

BUDGET ADDENDUM

In the final week of the 2021-22 California state legislative session, several changes were made to the 2022 Budget Act. Most notably, the Budget Act set aside approximately \$13.5 billion for investments to mitigate climate change including wildfire and forest resilience, drought response and resilience, energy reliability, extreme heat, nature-based solutions, and zero-emission vehicles. These funds were allocated to specific strategies in the final week of the session. In addition, actions were taken to fund the Community Assistance, Recovery and Empowerment (CARE) Court, extend COVID-19 supplemental paid sick leave through the end of the year, and respond to the monkeypox state of emergency.

CLIMATE INVESTMENTS

The 2022 Budget allocates \$39 billion over five years toward climate resilience and integrated climate, equity, and economic opportunity across the state's budget to mobilize a coordinated government-wide response to the climate crisis. Combined with \$15 billion that was included in last year's budget, a total of \$54 billion has been allocated to make historic investments in the expansion of zero-emission vehicles, climate innovation and opportunities for quality jobs. The Budget integrates climate actions across program areas with additional funding to support the state's climate goals in transportation, housing, health, schools, and job training.

WILDFIRE AND FOREST RESILIENCE PACKAGE

The Budget includes \$1.3 billion over two years to continue strengthening forest and wildfire resilience statewide, including \$630 million allocated during the last week of session. The Budget also includes significant new CAL FIRE staffing and fire protection operational enhancements to expand the state's wildfire response capacity. Combined with early action taken in 2021 and the 2021 Budget, \$2.8 billion has been dedicated to wildfire and forest resilience in the last two years. An additional \$674.1 million in 2022-23 will add 1,350 new positions and expand fire crews, air attack operations, and provide for additional relief for CAL FIRE staff to meet the demands of wildland firefighting in a changing climate.

Wildfire and Forest Resilience Expenditure Plan
(Dollars in Millions)

Investment Category	Department	Program	Early Action 2020-21	2021-22	2022 Wildfire Package (over two years)	Total
Resilient Forests and Landscapes	CAL FIRE	Forest Health Program	\$155	\$160	\$240	\$555
		Forest Improvement Program for Small Landowners	\$10	\$40	\$25	\$75
		Forest Legacy	\$6	\$10	\$33	\$49
		Nursery	\$2	\$9	\$4	\$15
		Urban Forestry	\$10	\$20	\$30	\$60
		Tribal Engagement	\$1	\$19	\$20	\$40
		Post-Fire Reforestation and Regeneration	-	-	\$100	\$100
	Various	Stewardship of State-Owned Land	\$30	\$145	\$130	\$305
Wildfire Fuel Breaks	CAL FIRE	CAL FIRE Unit Fire Prevention Projects	\$10	\$40	\$40	\$90
		Fire Prevention Grants	\$123	\$120	\$232	\$475
		Prescribed Fire and Hand Crews & Contract Counties	\$15	\$49	\$70	\$134
	California Conservation Corps	Fuel Reduction Crews	-	\$20	\$40	\$60
		Residential Centers	-	\$7	-	\$7
Community Hardening	Cal OES & CAL FIRE	Home Hardening	\$25	-	\$25	\$50
	CAL FIRE	Defensible Space Inspectors	\$2	\$13	\$10	\$25
	CAL FIRE & University of California	Land Use Planning and Public Education Outreach	-	\$7	\$9	\$16
Regional Capacity	Department of Conservation	Regional Forest Capacity	\$50	\$60	\$40	\$150
	Conservancies	Project Implementation in High-Risk Regions	\$69	\$139	\$170	\$378
Science-Based Management	CAL FIRE	State Demonstration Forests	-	-	\$10	\$10
		Monitoring and Research	\$3	\$20	\$15	\$38
		Prescribed Fire Liability Pilot	-	\$20	-	\$20
		Interagency Forest Data Hub	-	\$10	-	\$10
	Natural Resources Agency	LiDAR Remote Sensing	-	\$25	\$5	\$30
	Air Resources Board and Water Board	Prescribed Fire and Water Permitting	-	\$4	\$8	\$12
Economic Development of the Forest Sector	IBank	Climate Catalyst Fund	\$16	\$33	-	\$49
		Workforce Training	\$6	\$18	\$30	\$54
	CAL FIRE	Transportation Grants for Woody Material	-	-	\$10	\$10
	Office of Planning and Research	Market Development	\$3	-	\$4	\$7
		Total	\$536	\$988	\$1,300	\$2,824

