

# California State Assembly



## Informational Hearing Agenda

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

Assemblymember Steve Bennett, Chair

Wednesday, April 2, 2025  
9:30 A.M. – State Capitol, Room 447

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**Non-Presentation Items:** The following items do not receive a formal presentation from the Administration in order to focus time on the most substantial proposals. Members of the Subcommittee may ask questions or make comments on these proposals at the time designated by the Subcommittee Chair or request a presentation by the Administration at the discretion of the Subcommittee Chair. Members of the public are encouraged to provide public comment on these items at the designated time.

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

## Presentation Items

### Various

**Issue 1: Prop. 4 – Climate Smart Agriculture Spending Plan**

Proposition 4 includes a total of \$300 million for various activities to support climate smart agriculture. The Governor’s budget proposes to appropriate \$134 million—45 percent—of the \$300 million in 2025-26. The Governor’s budget includes multi-year appropriations which would provide \$84 million in 2026-27, and \$22 million in the future budget years. Under the governor’s spending plan, \$60 million would be left unallocated in the climate smart agriculture chapter of the bond.

### Chapter 7. Climate Smart Agriculture

(\$ in Millions)

Department	Program	2025-26	2026-27	Out-Years	Pending Allocation
Dept. of Food & Agriculture	Healthy Soils Program	\$36	\$26	\$3	\$0
	State Water Efficiency & Enhancement Program	\$38	\$0.7	\$2	\$0
	Invasive Species Account	\$20	\$0	\$0.2	\$0
	Certified Mobile Farmers' Markets	\$10	\$10	\$0.9	\$0
	Year-Round Certified Farmers' Markets	\$10	\$10	\$0.9	\$0
	Urban Agriculture Projects	\$19	\$0.4	\$0.9	\$0
	Regional Farm Equipment Sharing	\$0.2	\$14	\$0.7	\$0
	Tribal Food Sovereignty	\$0.2	\$14	\$0.7	\$0
Dept. of Conservation	Protection, Restoration, Conservation and Enhancement of Farm and Range Lands	\$2	\$9	\$3	\$0
	Improve Land Access and Tenure for Socially Disadvantaged Farmers, Ranchers, or Tribal Producers	\$0	\$0	\$0.2	\$30
Dept. of Community Services & Development	Farmworkers Housing Component of the Low-Income Weatherization Program	\$0	\$0.2	\$10	\$0
California Vanpool Authority	Deployment of Vanpool Vehicles, Clean Technologies and Infrastructure	\$0	\$0	\$0.1	\$15
California Dept. of Education	Grants to Postsecondary Education Institutions to Develop Research Farms to Improve Climate Resiliency	\$0	\$0	\$0.1	\$15
<b>Total</b>		<b>\$134</b>	<b>\$84</b>	<b>\$22</b>	<b>\$60</b>

## Descriptions of Programs for Proposed Spending

Below are brief descriptions of the programs with proposed investments in the Administration's spending plan:

- Healthy Soils Program – Promotes the development of soil health on California's farmlands and rangelands through conservation management practices, using three grant types:
  - *Incentive Grants* provide financial incentives directly to growers and ranchers to implement practices that sequester carbon, reduce atmospheric greenhouse gases (GHGs), and improve soil health.
  - *Demonstration Grants* fund on-farm demonstration projects that collect data, promote and display conservation management practices, and assess the potential of innovative practices in California.
  - *Block Grant Pilot* funds projects by farmers and ranchers through regional block grant administrators, while building their technical assistance capacity.

As noted in the LAO comments below, the Administration is proposing to utilize funds in section 91350(a) for CDFA's existing Healthy Soils Program. The bond language does not explicitly refer to this program, but instead provides funding, "to promote practices on farms and ranches that improve soil health, or accelerate atmospheric carbon removal or soil carbon sequestration."

- State Water Efficiency and Enhancement Program – Provides financial incentives for agricultural operations to invest in irrigation systems that save water and reduce greenhouse gas emissions.

Bond language per 93510(b), however, requires a specific focus for these funds to be used for, "multiple-benefit projects that improve resilience to climate change and save water on California agricultural operations." CDFA staff note that they will review the prioritization scheme through the Environmental Farming Act Science Advisory Panel, in a public meeting, as required by statute to ensure it meets the intent of the bond as well as the demands of the industry.

- Invasive Species Account – Established per AB 2470 (Chapter 870, Grayson, 2018) the account provides funding to the CDFA secretary for the purposes of funding invasive species projects and activities recommended by the Invasive Species Council of California.

Bond language includes that, "preference shall be given to projects that restore and protect biodiversity and ecosystem health. Consideration shall be given to geographic equity."

For previous appropriations, the Invasive Species Council asked its advisory committee to develop funding recommendations. The advisory committee held public meetings which culminated in forwarding recommendations to the Invasive

Species Council. CDFA staff note a similar process would occur to allocate Prop. 4 funds.

- Certified Mobile Farmer’s Market – AB 2786 (Chapter 915, Bonta, 2024) established certified mobile farmers' markets to provide accessibility to foods that are grown, harvested, and produced in California by reaching residents in communities that have limited access to nutritious foods, supermarkets, and grocery stores, including communities in rural, underserved, and tribal areas.
- Year-round Certified Farm’s Markets – Section 93540(b) provides \$20 million to develop year-round infrastructure for certified farmers’ markets including but not limited to:
  - All-weather infrastructure such as canopies and shade structures, tables and seating, market stalls, restrooms and hand wash stations, tent weights and tie-downs, produce washing stations, barricades and bollards for traffic management and pedestrian safety, bicycle parking racks, and other equipment.
  - Facilities for food preparation, cooking demonstrations, and other nutrition education.
  - Wireless electronic benefits transfer point-of-sale terminals for market managers and producers to process CalFresh transactions.
  - Wireless electronic benefits transfer point-of-sale terminals for producers to accept the electronic cash value benefit through the program designed to implement the federal WIC Farmers’ Market Nutrition Act of 1992 (Public Law 102-314) pursuant to Section 123279 of the Health and Safety Code, or equivalent tribal programs.
  - Other equipment to support the seniors farmers’ market nutrition program, as described in Section 3007 of Title 7 of the United States Code, or equivalent tribal programs.
- Urban Agriculture Projects – Projects that create or expand city or suburban community farms or gardens, including community food producers, as defined in Section 113752 of the Health and Safety Code, through in-ground small plot cultivation, raised beds, mushroom growing, rooftop farms, and cultivation of vacant lots and in parks.
- Regional Farm Equipment Sharing Program – Grants for regional farm equipment sharing. Bond language requires that preference be given to projects and programs that benefit small- and medium- sized farms and socially disadvantaged farmers and ranchers.

A bill to provide policy direction on the implementation of this program was vetoed by the Governor during last year’s legislative session. The Assembly’s proposed path forward to implement this new program is discussed in greater detail in the staff comment section of this discussion item.

