

May 12, 2023

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Items 8570-490, 8570-491, and 8570-495, Support, California Department of Food and Agriculture

Various Technical Adjustments—It is requested that Item 8570-490 be added to reappropriate the unexpended balance of appropriations for the State Water Efficiency and Enhancement Programs made in the 2021 Budget Act to allow for the extension of encumbrance and liquidation of unallocated funds (see Attachment 1). It is requested that Item 8570-491 be added to extend the liquidation period for appropriations related to Alternative Manure Management Program, Dairy Digester Research and Development Program programs made in the 2019 Budget Act (see Attachment 2).

California Department of Food and Agriculture: Technical Adjustment to Shift Reversion of (2021 and 2022) Balances (Various Agriculture Investments)—It is requested that Item 8570-495 be added to revert specified balances of various appropriations made in the 2021 and 2022 Budget Act. The Governor's Budget reverted these funds in statewide Control Section 4.06. This is a technical adjustment to provide transparency at the department/agency level by shifting the reversions from the statewide control section to the applicable departmental budget (see Attachment 3).

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

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

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony J. Portantino, 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 Chris R. Holden, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Josh Becker, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 3
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
Karen Ross, Secretary, California Department of Food and Agriculture
Christine Birdsong, Undersecretary, California Department of Food and Agriculture
Arima Kozina, Deputy Secretary, Administration and Finance, California Department of Food and Agriculture
Jody Lusby, Division Director, Administrative Services, California Department of Food and Agriculture
Nathan Johnson, Budget Officer, California Department of Food and Agriculture

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

0001—General Fund

- (1) Item 8570-101-0001, Budget Act of 2021 (Chapter 21, Statutes of 2021), including the amount available for technical assistance.

8570-491—Reappropriation, Department of Food and Agriculture.
Notwithstanding any other law, the period to liquidate encumbrances of
the following citations are extended to June 30, 2026.

3228—Greenhouse Gas Reduction Fund

- (1) Item 8570-101-3228, Budget Act of 2019 (Chs. 23
and 55, Statutes of 2019), as reappropriated by
the Budget Act of 2021 (Chapter 21).

8570-495—Reversion, California Department of Food and Agriculture. As of June 30, 2023, the balances specified below of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001— General Fund

- (1) \$40,000,000 of Item 8570-101-0001 of the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the State Water Efficiency and Enhancement Program.
- (2) \$14,800,000 of Item 8570-102-0001 of the Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021) for the Farm to Community Food Hubs Program.
- (3) \$8,900,000 of Item 8570-102-0001 of the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Healthy Refrigeration Grant Program.
- (4) \$5,800,000 of Item 8570-102-0001 of the Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021) for the Urban Agriculture Program.
- (5) \$15,000,000 of Item 8570-102-0001 of the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Healthy Soils Program.
- (6) \$8,500,000 of Item 8570-102-0001 of the Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021) for the Sustainable California Grown Cannabis Pilot Program.
- (7) \$14,500,000 of Item 8570-102-0001 of the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Pollinator Habitat Program.
- (8) \$21,500,000 of Item 8570-102-0001 of the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for Technical Assistance and Conservation Management Plans.
- (9) \$4,700,000 of Item 8570-002-0001 of the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for greenhouse gas reduction.

(10) \$5,000,000 of Item 8570-002-0001 of the Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021) for the Invasive Species Council.

(11) \$4,700,000 of Item 8570-002-0001 of the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the New and Beginning Farmer Training and Farm Manager Apprenticeships Program.



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Addition of Budget Bill Item 8570-301-0001, Capital Outlay, California Department of Food and Agriculture

Blythe Border Protection Station Relocation Project—It is requested that Item 8570-301-0001 be added in the amount of \$2,759,000 for the working drawings phase of the Blythe Border Protection Station Relocation Project. The project includes five vehicle inspection lanes, four truck inspection lanes, and office buildings to support on-site staff, as well as visiting cooperative agencies and California Highway Patrol personnel. In addition, the project includes the addition of bypass lanes for the north and south sides of the vehicle inspection stations to accommodate oversized loads.

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 Michael McGinness, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

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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
Jennifer Lester Moffitt, Undersecretary, California Department of Food and Agriculture
Kevin Masuhara, Deputy Secretary, Administration and Finance, California Department of
Food and Agriculture
Kari Morrow, Division Director, Administrative Services, California Department of Food and
Agriculture
Nathan Johnson, Budget Officer, California Department of Food and Agriculture



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Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance, and Statutory Changes, California Public Utilities Commission

Universal LifeLine Telephone Service Program (California Lifeline Program)—It is requested that Item 8660-001-0471 be reduced by \$3,330,000 in fiscal year 2023-24 and ongoing to reflect reductions in consulting costs and Item 8660-101-0471 be increased by \$65,478,000 in 2023-24 and ongoing to reflect publishing costs resulting from increased autorenewals and new caseload projections.