DROUGHT RESPONSE AND RESILIENCE PACKAGE

The Budget includes \$3.6 billion over four years for immediate drought support and long-term water resilience, including \$2.3 billion that was allocated during the final week of session. Including allocations made in the 2021 Budget, a total of \$8.7 billion has been dedicated to support drought resilience and response. The Budget also includes \$75 million to support grants to farming and related businesses negatively impacted by the drought.

Drought Resilience and Response
(Dollars in Millions)

Investment Category	Department	Program	2021 Package Total	2022 Package Total	Total
Immediate Drought Support	Department of Water Resources	Small Water Suppliers Drought Relief & Urban Water Management Grants	\$484	\$300	\$784
	State Water Resources Control Board	Water Rights Modernization and Drought Resilience	\$0	\$61	\$61
	Department of Social Services	Drought Food Assistance	\$0	\$23	\$23
	Various	Data, Research, and Communications	\$127	\$142	\$269
		Drought Technical Assistance and Emergency Drought Response	\$57	\$176.3	\$233
		Drought Permitting, Compliance, Curtailments and Water Right Enforcement	\$43	\$8	\$51
Drinking Water, Water Supply and Reliability, Flood	State Water Resources Control Board	Drinking Water/Wastewater Infrastructure and State Revolving Fund	\$1,300	\$400	\$1,700
		PFA's Support	\$100	\$100	\$200
		Water Recycling/Groundwater Cleanup	\$400	\$400	\$800
	Department of Water Resources	Water Storage	\$0	\$500	\$500
		Salton Sea	\$220	\$0	\$220
		Water Conveyance	\$200	\$0	\$200
		Flood and Dam Safety	\$638	\$100	\$738
		Aqueduct Solar Panel Pilot Study	\$20	\$15	\$35
		Watershed Climate Studies	\$25	\$0	\$25
		Natural Resources Agency Clear Lake Rehabilitation	\$5.7	\$0	\$6
Conservation/ Agriculture	Department of Water Resources	SGMA Implementation	\$300	\$56	\$356
		Agriculture and Delta Drought Response Programs	\$8	\$60	\$68
		Relief for Small Farmers	\$0	\$25	\$25
	Department of Food and Agriculture	On-farm Water Use and Agriculture Technical Assistance	\$5	\$15	\$20
		State Water Efficiency and Enhancement Program	\$100	\$60	\$160
	Department of Conservation	Multi-Benefit Land Repurposing	\$50	\$40	\$90
	Various	Water Conservation Programs (Small and Urban) and Turf Replacement	\$0	\$185	\$185
Habitat/ Nature-Based Solutions	Department of Fish and Wildlife/ Department of Water Resources	Fish and Wildlife Protection	\$0	\$175	\$175
		Improving Drought Resiliency on State-Owned Land and Migratory Bird Habitat	\$8	\$25	\$33
		Studying Salmon and Tribal Co-Management Activities	\$0	\$7.3	\$7.3
		Climate Induced Hatchery Upgrades	\$33	\$17	\$50
	Department of Water Resources	Aquatic Habitat and Drought Resilience and Expediting Large Scale Habitat	\$0	\$149	\$149
	Various	Additional Nature-Based Solutions and Watershed Resilience	\$1,033	\$544.5	\$1,578
Total			\$5,157	\$3,584	\$8,741

ENERGY INVESTMENTS

The Budget includes important investments to support clean, reliable, and affordable energy. The August investments build on \$4.3 billion of investments made in June with another \$3.6 billion, for a total of almost \$8 billion.

In addition, Chapter 239, Statutes of 2022 (SB 846) provides, subject to appropriation, \$1 billion over three years beginning in 2023-24 for a Clean Energy Reliability Investment Plan.