- Tribal Food Sovereignty – Funding to advance tribes’ food sovereignty to grow, produce, procure, and distribute foods that reflect Native American culture and traditions and support the development of tribal producers and vendors, including, but not limited to, the

following projects: (1) Irrigation and water infrastructure; (2) Utility and power infrastructure; and (3) Food processing infrastructure.

- Protection, Restoration, Conservation and Enhancement of Farm and Range Lands – The funding in this suballocation would be split under two existing programs within the Department of Conservation – the California Farmland Conservancy and the Working Lands and Riparian Corridors Program. Together these programs would support funding conservation easements and land improvements on conserved land.
- Improve Land Access and Tenure for Socially Disadvantaged Farmers, Ranchers, or Tribal Producers – Under the Department of Conservation, this suballocation would create a new program; Department staff have indicated they are awaiting further policy direction from the Legislature on the development of this program. AB 524 (Wilson), the Farmland Access and Conservation for Thriving Communities Act, has been introduced to provide guidance to the Administration on these funds.
- Farmworkers Housing Component of the Low-Income Weatherization Program – Provides low-income farmworker households no-cost energy efficiency upgrades designed to reduce greenhouse gas emissions by saving energy. This is an existing program under the Department of Community Services and Development. The Administration is proposing a slower appropriation timeline for these funds because under the current contract for the Low-Income Weatherization Program, the program administrator is scheduled to continue services until May 2026.

The Department of Community Services and Development is required by state contracting rules to conduct a new procurement for any additional funding appropriated for the Low-Income Weatherization Program Farmworker Housing Component. The department plans on conducting stakeholder engagement and a procurement to identify a program administrator in 2026-27. Project awards and service delivery would be scheduled to begin in 2027-28.

- Deployment of Vanpool Vehicles, Clean Technologies and Infrastructure – The suballocation for this item – \$15 million – is pending allocation in the Administration’s spending plan. Funds would be used for the deployment of vanpool vehicles, clean technologies, and related facilities, including, but not limited to, charging and alternative fuel infrastructure, for use by low-income agricultural workers.
- Grants to Postsecondary Education Institutions to Develop Research Farms to Improve Climate Resiliency – The \$15 million allocated for this purpose is pending under the Administration’s spending plan. The funds are to be administered by the Department of Education in consultation with the Department of Food and Agriculture for providing grants to public postsecondary educational institutions that are designated as Agricultural Experiment Stations or Agricultural Research Institutes, to develop research farms to improve climate resiliency.

**Panel**

- Arima Kozina, California Department of Food & Agriculture
- Shanna Atherton, Acting Division Director, Department of Conservation
- Lizzie Urie, Principal Program Budget Analyst, Department of Finance
- Frank Jimenez, Senior Fiscal & Policy Analyst, Legislative Analyst's Office

**LAO Comments**

***Proposal Utilizes Existing Programs to Administer Certain Funding Categories.*** In a number of cases, Proposition 4 outlines categories of climate smart agriculture activities without specifying particular programs through which the funds should be implemented. For several of these categories, the Administration proposes to use the funds to support existing state programs. This includes categories related to soil health and carbon sequestration as well as urban agriculture projects, which will be administered through CDFA's Healthy Soils Program and Urban Agriculture Program, respectively. Additionally, funding dedicated to conserving and enhancing farmland and rangeland will be administered through the Department of Conservation's California Farmland Conservancy Program and Working Lands and Riparian Corridors Program. (We note that the Administration has not specified how the funds will be divided between these two programs.) Overall, we find that the programs chosen by the Administration seem to align well with the language included in Proposition 4. Furthermore, utilizing existing programs allows the state to more efficiently distribute funds.

In a few instances, Proposition 4 explicitly states which existing state programs should be used to administer certain funding categories. These include the State Water Efficiency and Enhancement Program, the farmworker housing component of the Low-Income Weatherization Program (LIWP), and the Invasive Species Account. Because these established programs can begin implementation immediately, the Governor's proposed plan allocates funding for all of them in the budget year to begin awarding grant funds and supporting projects, with the exception of LIWP. For this program, the multiyear plan would wait and provide most funds in 2027-28. As of this writing, the Administration had not yet provided us with its rationale for the delayed implementation.

***Proposal Would Establish New Programs, but Legislature May Want to Provide Statutory Guidance.*** The Governor also proposes to allocate funding for certain bond categories through establishing new programs. However, the proposed timing for allocating planning and project funding varies by program. For instance, budget-year funding for regional farm equipment sharing and tribal food sovereignty would be used to plan and establish the new programs, with funding for project awards scheduled to be provided in 2026-27. CDFA indicates it believes this phased-in approach is appropriate given that these programs would support activities in areas that the department does not currently oversee. The department also indicates that Proposition 4's statutory guidance for these funding categories is broad, and therefore it must undertake further planning efforts to prepare for implementation. In contrast, for year-round and certified mobile farmers' markets (also new programs for CDFA), the Administration proposes appropriating funding in 2025-26 to support both program development and project awards. The

Administration indicates that this accelerated approach is better suited for these programs given that: (1) CDFA has an established role in overseeing farmers' markets; and (2) Proposition 4 is more explicit on what types of activities must be funded under these categories. Overall, we find the Governor's proposal to be a reasonable approach that allows for sufficient planning in new areas, while enabling the department to proceed in areas where it has established expertise and guidance from the bond.

While the overall approach the Governor proposes appears sound, the Legislature may want to consider providing statutory guidance on how these new programs should be administered, particularly if it had certain components in mind when drafting the bond. Adding statutory guidance now would ensure that these new programs are implemented in a way that aligns with legislative priorities and policy objectives. This is particularly true for the categories where Proposition 4 does not provide directions around how funds should be administered. For example, the Legislature could consider specifying program priorities, design features, and/or project selection criteria. Additionally, the Administration is asking the Legislature to provide more guidance around its intentions for the three bond activities for which the Governor's implementation plan does not yet include an appropriation time line: (1) increasing land access and tenure; (2) deployment of vanpool vehicles and related facilities; and (3) research farms at postsecondary education institutions.

#### Staff Comments

#### **Regional Farm Equipment Sharing:**

Last year, AB 2313, the Farmer Equity Act of 2017: Regional Farmer Equipment and Cooperative Resources Assistance Pilot Program, advanced through the legislative process, but was vetoed by the Governor. In the Governor's veto message of AB 2313, he stated, "I support the author's goal of assisting small-scale farmers and ranchers, but this bill creates a new grant program that lacks the necessary continuous funding to support it. I vetoed a similar bill last year due to budget concerns, and while I understand that this bill is contingent on a potential initial funding source, a new grant program that will require ongoing funding should be considered in the annual budget process." The Assembly has heeded the words in the Governor's veto message and is consequently including the language in AB 2313 as part of the budget process.

Last November, when the voters passed Prop. 4, they approved \$15 million for a regional farm equipment sharing program. As the drafters of Prop. 4, the Legislature's intended use of the proposition funds is for implementation of the pilot program envisioned and outlined in AB 2313.

