2022 Budget Act and is available for expenditure until June 30, 2024 (see Attachment 1).

**General Fund Solution: State Water Efficiency and Enhancement Efficiency Program**—It is requested that Item 8570-495 be amended to revert \$2.8 million for the State Water Efficiency and Enhancement Efficiency Program, which was included in the 2021 Budget Act and is available for expenditure until June 30, 2024 (see Attachment 1). It is also requested that Item 8570-101-3228 be decreased by \$20.6 million in 2024-25 and increased by \$20.6 million in 2026-27 to effectuate a full delay of fund shift for the State Water Efficiency and Enhancement Efficiency Program (see Attachment 2).

**General Fund Solution: Pollinator Habitat Program**—It is requested that Item 8570-495 be amended to revert \$445,000 for the Pollinator Habitat Program, which was included in the 2021 Budget Act and is available for expenditure until June 30, 2025 (see Attachment 1).

**General Fund Solution: Water Efficiency Technical Assistance Program**—It is requested that Item 8570-495 be amended to revert \$6.9 million for the Water Efficiency Technical Assistance Program, which was included in the 2021 Budget Act and is available for expenditure until June 30, 2024 (see Attachment 1).

**General Fund Solution: Livestock Methane Reduction Programs**—It is requested that Item 8570-101-3228 be decreased by \$7 million in fiscal year 2024-25 and increased by \$7 million in 2025-26 to effectuate a partial delay of fund shift for the Livestock Methane Reduction Programs (see Attachment 2).

**The May Revision proposes the following adjustments to enable the department to implement recently chaptered legislation:**

**Broomrape Program: Chapter 651, Statutes of 2023 (AB 402)**—It is requested that Item 8570-001-0001 be increased by 7 permanent ongoing new positions to perform the research, outreach, survey, treatment, and assessment activities related to broomrape.

**Included below are the remaining adjustments included in the May Revision:**

**Emergency Response to Invasive Fruit Flies**—It is requested that Item 8570-001-0001 be increased by \$24,985,000 and Item 8570-001-0890 be increased by \$28,786,000 on a one-time basis and provisional language be added to address emergencies related to the infestation of invasive fruit flies (IFF) to prevent irrevocable establishments of IFFs in California (see Attachments 3 and 4).

**Technical Adjustments: Provisional Language Cleanup**—It is requested that Item 8570-495 be amended to correct the referenced Budget Acts and dollar amounts for reversions (see Attachment 1). It is requested that Item 8570-101-3228 be amended to add administrative cost authority for programs focused on Livestock Methane Reduction (see Attachment 2).

**Technical Adjustments: Various Federal Funds, Local Food Purchase Assistance, and Reimbursements**—It is requested that Item 8570-001-0001 be amended by increasing reimbursements by \$25,792,000 one-time and provisional language be added for the agreement with the California Department of Social Services for California Association of Food Banks and the agreement with the California Dairy Research Foundation to provide incentives to producers and landowners to implement climate-smart agricultural practices, activities, and systems on working lands (see Attachment 3). It is also requested that Item 8570-001-0890 be increased by \$37,705,000 one-time and provisional language added for the management of the Resilient Food Systems Infrastructure Cooperative Agreement with the United States Department of Agriculture, which builds resilience in the middle of the supply chain and strengthens local and regional food systems by creating new revenue streams for California's producers (see Attachment 4).

**Technical Adjustment: Various Reappropriations**—It is requested that Item 8570-490 be added to reappropriate the balance of several Budget Act 2021 and Budget Act 2023 Items (see Attachment 5) that will allow the Department of Food and Agriculture to continue utilizing funding for technical assistance and resiliency grant support related to fairs and expositions, developing the Animal Blood Banks Program, and implementing ongoing IT projects. It is also requested that Item 8570-491 be added to reappropriate the balance of Item 8570-588-0001, Budget Act 2021 to extend the encumbrance and liquidation period (see Attachment 6) to allow the Department of Food and Agriculture to continue utilizing funding for administrative costs for the State Water Efficiency and Enhancement Program.