Energy Reliability, Relief and Clean Energy Investments
(Dollars in Millions)

Investment Category	Program	Agency	2021-22	2022-23	2023-24	2024-25	2025-26	Multiyear Total
Ratepayer Relief	California Arrearage Payment Program	CSD	\$0	\$1,200	\$0	\$0	\$0	\$1,200
	Capacity Building Grants	CPUC	\$0	\$30	\$0	\$0	\$0	\$30
Reliability	Investments in Strategic Reliability Assets	DWR	\$1,500	\$700	\$20	\$75	\$75	\$2,370
	Support for Reliability	DWR	\$0	\$3	\$0	\$0	\$0	\$3
	DOE Grid Resilience Match	CEC	\$0	\$5	\$0	\$0	\$0	\$5
	Distributed Electricity Backup Assets	CEC	\$550	\$0	\$100	\$25	\$25	\$700
	Demand Side Grid Support	CEC	\$200	\$0	\$95	\$0	\$0	\$295
Clean Energy	Carbon Removal Innovation	CEC	\$0	\$50	\$50	\$0	\$0	\$100
	Residential Solar & Storage	CPUC	\$0	\$0	\$900	\$0	\$0	\$900
	Transmission Financing	IBank	\$0	\$200	\$50	\$0	\$0	\$250
	Incentives for Long Duration Storage	CEC	\$0	\$140	\$240	\$0	\$0	\$380
	Distributed Energy Workload	CEC	\$0	\$1	\$1	\$1	\$1	\$5
	Energy Modeling to Support California's Energy Transition	CEC	\$0	\$7	\$0	\$0	\$0	\$7
	AB 525 Implementation	Various	\$0	\$4	\$0	\$0	\$0	\$4
	Oroville Pump Storage	DWR	\$0	\$100	\$140	\$0	\$0	\$240
	Food Production Investment Program	CEC	\$0	\$25	\$50	\$0	\$0	\$75
	Offshore Wind Infrastructure	CEC	\$0	\$45	\$0	\$0	\$0	\$45
	Equitable Building Decarbonization	CEC	\$0	\$112	\$665	\$53	\$92	\$922
	Equitable Building Decarbonization - TECH Initiative	PUC	\$0	\$50	\$95	\$0	\$0	\$145
	Equitable Building Decarbonization - Accelerating Adoption of Low-GWP Refrigerants	CARB	\$0	\$20	\$20	\$0	\$0	\$40
	Industrial Decarbonization	CEC	\$0	\$100	\$0	\$0	\$0	\$100
	Hydrogen Grants	CEC	\$0	\$100	\$0	\$0	\$0	\$100
	Hydrogen Hub	GO-Biz	\$0	\$5	\$0	\$0	\$0	\$5
	Energy Data Infrastructure & Analysis	CEC	\$0	\$5	\$0	\$0	\$0	\$5
Total Package			\$2,250	\$2,902	\$2,426	\$154	\$193	\$7,926

EXTREME HEAT INVESTMENTS

The Budget includes \$365 million focused on cooling communities, protecting vulnerable populations and ecosystems, and increasing public awareness. Including allocations made in the 2021 Budget, a total of \$865 million has been dedicated to address extreme heat.

Extreme Heat
(Dollars in Millions)

Plan or Framework Category	Department	Program	2022-23	2023-24	Total
Cool Communities	Strategic Growth Council	Community Resilience Centers	\$85	\$85	\$170
		Community Resilience and Heat Program	\$25	\$50	\$75
	CAL FIRE	Green Schoolyards (Urban Forestry)	\$17	\$33	\$50
Protecting Vulnerable Populations and Ecosystems	Community Services & Development	Farmworker Low-Income Weatherization Program	\$15	\$0	\$15
	Department of Public Health		\$3	\$0	\$3
	Department of Industrial Relations	Enhanced Protections for Vulnerable Populations	\$8	\$8	\$16
	Department of Social Services		\$2.75	\$5.75	\$8.5
	Department of Food and Agriculture	Animal Mortality Management Program	\$0.6	\$0.6	\$1.2
		Origin Inspection Program	\$0.25	\$0.25	\$0.5
			\$1.075	\$1.575	\$2.65
	Department of Pesticide Regulation	Integrated Pest Management Technical Assistance	\$1.075	\$1.575	\$2.65
Increasing Public Awareness	Office of Planning and Research	Community-Based Public Awareness Campaign	\$6	\$14	\$20
Total			\$165	\$200	\$365