However, it is important to acknowledge that Prop. 4's statutory guidance for the \$15 million is broad. The Assembly is committed to ensuring the Administration has the necessary policy direction to implement this program as the Legislature intended. Therefore, the Assembly is proposing to include the language in AB 2313 as trailer bill language to implement this allocation in the bond. This Assembly proposal will provide the Administration with policy guidance as they develop this new program, and this guidance would be complementary to the proposed \$200,000 included in the Administration's 2025-26 spending plan to stand up this new program.



**Questions:**

1. How does the Administration plan on delivering the statutory requirement in Prop. 4 to provide meaningful and direct benefits to vulnerable populations or disadvantaged communities in this particular chapter of the bond?
2. Has the California Vanpool Authority received funding from the state prior to the \$15 million in Prop. 4? How much funding have they received? From what department did they receive those funds?
3. Can the Department of Conservation provide an explanation for including investments in both the California Farmland Conservancy and the Working Lands and Riparian Corridors Program in the 'Protection, Restoration, Conservation and Enhancement of Farm and Range Lands' suballocation?
4. What is the implementation timeline CDFA is envisioning for the Tribal Food Sovereignty suballocation?
5. Staff notes that CDE is not before the committee, but can a representative from the Administration provide a justification for the slower allocation timeline for the 'Grants to Postsecondary Education Institutions to Develop Research Farms to Improve Climate Resiliency' suballocation?
6. What kinds of projects and activities have been funded by the Invasive Species Council in the past? Does the Administration use this funding for preemptive work on invasive species or is this funding primarily used for responses to specific invasive species outbreaks?
7. How many grants does the Department expect to be able to award with \$20 million for the Year-round Certified Farm's Markets given the many allowable uses in the bond language?

**Staff Recommendation:** Hold Open.

**Issue 2: Prop. 4 – Biodiversity and Nature-Based Solutions Spending Plan**

Proposition 4 includes a total of \$1.2 billion for activities related to supporting biodiversity and nature-based climate solutions. The Governor’s budget proposes to appropriate \$286 million--24 percent—of the \$1.2 billion in 2025-26. The Governor’s budget includes multi-year appropriations which would provide \$136 million in 26-27, and \$677 million in the future budget years. Under the governor’s spending plan, \$101 million of bond funds in this chapter would be left unallocated.

**Chapter 6. Biodiversity & Nature-Based Solutions**

(\$ in Millions)

Department	Program	2025-26	2026-27	Out-Years	Pending Allocation
Wildlife Conservation Board	Protect & Enhance Fish & Wildlife Resources & Habitats	\$176	\$83	\$409	\$0
	Improve Habitat Connectivity and Establish Wildlife Crossings & Corridors	\$21	\$0.5	\$79	\$0
	San Andreas Corridor Program	\$0	\$0	\$0.6	\$79
	Southern Ballona Creek Watershed	\$0	\$0	\$0.2	\$22
Baldwin Hills & Urban Watersheds Conservancy		\$13	\$12	\$23	\$0
Tahoe Conservancy		\$5	\$4	\$20	\$0
Coachella Valley Mountains Conservancy		\$2	\$2	\$6	\$0
Sacramento-San Joaquin Delta Conservancy		\$0.3	\$9	\$20	\$0
San Diego River Conservancy	Climate Change Risk Reduction & Public Access	\$8	\$0.2	\$40	\$0
Los Angeles Rivers & Mountains Conservancy		\$10	\$9	\$29	\$0
San Joaquin River Conservancy		\$5	\$5	\$0.5	\$0
Santa Monica Mountains Conservancy		\$25	\$10	\$12	\$0
Sierra Nevada Conservancy		\$10	\$0.6	\$38	\$0
Natural Resources Agency	Tribal Nature-Based Solutions Program	\$9	\$0.2	\$0.4	\$0
<b>Total</b>		<b>\$286</b>	<b>\$136</b>	<b>\$677</b>	<b>\$101</b>

**Programs with General Fund Reductions Backfilled by Prop. 4 Funds:**

Department	Program	Amount
Various including Wildlife Conservation Board	Watershed Climate Resilience	\$32 million
Various	Stewardship of State-owned Land	\$68 million

**Descriptions of Programs for Proposed Spending**

Below are brief descriptions of the programs with proposed investments in the Administration’s spending plan:

- Protect & Enhance Fish & Wildlife Resources & Habitats – Prop. 4 includes \$870 million for the purpose of protecting and enhancing fish and wildlife resources and habitat and achieve the state’s biodiversity, public access, and conservation goals. The Administration’s spending plan includes \$176 million to be spent in 2025-26.

The Wildlife Conservation Board plans to use its 5-year strategic plan to guide how the funding in this suballocation will be spread across the eligible uses. A [draft](#) of WCB’s plan is available and the Board plans on finalizing the plan this summer.

- Improve Habitat Connectivity and Establish Wildlife Crossings & Corridors – \$21 million of \$100 million would be available in the budget year under the Administration’s spending plan for improving habitat connectivity and establishing wildlife crossings and corridors to be administered by the Wildlife Conservation Board.
- San Andreas Corridor Program – this program is pending allocation as the Administration is seeking further direction from the Legislature on formation of the program.
- Southern Ballona Creek Watershed – this program is pending allocation as the Administration is seeking further direction from the Legislature on formation of the program.
- Climate Change Risk Reduction & Public Access – \$320 million is available and spread across the various conservancies to reduce the risks of climate change impacts upon communities, fish and wildlife, and natural resources, and increase public access. Allocations timelines for Prop. 4 funds differs across conservancies, as the Administration considered the following factors: (1) current staffing capacity; (2) the amount of uncommitted funds from previous budget packages; and (3) the number of shovel-ready projects to be supported with bond funding.
- Tribal Nature-Based Solutions Program – funding supports the return of ancestral lands to tribal ownership and stewardship, planning and implementation of habitat restoration

projects, protecting coast and oceans, advancing wildfire resiliency and cultural fire, and other multi-benefit nature-based solutions projects across California.

### Panel

- Jennifer Norris, Executive Director, Wildlife Conservation Board
- Bryan Cash, Assistant Secretary for Administration and Finance, California Natural Resources Agency
- Amanda Martin, Deputy Assistant Secretary, Administration & Finance, California Natural Resources Agency
- Lizzie Urie, Principal Program Budget Analyst, Department of Finance
- Sonja Petek, Principal Fiscal & Policy Analyst, Legislative Analyst's Office

### LAO Comments

***Proposal Allocates Conservancy Funding Based on Various Factors.*** Proposition 4 allocates specific amounts to various state conservancies for the purposes of reducing climate change impacts on communities, fish and wildlife, and natural resources, as well as increasing public access. The proposal distributes funding to the conservancies over the multiyear period at differing rates.

For example, some conservancies are scheduled to receive the majority of their funding in 2025-26, while the Governor proposes to provide appropriations for others over a more extended period. In determining the budget-year and multiyear allocation schedule for each conservancy, the Administration indicates that it utilized the following factors: (1) current staffing capacity; (2) the amount of uncommitted funds from previous budget packages; and (3) the number of shovel-ready projects to be supported with bond funding.

