



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 Various Budget Bill Items, Support, Local Assistance, Secretary for Transportation Agency

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:

Zero Emission Transit Capital Program—It is requested that Item 0521-101-3228 be decreased by \$10 million. It is also requested that Item 0521-496 be amended to revert an additional \$220 million from Schedule (1) of Item 0521-101-3228, 2023 Budget Act (see Attachment 1).

Formula Transit and Intercity Rail Capital Program—It is requested that Item 0521-101-3228 be decreased by \$73.4 million and Item 0521-131-0001 be increased by \$73.4 million.

Competitive Transit and Intercity Rail Capital Program—It is requested that Item 0521-101-3228 be decreased by \$355.7 million and Item 0521-131-0001 be increased by \$338 million. It is also requested that Item 0521-496 be amended to revert an additional \$281.2 million from Schedule (1) of Item 0521-131-0001, 2021 Budget Act (see Attachment 1).

Grade Separations—It is further requested that Item 0521-496 be amended to revert \$100 million from Schedule (2) of Item 0521-131-0001, 2021 Budget Act (see Attachment 1).

In addition to the above changes, the following changes to the 2023 Budget Act are requested:

Formula Transit and Intercity Rail Capital Program—It is requested that Item 0521-101-3228 be increased by \$463 million and Item 0521-131-0001 be decreased by \$463 million.

Competitive Transit and Intercity Rail Capital Program—It is requested that Item 0521-101-3228 be increased by \$133.2 million.

Included below is the remaining adjustment included in the May Revision:

California Office of Traffic Safety Federal Fund Workload—It is requested that Item 0521-001-0042 be increased by \$5,000 ongoing, Item 0521-001-0044 be increased by \$2,000 ongoing, Item 0521-001-0046 be increased by \$2,000 ongoing, and Item 0521-001-0890 be increased by \$443,000 and 3 positions ongoing. These increases will support additional federal grants issued to the California Office of Traffic Safety by the National Highway Traffic Safety Administration.

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 James Moore, Principal Program Budget Analyst, at (916) 445-3274.

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 Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
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
Toks Omishakin, Secretary, California State Transportation Agency
Mark Tollefson, Undersecretary, California State Transportation Agency
Carlos Quant, Deputy Secretary, California State Transportation Agency

Amend Item 0521-496 as follows:

"0521-496—Reversion, Secretary of Transportation. As of June 30, 2024, the unencumbered 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) Up to \$96,000,000 of the amount appropriated in Schedule (1) of Item 0521-102-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

(2) Up to ~~\$2,405,862,000~~~~\$2,124,662,000~~ of the amount appropriated in Schedule (1) of Item 0521-131-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

(3) Up to \$100,000,000 of the amount appropriated in Schedule (2) of Item 0521-131-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

3228—Greenhouse Gas Reduction Fund

(1) Up to \$220,000,000 of the amount appropriated in Schedule (1) of Item 0521-101-3228, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023)."



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, Addition of, and Eliminate Various Budget Bill Items, Support and Local Assistance, Secretary of the Natural Resources Agency

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: Salton Sea Management Program Project Delivery and Operational Needs—It is requested that Item 0540-001-0001 be decreased by \$185,000 and 1 position in fiscal year 2024-25 and 2025-26. It is also requested that Item 0540-001-3228 be added in the amount of \$185,000 and 1 position in 2024-25 and 2025-26 to effectuate a full fund shift for this Governor's Budget proposal from the General Fund to the Greenhouse Gas Reduction Fund. Additionally, it is requested that provisional language be added to Item 0540-001-3228 to specify the purpose of this funding (see Attachment 1).

General Fund Solution: Ocean Protection—It is requested that Item 0540-495 be amended to revert \$27.5 million in 2023-24 for the Ocean Protection program, which was included in the 2022 and 2023 Budget Acts and is available for expenditure until June 30, 2025, and June 30, 2026, respectively (see Attachment 2). It is also requested that Item 0540-001-3228 be added in the amount of \$27.5 million in 2024-25 to effectuate a full shift of this funding from the General Fund to the Greenhouse Gas Reduction Fund. Additionally, it is requested that provisional language be added to Item 0540-001-3228 to specify the purpose of this funding and extend the encumbrance period until June 30, 2027 (see Attachment 1).