NATURE-BASED SOLUTIONS

The Budget includes \$1.1 billion focused on supporting various nature-based programs, and to support implementation of the 30x30 Pathways and Natural and Working Lands Climate Smart Strategy. These investments include, but are not limited to, supporting statewide and regional implementation of nature-based solutions; partnering with California Native American tribes to invest in shared nature-based solution priorities; addressing sea-level rise and wetlands and floodplain restoration; and expanding educational and economic opportunities for California's youth climate leaders through local and tribal conservation corps programs.

Nature-Based Solutions
(Dollars in Millions)

Investment Category	Department	Program	2022-23	2023-24	2024-25	Total
Nature-Based Solutions Programs	Wildlife Conservation Board	Forest Conservation Program				
		Oak Woodlands Conservation Program				
		California Desert Conservation Program				
		Rangeland, Grazing Land and Grassland Protection Program	\$150	\$95	\$0	\$245
		California Riparian Habitat Conservation Program				
		Natural and Working Lands Climate Adaptation and Resiliency Program				
	Department of Fish & Wildlife	Nature-Based Solutions Wetlands	\$54	\$0	\$0	\$54
	Delta Conservancy	Restoration Program	\$36	\$0	\$0	\$36
Supporting Regional Action	Department of Conservation	Multi-Benefit Land Repurposing Program	\$0	\$20	\$0	\$20
	Department of Food & Agriculture	Healthy Soils Program	\$0	\$10	\$0	\$10
	State Conservancies	Support for Nature-Based Solutions	\$70	\$100	\$0	\$170
	Department of Fish and Wildlife & Santa Monica Mountains Conservancy	Wildlife Corridors (including Liberty Canyon)	\$52	\$0	\$0	\$52
	Department of Fish and Wildlife	Natural Community Conservation Program Planning and Land Acquisition	\$36	\$0	\$0	\$36
	Department of Conservation	Climate Smart Land Management Program	\$14	\$6	\$0	\$20
Expanding Educational and Economic Opportunities for Youth Climate Leaders	Wildlife Conservation Board	Resource Conservation Investments Strategies	\$2	\$3	\$0	\$5
	Conservation Corps	Local and Tribal Nature-Based Solutions Corps	\$38	\$11	\$0	\$49
Partnering with California Native American Tribes	Natural Resources Agency	Tribal Nature-Based Solutions Program	\$70	\$30	\$0	\$100
		Tribal Nature-Based Solutions Staffing	\$1	\$1	\$1	\$3
Additional Strategic Investments	CalRecycle	Compost Permitting Pilot Program	\$7.5	\$0	\$0	\$7.5
	Natural Resources Agency	Nature-Based Solutions Partnerships and Improvements	\$2	\$0	\$0	\$2
		CA Nature Support	\$0.25	\$0.25	\$0	\$0.5
		Redondo Beach Wetlands Restoration	\$10	\$0	\$0	\$10
	Wildlife Conservation Board	San Joaquin Valley Flood Plain Restoration	\$40	\$0	\$0	\$40
	State Coastal Conservancy	San Francisco Bay Wetlands Support	\$11	\$0	\$0	\$11
	State Coastal Conservancy & Ocean Protection Council	Sea Level Rise	\$75	\$152	\$19	\$246
		Total	\$669	\$428	\$20	\$1,117

CAP AND TRADE ALLOCATIONS

The Budget includes \$1.6 billion Greenhouse Gas Reduction Fund to support investments related primarily to zero-emission vehicles, AB 617 implementation, sea level rise, and organic waste infrastructure. The Cap and Trade Expenditure Plan reflects

approximately \$280 million that was allocated during the final week of the legislative session.