Overall, we find this to be a reasonable approach that provides funding in a targeted manner. While the bond language around these funds is relatively broad and grants significant discretion over spending decisions to each conservancy's board, such an approach is consistent with how the state has allocated prior bond and General Fund allocations. The Legislature could maintain this historical practice—as the Administration proposes—or provide more specific spending guidance through budget bill language if it has particular goals it wants to ensure this funding achieves.

***WCB Plans to Allocate Funding Based on Upcoming Strategic Plan, but Legislature May Want to Provide Statutory Guidance.*** Proposition 4 includes funding to support grant programs that protect and enhance fish and wildlife resources and habitats. The proposition lists ten eligible programs that could be used to administer this funding category. (We note that funding is not only limited to these programs.)

The Administration's proposal includes \$176 million in the budget year for the board to begin awarding funding to projects under this bond section. However, WCB has not yet determined how it will distribute the funds across the eligible programs. The board plans to make these

allocations based on its 2025-2030 strategic plan, which it expects to finalize in summer 2025. It intends to use the strategic plan to help guide bond spending over the next five years.

While such an approach has some merit in that it should help make allocations more coordinated and strategic, the board's plan may not reflect the priorities the Legislature had in mind when designing the bond. The Legislature may want to provide statutory guidance now on how the board should prioritize funding across the eligible programs. Moreover, if the strategic plan will not be adopted until partway through the coming fiscal year, whether the board can expend \$176 million in 2025-26 may be questionable. The Legislature could consider waiting to appropriate more of this funding until a future year after it has a chance to review WCB's strategic plan and funding intentions.

***Proposal Includes Two Funding Categories Where Administration Is Seeking Additional Statutory Guidance.*** As mentioned above, the Governor's implementation plan does not yet include an appropriation time line for two bond activities: (1) the San Andreas Corridor Program; and (2) the Southern Ballona Creek watershed. The Administration has indicated that it is seeking additional legislative input on how to administer these funds, so the Legislature will have the opportunity to help develop statutory guidance for these programs. For example, the Legislature could consider specifying program priorities, design features, and/or project selection criteria.

#### Staff Comments

The Subcommittee members may wish to ask the following questions:

1. How does CNRA oversee and track outcomes for funding administered to the state conservancies?
2. What specific policy guidance does the Administration need from the Legislature on the pending allocations in this chapter of Prop. 4?
3. Will the Watershed Climate Resilience fund shift from General Fund to Prop. 4 funds disrupt projects slated to receive funding from that program?
4. Can the Administration provide an update on the State's 30X30 goals?
5. What strategies has the Wildlife Conservation Board considered incorporating to increase equitable access to bond funds?
6. What has the Administration done to improve disseminating information and increasing accessibility to information about the outcomes and measured impacts of previous investments in nature-based solutions, conservation, and maintaining/protecting California's biodiversity?
7. As the State takes action to conserve 30% of California's lands and coastal waters, what needs to be done to ensure that land the State is conserving is properly stewarded in the

long-term? What will be the ongoing maintenance needs and does the Administration know how much that will cost?

8. In previous subcommittee hearings, the Subcommittee members have heard from the Administration that a priority for Prop. 4 dollars will be investing in multi-benefit projects. What does it mean when a project is multi-benefit?

**Staff Recommendation:** Hold Open.

**Issue 3: Prop. 4 – Trailer Bill Language, Climate Bond Amendments**

The Governor’s budget includes trailer bill language to amend SB 867 (Chapter 83, 2024) the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Prop. 4). The trailer bill language can be found on the Department of Finance’s website, and [here](#).

Amendments would make the following changes to Prop. 4:

1. Exempts the development and adoption of program guidelines and selection criteria to implement the programs in Prop. 4 from the Administrative Procedures Act (APA).
2. Appropriates funds that in the bond language would be deposited to specific special funds to instead be appropriated directly to a Board, Department, or Office.

The Administrative Procedures Act:

The APA governs how state agencies adopt regulations to implement state law. It requires that agencies provide the public with a meaningful opportunity to participate in the process and that the proposed regulations undergo review by the Office of Administrative Law to ensure that they are clear, necessary, and legally valid. The APA is found in the California Government Code, section 11340 et seq. State regulations must also be adopted in compliance with regulations adopted by Office of Administrative Law (see California Code of Regulations, Title 1, sections 1-280).

The Governor’s budget proposes to exempt Proposition 4 spending from the requirements of the APA and notes that previous resources bonds also have been implemented with a similar statutory exemption. The Administration requests the APA exemption to expedite the implementation timeline of Prop. 4 funds and get dollars on the ground faster. The Administration states that if boards, departments, and offices were required to adopt regulations for the programs slated to receive bond funds, significant time would be added by undergoing a process to develop regulations. The Administration also asserts that the alternative process for developing guidelines, which has been used historically with resources bonds, ensures meaningful engagement and participation with the public.

Appropriating Funds to an Administering Agency v. Depositing Prop. 4 Funds into a Special Fund:

For two allocations in Prop. 4, the bond language would deposit allocated funds into existing special funds. First, the bond appropriates \$135 million to be deposited into the California Ocean Protection Trust Fund. Second, the bond appropriates \$20 million to be deposited into the Invasive Species Account.

The Governor’s budget proposes trailer bill amendments to instead appropriate those funds to administering agencies—the Ocean Protection Council and the Invasive Species Council respectively. The Administration requests these amendments because: (1) it is administratively

more efficient to do so; and (2) it is more transparent to do direct appropriations to administering agencies. By appropriating funds directly to the administering agency instead of to a special fund, the Administration states this will avoid the comingling of different fund sources. If Prop. 4 funds were to be deposited into an existing special fund, bond funds would potential be in the same special account as General Fund or other funds. The Administration therefore asserts it is administratively more efficient instead for the funds to be directly appropriated to the agency that will administer the funds.

### Panel

- Lizzie Urie, Principal Program Budget Analyst, Department of Finance
- Bryan Cash, Assistant Secretary for Administration and Finance, California Natural Resources Agency
- Amanda Martin, Deputy Assistant Secretary, Administration & Finance, California Natural Resources Agency
- Sonja Petek, Principal Fiscal & Policy Analyst, Legislative Analyst's Office

### LAO Comments

***APA Exemption Seems Reasonable, Though Legislature Could Add Measures to Increase Transparency.*** In our assessment, exempting Proposition 4 spending from APA requirements is reasonable for several reasons. First, this approach has past precedent. With previous bonds, administering agencies still were able to maintain public processes for developing program guidelines despite this exemption. Second, the Administration has committed to conducting a transparent process and providing opportunities for public participation as it develops program guidelines. Third, an APA exemption could create some efficiencies. For example, certain existing programs only need minor updates to current guidelines in order to align with Proposition 4 language. Requiring them to undergo the full regulatory process would be protracted and administratively burdensome. Fourth, exempting bond spending from the APA would expedite spending on climate programs.