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

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

JOE STEPHENSHAW  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review  
Committee  
Attention: Elisa Wynne, Staff Director  
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee  
Attention: Jay Dickenson, Chief Consultant  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Josh Becker, Chair, Senate Budget and Fiscal Review Subcommittee  
No. 2  
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4  
Gabriel Petek, Legislative Analyst  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
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  
Karen Ross, Secretary, Department of Food and Agriculture  
Arima Kozina, Deputy Secretary for Administration and Finance, Department of  
Food and Agriculture

Amend Item 8570-495 as follows:

“8570-495—Reversion, Department of Food and Agriculture. As of June 30, 2024, 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.

0001—General Fund

- (1) Item 8570-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$23,000,000 for Enteric Methane Reduction in Program 6590-General Agricultural Activities per Provision 4.
- (2) Item 8570-101-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). ~~\$9,500,000~~ \$13,900,000 for the State Water Efficiency Program in Program 6590-General Agricultural Activities per Provision 2.
- (3) Section 35(d)(1) of Chapter 574, Stats. 2022. ~~\$11,100,000~~ \$9,500,000 for the State Water Efficiency Program.
- (4) Item 8570-102-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$14,400,000 for the Farm to Community Food Hubs Program.
- (5) Item 8570-102-0001, ~~Budget Act of 2021~~ Budget Act of 2022 (Chs. 21, 69, and 240, ~~Stats. 2021~~ Chs. 43, 45, and 249, Stats. 2022). \$24,000,000 for Livestock Methane Reduction per Provision 5.
- (6) Item 8570-102-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022). \$8,500,000 for the Healthy Refrigeration Grant Program in Program 6575-Marketing; Commodities and Agricultural Services per Provision 3.

- (7) Item 8570-102-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$33,200,000 for the California Nutrition Incentive Program in Program 6575-Marketing; Commodities and Agricultural Services per Provision 2.
- (8) Item 8570-102-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022). \$10,000,000 for the Farm to School Incubator Grant Program in Program 6575-Marketing; Commodities and Agricultural Services per Provision 1.
- (9) Item 8570-102-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022). \$200,000 for the Technical Assistance Program for Underserved Farmers in Program 6590-General Agricultural Activities per Provision 9.
- (10) Item 8570-002-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$2,075,000 for the Fairs and Exposition Resiliency Grants in Program 6580-Assistance to Fair and County per Provision 4.
- (11) Item 8570-102-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$445,000 from the Pollinator Habitat Program in Program 6590-General Agricultural Activities per Provision 7.
- (12) Item 8570-101-0001, Budget Act of 2023 (Chs. 12, and 38, Stats. 2023) \$5,000,000 for Relief for Small Farmers in Program 6590-Agricultural Activities.

3398—California Emergency Relief Fund

- (1) Item 8570-101-3398, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$6,000,000 for On-Farm Water Use and Agriculture Technical Assistance in Program 6590-Agricultural Activities.
- (2) Item 8570-101-3398, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$12,900,000 for Relief for Small Farmers in Program 6590-Agricultural Activities.

- (3) Item 8570-101-3398, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$6,900,000 for the Water Efficiency Technical Assistance Program in Program 6590-Agricultural Activities per Provision 1"

Amend Item 8570-101-3228 as follows:

"8570-101-3228—For local assistance, Department of Food and Agriculture, payable from the Greenhouse Gas Reduction Fund

.....

44,600,00017,000,000

Schedule:

- (1) 6590-General Agricultural Activities ..... 44,600,00017,000,000

Provisions:

- 1. ~~Of the amount appropriated in this item, \$20,600,000 shall be available for the State Water Efficiency and Enhancement Program and shall be available for encumbrance or expenditure until June 30, 2027. Up to 2.5 percent of this amount may be used for administrative costs. No less than 5 percent and no more than \$2,060,000 shall be used for technical assistance grants pursuant to Section 570 of the Food and Agriculture Code.~~
- 2. Of the amount appropriated in this item, ~~\$24,000,000~~17,000,000 shall be available for Livestock Methane Reduction, with priority given to the Alternative Manure Management Program and the Dairy Digester Research and Development Program. Up to 5 percent of this amount may be used for administrative costs. This amount shall be available for encumbrance or expenditure until June 30, 2025, and liquidation until June 30, 2028."



