



May 14, 2025

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 Elimination of Various Budget Bill Items, Support and Local Assistance,
Various Departments**

Cap-and-Invest Reauthorization Adjustments

0521-Secretary for Transportation Agency

- **Zero Emission Transit Capital Program and Transit and Intercity Rail Capital Programs**—It is requested that Item 0521-101-3228 be eliminated.

0680-Governor's Office of Service and Community Engagement

- **California Climate Action Corps**—It is requested that Item 0680-001-3228 be eliminated.

2660-Department of Transportation

- **Highways to Boulevards**—It is requested that item 2660-101-3228 be eliminated.

3360-Energy Resources Conservation and Development Commission

- **Various Discretionary Programs**—It is requested that Items 3360-001-3228, 3360-002-3228, and 3360-101-3228 be eliminated.

3540-Department of Forestry and Fire Protection

- **Tribal Wildfire and Forest Resilience**—It is requested that Item 3540-101-3228 be eliminated.
- **Shift CAL FIRE Operational Costs for Fire Control, Fire Prevention, and Resource Management from the General Fund to the Greenhouse Gas Reduction Fund**—It is requested that Item 3540-001-0001 be decreased by \$1,541,262,000 to remove the amounts in Schedule (2) for fire protection that are for fire prevention, and fire control, all of the amount in Schedule (3) for resource management, and the associated reimbursement amounts in Schedules (9) and (10). It is also requested that Item 3540-001-3228 be added in the amount of \$1,541,262,000 to reflect a one-for-one shift of the amounts removed from Item 3540-001-0001 into this new item for the same purposes.

In addition, it is requested that provisional language be eliminated from Item 3540-001-0001 and added to Item 3540-001-3228 to effectuate this funding shift. New provisional language added in Item 3540-001-3228 will allow the amount appropriated in that item to be reduced if Cap-and-Invest auction proceeds come in below estimated amounts and the amount appropriated in Item 3540-001-0001 to be augmented in the same amount to backfill any reductions, so that CAL FIRE's levels of funding for fire protection and resource management are maintained, as well as other provisions to operationalize this fund shift (see Attachments 1 and 2).

3600-Department of Fish and Wildlife

- **Salton Sea**—It is requested that Item 3600-001-3228 be eliminated.

3640-Wildlife Conservation Board

- **Watershed Climate Resilience**—It is requested that Item 3640-101-3228 be eliminated.

3860-Department of Water Resources

- **Salton Sea**—It is requested that Item 3860-001-3228 be eliminated.
- **Oroville Pump Storage Program**—It is requested that Item 3860-101-3228 be eliminated.

3900-California Air Resources Board

- **Various Discretionary Programs**—It is requested that Item 3900-101-3228 be eliminated.

3940-State Water Resources Control Board

- **Drinking Water/Wastewater and Water Recycling/Groundwater Clean-Up**—It is requested that Item 3940-102-3228 be eliminated.

8570-Department of Food and Agriculture

- **Livestock Methane Reduction**—It is requested that item 8570-101-3228 be eliminated.

8660-Public Utilities Commission

- **Community Renewable Energy Program**—It is requested that Item 8660-001-3228 be eliminated.

Control Section 15.14 Amendments—It is requested that Control Section 15.14 be amended to align with proposed changes in funding from the Greenhouse Gas Reduction Fund (see Attachment 3).

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 Erin Carson, 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: Kirk Feely, Fiscal Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Heath Flora, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Benjamin Allen, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Christopher Cabaldon, Chair, Senate Budget and Fiscal Review
Subcommittee No. 4
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
Honorable Laura Richardson, Chair, Senate Budget and Fiscal Review
Subcommittee No. 5
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
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 for Environmental Protection
Catalina Hayes-Bautista, Undersecretary, California Environmental Protection Agency
Brandy Hunt, Deputy Secretary, California Environmental Protection Agency
Wade Crowfoot, Secretary, California Natural Resources Agency
Bryan Cash, Assistant Secretary of Administration and Finance, California Natural
Resources Agency
Amanda Martin, Deputy Assistant Secretary for Administration and Finance, California
Natural Resources Agency
Andrea Scharffer, Deputy Assistant Secretary for Bonds and Grants, Natural Resources
Agency
Julie Alvis, Deputy Assistant Secretary for Administration, Natural Resources Agency
Toks Omishakin, Secretary of Transportation
Alicia Fowler, Acting Undersecretary, General Counsel, California State Transportation
Agency
Carlos Quant, Deputy Secretary for Budget and Administration, California State
Transportation Agency
Karen Ross, Secretary of the Department of Food and Agriculture
Christine Birdsong, Undersecretary, Department of Food and Agriculture
Arima Kozina, Deputy Secretary of Administration and Finance, Department of Food and
Agriculture
Samuel Assefa, Director, Governor's Office of Land Use and Climate Innovation
Rachel Peterson, Executive Director, California Public Utilities Commission
Ryan Dulin, Deputy Director, California Public Utilities Commission
Hon. Steven S. Cliff, Ph.D., Executive Officer, State Air Resources Board
Courtney Smith, Principal Deputy Executive Officer, State Air Resources Board