Despite these advantages, the APA provides certain guarantees about the rulemaking process and ensures that uniform standards and procedures are followed, so exempting the bond from these requirements is not without trade-offs. For some of the newer programs supported by Proposition 4, some additional transparency measures may be warranted to ensure that the development of guidelines adheres to certain standards. For example, this could include adopting statutory language requiring that the administering agencies take certain steps (such as fixed time lines for soliciting public comments) in their guideline development process.

### ***Recommendations***

***Approve the APA Exemption, but Consider Adding Transparency Requirements for Program Development Processes.*** We recommend the Legislature approve the proposed APA exemption, as such an action has precedence, and likely would make bond implementation both more efficient and expeditious. However, we recommend the Legislature consider specifying certain process-related requirements—such as requiring proposed guidelines to be published



online and requiring public notifications, public meetings, and opportunities to provide public comment—in budget bill or trailer bill language to ensure that the development of guidelines is public and transparent.

### Staff Comments

#### **Proliferation of Administration Efforts to Circumvent APA Rules in Budget Process**

In recent years, the Administration repeatedly has requested—and generally received—APA exemptions, as well as contract code exemptions, via the budget process. The Assembly Budget Committee has sought to minimize exemptions enacted via the budget process related to the APA and contract codes. In 2023, the Assembly inserted an item into the Supplemental Report of the 2023-24 Budget Act suggesting that the Governor direct a department to identify a legislative author for and sponsor a bill via the policy committee legislative process to enact improvements to the APA and contract codes. To date, the executive branch has not acted on this suggestion, but instead continues to ask for ad hoc exemptions via the budget process.

Given this context, the Subcommittee members may wish to ask the following questions:

1. Has the Administration considered amending the APA instead of providing exemptions to the regulatory process?
2. Why does an APA exemption have to amend the bond act language? Couldn't such an exemption occur via amendments to the APA itself in Government Code, rather than amending the bond?
3. Can the Administration provide an overview of what the guideline process looks like and what specifically in that process ensures accessibility and engagement with stakeholders/the public during guideline development?
4. To what extent are changes needed to administer existing programs that will receive Prop. 4 funds to comply with the language in the bond? What changes are needed across all programs to comply with bond language?
5. How does appropriating funding to the administering agency versus depositing the funding into an existing special fund increase transparency?

**Staff Recommendation:** Hold Open.

## 8570 California Department of Food and Agriculture

### Issue 4: Advancing Farm-to-School

The Governor's budget requests \$24.9 million one-time General Fund to advance the California Farm to School Network, the California Farm to School Incubator Grant Program, Climate Smart Technical Assistance and further the recommendations of the Farm to School Roadmap for Success.

The remaining background information has been excerpted from the LAO's [publication](#) on Natural Resources and Agriculture Discretionary Spending Proposals in the Governor's budget.

**Office of Farm to Fork Promotes Access to Healthy Food and Food-Based Education in Schools.** CDFA's Office of Farm to Fork administers the Farm to School Program, which serves as a statewide resource to assist schools in procuring more locally grown food and engaging students to eat healthier diets. The 2020-21 budget approved \$1.5 million in ongoing General Fund for the office to hire permanent staff. (Previous activities were supported with limited-term positions and funding.) The 2022-23 budget approved an additional \$2.9 million in ongoing General Fund for the office to hire regional network and marketplace coordinators that further support local planning and implementation.

**Farm to School Incubator Grant Program Has Provided Funding to Schools and Producers.** The Office of Farm to Fork also manages the Farm to School Incubator Grant Program, which provides competitive grants to support the adoption and expansion of farm to school practices. Specifically, the program: (1) supports schools and child care centers in procuring locally grown food and providing hands-on food education; (2) assists producers in increasing production capacity to supply food to schools and child care centers; and (3) supports organizations in providing technical assistance to schools, child care centers, and producers that are seeking to implement and advance farm to school practices. The program was first established with \$8.5 million from the General Fund in 2020-21, with subsequent budget packages providing General Fund appropriations of \$30 million in 2021-22 and \$60 million in 2022-23—all provided on a one-time basis.

### Governor's Proposal

**Provides \$24.9 Million for Farm to School-Related Activities and Climate Smart Technical Assistance.** The Governor's budget includes \$24.9 million one-time support from the General Fund in 2025-26 for the following activities:

**Farm to School Incubator Grant Program (\$20.4 Million).** The Governor's budget provides \$20 million to support additional rounds of grants through the existing Farm to School Incubator Grant Program. The budget also includes \$350,000 to continue an existing evaluation of the grant program. Funding would be administered by CDFA's Office of Farm to Fork.

**Statewide Farm to School Outreach and Support (\$1.6 Million).** The budget proposes about \$1.6 million to support a variety of statewide outreach activities related to farm to school. Such

activities would include statewide conferences, training events, and the development of additional strategies to promote the adoption of farm to school practices. Funding would be administered by CDFA's Office of Farm to Fork.

***Climate Smart Technical Assistance Grants for Producers (\$3 Million).*** The proposal also includes \$3 million to support climate smart technical assistance grants. This proposal would provide competitive funding to organizations that help encourage producers to adopt a wide variety of climate smart practices—such as those aimed at improving soil health, sequestering carbon, reducing emissions, and increasing water and energy efficiency. Funding would be administered by CDFA's Office of Environmental Farming and Innovation, which manages programs such as the Healthy Soils Program and the State Water Efficiency and Enhancement Program. CDFA's work to support these practices is not new; however, the department's previous technical assistance activities have generally been supported through funding provided for specific state programs or activities (such as the Healthy Soils Program and drought response allocations) rather than for broad, cross-cutting efforts.

#### Panel

- Arima Kozina, Deputy Secretary, Administration and Finance, Department of Food and Agriculture
- Natlie Krout, Director of Inspection Services Division, Department of Food and Agriculture
- Jamie Gonsalves, Finance Budget Analyst, Department of Finance
- Erin Carson, Principal Program Budget Analyst, Department of Finance
- Frank Jimenez, Senior Fiscal & Policy Analyst, Legislative Analyst's Office

#### LAO Comments

Given that every dollar of new spending essentially requires offsetting reductions elsewhere in the budget, we think the Legislature will want to apply a high bar to its review of new spending. This context means the Legislature will need to weigh the importance and value of the proposed spending in the farm to school arena against its other General Fund priorities.

***Funding Supports State's Recent Efforts to Increase Farm to School Practices.*** We find that the portions of the Governor's proposal dedicated to the Farm to School Incubator Grant Program, the program assessment, and statewide outreach are aligned with and would help to enhance and expand the state's recent efforts in this space. Specifically, the proposed \$20 million for the Farm to School Incubator Grant Program would: (1) provide schools with resources to implement these practices; and (2) help producers scale their capacity to supply locally grown food to schools. The grant program has fully awarded funding received from previous budget packages and has a history of oversubscription. For instance, the most recent grant round had 499 applicants requesting a total of \$129 million, but only had sufficient funding to award \$53 million to 195 grantees. Additionally, the Governor's proposal to provide \$350,000 to continue the existing evaluation of the Farm to School Incubator Grant Program could support future improvements and refinements to the program, and the proposed \$1.6 million for statewide

outreach would expand on the Office of Farm to Fork's existing efforts to support schools in adopting farm to school practices.

