

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

The Natural Resources Agency consists of 29 departments, boards, commissions, and conservancies responsible for administering programs to conserve, restore, and enhance the natural, historical, and cultural resources of California. The Governor's Budget includes total funding of \$9 billion (\$5.5 billion General Fund, \$2.7 billion special funds, \$337.1 million federal funds, and \$477.1 million bond funds) for the programs included in this Agency.

The California Environmental Protection Agency consists of six departments and boards responsible for implementing the state's climate priorities, reducing greenhouse gas emissions, enhancing air and water quality, achieving the state's waste reduction and circular economy goals, and protecting public health. The Secretary coordinates the state's regulatory programs and provides fair and consistent enforcement of environmental law. The Budget includes \$5.4 billion (\$719.7 million General Fund, \$4.1 billion special funds, \$564.7 million federal funds, and \$11.3 million bond funds) for programs included in this Agency.

To address the projected budget shortfall, the Budget proposes \$489.9 million of General Fund solutions in non-climate Natural Resources and Environmental Protection related programs to achieve a balanced budget. Climate efforts are discussed in the Climate Change Chapter.

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

The Department of Forestry and Fire Protection (CAL FIRE) provides resource management and wildland fire protection services covering 31 million acres. It operates 234 fire stations and staffs local fire departments as funded by those local governments. CAL FIRE also contracts with six counties within the state to provide wildland fire protection services. The Budget includes \$4.2 billion (\$2.7 billion General Fund) and 12,295 positions for CAL FIRE.

The ongoing impact of climate change on California's wildlands and decades of underinvestment in forest health continues to create the conditions for longer, more severe fire seasons. The Budget recognizes these conditions and their impact on both firefighting operations and the state's wildfire and forest resilience. The Budget makes further investments to enhance CAL FIRE's fire protection capacity and strengthen the state's wildfire and forest resilience, including air attack base infrastructure improvements that will facilitate the operation of the new federal C-130 aircraft and night-flying helicopter operations.

SIGNIFICANT BUDGET ADJUSTMENTS

- **66-Hour Workweek**—An increase of \$198.9 million (\$197.1 million General Fund) and 338 positions in fiscal year 2024-25, and \$770.4 million (\$756.3 million General Fund) and 2,457 positions ongoing, phased in over five years to reflect the 2022 Memorandum of Understanding (MOU) between CAL FIRE Local 2881 (Bargaining Unit 8) and the State of California that committed to the reduction of the 72-hour workweek to a 66-hour workweek beginning on November 1, 2024. The MOU was approved by the Legislature as Chapter 250, Statutes of 2022 (AB 151). The Administration will also be engaged in collective bargaining with Bargaining Unit 8 in 2024.
- **Training Center**—An increase of \$18.7 million one-time General Fund for acquisition of property for an additional CAL FIRE training center, which is necessary for the implementation of the 66-hour work week and to improve CAL FIRE's efficiency and ability to meet peak demands on the training program.
- **Ramona Air Attack Base Reconfiguration**—An increase of \$12 million one-time General Fund to reconfigure the fire retardant loading pits at Ramona Air Attack Base. This project is essential for effectively preventing and suppressing wildland fires in San Diego County and the surrounding State Responsibility Areas. The base is strategically positioned for rapid initial attack on fires, providing fixed-wing aerial

delivery of fire retardant for use in initial attack on new fire starts, sustained suppression activities on major fires and tactical air support.

- **Helitack/Air Attack Bases**—An increase of \$5.8 million one-time General Fund for the Boggs Mountain Helitack Base, Hollister Air Attack Base/Bear Valley Helitack Base, and fuel system project at the Rohnerville Air Attack Base. These bases are strategically positioned for rapid initial attack on fires, providing fixed-wing aerial delivery of fire retardant for use in initial attack on new fire starts, sustained suppression activities on major fires, and to provide tactical air support. These projects also include critical upgrades necessary for the long-term maintenance of new aircraft.
- **Unit Headquarters and Fire Stations**—An increase of \$87.8 million one-time Public Buildings Construction Fund and \$640,000 one-time General Fund to relocate various unit headquarters and fire stations including Humboldt Del Norte Unit, Sonoma Lake Napa Unit, Glen Ellen Fire Station, Butte Fire Station, Parkfield Fire Station, and Hayfork Fire Station. The unit headquarters have responsibility for more than 4.7 million acres each. As a crucial ground-based resource for fire suppression, the units respond to diverse emergencies including fires, accidents, medical incidents, rescues, and hazardous material situations.

The Budget also includes \$11 million one-time General Fund to repay the interim loan for the Ishi Conservation Camp: Replace Kitchen project. The project was ineligible for lease revenue bond financing due to the inability to secure sufficient insurance coverage.

