



July 15, 2020

Honorable Holly Mitchell, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review
Committee

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair
Assembly Appropriations Committee

Control Section 15.14—Determination of 2019-20 Greenhouse Gas Reduction Fund Expenditures

Pursuant to Control Section 15.14 of the Budget Act of 2019, this notification is respectfully submitted.

Subdivision (b) states that no department shall encumber or commit more than 75 percent of any Greenhouse Gas Reduction Fund appropriation prior to the fourth Cap and Trade auction in the fiscal year 2019-20, and that the Department of Finance shall make a final determination for the expenditure of the remaining auction proceeds.

The May 2020 Cap and Trade auction generated approximately \$24.5 million, which resulted in \$280 million less auction proceeds than projected for 2019-20.

After accounting for statutory transfers and continuous appropriations, there is a need to reduce the spending levels for certain programs by \$105 million, which has been distributed proportionally, approximately 14 percent, across programs/appropriations subject to Control Section 15.14 (b). The chart on the following page reflects Finance's determination of necessary expenditure reductions for the programs subject to Control Section 15.14 (b).

Department	Program	Item of Appropriation	Budgeted	Reduced
California Environmental Protection Agency	Transition to a Carbon-Neutral Economy	0555-001-3228	\$3,000,000	\$436,032
Air Resources Board	Prescribed Fire (SB 1260)	0650-001-3228	\$2,000,000	\$290,688
Strategic Growth Council	Transformative Climate Communities	0650-101-3228	\$60,000,000	\$8,720,648
California Office of Emergency Services	State Operations	0690-001-3228	\$1,140,000	\$165,692
Department of Fish & Wildlife	State Operations	3600-001-3228	\$ 424,000	\$61,626
Air Resources Board	Low-carbon Transportation	3900-101-3228	\$557,000,000	\$80,956,685
CalRecycle	State Operations	3970-001-3228	\$39,000	\$5,668
CalRecycle	Waste Diversion	3970-101-3228	\$25,000,000	\$3,633,603
Office of Environmental Health Hazard Assessment	State Operations	3980-001-3228	\$1,692,000	\$245,922
Workforce Development Board	Workforce Training	7120-001-3228 7121-101-3228	\$35,000,000	\$5,087,045
Office of Planning and Research	State Operations	0650-001-3228	\$2,000,000	\$290,688
California Department of Food & Agriculture	Methane Reduction	8570-101-3228	\$34,000,000	\$4,941,701
TOTAL:				\$104,835,998

If you have any questions or need additional information regarding this matter, please call Gina Adams, Principal Program Budget Analyst, at (916) 324-0043.

KEELY MARTIN BOSLER

Director

By:

RICHARD GILLIHAN

Chief Operating Officer

cc: On following page

cc: Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review
 Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
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Jared Blumenfeld, Secretary, California Environmental Protection Agency
Eric Jarvis, Deputy Secretary for Fiscal and Administrative Programs, California
 Environmental Protection Agency
Lauren Sanchez, Deputy Secretary for Climate Policy and Intergovernmental
 Relations, California Environmental Protection Agency