**Legislature Could Explore How Farm to School Activities Might Be Incorporated Into Other Programs and Funding for School Nutrition.** While the Legislature has provided some modest amounts of General Fund for CDFA's farm to school efforts in recent years, the vast majority of funding for meals that children receive at schools comes from the state's Proposition 98 school funding allotment and federal funds.

In the current year, state and federal funds for the School Nutrition program are estimated to total \$4.6 billion. Moreover, over the past few years, the state has provided funds to schools in order to improve their ability to provide more healthy meals, procure California-grown foods, and incorporate more freshly prepared foods.

The Legislature could explore whether the benefits that CDFA's farm to school grants provide could be incorporated into the activities supported by existing school nutrition funding—potentially leading to even greater statewide adoption of the program's goals. Even if the Legislature determines that a strong rationale exists for funding the CDFA program separately from the core School Nutrition program, it could explore whether some of the farm to school activities could potentially be supported by monies the state must provide to schools to comply with Proposition 98 constitutional requirements.

This is particularly pertinent in 2025-26 given that, as we discuss in our recent publication, [The 2025-26 Budget: Proposition 98 Guarantee and K-12 Spending Plan](#), the required Proposition 98 funding level in the budget year is projected to exceed the amounts needed to maintain existing school programs. In response, the Governor's budget proposal includes \$3.4 billion in new discretionary one-time spending for schools. This contrasts notably with the nonschool General Fund budget condition, which is significantly more constrained. While likely not all of the proposed CDFA activities would be eligible to be supported by Proposition 98 funds, the Legislature could explore this option for some components.

**Climate Smart Technical Assistance Grants Do Not Directly Support Farm to School Efforts.** We have two concerns with the proposed \$3 million for technical assistance grants. First, this funding would not directly support producers seeking to participate in farm to school efforts. Rather, the grants would promote the adoption of climate smart practices across all producers in the state, regardless of their current or planned involvement in farm to school initiatives. The department's rationale for including this request as part of this overall proposal is that supporting technical assistance might help develop a wider procurement network of producers that utilize these practices that can then serve schools.

However, while the technical assistance grants may help producers adopt beneficial practices—such as those that conserve water, reduce energy usage, and sequester carbon—they do not directly support the adoption of farm to school practices: (1) procuring locally grown food for school meals; and (2) engaging students in food education activities. This distinction is important in a budget environment where the Legislature must be targeted in how it uses limited General Fund resources to achieve its highest policy objectives. Second, we find the proposal lacks detail

on how this funding would support specific outcomes. In particular, pinpointing the specific benefits the technical assistance grants would deliver is difficult given that they could be used to support the adoption of a broad array of practices.

## Recommendations

**Reject Funding for Climate Smart Technical Assistance Grants.** We recommend the Legislature reject the Governor’s proposal to provide \$3 million for climate smart technical assistance grants. In our assessment, while the grants may help producers adopt beneficial practices, they do not directly support implementation of farm to school practices. Additionally, their broad scope makes it difficult to identify the specific benefits they might yield. In the context of limited General Fund resources, we do not find that this proposal meets the high bar for ensuring funding is well-targeted and focused on achieving specified policy objectives.

**Weigh Spending on Advancing Farm to School Efforts Against Other General Fund Priorities.** We find that the Governor’s proposal to provide a combined \$22 million in additional one-time funding to support farm to school efforts—including the Farm to School Incubator Grant Program, the program assessment, and statewide outreach—aligns with the state’s recent efforts in this area and likely would help continue progress on enhancing farm to school connections.

However, given General Fund constraints and the uncertain budget context, we recommend that the Legislature weigh additional spending on advancing farm to school efforts against its other spending priorities. To the degree this program remains a high priority for continued support, the Legislature also could explore whether some of the activities could potentially be supported by funding the state must provide to schools to meet Proposition 98 constitutional requirements, either as a part of or in addition to the existing School Nutrition program.

## Staff Comments

The Subcommittee members may wish to ask the following questions:

1. How much has been invested (one-time and ongoing) by fiscal year to the Farm-to-School program?
2. Of the investments the Department has previously received for Farm-to-School, how much of the funding is encumbered versus unencumbered?
3. How much has CDFA spent on administrative costs for implementing Farm-to-School? How much of that funding is for permanent staff at CDFA and how much is for the evaluation team?
4. Of the funds invested, can the Administration breakdown how much has been awarded between the different tracks of Farm-to-School?

5. How do CDFA's efforts on Farm-to-School complement CDE's Universal School Meals program? Where can more collaboration take place?
6. What cuts have been made to federal programs that have similar missions as Farm-to-School? Does the department have information about how state grantees will be impacted by federal cuts? Will the department be affected by these cuts?
7. Has the Administration explored the possibility of funding Farm-to-School with existing school nutrition funding as noted in the LAO analysis and comments?

**Staff Recommendation:** Informational, no action needed.

## 3560 State Lands Commission

### Issue 5: Bolsa Chica Lowlands Restoration Projects

The Governor's budget requests \$4.08 million in 2025-26, \$4.05 million in 2026-27, and \$4.35 million in 2027-28 from the General Fund for continued operations and management responsibilities for the Bolsa Chica Lowlands Restoration Project in Orange County.

#### Background:

The State Lands Commission (Commission) owns over 1,200 acres in the Bolsa Chica Lowlands as sovereign land, acquired between 1970 and 2000. Most of the wetlands were highly degraded at the time of purchase. In 2006, a coordinated effort of multiple state and federal agencies completed the Bolsa Chica Lowlands Restoration Project, restoring approximately 950 acres of coastal wetlands.

Bolsa Chica was built as required mitigation for the expansion of the Ports of Long Beach and Los Angeles. The original endowment from the Ports, \$101.4 million, along with other grants for operations and maintenance for the project has been fully spent. Over 90 percent of Southern California's original coastal wetlands have been lost to development. The Bolsa Chica Lowlands Restoration Project is the largest coastal wetland restoration project in the history of Southern California.

#### Problem:

In order to maintain the project, the Commission must annually dredge the tidal inlet and perform continuous maintenance and repairs. Without funds to maintain the wetlands, the inlet will close, resulting in catastrophic losses to wildlife and habitat, as well as increasing the liability to the state due to the potential for flooding of the active oil wells on-site and adjacent neighborhoods. Furthermore, the Bolsa Chica Lowlands Restoration Project is at risk from significant impacts from sea level rise, sooner than most other coastal wetlands due to low ground elevations caused by oil extraction-induced subsidence.

The Commission has tried to secure other sources of funding for the operations and maintenance of the project, but because Bolsa Chica Lowlands Restoration Project was a mitigation project for the ports, it is often not eligible for funds. Additionally, securing grant funds for the ongoing maintenance of an existing restoration project has been a challenge. The Commission has researched and/or applied for the following grants: State Coastal Conservancy Prop. 1, Ocean Protection Council Prop.1, CA Department of Fish & Wildlife Prop. 1, National Coastal Wetlands Conservation Program, Coastal Impact Assistance Program, National Fish & Wildlife Foundation. All of these grant applications have been denied and/or Bolsa Chica was determined to be ineligible for the grant.



