

ENVIRONMENTAL PROTECTION

The California Environmental Protection Agency (Cal/EPA) administers the state's environmental protection programs, which focus on restoring, preserving, and enhancing California's environmental quality and protecting public health.

The Secretary for Environmental Protection oversees the six boards, departments, and offices within Cal/EPA:

- Air Resources Board—The Air Board sets statewide air quality standards and regulates emissions from motor vehicles, fuels, and consumer products. The Board, along with the 35 local air quality districts that regulate other sources of air pollution, monitors air pollution and administers regulatory and incentive programs to improve air quality. The Board is also the lead for implementation of the Global Warming Solutions Act of 2006.
- Integrated Waste Management Board—The Waste Board's mission is to reduce solid waste, encourage recycling and reuse of materials, and regulate the disposal of solid waste. The Board oversees the local enforcement agencies to ensure the proper operation and closure of solid waste landfills.
- Department of Pesticide Regulation—The Department of Pesticide Regulation evaluates the effectiveness and potential health risks of pesticide products, licenses pesticide applicators, and oversees local agricultural commissioners' enforcement of pesticide laws.

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- State Water Resources Control Board—The Water Board, which includes nine regional water quality control boards, protects water quality by regulating pollutants discharged into the state's ground water, rivers, lakes, and the Pacific Ocean. The Board issues water rights permits and licenses to ensure that water resources are put to beneficial use.
- Department of Toxic Substances Control—The Department of Toxic Substances Control (DTSC) protects public health and the environment by reducing exposure to hazardous substances. The Department regulates handling and disposal of hazardous wastes, oversees cleanup of contaminated sites, and promotes pollution prevention.
- Office of Environmental Health Hazard Assessment—The Office of Environmental Health Hazard Assessment conducts scientific evaluations of the risks posed by chemicals. Their assessments are the scientific foundation of the state's environmental regulatory programs.

The proposed budget was constructed first by computing the workload budget funding level. From the workload budget, adjustments are made to reflect specific policy adjustments and reductions, including budget-balancing reductions. With these adjustments, the Governor's Budget includes \$1.8 billion (\$85.3 million General Fund and

\$1.7 billion other funds) and 4,963.7 positions for Cal/EPA (shown in Change Table ENV-01). Agency funding supports efforts to reduce greenhouse gas emissions that cause climate change, promote clean alternative fuels, improve water quality, reduce risk from pesticides and hazardous chemicals, and encourage the reuse of recyclable materials and brownfield sites.

WORKLOAD BUDGET AND GOVERNOR'S BUDGET FUNDING LEVEL

- A workload budget reflects what a given program will cost next year under existing law and policy.
- Government Code Section 13308.05 defines workload budget as the budget year cost of currently authorized services, adjusted for changes in enrollment, caseload, or population, and other factors including inflation, one-time expenditures, federal and court-ordered mandates.

PROPOSED WORKLOAD BUDGET

The major workload adjustments for 2008-09 include the following;

Ongoing Implementation of the Global Warming Solutions Act of 2006 (AB 32) – The Budget includes \$5.6 million Air Pollution Control Fund and 25.8 positions for additional staff and resources to