Amend Item 8570-001-0001 as follows:

"8570-001-0001—For support of Department of Food and  
 Agriculture .....

~~138,234,000~~ 163,219,000

Schedule:

- (1) 6570-Agricultural Plant  
 and Animal Health;  
 Pest Prevention; Food  
 Safety Services  
 ..... ~~127,625,000~~ 152,610,000
- (2) 6575-Marketing;  
 Commodities and  
 Agricultural Services  
 ..... 19,759,000
- (3) 6580-Assistance to Fair  
 and County  
 Agricultural Activities  
 ..... 3,171,000
- (4) 6590-General  
 Agricultural Activities  
 ..... ~~6,874,000~~ 32,666,000
- (5) 9900100-  
 Administration  
 ..... 41,700,000
- (6) 9900200-  
 Administration—  
 Distributed  
 ..... -41,521,000
- (7) Reimbursements to  
 6570-Agricultural Plant  
 and Animal Health;  
 Pest Prevention; Food  
 Safety Services  
 ..... -5,286,000
- (8) Reimbursements to 6575-  
 Marketing; Commodities  
 and Agricultural Services  
 ..... -12,260,000

(9)	Reimbursements to 6590- General Agricultural Activities .....	=1,649,000 <u>-27,441,000</u>
(10)	Reimbursements to 9900100- Administration .....	-179,000

Provisions:

1. The amount appropriated in this item for an agreement with the Regents of the University of California to operate poultry and livestock disease laboratories shall be adjusted annually, as necessary, for University of California negotiated employee compensation and benefit adjustments.
2. Of the amount appropriated in Schedule (1), \$24,985,000 shall be available for the response to infestations of exotic fruit flies, and shall be available for encumbrance or expenditure until June 30, 2026.
3. Of the amount appropriated in Schedule (9), -\$18,692,000 shall be available for reimbursements for the climate-smart dairy market and climate-smart manure management practices programs in partnership with the California Dairy Research Foundation and shall be available for encumbrance or expenditure until June 30, 2026."

Amend Item 8570-001-0890 as follows:

“8570-001-0890—For support of  
 Department of Food and Agriculture,  
 payable from the Federal Trust Fund  
 ..... ~~107,348,000~~ 173,839,000”

Schedule:

- (1) 6570-Agricultural Plant and  
 Animal Health; Pest Prevention;  
 Food Safety Services  
 ..... ~~51,011,000~~ 79,797,000
- (2) 6575-Marketing; Commodities  
 and Agricultural Services  
 ..... 18,415,000
- (3) 6590-General Agricultural  
 Activities ..... ~~37,922,000~~ 75,627,000

Provisions:

1. Of the amount appropriated in Schedule (1), \$28,786,000 shall be available for the response to infestations of exotic fruit flies, and shall be available for encumbrance or expenditure until June 30, 2026.
2. Of the amount appropriated in Schedule (3), \$37,705,000 shall be available for reimbursements for the Resilient Food Systems Infrastructure Cooperative Agreement with the United States Department of Agriculture – Agriculture Marketing Services and shall be available for encumbrance or expenditure until June 30, 2026.”

Add Item 8570-490 as follows:

8570-490—Reappropriation, Department of Food and Agriculture. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2025, and liquidation until June 30, 2027:

0001—General Fund

- (1) Item 8570-002-0001, Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021), for support for Fairs and Exposition Resiliency Grants per Provision 4.
- (2) Item 8570-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for the Emerging Threats 2 Project and the Information Technology Enterprise Transition Support Project.
- (3) Item 8570-002-0001, Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021) and Item 8570-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for the Animal Blood Banks program.

0111—Department of Food and Agriculture Fund

- (1) Item 8570-001-0111, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for Emerging Threats 2 Project.