**Panel**

- Sheri Pemberton, Chief of External Affairs & Legislative Director, State Lands Commission
- Zach Lierly, Principal Program Budget Analyst, Department of Finance
- Sonja Petek, Principal Fiscal & Policy Analyst, Legislative Analyst’s Office

**Staff Comments**

The Subcommittee members may wish to ask the following questions:

1. Are there other projects under the purview of the State Lands Commission similar to Bolsa Chica Lolands Restoration Project where securing ongoing operations and maintenance funding is a challenge? If yes, are there policy changes the Commission has explored to ensure the sustainability of these projects from the start?
2. What were the other options explored for maintaining the Bolsa Chica Lolands Restoration Project in the Bolsa Chica Sustainable Alternatives Study besides annual dredging? Why were those options considered inferior to the current operations and management program?
3. What unique wildlife benefits does restoration of this kind of coastal habitat offer the state?

**Staff Recommendation:** Hold Open.



**Issue 6: Rincon Decommission Project Implementation**

The Governor's budget requests \$12.5 million from the General Fund in 2025-26, with an extended encumbrance period through June 30, 2028, to implement the Rincon Decommissioning Project.

**Background:**

Constructed in 1959, Rincon Island is an approximately 2-acre manmade island located approximately 3,000 feet offshore of Punta Gorda in Ventura County, immediately offshore of the community of Mussel Shoals. The island, along with the Onshore Facility and the adjacent privately owned Coast Ranch Parcel, was used for oil and gas production on state lands. The Commission historically issued leases to oil production companies for this purpose.

Oil and gas production from Rincon Island stopped in 2008. In November 2014, Commission staff identified regulatory violations at Rincon Island that posed a significant risk to the environment, including health and safety, and worked with the California Geologic Energy Management Division at the Department of Conservation to address the violations. After missing key compliance deadlines and making only minimal progress to address well pressurization concerns and other safety and regulatory deficiencies, staff scheduled a recommendation for the Commission to terminate the leases in 2016.

Before termination of the leases could take place, the lessee – Rincon Island Limited Partnership – filed for bankruptcy, and transferred its lease interests to the Commission. Rincon Island Limited Partnership later liquidated, dissolved, and failed to plug and abandon the oil wells and decommission the facilities as was required by the leases.

The State of California, by and through the Commission, subsequently began decommissioning the oil and gas facilities and preparing for the final decommissioning of Rincon Island. Phase 1 of the decommissioning process included the plugging and abandonment of all oil and gas wells and the removal of service equipment at Rincon Island, the Onshore Facility, and the Coast Ranch Parcel.

Phase 2 of the decommissioning process consisted of environmental analysis work, and the development of the Decommission Feasibility Study. The Feasibility Study provided information from technical studies and public input to inform staff's recommendations to the Commission for a proposed decommissioning project to be evaluated in compliance with the California Environmental Quality Act (CEQA). During Phase 2, the Commission prepared an Environmental Impact Report, as required by CEQA. The Commission certified the final EIR and approved the Project at its August 29, 2024 Commission meeting (Item 71, Aug. 29, 2024), thereby completing Phase 2 activities.

Phase 3 will be implementation of the decommission project activities approved, as part of the EIR, to prepare Rincon Island and the Onshore Facility to be used for purposes, including, but not limited to, co-management with sovereign tribal nations, consistent with the public trust. Activities as part of Phase 3 include significant soil and groundwater contamination remediation.

The Project does not include proposals for future use. Any future use would be subject to additional review under CEQA.

**Funding Request:**

The estimated total cost of completing Phase 3 of the decommission project is \$22.5 million. The Commission currently has \$10 million in the Commission’s Special Deposit Fund which is comprised of collected bonds previously maintained by Rincon Island Limited Partnership, and settlement funds with the lessee prior to Rincon Island Limited Partnership, ARCO.

The \$12.5 million General Fund request in the Governor’s budget will resolve the funding gap between total estimated project costs of \$22.5 million, and the remaining available balance in the Commission’s Special Deposit.

**Panel**

- Sheri Pemberton, Chief of External Affairs & Legislative Director, State Lands Commission
- Zach Lierly, Principal Program Budget Analyst, Department of Finance
- Sonja Petek, Principal Fiscal & Policy Analyst, Legislative Analyst’s Office

**Staff Comments**

The Subcommittee members may wish to ask the following questions:

1. What specific activities will take place as part of Phase 3 of the decommissioning project?
2. What will the Commission’s involvement be in any future use of Rincon Island?
3. What are the risks associated with this project? What could cause delays or increase costs?
4. Was the Commission able to take advantage of any state efforts on ‘cutting the green tape’ in the decommissioning process? Is there an opportunity moving into future uses of Rincon Island to be able to utilize permitting streamlining?
5. When did the Commission’s partnership with the Coastal Band of the Chumash Nation begin? What are the hopes that partnership will offer for the future of Rincon Island?

**Staff Recommendation:** Hold Open.

## Non-Presentation Items

### Various

**Issue 1: Natural Resources Chaptered Legislation**

The Governor’s budget includes various requests for resources from the General Fund and special funds to implement statutory requirements associated with legislation chaptered in 2024 for Boards, Departments, and Offices under the California Natural Resources Agency before the committee today. The requests are as follows:

<b>2025-26 Governor's Budget</b> <b>Natural Resources Agency Chaptered Legislation Proposals</b> Dollars in Thousands								
BU	Department	Issue Title (Chapter/Bill)	Fund Source	2025-26	2026-27	2027-28	2028-29	Total Ongoing Positions
3600	Department of Fish and Wildlife	Cannabis Cultivation: Environmental Remediation (Chapter 839, AB 2643)	3351	\$0	\$0	\$0	\$0	7.0
3720	California Coastal Commission	Local Coastal Program Guidance for Accessory Dwelling Units (Chapter 454, SB 1077)	0001	\$106	\$0	\$0	\$0	0
3720	California Coastal Commission	Local Coastal Program Updates for Housing (Chapter 282, AB 3093)	0001	\$565	\$1,202	\$1,838	\$1,838	8.0

**Staff Recommendation:** Until the Subcommittee receives more detailed information from the Department of Finance about the impact of vacancy sweeps across various departments, staff is recommending the Subcommittee hold this item open.

**Issue 2: CalEPA Bond and Technical Adjustments**

The Governor’s budget includes additional requests for various bond appropriations, reappropriations, and reversions; technical adjustments; reappropriations; and baseline adjustments to continue implementation of previously authorized programs.

**Staff Recommendation:** Absent member questions or input from the public at this hearing, staff recommends this item be approved as budgeted when the Subcommittee takes action.