General Fund Solution: Marine Mammal Center—It is requested that Item 0540-101-0001 be decreased by \$2 million in 2024-25 and ongoing.

General Fund Solution: Urban Greening—It is requested that Item 0540-101-3228 be eliminated to reflect the combined effects of this proposed General Fund solution and the Ocean Protection – SB 1 Implementation solution below. It is also requested Item 0540-495 be amended to reflect \$3,850,000 in erosions to the proposed Governor’s Budget General Fund Solution of \$23,750,000, thereby making the revised, total solution \$19.9 million (see Attachment 2).

General Fund Solution: Ocean Protection – SB 1 Implementation—It is requested that Item 0540-101-3228 be eliminated to reflect the combined effects of this proposed General Fund solution and the Urban Greening solution above. It is also requested that Item 0540-101-3228 be increased by \$36.8 million in 2026-27 to effectuate a full shift of this funding from the General Fund to the Greenhouse Gas Reduction Fund.

General Fund Solution: California Climate Information System—It is requested that Item 0540-495 be amended to revert \$18,331,000 in 2023-24 from Item 0540-002-0001, Budget Act of 2022, which was appropriated for the California Climate Information System and is available for expenditure until June 30, 2024 (see Attachment 2).

General Fund Solution: Natural and Working Lands Implementation (AB 1757)—It is requested that Item 0540-495 be amended to revert \$3,160,000 in 2023-24 from Item 0540-001-0001, Budget Act of 2023, which was appropriated for Natural and Working Lands Implementation (AB 1757) and is available for expenditure until June 30, 2024 (see Attachment 2).

General Fund Solution: Water Resilience Data, Research, and Communication—It is requested that Item 0540-495 be amended to revert \$600,000 in 2023-24 from Item 0540-001-0001, Budget Act of 2021, which was appropriated for Water Resilience Data, Research, and Communication and is available for expenditure until June 30, 2024 (see Attachment 2).

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

Extreme Heat Action Plan: Chapter 387, Statutes of 2023 (SB 306)—It is requested that Item 0540-001-0001 be increased by \$250,000 and 1 position ongoing.

Ocean Protection Council Offshore Wind Implementation: Chapter 367, Statutes of 2023 (AB 1373)—It is requested that Item 0540-001-0001 be increased by \$3.6 million one-time and 3 positions ongoing. Additionally, it is also requested that provisional language be added to specify the purpose of the funding and make this amount available for encumbrance until June 30, 2027 (see Attachment 3).

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

Natural Resources Agency Bond and Technical Proposals: Various Reappropriations and Extensions of Liquidation—It is requested that Item 0540-493 be added to extend the liquidation period of Item 0540-101-6083, Budget Act of 2017, one additional year to June 30, 2025 (see Attachment 4). It is also requested that Item 0540-494 be added to reappropriate the amount provided in Provision 5 of Item 0540-001-0001, Budget Act of 2022, until June 30, 2026 (see Attachment 5).

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 Lizzie Urie, Principal Program Budget Analyst, at (916) 324-0043.

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
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 Steven 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
Wade Crowfoot, Secretary, Natural Resources Agency
Bryan Cash, Assistant Secretary for Administration and Finance, Natural Resources
Agency

0540-001-3228—For support of Secretary of the Natural Resources Agency, payable from the Greenhouse Gas Reduction Fund.....27,685,000

Schedule:

(1) 0320-Administration of Natural Resources Agency.....27,685,000

Provisions:

1. Of the amount appropriated in this item, \$185,000 shall be available to the Natural Resources Agency for support of the Salton Sea Management Program.
2. Of the amount appropriated in this item, \$27,500,000 shall be available to the Ocean Protection Council for grants or expenditures for resilience projects that conserve, protect, and restore marine wildlife and healthy ocean and coastal ecosystems, and shall be available for encumbrance or expenditure until June 30, 2027.

Amend Item 0540-495 as follows:

“0540-495—Reversion, Secretary of the Natural Resources Agency. 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 appropriations were made.