Change Table ENV-01

Environmental Protection Agency — Changes by Broad Categories

	2007-08			2008-09		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
2007 Budget Act	\$90,449	\$1,990,142	4,812.0	\$86,486	\$1,989,142	4,812.0
Workload Adjustments						
Employee Compensation/Retirement	3,084	26,241	—	3,258	28,841	—
Expiring Programs or Positions	—	—	—	—	-5,000	—
One-Time Cost Reductions	—	—	—	—	-206,673	—
Full-Year Cost of New Programs	—	—	—	—	1,268	17.2
Other Workload Adjustments	-958	213,297	4.6	655	-90,626	37.9
Infrastructure Adjustment	-376	—	—	3,235	—	—
Totals, Workload Adjustments	\$1,750	\$239,538	4.6	\$7,148	-\$272,190	55.1
Policy Adjustments						
California Education and the Environment Initiative	—	—	—	—	1,167	0.9
Green Chemistry and Pollution Prevention	—	—	—	—	772	5.7
Ongoing Implementation of the California Global Warming Solutions Act of 2006	—	—	—	—	5,579	25.8
Regulatory Implementation and Enforcement	—	—	10.5	—	8,522	44.1
Water Quality and Water Rights Investigations and Enforcement	—	—	—	—	1,314	8.5
Zero-Emission Vehicle and Infrastructure Implementation Support	—	—	—	—	6,000	—
Other Policy Adjustments	—	—	—	3	6,090	28.1
Totals, Policy Adjustments	\$0	\$0	10.5	\$3	\$29,444	113.1
Total Adjustments	\$1,750	\$239,538	15.1	\$7,151	-\$242,746	168.2
Budget Prior to Reductions	\$92,199	\$2,229,680	4,827.1	\$93,637	\$1,746,396	4,980.2
Budget-Balancing Reductions^{1/}	-\$1,600	\$0	—	-\$8,338	\$0	-16.5
Governor's Budget	\$90,599	\$2,229,680	4,827.1	\$85,299	\$1,746,396	4,963.7

^{1/} These dollars and PYs are included in the General Government agency; therefore, not included in each agency's totals in the applicable Summary Schedules.

* Dollars in Thousands

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continue implementation of programs and strategies to reduce greenhouse gas emissions and other contributing factors to global warming. These resources include 24.0 positions to accelerate the development of additional early action measures, both regulatory and non-regulatory, to reduce greenhouse gas emissions, primarily from the trucking and port industries, cement, semi-conductor, and consumer product industries.

- Regulatory Implementation and Enforcement – The Budget includes \$8.5 million Motor Vehicle Account and 44.1 positions to focus on the Air Resources Board's implementation and enforcement efforts related to controlling toxic diesel particulates from on- and off-road mobile sources. These include regulations relative to in-use off-road diesel vehicles, composite wood formaldehyde emissions, and diesel auxiliary engines for port and ocean-going vessels.
- Proposition 84—The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, approved by California's electorate in November 2006, provides \$5.4 billion to address water supply needs and protect natural resources. The Governor's Budget proposes \$100.5 million local assistance for the State Water Resources Control Board to continue water quality programs, including:
 - \$46.1 million for the Clean Beaches Grant Program. This program provides grants to public agencies for water quality projects in coastal waters, estuaries, and bays. Projects include upgrading septic systems, storm water pollution reduction programs, and clean beach projects in Santa Monica. Proposition 84 specifies that 20 percent of the funds for clean beaches be allocated to the Santa Monica Bay Restoration Commission.
 - \$44.8 million for the Urban Stormwater Grant Program. This program provides grants to local public agencies for projects that mitigate stormwater runoff, such as diverting the runoff to treatment facilities.
 - \$7.8 million for the Agricultural Water Quality Grant Program. This program provides grants for public agencies or nonprofit organizations to improve agricultural water quality, including projects related to research and construction of agricultural drainage water improvements.
 - \$1.7 million for the State Water Pollution Control Revolving Fund Program. This program provides low interest loans or grants to construct municipal wastewater treatment facilities, storm water pollution control projects, non-point

LEADERSHIP IN ADDRESSING GLOBAL WARMING

The Governor and the California Legislature have taken significant steps to move California and the nation towards policies that will reduce the emission of greenhouse gases (GHGs).

- In June 2005, Governor Schwarzenegger issued Executive Order S-03-05, setting a goal of reducing California's GHG emissions to 1990 levels by 2020.
- In 2006, the Legislature enacted and the Governor signed AB 32, the California Global Warming solutions Act, which lays out a plan and procedure for the state to follow to address climate change.
- More than 150 positions in nine state agencies have been funded to carry out activities intended to reduce GHG emissions.
- Funding for climate change activities will be provided by loans for the first three years of AB 32 implementation. These loans will eventually be repaid with revenues that will be designed by the Air Resources Board to be consistent with its AB 32 scoping plan. The plan is scheduled to be considered by the Board in November 2008.

source pollution projects, and estuary enhancement projects. This funding includes the state share needed to match federal funds.