## 0540 Secretary of the Natural Resources Agency

### Issue 3: Museum of Tolerance

The Governor's budget requests \$10 million one-time General Fund in 2025-26 for capital improvements to continue the modernization and expansion of the Museum of Tolerance. Of this amount, \$6.3 million would be used to extend the themes from the new antisemitism exhibit to the rest of the museum, including installing interactive and immersive learning features. The project is expected to be completed in June 2027. The proposal also includes \$2 million to make improvements to the museum's entryway, lobby, and memorial plaza. Those improvements are expected to be completed in January 2026. Both components would be funded solely by this proposal. The remaining funds from this proposal would cover project overhead (\$1.2 million) and CNRA administrative costs (\$500,000).

### LAO Analysis

**Overview of the Museum of Tolerance.** The Museum of Tolerance is a privately owned and operated museum in Los Angeles that is centered around combating prejudice and discrimination, with a focus on the history of the Holocaust. The museum was established in 1993 by the Simon Wiesenthal Center (a nonprofit organization) and features a variety of exhibits, hosts special events, and provides educational programs for youths and adults.

**State Has Provided One-Time General Fund Support for the Museum of Tolerance in Recent Years.** The state has provided a number of one-time General Fund appropriations through CNRA to support various improvements at the museum over the past few years. These include: (1) \$10 million in 2021-22 to build a new exhibit on antisemitism; (2) \$5 million in 2022-23 to support museum repairs and to purchase and retrofit a bus to deliver mobile learning services; (3) \$2.1 million in 2023-24 to renovate the museum's training center; and (4) \$2 million in 2024-25 to support further renovations at the training center. Additionally, the state provides \$3 million annually in ongoing Proposition 98 funds to the Los Angeles County Office of Education to support anti-bias training and professional development for education professionals conducted by the museum.

### LAO Comments

**Proposal Related to Previously Funded Effort, but Represents New Projects.** The Administration indicates that the funding from this proposal would not directly support the construction of the new exhibit on antisemitism for which the state provided some funding in the 2021-22 budget. (That new exhibit is expected to be completed in October 2025.) Instead, the new proposed funding would expand on the central themes of that exhibit by adding new interactive and immersive learning features throughout the rest of the museum, in addition to other unrelated improvements. We therefore find that the Legislature should view this proposal as a new and distinct set of projects and evaluate their merits accordingly.

**Key Question Is Whether Improvements to Nonstate-Owned Infrastructure Are a Top Priority Given Current Budget Constraints.** While supporting privately owned infrastructure

may provide benefits—such as making improvements to a museum with an important anti-discrimination mission—it does not fall within the core responsibilities of the state. This is a distinction that is particularly important in a budget environment with limited General Fund resources where the state may find it challenging to address its own areas of responsibility—such as infrastructure it owns and operates. Given that every dollar of new spending essentially requires offsetting reductions elsewhere in the budget, the Legislature is in the position of needing to weigh the importance and value of the proposed spending for the Museum of Tolerance against its other General Fund priorities.

### **Recommendation**

***Weigh Merits of Proposal Against Other General Fund Priorities.*** We recommend the Legislature assess whether the proposal aligns with its highest priorities for General Fund. During its deliberations, we recommend that the Legislature: (1) view this proposal as a distinct set of projects and evaluate their merits independently of previously funded projects at the museum; and (2) consider whether improvements to nonstate-owned infrastructure are a top priority given current budget constraints.

**Staff Recommendation:** Hold Open.

## **3100 Exposition Park**

### **Issue 4: California Science Center: Phase II Air and Space Center Facility Core Operations**

The Governor's budget requests \$664,000 General Fund and 5 permanent positions in 2025-26, increasing to \$915,000 in 2029-30 and ongoing to provide the minimum level of resources needed to operate the state-approved Phase III Facility consistent with the Science Center's lease obligations.

**Staff Recommendation:** Hold Open.

## **3560 State Lands Commission**

### **Issue 5: Selby Slag Remediation Reappropriations**

The Governor's budget requests a reappropriation of \$1,625,000 from the General Fund and \$2,650,000 in reimbursement authority, with an extended encumbrance period through June 30, 2027, to accept cost-sharing contributions for the preliminary plans phase of the Remedial Action Plan (RAP) at Selby Slag.

**Staff Recommendation:** Hold Open.

## 3780 Native American Heritage Commission

### Issue 6: Department of Justice Litigation Costs

The Governor's budget requests one-time \$430,000 General Fund in 2025-26 to cover Department of Justice (DOJ) litigation costs. The Native American Heritage Commission (NAHC) is currently involved in litigation initiated by the City of Corona (City) regarding the NAHC's designation of a Native American cemetery on the site of construction of a wastewater reclamation facility after the discovery of Native American human remains. The NAHC anticipates a substantial increase in Department of Justice (DOJ) legal fees—estimated to be in the amount of \$430,000 as a result of this litigation—which cannot be absorbed within the NAHC's baseline budget.

**Staff Recommendation:** Absent member questions or input from the public at this hearing, staff recommends this item be approved as budgeted when the Subcommittee takes action.

## 8570 Department of Food and Agriculture

### Issue 7: Dairy Marketing Branch and Milk Pooling Branch Remaining Milk Producer/Processor Assessment

The Governor's budget requests provisional Budget Bill Language to fully expend the remaining milk handler assessments from the Dairy Marketing Branch (\$3,595,000) on research projects that benefit California dairy farmers and the remaining handler/processor assessments from the Milk Pooling Branch (\$3,509,000) on Quota Program activities.

**Staff Recommendation:** Absent member questions or input from the public at this hearing, staff recommends this item be approved as budgeted when the Subcommittee takes action.

### Issue 8: Meadowview Biological Control Office Repairs and Laboratory Replacement

The Governor's budget requests \$242,000 General Fund in Fiscal Year 2025-26 for the preliminary plans phase for repair and replacement of the Meadowview Biological Control Program office and laboratory facilities.

**Staff Recommendation:** Absent member questions or input from the public at this hearing, staff recommends this item be approved as budgeted when the Subcommittee takes action.

**Issue 9: Security and Infrastructure Remediation**

The Governor's budget requests \$2,478,000 General Fund (GF) and 5 positions in Fiscal Year (FY) 2025-26, \$4,064,000 GF and 5 positions in FY 2026-27, and \$3,564,000 GF and 5 positions in FY 2027-28 and ongoing to manage, implement, and maintain remediation efforts to address real-time and critical security vulnerabilities and to provide urgent and ongoing management and monitoring of related new critical security services.

**Staff Recommendation:** Hold Open.

**Issue 10: Turlock North Valley Animal Health Laboratory Replacement Operational Support**

The Governor's Budget requests \$1,607,000 General Fund in Fiscal Year (FY) 2025-26 and \$3,313,000 in FY 2026-27 and ongoing, to fund increased operational costs associated with the new Turlock North Valley Animal Health Laboratory scheduled for completion in December 2025 to prevent, detect, and respond to animal health disease outbreaks, enhance food safety, and protect public health.

**Staff Recommendation:** Hold Open.

This agenda and other publications are available on the Assembly Budget Committee's website at: [Sub 4 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Shy Forbes / Christine Miyashiro.