Amend Item 3540-001-0001 as follows:

"3540-001-0001—For support of Department of Forestry and Fire Protection
~~.....2,349,034,000~~ 813,135,000

Schedule:

(1) 2461-Office of the State Fire Marshal	33,618,000
(2) 2465-Fire Protection	3,269,072,000 <u>1,543,295,000</u>
(3) 2470-Resource Management	21,268,000
(4) 2475-Board of Forestry and Fire Protection	370,000
(5) 2480-Department of Justice Legal Services	6,828,000
(6) 9900100-Administration	215,314,000
(7) 9900200-Administration—Distributed	-214,944,000
(8) Reimbursements to 2461-Office of the State Fire Marshal	-25,567,000
(9) Reimbursements to 2465-Fire Protection	=954,979,000 <u>-745,409,000</u>
(10) Reimbursements to 2470-Resource Management	=1,576,000
(11) Reimbursements to 9900100-Administration	-370,000

Provisions:

1. Notwithstanding any other law, the Director of Finance may authorize the temporary or permanent redirection of funds from this item for purposes of emergency fire suppression and detection costs and related emergency revegetation costs.

2. Notwithstanding any other law, the Director of Finance may authorize a loan from the General Fund, in an amount not to exceed 45 percent of reimbursements appropriated in Schedule (9) of this item, to the Department of Forestry and Fire Protection, provided that:

(a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.

(b) The loan is for a short term and shall be repaid by November 15 of the fiscal year following that in which the loan was authorized.

(c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.

(d) Within 10 days after approval, the Director of Finance shall notify the Joint Legislative Budget Committee of the loan approved pursuant to this provision.

3. The Director of Finance may adjust amounts in Schedule (2) to provide equivalent fire protection base funding changes to contract counties in accordance with Section 4130 of the Public Resources Code.

4. Notwithstanding any other law, the funds appropriated in this item for purposes of Division 10.5 (commencing with Section 12200) of the Public Resources Code shall be available for purposes of support or capital outlay.

5. Notwithstanding any other law, the Director of Finance may adjust this item for the direct and indirect cost reimbursements received pursuant to Sections 4142 and 4144 of the Public Resources Code. Any increase shall occur no sooner than 30 days after notification in writing of the necessity of the increase to the Joint Legislative Budget Committee, or not sooner than whatever lesser time after notification the Chairperson of the Joint Legislative Budget Committee, or the Chairperson's designee, may in each instance determine.

6. Notwithstanding any other law, the Department of Forestry and Fire Protection may provide contractual services pursuant to Sections 4142 and 4144 of the Public Resources Code without an executed agreement from July to September of each fiscal year to better align contract start times with the budget process and to finalize staff benefit rates that are dependent upon actions by the Public Employees' Retirement System and passage of the annual Budget Act.

7. Notwithstanding any other law or administrative procedure, the Department of Forestry and Fire Protection may amend its pilot and mechanic contract, along with its parts contract, for both scope changes and contracted amounts to address unanticipated workload resulting from higher than anticipated demand for these contracted services. The Department of Finance may augment this item and authorize expenditures in excess of the amounts appropriated in this item no sooner than 30 days after providing notification in writing of the necessity therefor to the Chairperson of the committee in each house of the Legislature that considers appropriations, the Chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time after that notification the Chairperson of the joint committee, or the Chairperson's designee, may in each instance determine.