0001—General Fund

(0.1) Up to \$600,000 of the amount appropriated for water resilience data, research, and communications in Provision 1 of Item 0540-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

(0.2) \$15,000,000 of the amount appropriated for Ocean Protection in Provision 1 of Item 0540-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

(0.3) Up to \$18,331,000 appropriated for the California Climate Information System in Item 0540-002-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

(1) ~~\$23,750,000~~ \$19,900,000 of the amount appropriated for Urban Greening in Provision 4 of Item 0540-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

(2) \$10,000,000 of the amount appropriated for Redondo Beach Wetlands in Section 19.58(b)(1)(A), Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), as allocated to Item 0540-102-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

(2.5) Up to \$3,160,000 of the amount appropriated for implementation of Chapter 341, Statutes of 2022 (AB 1757) in Item 0540-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

(3) ~~\$35,000,000~~ \$47,500,000 of the amount appropriated for Ocean Protection in Provision 1 of Item 0540-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

(4) \$51,800,000 of the amount appropriated for Ocean Protection—SB 1 Implementation in Provision 9 of Item 0540-102-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).”

Add the following Provisions to Item 0540-001-0001:

1. Of funds appropriated in this item, \$3,600,0000 shall be used by the Ocean Protection Council to support offshore wind energy environmental research, monitoring, and adaptive management activities, which may include the following:
 - a) Evaluation of research and data gaps, tools, methods and technologies to support offshore wind energy-related environmental research and monitoring.
 - b) Development of data management practices and standards to support data sharing and interagency coordination on state offshore wind energy programs and actions.
2. The Ocean Protection Council may receive and expend any potential non-state funding, including private, nonprofit, and philanthropic funds, for similar purposes as specified in Provision 1 of this item. The Department of Finance may augment the appropriate budget items to effectuate the receipt and expenditure of any potential non-state funding for this purpose.
3. The funds specified in Provision 1 of this Item shall be available for encumbrance or expenditure by the Ocean Protection Council until June 30, 2027, and shall be available for liquidation until June 30, 2030.

0540-493—Reappropriation, Secretary of the Natural Resources Agency.
Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended to June 30, 2025:

6083—Water Quality, Supply, and Infrastructure Improvement Fund of 2014

- (1) 0540-101-6083, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017), as reappropriated in Item 0540-490, Budget Act of 2020 (Chs. 6 and 7, Stats. 2020) and in Item 0540-491, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

0540-494—Reappropriation, Secretary of the Natural Resources Agency. The amount specified 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, 2026:

0001—General Fund

(1) Up to \$2,370,000 of the amount appropriated in Provision 5 of Item 0540-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the administration of 2022 Legislative investments.



Gavin Newsom ■ Governor

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May 14, 2024

Honorable Scott Weiner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Addition of Various Budget Bill Items, Support, California Environmental Protection Agency,
Office of the Secretary**

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 Solutions: Environmental Justice Action Grants Program—It is requested that Item 0555-495 be added to revert \$5 million in 2023-24 and Item 0555-101-3228 be added in the amount of \$5 million in 2026-27 to effectuate a fund shift for the Environmental Justice Action Grants program (see Attachment 1).

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

Technical Adjustment: Reappropriation of California Environmental Reporting System Project—It is requested that Item 0555-490 be added to extend the encumbrance period until June 30, 2027 for appropriations from the Unified Program Account in the 2021 and 2022 Budget Acts for the California Environmental Reporting System Project (see Attachment 2).

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

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

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

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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
Yana Garcia, Secretary, California Environmental Protection Agency
Catalina Hayes-Bautista, Undersecretary, California Environmental Protection
Agency
Eric Jarvis, Deputy Secretary, California Environmental Protection Agency
Krystal Acierto, Deputy Secretary, California Environmental Protection Agency
Lu Saepanh, Branch Chief, State Air Resources Board

0555-495—Reversion, Secretary for Environmental Protection. As of June 30, 2024, the balances specified below of the appropriations provided in the following citation shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

- (1) Item 0555-102-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$5,000,000 of the amount appropriated in Program 0340-Support for Environmental Justice Action Grants.

0555-490—Reappropriation, Secretary of Environmental Protection. The amounts specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure through June 30, 2027.

0028—Unified Program Account

- (1) Up to \$675,000 of the amount appropriated in Item 0555-001-0028, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) related to the California Environmental Reporting System Project
- (2) Up to \$75,000 of the amount appropriated in Item 0555-001-0028, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) related to the California Environmental Reporting System Project