SAFE AND SUSTAINABLE PEST MANAGEMENT

Effective pest management is critical to securing a stable and healthy food supply, supporting growers, improving agricultural sustainability, and protecting the health of local communities and the environment. Improving the management of pests is increasingly critical as climate change and severe weather introduce new and increasing pest pressures. Current tools have also become less effective with changing weather patterns, and scientific studies have shown an increase in potential risks associated with pesticide use.

The Department of Pesticide Regulation (DPR) plays a vital role in developing and supporting pest management innovations necessary to meet the state's climate reality.

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The DPR Fund, which is primarily comprised of the mill assessment, is currently at a structural imbalance.

The Budget includes legislation to increase the mill assessment to support programs and address the DPR Fund structural imbalance. In addition, the legislation includes changes relative to collection of the mill assessment, data review, registration, and enforcement.

The 2021 Budget Act allocated funding for an independent, stakeholder-engaged mill assessment study to assess and address DPR's long-term resource needs and to recommend an approach to increasing the mill assessment, which has been statutorily fixed for 20 years, to better support the Department's statutory and programmatic responsibilities and stabilize the Department's funding. The study recommended a phased-in increase of the mill assessment to provide stable, long-term funding to support the Department's core functions and to better integrate and align sustainable pest management practices through research, innovation, and adoption.

The Budget includes \$33.3 million ongoing DPR Fund and Greenhouse Gas Reduction Fund (GGRF), phased in over three years, to support DPR's essential work including efforts that will increase the availability of sustainable pest management tools and practices. More specifically, the Budget includes:

- **Streamline Processes and Support Alternatives**—An increase of \$17.9 million ongoing DPR Fund to accelerate pesticide evaluation and registration timelines to bring safer, effective pesticides to market faster; support innovative alternatives research and adoption; develop and implement a public, stakeholder-engaged, and scientifically-based priority pesticide process; and provide general administrative support.
- **Strengthen Statewide Services**—An increase of \$8.6 million ongoing DPR Fund and \$592,000 ongoing GGRF to support statewide and cross-jurisdictional enforcement and compliance, pesticide monitoring and data evaluation, and risk mitigation and regulation development.
- **Provide Critical Support for Local Partners and Communities**—An increase of \$6.1 million ongoing DPR Fund and \$125,000 ongoing GGRF to provide training and compliance support for County Agricultural Commissioners, and local engagement and transparency.

PROTECTING WATER QUALITY AND HABITAT

Last year, in *Sackett v. EPA*, the U.S. Supreme Court significantly narrowed the reach of the federal Clean Water Act, ruling that the Act no longer covered many of the wetlands that had long been protected under federal law. California is well positioned to maintain protections for these wetlands under state law. Existing state programs, however, have operated for decades with the backdrop of federal jurisdiction over these waters, necessitating updates to reflect the new regulatory landscape.

The Budget includes \$6.1 million Waste Discharge Permit Fund in 2023-24, and \$7 million ongoing for the State and Regional Water Boards to conduct essential activities to protect these waters, including water quality permitting and enforcement work that has historically been conducted by the U.S. Army Corps of Engineers and the U.S. Environmental Protection Agency.

ADDRESSING THE BUDGET PROBLEM

To address the projected budget shortfall, the Budget proposes General Fund solutions to achieve a balanced budget. These include:

- **Cleanup in Vulnerable Communities Initiative**—A delay of \$175 million General Fund for the Department of Toxic Substances Control's Cleanup in Vulnerable Communities Initiative Program. The Budget includes \$85 million in funding for the program in 2025-26 and \$90 million in 2026-27.
- **Underground Storage Tank Cleanup Fund Loan**—A budgetary loan of \$150 million, along with a one-year repayment deferral of an existing \$50.7 million budgetary loan, from the Underground Storage Tank Cleanup Fund to the General Fund is proposed from resources not currently projected to be used for operational or programmatic purposes.
- **California Beverage Container Recycling Fund Loan**—A budgetary loan of \$125 million, along with a one-year repayment deferral of an existing \$25 million budgetary loan, from the California Beverage Container Recycling Fund to the General Fund is proposed from resources not currently projected to be used for operational or programmatic purposes.
- **Outdoor Equity Grants Program**—A reduction of \$25 million General Fund for outdoor environmental education and access programs through the Outdoor Equity Grants

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Program under Chapter 675, Statutes of 2019 (AB 209). The Budget maintains \$90 million General Fund previously allocated for this program.

- **Urban Waterfront Funding**—A reversion of \$12.3 million General Fund for various projects in urban areas adjacent to rivers and waterways throughout the state. The Budget maintains \$142 million General Fund previously allocated for this program.
- **Pesticide Notification**—A reversion of \$2.6 million General Fund related to the Pesticide Notification Network previously appropriated in the 2021 Budget Act. The Budget maintains \$7.3 million previously allocated for this purpose.