Technical Adjustment to Shift the Reduction of 2023-24 Appropriation for the Residential Solar and Storage Program—It is requested that Item 8660-002-0001 be reduced by \$270 million in 2023-24 and statutory changes be added to effectuate the proposed reduction for the Residential Solar and Storage Program (see Attachment 1). The Governor's Budget reduced various items of appropriations in the 2023-24 fiscal year in Control Section 4.07. This is a technical adjustment to provide transparency at the department level by shifting the reductions from the statewide control section to items of appropriation in the applicable departmental budgets.

Technical Adjustment to Shift the Deferral of 2023-24 Appropriation for the Broadband Last-Mile Infrastructure Program—It is requested that Item 8660-062-0001 be reduced by \$550 million in 2023-24 as part of a deferral of funding, and be increased by \$200 million in 2024-25, \$200 million in 2025-26, and by \$150 million in 2026-27 for the Broadband Last-Mile Infrastructure Program at the California Public Utilities Commission (CPUC). The Governor's Budget reduced various items of appropriations in the 2023-24 fiscal year in Control Section 4.07. This is a technical adjustment to provide transparency at the department level by shifting the reductions from the statewide control section to items of appropriation in the applicable departmental budgets.

Technical Adjustment to Shift the Deferral of 2023-24 Appropriation for the Broadband Loan Loss Reserve Program—It is requested that Item 8660-062-0001 be reduced by \$400 million in 2023-24 as part of a deferral of funding, and be increased by \$125 million

in 2024-25, and by \$275 million in 2025-26 for the Broadband Loan Loss Reserve Program at the CPUC. The Governor's Budget reduced various items of appropriations in the 2023-24 fiscal year in Control Section 4.07. This is a technical adjustment to provide transparency at the department level by shifting the reductions from the statewide control section to items of appropriation in the applicable departmental budgets.

Digital Divide Grant Program—It is requested that Item 8660-101-3409 be added in the amount of \$1 million in 2023-24 and \$200,000 in 2024-25 and ongoing to implement the Digital Divide Grant Program per Public Utilities Code 280.5. This program will distribute competitive awards for the purpose of funding community technology programs in low-income school districts in rural and urban communities.

Technical Adjustment to Shift the Reversion of 2021 and 2022 Budget Act Balances for Broadband Loan Loss Reserve Program—It is requested that Item 8660-495 be added to revert \$50 million from the 2021 Budget Act and \$125 million from the 2022 Budget Act to reflect a deferral of funding for the Broadband Loan Loss Reserve Program until 2024-25. It is requested Item 8660-062-0001 be increased by \$175 million in 2024-25 as part of the deferral for the Broadband Loan Loss Reserve Program. The Governor's Budget reverted these funds in statewide Control Section 4.06. This is a technical adjustment to provide transparency at the department level by shifting the reversions from the statewide control section to the applicable departmental budget (see Attachment 2).

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

If you have any questions or need additional information regarding this matter, please call Eamon Nalband, Principal Program Budget Analyst, at (916) 322-2263.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Rachel Peterson, Executive Director, California Public Utilities Commission
Ryan Dulin, Deputy Director, California Public Utilities Commission
Harsh Thakar, Budget Officer, California Public Utilities Commission

Amend Public Utilities Code section 379.10 as follows:

“(a) In administering the self-generation incentive program pursuant to Section 379.6, the commission shall use funds appropriated by the Legislature for the purpose of providing incentives to eligible low-income residential customers, including those receiving service from a local publicly owned electric utility, as defined pursuant to Section 224.3, who install behind-the-meter energy storage systems or solar photovoltaic systems paired with energy storage systems, as an integrated approach to increase individual customer resiliency, to reduce the electrical grid's net peak demand, to reduce electric ratepayer costs, and to reduce emissions of greenhouse gases and localized air pollution. ~~The commission shall allocate funding pursuant to this section as follows:~~

~~(1) Seventy percent for incentives to eligible low-income residential customers who install either new behind-the-meter solar photovoltaic systems paired with energy storage systems or new energy storage systems.~~

~~(2) Thirty percent for incentives to residential customers who install new behind-the-meter energy storage systems.~~

(b) The commission shall consider requiring customers installing solar photovoltaic systems paired with energy storage systems or new energy storage systems under this section and served on a standard contract or tariff pursuant Section 2827.1 to participate in a demand response or peak load reduction program offered through the customer's load-serving entity, including market-integrated supply-side demand response programs, to reduce net peak demand.”

8660-495—Reversion, Public Utilities Commission. As of June 30, 2023, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

(1) Item 8660-062-0001, Budget Act of 2021. \$50,000,000 of the amount appropriated for the Broadband Loan Loss Reserve program in Provision 1.

(2) Item 8660-062-0001, Budget Act of 2022. \$125,000,000 of the amount appropriated for the Broadband Loan Loss Reserve program.