Add Item 8570-491 as follows:

8570-491—Reappropriation, Department of Food and Agriculture. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2027, and liquidation until June 30, 2029:

0001—General Fund

- (1) Item 8570-588-0001, Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021), for support for the State Water Efficiency and Enhancement Program per Provision 2.

May 14, 2024

Honorable Scott D. Wiener, Chair  
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendments to and eliminate Various Budget Bill Items, Support and Local Assistance, California Public Utilities Commission**

**Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:**

**Residential Solar and Storage Program**—It is requested that Item 8660-002-0001 be eliminated. This action will decrease the Residential Solar and Storage program by \$50 million in fiscal year 2024-25.

**Broadband Loan Loss Reserve Program**—It is requested that Item 8660-062-0001 be eliminated. This action will decrease the program by \$150 million in 2024-25. Additionally, it is requested that Item 8660-496 be added to revert \$175 million from the prior Budget Act appropriation in 2023 for this program (see Attachment 1). This would result in a total decrease of \$325 million through 2024-25.

**Capacity Building Grants Program**—it is requested that Item 8660-496 be added to revert the \$10 million for the Capacity Building Grants Program originally appropriated in the 2022 Budget Act (see Attachment 1).

**The May Revision proposes the following adjustments to enable the California Public Utilities Commission (CPUC) to implement recently chaptered legislation:**

**Railroad Contract Crew Transportation: Chapter 411, Statutes of 2023 (SB 757)**—It is requested that Item 8660-001-0461 be increased by \$328,000 in 2024-25. Of this amount, \$128,000 is ongoing.

**Public Utilities Timely Service: Chapter 317, Statutes of 2023 (AB 50)**—It is requested that Item 8660-001-0462 be increased by \$453,000 ongoing and 2.0 permanent positions.

**Broadband Infrastructure Mapping: Chapter 645, Statutes of 2023 (AB 286)**—It is requested that Item 8660-001-0462 be increased by \$1,333,000 one-time (\$1,167,000 ongoing) and 2.0 permanent positions.

**Electricity Transmission Planning and Permitting: Chapter 390, Statutes of 2023 (SB 319)**—It is requested that Item 8660-001-0462 be increased by \$609,000 one-time (\$220,000 ongoing) and 1.0 permanent position ongoing.

**Powering Up Californians Act: Chapter 394, Statutes of 2023 (SB 410)**—It is requested that Item 8660-001-0462 be increased by \$2,166,000 ongoing and 7.0 permanent positions. It is requested that Item 8660-001-3089 be increased by \$384,000 ongoing and 2.0 permanent positions.

**Renewable Energy, Department of Transportation Evaluation: Chapter 379, Statutes of 2023 (SB 49)**—It is requested that Item 8660-001-0462 be increased by \$110,000 one-time.

**Included below are the remaining adjustments included in the May Revision:**

**Broadband Equity, Access, and Deployment (BEAD)**—It is requested that Item 8660-001-0890 be increased by \$1,860,000,000 one-time and 31.0 permanent positions in anticipation of federal funds to implement the Broadband Equity, Access, and Deployment (BEAD) programs. This reflects the amount announced for California by the National Telecommunications and Information Administration.

**California Lifeline Program**—It is requested that Item 8660-001-0471 be increased by \$2,243,000 ongoing and Item 8660-101-0471 be increased by \$28,780,000 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.

If you have any questions or need additional information regarding this matter, please call Steve Wells, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Elisa Wynne, Staff Director  
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee  
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Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Josh Becker, Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4  
Gabriel Petek, Legislative Analyst  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and  
Budget  
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  
Rachel Peterson, Executive Director, California Public Utilities Commission  
Ryan Dulin, Deputy Director, California Public Utilities Commission  
Harsh Thakar, Budget Officer, California Public Utilities Commission



8660-496—Reversion, Public Utilities Commission. 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.

0001—General Fund

1. \$175,000,000 of the amount appropriated for the Broadband Loan Loss Reserve Program in Provision 1 of item 8660-062-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
2. \$10,000,000 of the amount appropriated for the Capacity Building Grants Program in Provision 1 of Item 8660-001-0001, Budget Act of 2022 (Chs 43, 45, and 249, Stats. 2022).