

NATURAL RESOURCES AND ENVIRONMENT

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 May Revision includes total funding of \$10.5 billion (\$4.9 billion General Fund, \$3.2 billion special funds, \$1.9 billion bond funds, and \$530 million federal 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 goals, and protecting public health. The Secretary coordinates the state's regulatory programs and provides fair and consistent enforcement of environmental law. The May Revision includes \$5.8 billion (\$117 million General Fund, \$4.7 billion special funds, \$634 million federal funds, and \$329 million bond funds) for programs included in this Agency.

OUTDOORS FOR ALL

California remains committed to expanding opportunities for every resident to enjoy the outdoors. Through the Outdoors for All initiative, the state continues to prioritize equitable outdoor access, recognizing its importance for all Californians.

Every Californian should have an opportunity to swim in a lake or ocean, marvel at nature, or simply spend time in a nearby park. These experiences should be available to everyone, regardless of background, location, or income. The May Revision includes strategic investments to continue the state's progress in expanding outdoor access.

SIGNIFICANT BUDGET ADJUSTMENTS

- **Fort Ord Dunes**—An increase of \$3.6 million General Fund (\$3.3 million ongoing from General Fund and the State Parks Recreation Fund) to support operations at the new Fort Ord Dunes State Park campground. The new campground will provide accessible, low-cost, coastal overnight accommodations along the Monterey coast where camping opportunities have historically been limited. The campground will also provide new beach access, aquatic recreation opportunities, and important natural and cultural resource stewardship along a relatively remote stretch of coastline.
- **Golden Gate Fields**—An increase of up to \$125 million one-time from the Climate Bond (Proposition 4) to support the acquisition of the 161-acre Golden Gate Fields property. This acquisition is a once-in-a-century opportunity to repurpose a former horse racing track into an iconic shoreline park and recreational hub, which will restore nature and expand open space and Bayshore access for millions of Bay Area residents. This acquisition enables community-planned recreational amenities, improvements to the San Francisco Bay Trail, new access for historically underserved East Bay communities, and nature-based solutions to protect communities from climate change and sea-level rise.

STATE PARKS FORWARD

Building on progress of key state priorities including the Outdoors for All and 30x30 initiatives, the Department of Parks and Recreation announced State Parks Forward, representing the largest expansion of the state park system in decades. This initiative includes starting the planning and acquisition process for three new state parks near underserved communities in the Central Valley and the expansion of existing parks by tens of thousands of acres. As a result of engagement efforts with public agency partners, State Parks Forward will focus on low-cost acquisitions to expand the state parks system, increasing the number of state parks from 280 to 283 and preserving and protecting an additional 30,000 acres by the end of the decade.

Proposition 4 funding is available for future improvements to these new parks after the Department completes its public engagement process by the end of 2026. Public outreach will begin this summer to directly engage surrounding communities and stakeholders in shaping these new parks.

Simultaneously, the Department of Parks and Recreation will expand the size of existing state parks through strategic low-cost acquisitions enabled by partnerships with local land trusts and conservation organizations. In many cases, these acquisitions will save money and improve operational efficiency.

HEALTHY RIVERS AND LANDSCAPES PROGRAM

Building on prior investments for the Healthy Rivers and Landscapes Program, the May Revision includes an additional \$25 million one-time General Fund to deliver environmental flows, habitat restoration, science, and monitoring to support the requirements of the soon to be updated Bay-Delta Water Quality Control Plan. The State Water Board is expected to adopt an updated Bay Delta Plan by the end of 2026 with the Healthy Rivers and Landscapes Program as a compliance pathway for participating water agencies. This funding supports both flow commitments and the habitat and scientific investments necessary to achieve measurable ecosystem improvements in the Bay Delta.

COEXISTENCE WITH WILDLIFE

The May Revision includes \$1 million one-time special funds to support the Coexisting with Wildlife initiative to proactively mitigate human-wildlife conflict. In recent years, the Department of Fish and Wildlife has responded to an increasing number of dangerous human-wildlife interactions that have garnered national attention. This proposal will enhance the Department's capability to proactively track, respond to, and address wildlife incidents, which will foster safe coexistence with native wildlife in California.

PROTECTING CALIFORNIANS FROM CANCER-CAUSING AIR TOXICS

The May Revision includes \$2.5 million one-time special funds to complete critical, foundational scientific research needed to support additional actions to reduce cancer risk from acrolein and ethylene oxide. This effort represents a coordinated

partnership between the California Air Resources Board and the Office of Environmental Health Hazard Assessment (OEHHA), which jointly lead California's science-based approach to assessing and addressing toxic air contaminants.

California's efforts to evaluate and reduce cancer risk from air toxics rely on a rigorous process, and recent draft updates to OEHHA's cancer potency factors for ethylene oxide and acrolein highlight the urgency of strengthening the state's understanding of these pollutants and their impacts on communities. While ongoing initiatives—such as the transition to cleaner vehicles—help reduce these air toxics and the associated health risks, further targeted actions to reduce these toxics depend on a clearer, science-based understanding of their sources and contributions. This funding will enable the state to advance that knowledge and inform future strategies to better protect public health.

BEVERAGE CONTAINER RECYCLING

California's Beverage Container Recycling Program faces growing challenges from global market dynamics and rising costs, along with underlying market structure issues affecting in-state manufacturing and overall program performance. The May Revision includes over \$200 million in investments to advance a targeted strategy to stabilize markets, improve material quality, and expand redemption access—strengthening program reliability, supporting jobs, and improving affordability for consumers—while positioning California to sustain a resilient, competitive circular economy.

SIGNIFICANT BUDGET ADJUSTMENTS

- **Enhancing Market Conditions for In-State Remanufacturing**—An increase of \$75 million Beverage Container Recycling Fund over three years to expand in-state manufacturing for recycling products. This proposal includes \$60 million over three years for the Plastic Market Development Payment Program to extend and strengthen market development incentives and support investments in recycling capacity to sustain recycling infrastructure and well-paying manufacturing jobs. Additionally, this proposal includes \$5 million annually for three years for the Plastic Reclaimers and Manufacturers Grant program to invest in new or improved plastic processing infrastructure and equipment.
- **Improving Material Quality and Program Efficiency**—A one-time increase of \$100 million Beverage Container Recycling Fund for the Beverage Container Quality

Infrastructure Grant Program to upgrade sorting and processing infrastructure and produce cleaner, higher-quality material streams.

- **Expanding Redemption Access in Underserved Areas**—A one-time increase of \$50 million Beverage Container Recycling Fund for the Rural Recycling Incentive Payments Program to support locally driven solutions that increase participation and promote equitable access to California Redemption Value refunds.

SOLIDIFYING STRUCTURAL BALANCE

The May Revision includes a General Fund solution to achieve a balanced budget.

- **Ongoing Shift of General Fund Expenditures to Special Funds**—A shift of \$9.6 million of various ongoing General Fund appropriations for boards, departments, and offices within the California Environmental Protection Agency to alternative fund sources. These shifts will include emergency response for the Department of Toxic Substances Control, various operational costs for the Office of the Secretary for Environmental Protection, and various administrative activities at the California Air Resources Board.