~~8. Of the amount appropriated in Schedule (2), \$7,680,000 shall be available for encumbrance or expenditure until June 30, 2027, for initial purchase of training-based items following Department of Forestry and Fire Protection training academy site requirements.~~

9. Notwithstanding Section 28.00 of this act, upon request of the Department of Forestry and Fire Protection, the Department of Finance may adjust Schedules (2) and (9) of this item to reflect increases in reimbursements from non-state entities ~~provided~~providing assistance-by-hire emergency fire suppression services. The Director of Finance may authorize expenditures in excess of the amount appropriated in this item after the receipt of the request from the Department of Forestry and Fire Protection. Within 10 days of approval, the Department of Finance shall provide written notification of any such augmentation to the Chairpersons of the committees in each house of the Legislature that consider appropriations, the Chairpersons of the committees and the appropriate subcommittees of each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee.

~~10. Of the amount appropriated in Schedule (2), \$91,818,000 shall be exempt from any applicable law requiring competitive bidding or the supervision or approval of another department or agency of state government for the procurement of or contracting with vendors for logistical support, including, but not limited to, feeding, lodging, training, and the purchase of personal protective equipment for additional fire suppression staff hired for the implementation of the 66-hour workweek.~~

11. Of the amount appropriated in Schedule (2), \$2,250,000 shall be available for deferred maintenance and special repair projects at existing Department of Forestry and Fire Protection facilities to accommodate additional hand crews. These funds shall be available for encumbrance or expenditure until June 30, 2030."

3540-001-3228—For support of Department of Forestry and Fire Protection, payable from the Greenhouse Gas Reduction Fund.....1,541,262,000

Schedule:

- (1) 2465-Fire Protection1,731,140,000
- (2) 2470-Resource Management21,268,000
- (3) Reimbursements to 2465-Fire Protection-209,570,000
- (4) Reimbursements to 2470-Resource Management-1,576,000

Provisions:

1. The Department of Finance may reduce the amount of this appropriation by any amount necessary if the actual amount of Cap-and-Invest auction proceed receipts are lower than projected and it determines the Greenhouse Gas Reduction Fund balance is projected to be insufficient to support the full amount of this appropriation. The Department of Finance may also augment Item 3540-001-0001 by the same amount of any reduction to maintain full funding for the Department of Forestry and Fire Protection's fire protection and resource management operations. The Department of Finance may also establish any schedules in Item 3540-001-0001 that are necessary to facilitate any such augmentation. Any provisions of this item that are necessary to effectuate the purposes of any funding shifted from this item to Item 3540-001-0001 pursuant to this provision shall also apply to Item 3540-001-0001.

2. Notwithstanding any other law, upon the order of the Department of Finance, one or more loans, not to exceed a cumulative total of 75 percent of the amount appropriated in this item, shall be made available from the General Fund to the Greenhouse Gas Reduction Fund, to be transferred as needed to meet cash needs resulting from the delay in receipt of Cap-and-Invest auction proceeds. All moneys so transferred shall be repaid as soon as sufficient Cap-and-Invest auction proceeds have been collected to meet immediate cash needs, but not later than June 30 of the fiscal year in which the loan was authorized. Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.

3. Notwithstanding any other law, the Director of Finance may authorize a loan from the General Fund, in an amount not to exceed 45 percent of reimbursements appropriated in Schedule (3) of this item, to the Department of Forestry and Fire Protection, provided that:

(a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.

(b) The loan is for a short term and shall be repaid by November 15 of the fiscal year following that in which the loan was authorized.

(c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.

(d) Within 10 days after approval, the Director of Finance shall notify the Joint Legislative Budget Committee of the loan approved pursuant to this provision.

4. Notwithstanding any other law, the funds appropriated in this item for purposes of Division 10.5 (commencing with Section 12200) of the Public Resources Code shall be available for purposes of support or capital outlay.

5. Notwithstanding any other law or administrative procedure, the Department of Forestry and Fire Protection may amend its pilot and mechanic contract, along with its parts contract, for both scope changes and contracted amounts to address unanticipated workload resulting from higher than anticipated demand for these contracted services. The Department of Finance may augment this item and authorize expenditures in excess of the amounts appropriated in this item no sooner than 30 days after providing notification in writing of the necessity therefor to the chairperson of the committee in each house of the Legislature that considers appropriations, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the State Budget, and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time after that notification the chairperson of the joint committee, or the chairperson's designee, may in each instance determine.

6. Notwithstanding Section 28.00, upon request of the Department of Forestry and Fire Protection, the Department of Finance may adjust Schedules (1) and (3) of this item to reflect increases in reimbursements from non-state entities providing assistance-by-hire emergency fire suppression services. The Director of Finance may authorize expenditures in excess of the amount appropriated in this item after the receipt of the request from the Department of Forestry and Fire Protection. Within 10 days of approval, the Department of Finance shall provide written notification of any such augmentation to the chairpersons of the committee in each house of the Legislature that considers appropriations, the chairpersons of the committees and the appropriate subcommittees of each house of the Legislature that consider the State Budget, and the chairperson of the Joint Legislative Budget Committee.

