

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 Budget includes total funding of \$12.9 billion (\$5.4 billion General Fund, \$6.2 billion special funds, \$783.7 million federal funds, and \$527 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 \$5.5 billion (\$223 million General Fund, \$4.7 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 includes \$1.1 billion of General Fund solutions in non-climate Natural Resources and Environmental Protection-related programs to achieve a balanced budget. Climate-related solutions 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 (\$2.8 billion General Fund) and 12,512 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 in Chapter 250, Statutes of 2022 (AB 151).
- **Five Firefighter Hand Crews**—An increase of \$46.8 million (\$46.4 million General Fund) and 226 positions in 2024-25, and \$44.5 million (\$43.8 million General Fund) and 234 positions ongoing, phased in over five years with varying amounts in each of the intermediate years, for five CAL FIRE firefighter hand crews to provide vegetation management, hazardous fuel reduction, and wildland fire suppression. This investment makes permanent five temporary CAL FIRE firefighter hand crews that were authorized and budgeted through June 30, 2024. These hand crews include a mix of year-round and seasonal staff.
- **Training Center**—An increase of \$31.6 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 \$30.2 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, 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.

SUPPORT FOR OFFSHORE WIND ENERGY

California has established ambitious goals to address and mitigate the impacts of climate change, conserve biodiversity, and advance equity to protect communities and nature. This includes aspirational planning goals for offshore wind of 2-5 gigawatts (GW) by 2030 and 25 GW by 2045. To support these goals, offshore wind

technology and infrastructure must be developed in a responsible way that protects coastal and marine ecosystems and minimizes potential impacts to tribal, underserved, and coastal communities.

The Budget includes \$16 million one-time General Fund for the Ocean Protection Council, California Coastal Commission and the State Lands Commission to plan for and implement offshore wind energy development in the five existing leases in federal waters off the coast of California. This funding will support permitting and planning activities, initial implementation of a comprehensive environmental monitoring and research program, and increased consultation with California Native American tribes and engagement with underserved and coastal communities.

The Budget also maintains \$45 million one-time General Fund for the California Energy Commission to support port infrastructure for offshore wind development approved in previous budgets. This funding will advance select priorities in the Draft AB 525 Offshore Wind Strategic Plan and support compliance with the offshore wind related aspects of Chapter 251, Statutes of 2002 (AB 209) and Chapters 367 and 386, Statutes of 2023 (AB 1373 and SB 286).

PROTECTING WATER QUALITY AND HABITAT

In 2023, 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 2024-25, and \$4.8 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 includes General Fund solutions to achieve a balanced budget. Significant non-climate Natural Resources and Environmental Protection-related General Fund solutions include:

- **Cleanup in Vulnerable Communities Initiative**—A reversion of \$268.5 million General Fund and shift of \$107.5 million to the Greenhouse Gas Reduction Fund in 2024-25 and 2026-27 for the Department of Toxic Substances Control's Cleanup in Vulnerable Communities Initiative Program.
- **Underground Storage Tank Cleanup Fund Loan**—A budgetary loan of \$150 million, along with a one-year repayment deferral of an existing \$50.6 million budgetary loan, from the Underground Storage Tank Cleanup Fund to the General Fund, utilizing resources not currently projected to be used for operational or programmatic purposes.
- **Air Pollution Control Fund Loan**—A budgetary loan of \$300 million from the Air Pollution Control Fund to the General Fund, utilizing resources not currently projected to be used for operational or programmatic purposes.
- **Outdoor Equity Grants Program**—A reduction of \$75 million General Fund for outdoor environmental education and access programs through the Outdoor Equity Grants Program under Chapter 675, Statutes of 2019 (AB 209). The Budget maintains \$60 million one-time General Fund previously allocated for this program.
- **Deferred Maintenance**—A reversion of \$26.2 million General Fund (\$11.6 million CAL FIRE and \$14.6 million Department of Parks and Recreation (Parks)) and a shift of \$5.9 million for Parks to Proposition 40 bond funds for various deferred maintenance projects.
- **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 one-time General Fund previously allocated for this program.