

## ENVIRONMENTAL PROTECTION

The California Environmental Protection Agency (Cal-EPA) works to restore, protect, and enhance environmental quality. The Agency coordinates state environmental regulatory programs and promotes fair and consistent enforcement of environmental law.

The Budget includes total funding of \$3.7 billion (\$89.6 million General Fund) for all programs included in the Agency.

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### DEPARTMENT OF TOXIC SUBSTANCES CONTROL

The Department of Toxic Substances Control protects California residents and the environment from the harmful effects of toxic substances through restoring contaminated sites, enforcement, regulation, and pollution prevention. The Budget includes \$280.4 million and 917.8 positions for the Department.

Over the past four years, the Department has implemented several significant reforms through its “Fixing the Foundation” initiative, permit enhancement work plan, improved cost recovery program, and strengthened financial assurance reviews. Of the 288 “Fixing the Foundation” action items, 268, or about 93 percent, are complete. The Department is on track to complete 100 percent of the permit enhancement reforms by June 30, 2016, and has reduced the time to review permits by 50 percent.

Implementing these reforms will help modernize the state’s safeguards for managing hazardous waste. The Department is also focused on issues related to environmental

justice and tribal rights. Protecting public health in residential and other areas around the now-shuttered Exide Technologies facility is a priority for the Department with \$176.6 million provided earlier this year for investigation and cleanup activities.

Significant Adjustments:

- **Enhanced and Streamlined Permitting**—An increase of \$3.6 million Hazardous Waste Control Account and 23 positions to implement the Permit Enhancement Work Plan to sustain timely permitting actions and improve the clarity, consistency, protectiveness, and enforceability of the permits issued.
- **Strategic Program Development**—An increase of \$747,000 other funds and 5 positions to provide crucial oversight and underscore the Department’s commitment to a systemic culture of change, accountability, and transparency.
- **Environmental Justice and Tribal Affairs**—An increase of \$1.5 million other funds and 6 positions to develop a technical assistance program, enhance outreach to impacted communities, and broaden the transparency of and access to the Department’s programs.

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### **CAP AND TRADE EXPENDITURE PLAN**

The California Global Warming Solutions Act of 2006 (AB 32) established California as a global leader in reducing greenhouse gas emissions (GHGs). To meet the goals of AB 32, the state has adopted a three-pronged approach to reducing emissions, including adopting standards and regulations, providing emission reduction incentives via grant programs, and establishing a market-based compliance mechanism known as Cap and Trade. The Cap and Trade program, as one component of the state’s comprehensive approach, sets a statewide limit on the GHG sources responsible for 85 percent of California GHGs. Through an auction mechanism, it establishes a financial incentive for industries subject to the statewide cap to make long-term investments in cleaner fuels, more efficient energy use, and transformational technological and scientific innovations. A portion of the auction proceeds generated from the sale of allowances is available to the state for expenditure to further the purposes of AB 32 and reduce GHGs.

Consistent with the provisions of Chapter 36, Statutes of 2014 (SB 862), the Budget includes 60 percent of 2016-17 auction proceeds to public transit, affordable housing, sustainable communities, and high-speed rail. The Administration will work with the Legislature to appropriate additional Cap and Trade funding later in the legislative session.