



- Board of Directors
Communications and Legislation Committee

3/11/2014 Board Meeting

8-8

Subject

Express support for SB 103 (Senate Committee on Budget and Fiscal Review) – Budget Act of 2013

Executive Summary

On February 27, 2014, the State Senate and Assembly passed SB 103, an amendment to the Budget Act of 2013 ([Attachment 1](#)). SB 103 is part of a drought relief package that Governor Jerry Brown, President Pro Tem Darrell Steinberg (D-Sacramento), and Assembly Speaker John Pérez (D-Los Angeles) announced at a press conference in mid-February. The drought relief package consists of SB 103 and SB 104 (Board Letter 8-9). As urgency measures, both laws will become effective immediately upon signature by the governor.

SB 103 appropriates \$214.9 million from voter-approved bonds (Propositions 84 and 1E), the Greenhouse Gas Reduction Fund, General Fund and Special Funds to provide financial assistance to drought-stricken communities for unemployment, housing, clean water, water efficiency projects, flood control projects, groundwater monitoring and urgent fish and stream conservation. A similar bill was introduced in the Assembly, AB 79 by the Committee on Budget, although SB 103 was the bill considered and adopted by the Senate and Assembly on February 27. As stated in the companion Board Letter 8-9, SB 103 would only become operative if SB 104 is also enacted.

Details

For an overview of all the funding provisions in both drought-relief bills, see [Attachment 2](#). The following outlines some of the appropriations that are of particular interest to Metropolitan.

Funding for water and energy efficiency for urban and agricultural communities

Under SB 103, \$30 million from the Greenhouse Gas Reduction Fund, proceeds from the AB 32 cap-and-trade auction, is appropriated to the Department of Water Resources (DWR) to provide a reduction of GHG emissions while advancing water use efficiency at the state and local levels. Of this amount \$20 million is directed for grants for water/energy efficiency upgrades in the urban residential, commercial and institutional sectors. Metropolitan would be eligible to compete for grant funding under this program. In addition, \$10 million of the \$30 million would be appropriated to modify two generating units at DWR's Hyatt-Thermalito complex near Oroville, California. The modifications would improve each unit's generating efficiency approximately 3 percent. The increased energy production from the non-GHG-emitting Hyatt-Thermalito hydroelectric plants will reduce the amount of more expensive market energy DWR would have to purchase from GHG-emitting sources to support the SWP operations, also helping the state meet its GHG reduction targets.

The bill also allocates \$10 million from cap-and-trade auction revenues to the California Department of Food and Agriculture for agricultural water efficiency projects that reduce greenhouse gas emissions.

Additionally, \$1 million from the General Fund is directed to DWR for the Save Our Water Campaign to expand drought-related education and outreach.

Funding for flood management projects, including Delta Flood Emergency Preparedness, Response, and Recovery Project

From Propositions 84 and 1E, \$77 million are appropriated to DWR for flood management projects consistent with the Central Valley Flood Protection Plan that in addition to flood management benefits provide other public benefits including water supply, transient water storage, water quality improvements and ecosystem benefits. Inclusion of “water supply” and “ecosystem” as criteria in selecting levee projects is a positive change.

In addition, \$12 million of these funds would be directed to the Delta Flood Emergency Preparedness, Response and Recovery Program which, among other things, is intended to protect water quality and restore water supply for both Delta and export water users and reduce the recovery time for delivery of California's water supply if impacted by catastrophic flood or seismic events to less than six months.

Funding for State Water Resources Control Board (SWRCB) enforcement and conservation

Out of the \$18 million appropriated to the SWRCB, \$2.5 million from the General Fund are dedicated to drought-related water right enforcement actions including: (1) establishing and enforcing requirements to prevent the waste or unreasonable use of water; (2) establishing and enforcing curtailments in diversion based on unavailability of water under the diverters priority of right; and (3) enforcing terms and conditions of water right permits and licenses. This funding complements the SWRCB's enhanced regulatory and enforcement authority to respond to drought emergencies under SB 104. Those new authorities are summarized in the concurrent board letter.