- One-Time Cost Reductions—The Governor's Budget reflects a \$234.8 million (\$1.2 million General Fund) reduction in one-time funding for 2007-08 , including:
 - \$192.2 million Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund used to replace pre-1987 school buses and retrofit old diesel school buses.
 - \$1.2 million General Fund for the DTSC to purchase equipment for the implementation of the Biomonitoring Program.
 - Other adjustments included in the Budget are discussed in Program Enhancements and Other Budget Adjustments below.

PROPOSED BUDGET-BALANCING REDUCTIONS

Total budget-balancing reductions for the Environmental Protection Agency amount to \$1.6 million in 2007-08 and \$8.3 million and 16.5 personnel years in 2008-09. The major reductions are described below:

- \$4.3 million and 12.0 personnel years in 2008-09 for the State Water Resources Control Board. These reductions will result in delays to the Board's capacity to issue permits for pollutant discharge elimination systems that regulate the discharge of wastewater to surface waters in the state. The reduction will also decrease contract funding for Total Maximum Daily Load (TMDL) action plans to restore clean water. The federal Clean Water Act requires that states identify water bodies—bays, rivers, streams, creeks, and coastal areas—that do not meet water quality standards, and identify the pollutants that impair them, and develop solutions. The contracts support scientific research, assessment, and monitoring as part of TMDL development.
- \$1.3 million in 2007-08 and \$2.4 million in 2008-09 for the Department of Toxic Substances Control's Site Mitigation and Brownfields Reuse Program. This reduction will decrease the annual number of drug lab cleanups performed by the state.
- \$0.1 million in 2007-08 and \$1 million and 4.5 personnel years in 2008-09 for the Office of Environmental Health Hazard Assessment (OEHHA). This adjustment will reduce funding available for scientific evaluations of the effects of fuels on human health and the state's environment and will reduce the number of air toxic contaminant evaluations that OEHHA can perform annually.

PROGRAM ENHANCEMENTS AND OTHER BUDGET ADJUSTMENTS

Despite the need for significant General Fund reductions to ensure a balanced budget, the Governor's Budget includes these program enhancements to restore, preserve, and enhance California's environmental quality and protect public health.

WATER QUALITY AND WATER RIGHTS INVESTIGATION AND ENFORCEMENT

The Budget includes \$790,000 Waste Discharge Permit Fund, \$524,000 Water Rights Fund, and 8.5 positions to fund investigators and enforcement personnel for the State Water Resources Control Board. The program enhancements will improve the Water Boards' ability to enforce state laws.

CALIFORNIA EDUCATION AND THE ENVIRONMENT INITIATIVE

The Budget includes \$1,167,000 and 0.9 positions one-time for 2008-09 and \$917,000 and 0.9 positions one-time for 2009-10 from the California Beverage Container Recycling Fund to implement the California Education and the Environment Initiative. The California Integrated Waste Management Board will assist in the development of the K-12 classroom curriculum for core subjects incorporating environmental principles and concepts, and will educate students in how their personal consumption and recycling choices affect the environment.

GREEN CHEMISTRY AND POLLUTION PREVENTION

The Budget includes \$772,000 and 5.7 positions to expand the existing Pollution Prevention program in the area of green chemistry. These resources will focus on product design and industrial innovation that reduces the use of harmful chemicals in products and generates fewer emissions and less waste, thereby moving California towards safe and sustainable industrial chemistry.

GREEN CHEMISTRY INITIATIVE

Green chemistry consists of a set of coordinated strategies intended to identify more effective approaches for dealing with the hazardous effects of many industrial chemicals. These strategies include:

- Developing a consistent method for comparing and evaluating the hazards and risks associated with the use of various chemicals.
- Identifying safer alternatives for use in both production processes and in the products themselves.
- Encouraging, and, in some cases, requiring the use of non-toxic or less hazardous alternatives.
- Developing a cradle-to-cradle approach to the use of hazardous chemicals, in order to reduce if not eliminate the need to manage and control waste at the end of a production cycle.