Cap and Trade (Discretionary Funding)

(Dollars in Millions)*

Department	Program	2022-23
Air Resources Board	AB 617 - Community Air Protection	\$210
	AB 617 - Local Air District Implementation	\$50
	AB 617 - Technical Assistance to Community Groups	\$10
	Community Air Monitoring	\$30
	ZEV Package - Clean Cars 4 All & Equity	\$126
	ZEV Package - HVIP	\$600
	Lower Emission Boats	\$20
	HFC Refrigerants	\$10
	Wood Stoves	\$5
	Methane Monitoring	\$105
CalRecycle	Organic Waste Infrastructure	\$180
	Methane Reductions from Landfills and Wastewater Treatment	\$10
California Department of Food and Agriculture	Methane Reduction: Cattle Feed	\$10
	Alternative Manure Management Program	\$20
California Energy Commission	Cal SHAPE	\$20
CSD	Low-Income Weatherization Program	\$15
Coastal Conservancy/OPC	Sea Level Rise	\$155
Total		\$1,576

*Does not include baseline support items for various departments.

ZERO-EMISSION VEHICLE INVESTMENTS

The Budget allocates \$6.1 billion over five years to decarbonize California's most polluting sector and improve public health by accelerating the state's transition to zero-emission vehicles with a focus on communities that are most impacted by air pollution. This includes \$3.5 billion that was allocated during the final week of the legislative session. Combined with funding allocated in the 2021 Budget, \$10 billion has been dedicated to zero-emission vehicles.

Zero-Emission Vehicle Investments

(Dollars in Millions)

Investment Category	Program	Agency	2021 ZEV Package Total Multi-Year	2022 ZEV Package					ZEV Package Totals
				2021-22	2022-23	2023-24	2024-25	2025-26	
Passenger Vehicles	Clean Vehicle Rebate Project	CARB	\$525	\$0	\$0	\$0	\$0	\$0	\$525
	Clean Cars 4 All & Other Equity Projects	CARB	\$400	\$0	\$256	\$0	\$0	\$0	\$656
	ZEV Fueling Infrastructure Grants	CEC	\$300	\$215	\$15	\$210	\$90	\$40	\$870
	Equitable At-Home Charging	CEC	\$0	\$20	\$0	\$160	\$80	\$40	\$300
Big ZEVs	Drayage Trucks & Infrastructure	CARB	\$220	\$82	\$0	\$95	\$48	\$0	\$445
		CEC	\$250	\$96	\$0	\$105	\$49	\$0	\$500
	Drayage Trucks & Infrastructure Pilot Project	CARB	\$40	\$0	\$0	\$0	\$0	\$0	\$40
		CEC	\$25	\$0	\$0	\$0	\$0	\$0	\$25
	Transit Buses & Infrastructure	CARB	\$200	\$0	\$0	\$140	\$110	\$70	\$520
		CEC	\$90	\$0	\$0	\$60	\$50	\$30	\$230
	School Buses & Infrastructure	CARB	\$400	\$0	\$1,125	\$0	\$0	\$0	\$1,525
		CEC	\$50	\$0	\$375	\$0	\$0	\$0	\$425
	Clean Trucks, Buses and Off-Road Equipment	CARB	\$500	\$0	\$600	\$0	\$0	\$0	\$1,100
		CEC	\$200	\$99	\$0	\$315	\$31	\$25	\$670
	Ports	CARB	\$0	\$0	\$0	\$60	\$120	\$70	\$250
		CEC	\$0	\$0	\$0	\$40	\$80	\$30	\$150
	Near-Zero Heavy Duty Trucks	CARB	\$45	\$0	\$0	\$0	\$0	\$0	\$45
Other	ZEV Consumer Awareness	GO-BIZ	\$5	\$0	\$0	\$0	\$0	\$0	\$5
	ZEV Manufacturing Grants	CEC	\$250	\$0	\$0	\$0	\$0	\$0	\$250
	Community-Based Plans, Projects and Support / Sustainable Community Strategies	CARB/CalSTA	\$0	\$0	\$0	\$200	\$80	\$59	\$339
	Emerging Opportunities	CARB	\$0	\$53	\$0	\$35	\$12	\$0	\$100
		CEC	\$0	\$54	\$0	\$35	\$11	\$0	\$100
	Hydrogen Infrastructure	CEC	\$0	\$0	\$0	\$20	\$20	\$20	\$60
	Charter Boats Compliance	CARB	\$0	\$0	\$60	\$40	\$0	\$0	\$100
	Transportation Package ZEV*	CalSTA	\$407	\$0	\$77	\$77	\$77	\$152	\$790
Totals by FY			\$3,907	\$619	\$2,508	\$1,592	\$858	\$536	\$10,020
Totals by Package			\$3,907			\$6,113			\$10,020

