

ENVIRONMENTAL PROTECTION

The California Environmental Protection Agency's programs promote the state's economy in a sustainable manner by reducing greenhouse gas emissions, enhancing environmental quality, 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 a total of \$8.8 billion (\$1.2 billion General Fund, \$4.8 billion special funds, \$2.8 billion federal funds, and \$16.8 million bond funds) for programs included in this Agency.

The Administration's climate resilience efforts are referenced in the Climate Change Chapter.

DEPARTMENT OF TOXIC SUBSTANCES CONTROL REFORM

Since 2019, the Department has improved its stewardship of public resources by conducting a comprehensive review of its programs and making significant improvements to the quality and timeliness of its services. However, the Department needs sustainable ongoing funding to reduce toxic chemicals, particularly in vulnerable communities. To prevent toxic contamination going forward, the May Revision will accelerate progress toward the cleanup of contaminated properties. Furthermore, through the reform proposal included in the Governor's Budget and built upon in the May Revision, the Department will be able to make progress toward better and more

timely permit decisions, increase enforcement against those who violate hazardous waste control laws, and compel the use of safer chemicals in consumer products.

IMPROVING GOVERNANCE AND TRANSPARENCY

The May Revision maintains the Governor's Budget governance and fiscal reform proposal to improve governance and transparency and provide long-term fiscal stability for the Department of Toxic Substances Control.

The May Revision proposes \$6 million one-time General Fund to address workload gaps identified in the Department's workload analyses. Specifically, these additional resources will support: (1) implementation of the Violation Scoring Procedures regulations to increase transparency and accountability for inspections of hazardous waste management facilities so that those facilities are operating in a protective manner, and (2) efforts to keep California's statutes and regulations in compliance with federal requirements to maintain the state's federal Resource Conservation and Recovery Act authorization. This funding is contingent on the enactment of the governance and fiscal reform proposal and will be funded by the General Fund in 2021-22 until increased fee revenues are realized in 2022-23.

CONTAMINATED SITE CLEANUPS

In conjunction with governance and fiscal reform and to support community development and job creation, the May Revision proposes an additional \$200 million over two years beginning in 2022-23. Combined with \$300 million in the Governor's Budget, this proposal will provide a total of \$500 million General Fund over multiple years to accelerate the cleanup of contaminated properties in impacted communities. This investment will be allocated throughout California, using a risk-based approach founded on health-based criteria. This funding is contingent upon enactment of the Administration's governance and fiscal reform package which will support the Department in providing proper governance and resources to administer these duties.

EXIDE LEAD-ACID BATTERY FACILITY

Building on the \$31.4 million one-time General Fund proposed in the Governor's Budget, the May Revision proposes an additional \$291 million General Fund over three years, to clean up additional properties with specified lead contamination levels near the former Exide facility in the City of Vernon. To date, the state has provided over \$251 million General Fund for residential cleanup and other costs associated with Exide.

The Exide bankruptcy settlement allowed Exide to walk away from its obligations to complete the closure of the facility; however, the Administration remains committed to pursuing cost recovery from responsible parties for Exide. The May Revision maintains one-time funding of \$14 million General Fund, and \$2.5 million ongoing funding from the Lead-Acid Battery Cleanup Fund, for these and future cost recovery efforts.

The state continues to monitor the progress of the facility closure, which is being conducted by a trustee, pursuant to a court order, with financial assurance trust funds. In the event that the trust funds are fully expended, the May Revision proposes \$132 million one-time General Fund to continue cleanup at the facility under the management of the trustee.

DEPARTMENT OF PESTICIDE REGULATION

PESTICIDE NOTIFICATION NETWORK

California has the most robust state pesticide regulatory program in the nation, jointly administered by the Department of Pesticide Regulation and local county agricultural commissioners. Where pesticides are applied, the Department and the county agricultural commissioners strictly enforce pesticide regulatory requirements, including prohibitions against pesticide drift, so that pesticide applications are safe and effective. Despite these efforts, pesticide drift sometimes occurs during application and can harm the public, workers, environment, and neighboring crops. Consistent with the Governor's Budget proposal to accelerate the transition away from using toxic chemicals and protect the health of community residents, the May Revision proposes \$10 million one-time General Fund to implement a statewide infrastructure network to provide equitable access to important information about local pesticide use. The notification system will enable residents to take common-sense measures, such as closing windows or avoiding an application site, to further protect themselves and particularly sensitive populations from potential pesticide exposure. The Department is launching a process this summer to develop and adopt the statewide regulations necessary for advanced public notification of certain pesticide applications.

CIRCULAR ECONOMY

A circular economy recognizes waste as a resource, and by shifting the state's focus to reuse and recycle materials that would otherwise be thrown away, a more resilient and renewable economy can be built in California. These goals require additional

investments in recovery, recycling and remanufacturing in California, including programs designed to target innovators who are creating new jobs and recycling industries. Food rescue in disadvantaged communities reduces short-lived climate pollutant emissions and helps to feed the one in four Californians that struggle with food insecurity. Since 2018, the state has helped local organizations and jurisdictions provide 115 million meals, create more than 350 local jobs, and reduce methane emissions equal to taking more than 20,000 cars off the road for a year from recovered food that was destined for landfill.

The May Revision proposes \$130 million one-time General Fund to support the development of infrastructure required to process recyclables and manufacture products from recyclable material. Historically, California has shipped recyclable material to other nations, which contributes to the global carbon footprint. These investments will help reduce global carbon emissions and generate the feedstock to attract remanufacturing companies to California.

The May Revision proposes the following one-time General Fund investments:

INVESTMENTS IN DISADVANTAGED COMMUNITIES

- **Edible Food Recovery**—\$5 million for the Food Waste Prevention and Rescue Grant Program to establish new or expand existing food waste prevention projects to reduce landfill methane emissions and benefit disadvantaged communities.
- **Composting Opportunities**—\$5 million to create or expand community composting opportunities and jobs that serve disadvantaged communities.

ORGANIC WASTE INFRASTRUCTURE

- **Organic Waste Infrastructure**—\$55 million to provide grants for new composting and anaerobic digester facilities and to expand capacity at existing wastewater facilities to increase organic waste recycling capacity, provide funding for co-digestion, and reduce methane emissions from landfills.

RECYCLING INFRASTRUCTURE

- **Recycling Technology Feasibility Grants**—\$15 million to provide grants to companies that are in the research, development, feasibility, or pilot phase of recycling projects that are interested in locating in California.

- **Climate Catalyst Fund: Recycling Infrastructure**—\$50 million to provide low-interest loans to attract recycling and reuse businesses to California. These loans would be designed to align with existing tax incentives already offered by the state.

With these investments, California will create jobs and make measurable progress towards the state's climate and recycling goals by leading the world in building robust markets for recycled commodities by providing early investments in the companies that are innovating new and clean technologies. Additionally, the Department of Resources Recovery and Recycling will create an Office of Innovation in Market Development and Remanufacturing within existing resources to work cooperatively with the Governor's Office of Business and Economic Development to identify and support businesses that foster development and deployment of new technologies and create high-road jobs in recycling and remanufacturing in California.