Funding to mitigate impacts to fish due to extreme drought conditions

SB 103 appropriates \$2.3 million from the General Fund to the California Department of Fish and Wildlife (CDFW) for addressing urgent fish, stream, and conservation activities related to the extreme drought conditions. This could benefit sensitive species that rely on the Delta, such as salmon and steelhead.

Funding for groundwater monitoring

SB 103 accelerates the expenditure of \$1.2 million from the Waste Discharge Permit Fund to the SWRCB for groundwater quality monitoring. Another \$800,000 from the General Fund would accelerate implementation of measures to protect and ensure sustainability of groundwater resources in critically overdrafted basins.

Impacts on Metropolitan

Metropolitan would be eligible to compete for grant funding from the \$20 million appropriated from the GHG Reduction Fund for water use efficiency and GHG reduction projects. In addition, the appropriation of \$10 million toward upgrades at Hyatt and Thermalito will help fund a portion of this project, thereby reducing the cost to State Water Contractors, including Metropolitan, for those capital improvements. In addition, State Water Contractors will continue to benefit in the future with a more energy efficient SWP and reduced energy costs.

The appropriation of \$12 million for the Delta Flood Emergency Preparedness, Response and Recovery Program could help improve the reliability of SWP supplies in the wake of catastrophic Delta levee failures. Furthermore, appropriations for multi-benefit flood control projects in the Central Valley may contribute to more reliable water supplies and ecosystem improvements in the Delta.

Additional funding for SWRCB enforcement of water rights may help protect lawful diversions by more senior water rights holders in times of drought which could protect SWP supplies, water quality in the Delta, and the environment.

Additional funds for CDFW to address urgent fish and stream needs could benefit sensitive species that rely on the Delta. This could help reduce the impacts on SWP supplies from existing regulatory restrictions to protect listed fish in current and future years by reducing stressors on salmon and steelhead populations.

Additional funding for urban and agricultural water use efficiency will help advance multi-benefit projects to help reduce future reliance on imported water supplies and provide relief to communities during this historic drought.

Policy

Minute Item 45390, dated June 2003, adopting a policy principle on statewide water infrastructure financing

Minute Item 45208, dated February 11, 2003, adopting a policy principle on water conservation

Minute Item 46637, dated April 11, 2006, adopting a set of Delta policy principles on long-term sustainability in the Delta

Minute Item 47135, dated June 12, 2007, adopting Metropolitan's Delta Action Plan

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because the proposed action involves proposals for legislation to be enacted by the state legislature (Section 15378(b)(1) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(1) and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action is not subject to CEQA and authorize the General Manager to support SB 103.

Fiscal Impact: Unknown

Business Analysis: If passed, SB 103 would provide funds to improve energy efficiency of the SWP and, in doing so, reduce greenhouse gas emissions and costs to State Water Contractors, including Metropolitan. SB 103 also provides funding that could help with an emergency pathway through the Delta in the wake of levee failures, thus potentially making SWP supplies more reliable. Additional funding for SWRCB water rights enforcement could help protect SWP supplies. Funding for CDFW to address extreme drought impacts on sensitive fish species could help reduce the impacts of regulatory restrictions on SWP operations. Water use efficiency funding in the urban and agricultural sectors will assist with drought response.

Option #2

Take no position on SB 103.

Fiscal Impact: Unknown

Business Analysis: If Metropolitan takes no position, it would be precluded from engaging on negotiations to shape the proposal or advocate for its enactment.