HEALTH

COMMUNITY ASSISTANCE, RECOVERY AND EMPOWERMENT (CARE) COURT

The Budget provides \$88.3 million General Fund for CARE Court. Specifically, this includes \$57 million in one-time start-up funds to support county planning and preparation activities. Of the \$57 million, \$31 million is for county planning and preparation activities, including hiring, training, and developing policies and procedures, and to support information technology infrastructure costs. The remaining \$26 million is for the first set of counties that will begin implementing CARE Court for planning and preparation activities. These counties are Glenn, Orange, Riverside, San Diego, Stanislaus, Tuolumne, and the city and county of San Francisco.

Another \$25.2 million is included for the Department of Health Care Services and the Californian Health and Human Services Agency to support the implementation of the CARE Act, and \$6.1 million to the Judicial Branch for program administration, coordination of self-help centers, and legal services.

RESPONDING TO MONKEYPOX

The Budget includes \$41.4 million General Fund to support monkeypox efforts at both the state and local levels. Of this amount, \$1.5 million General Fund will be available for grants to community based organizations to support clinics for monkeypox vaccinations. Additionally, provisional language directs Department of Public Health (DPH) to allocate and shift, between state operations and local assistance, approved monkeypox resources in consultation with local health jurisdictions and authorizes DPH to use existing General Fund in the department's budget to support monkeypox emergency response efforts.

COVERED CALIFORNIA SUBSIDIES

The Budget initially appropriated \$304 million of state funds (Health Care Affordability Reserve Fund) as a contingency to subsidize health premiums in the event the federal American Rescue Plan Act (ARPA) subsidies were not extended. These subsidies were set to expire in 2022. Over the summer, President Biden signed the federal Inflation Reduction Act, which extended through 2025 federal premium subsidy assistance at the same levels provided previously under ARPA. The \$304 million contingency funds are no longer needed for this purpose and will remain in the Health Care Affordability Reserve Fund and may be used for future subsidies beyond 2025.

SUPPLEMENTAL PAID SICK LEAVE

The Budget extends the sunset date for COVID-19 supplemental paid sick leave from September 30, 2022 to December 31, 2022, allowing employees to continue to access up to 80 hours of supplemental paid sick leave.

Additionally, the Budget allocates \$250 million for the California Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant Program to provide grants to eligible small businesses and nonprofits of up to \$50,000 to reimburse costs incurred for COVID-19 supplemental paid sick leave. Provisional language allows up to an additional \$70 million to be appropriated to support this program, if General Fund savings are achieved due to increases in federal funds becoming available to support other programs.

VICTIM COMPENSATION AND SERVICES

The Budget includes \$75 million ongoing General Fund beginning in 2024-25, if the Director of Finance determines that General Fund revenues over the multi-year forecast are available to support it, to implement significant statutory changes to expand the Victim Compensation Program and compensation for erroneously convicted individuals, as well as to eliminate the restitution fine. The Budget makes statutory changes to expand compensation to support a crime victim's loss of income, increase victim compensation benefits, and prohibit a victim from being denied assistance based on failure to cooperate with law enforcement at the scene of the crime or because they delayed reporting a crime. The Budget also includes \$23 million one-time General Fund to be spent over three years to support trauma recovery centers, and \$3 million one-time Restitution Fund to conduct an outreach campaign to raise awareness of statewide victim support services.