7. Of the amount appropriated in Schedule (1), \$91,818,000 shall be exempt from any applicable law requiring competitive bidding or the supervision or approval of another department or agency of state government for the procurement of or contracting with vendors for logistical support, including, but not limited to, feeding, lodging, training, and the purchase of personal protective equipment for additional fire suppression staff hired for the implementation of the 66-hour workweek.

8. The funds appropriated in this item shall not be subject to the provisions of subdivision (b) of Section 15.14. The funds appropriated in this item are exempt from sections 39712, 39715, and 39718 of the Health and Safety Code. Additionally, the funds appropriated in this item shall not be included in the calculation of funding appropriated from the Greenhouse Gas Reduction Fund for the purposes of section 39713 of the Health and Safety Code.

Amend Control Section 15.14 as follows:

“SEC. 15.14.

(a) Any appropriation from the Greenhouse Gas Reduction Fund shall be subject to the restrictions specified in subdivision (b).

(b) No department shall encumber or commit more than 75 percent of any appropriation prior to the fourth cap and trade auction in the ~~2025-26~~ 2024-25 fiscal year. Upon determination of the final amount of auction proceeds after the fourth cap and trade auction, the Department of Finance shall make a final determination for the expenditure of the remaining available auction proceeds. The Department of Finance shall notify the Joint Legislative Budget Committee no later than 30 days after its final determination if there are decreased auction proceeds that require a modification to the expenditure of funds.

(c) Subparagraph (A) of paragraph (3) of subdivision (b) of Section 39719 of the Health and Safety Code requires 5 percent of annual proceeds to be transferred to the Safe and Affordable Drinking Water Fund. The Director of Finance may transfer to the Safe and Affordable Drinking Water Fund an additional amount equal to the difference between the amount transferred in a quarter pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 39719 of the Health and Safety Code and \$32,500,000 per quarter of the 2023–24 fiscal year.

(d) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to guidelines or other standards adopted and used by a state agency in administering an allocation of moneys from the Greenhouse Gas Reduction Fund.

(e) The following amounts shall not be included in determining the amount of annual proceeds of the fund for purposes of the calculation in Section 39719 of the Health and Safety Code:

(1) Amounts appropriated by subparagraph (A) of paragraph (3) of subdivision (g) of Section 6377.1 of the Revenue and Taxation Code.

(2) Amounts described in Sections 4210 to 4214, inclusive, of the Public Resources Code to replace the revenues generated by the State Responsibility Area fire prevention fee authorized by Section 4212 of the Public Resources Code, which is suspended, pending repeal, pursuant to Section 4213.05 of the Public Resources Code.

~~(f) The following provisions apply to specified Greenhouse Gas Reduction Fund appropriations, including Items 0540-001-3228, 2660-101-3228, 3360-001-3228, 3360-101-3228, 3540-101-3228, 3600-001-3228, 3640-101-3228, 3760-102-3228, 3860-001-3228, 3860-101-3228, 3860-301-3228, 3940-102-3228, and 8660-101-3228.~~

~~(1) The funds shall be used for the purpose of facilitating the achievement of reductions of greenhouse gas emissions in this state in accordance with the requirements of Section 39712 of the Health and Safety Code or to improve climate change adaptation and resiliency, or environmental quality and public health, of California's communities, with an emphasis on disadvantaged communities, as defined in Section 39711 of the Health and Safety Code, or low-income households or communities, as defined in Section 39713 of the Health and Safety Code, consistent with Division 25.5 (commencing with Section 38500) of the Health and Safety Code.~~

~~(2) A state agency may also comply with the requirements of paragraphs (2) and (3) of subdivision (a) of Section 16428.9 of the Government Code by describing how each proposed expenditure will improve climate change adaptation and resiliency, or environmental quality and public health, of disadvantaged communities or low-income households or communities.~~

~~(3) For the purposes of subdivision (b) of Section 16428.9 of the Government Code and Section 39720 of the Health and Safety Code, the State Air Resources Board, in consultation with the relevant state agency, may develop methodologies and collect metrics or other information related to the description provided pursuant to paragraph (2) from the state agency."~~