Staff Recommendation

Option # 1



Dee Zinke
Deputy General Manager, External Affairs

3/5/2014
Date



Jeffrey Kightlinger
General Manager

3/5/2014
Date

Attachment 1 – SB 103, as amended February 25, 2014

Attachment 2 – Emergency Drought-Relief Funding Under Drought-Relief Bill Package (SB 103 and SB 104)

Ref#ea12629940

Senate Bill No. 103

Passed the Senate February 27, 2014

Secretary of the Senate

Passed the Assembly February 27, 2014

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2014, at _____ o'clock ____M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend the Budget Act of 2013 (Chapters 20 and 354 of the Statutes of 2013) by amending Items 0690-001-0001, 2240-101-0001, 2240-101-0890, 3340-001-0001, 3600-001-0001, 3600-001-0200, 3860-001-0001, 3860-001-6052, 3860-003-0001, 3860-101-6052, 3860-301-6052, 3940-001-0001, 3940-001-0193, 3940-001-0439, 3940-101-3147, 4265-111-0001, 5180-101-0001, 5180-141-0001, 5180-141-0890, 7100-001-0001, 7100-001-0870, and 8570-001-0001 of, and by adding Items 3860-001-3228, 3860-101-3228, 3860-301-3228, 3860-401, 3940-002-0679, and 8570-001-3228 to, Section 2.00 of, and by amending Section 39.00 of, that act, relating to the State Budget, and making an appropriation therefor, to take effect immediately, Budget Bill.

LEGISLATIVE COUNSEL’S DIGEST

SB 103, Committee on Budget and Fiscal Review. Budget Act of 2013.

The Budget Act of 2013 made appropriations for the support of state government for the 2013–14 fiscal year.

This bill would amend the Budget Act of 2013 by revising items of appropriation and making other changes for the purpose of addressing drought conditions in the state.

This bill would become operative only if AB 80 or SB 104 of the 2013–14 Regular Session is enacted and becomes operative.

This bill would declare that it is to take effect immediately as a Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Item 0690-001-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

0690-001-0001—For support of the Office of Emergency Services.....	36,829,000
Schedule:	
(1) 20-Emergency Management Services....	50,079,000

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(2) 40-Special Programs and Grant Management.....	69,391,000
(3) 65.01-Administration and Executive Program.....	15,229,000
(4) 65.02-Distributed Administration and Executive.....	-15,229,000
(4.5) 70-Public Safety Communications.....	74,100,000
(5) Reimbursements.....	-4,275,000
(6) Amount payable from the State Emergency Telephone Number Account (Item 0690-001-0022).....	-2,453,000
(7) Amount payable from the Unified Program Account (Item 0690-001-0028)....	-800,000
(8) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-0029).....	-1,174,000
(9) Amount payable from the Restitution Fund (Item 0690-001-0214).....	-19,000
(10) Amount payable from the Federal Trust Fund (Item 0690-001-0890)....	-71,565,000
(11) Amount payable from the Local Public Prosecutors and Public Defenders Training Fund (Item 0690-002-0241)....	-83,000
(12) Amount payable from the Victim-Witness Assistance Fund (Item 0690-002-0425).....	-1,352,000
(13) Amount payable from the Equality in Prevention and Services for Domestic Abuse Fund (Item 0690-001-3112)....	-5,000
(14) Amount payable from the Transit System Safety, Security, and Disaster Response Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 0690-001-6061).....	-2,650,000
(15) Amount payable from the Antiterrorism Fund (Item 0690-010-3034).....	-718,000
(16) Amount payable from the Technology Services Revolving Fund (Item 0690-001-9730).....	-71,647,000

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Provisions:

1. Funds appropriated in this item may be reduced by the Director of Finance, after giving notice to the Chairperson of the Joint Legislative Budget Committee, by the amount of federal funds made available for the purposes of this item in excess of the federal funds scheduled in Item 0690-001-0890.
2. Upon approval by the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 0690-101-0890.
3. Of the funds appropriated in this item, \$1,800,000 shall be available for encumbrance until June 30, 2015, for the state operations center for providing assistance to local jurisdictions and local assistance centers that provide local communities with technical guidance and disaster recovery support.

SEC. 2. Item 2240-101-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

2240-101-0001—For local assistance, Department of Housing and Community Development.....	5,629,000
Schedule:	
(1) 20-Financial Assistance Program.....	138,625,000
(2) Amount payable from the Federal Trust Fund (Item 2240-101-0890).....	-132,996,000

SEC. 3. Item 2240-101-0890 of Section 2.00 of the Budget Act of 2013 is amended to read:

2240-101-0890—For local assistance, Department of Housing and Community Development, for payment to Item 2240-101-0001, payable from the Federal Trust Fund.....	132,996,000
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Provisions:

1. Notwithstanding any other provision of law, federal funds appropriated by this item but not encumbered or expended by June 30, 2014, may be expended in the subsequent fiscal year.

SEC. 4. Item 3340-001-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

3340-001-0001—For support of California Conservation Corps.....	44,091,000
Schedule:	
(1) 10-Training and Work Program.....	80,133,000
(2) 20.01-Administration.....	7,787,000
(3) 20.02-Distributed Administration.....	-7,787,000
(5) Amount payable from the California Environmental License Plate Fund (Item 3340-001-0140).....	-321,000
(6) Amount payable from the Collins-Dugan California Conservation Corps Reimbursement Account (Item 3340-001-0318).....	-29,202,000
(7) Amount payable from the State Responsibility Area Fire Prevention Fund (Item 3340-001-3063).....	-1,514,000
(7.5) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3340-001-6029).....	-5,000,000
(8) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3340-001-6051).....	-5,000
Provisions:	
1. Of the funds appropriated in this item, \$2,725,000 shall be available for use by the California Conservation Corps to respond to natural disasters and other emergencies, including the fighting of forest fires.	
2. To the extent that funds in excess of the amount identified in Provision 1 are necessary in order for the California Conservation Corps to respond to one or more emergencies declared by the Governor, the Department of Finance shall transfer, from the funds available pursuant to Section 8690.6 of the Government Code, an amount not to exceed \$1,500,000 as necessary to fund that response. If, after the Depart-	

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ment of Finance has transferred funds pursuant to this provision, the California Conservation Corps receives reimbursements or other amounts in payment of its costs of response to one or more declared emergencies, those amounts shall be deposited in the General Fund.

3. (a) Of the funds appropriated in this item, \$13,000,000 shall be available to the California Conservation Corps for encumbrance until June 30, 2016, and shall be expended for water conservation and drought response projects, water efficiency education and outreach activities, and local assistance grants to certified community conservation corps, as identified in Section 14507.5 of the Public Resources Code. To the extent feasible, the California Conservation Corps and the local conservation corps shall employ veterans and unemployed young adults, including young adults reentering the workforce after incarceration, in the corps member teams deployed to construct and implement these projects.
- (b) For purposes of this provision, water conservation and drought response projects include all of the following:
 - (1) \$5,000,000 for program support to complete water-efficient landscaping, water-efficient irrigation, and replacement of plumbing fixtures for schools, public agencies, and commercial properties; replacement and installation of water-efficient plumbing fixtures, including low-flow toilets, water efficiency education, and outreach activities in disadvantaged communities; and energy projects that contribute to energy and water conservation.
 - (2) \$5,000,000 for program support to complete projects to protect public safety and natural resources, including regional and community fuel load reduction activities on public lands to avoid catastrophic fire.
 - (3) \$3,000,000 for grants to certified community conservation corps for the water conservation

and fuel reduction activities described in this provision in communities served by community conservation corps.

SEC. 5. Item 3600-001-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

3600-001-0001—For support of Department of Fish and Wildlife, for payment to Item 3600-001-0200, payable from the General Fund.....	64,389,000
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SEC. 6. Item 3600-001-0200 of Section 2.00 of the Budget Act of 2013 is amended to read:

3600-001-0200—For support of Department of Fish and Wildlife.....	109,729,000
Schedule:	
(1) 20-Biodiversity Conservation Program.....	132,645,000
(2) 25-Hunting, Fishing, and Public Use....	74,705,000
(3) 30-Management of Department Lands and Facilities.....	54,853,000
(4) 40-Enforcement.....	71,622,000
(4.5) 45-Communication, Education, and Outreach.....	3,637,000
(5) 50-Spill Prevention and Response.....	35,194,000
(5.5) 61-Fish and Game Commission.....	1,433,000
(6) 70.01-Administration.....	45,369,000
(7) 70.02-Distributed Administration.....	-45,369,000
(8) Reimbursements.....	-30,100,000
(8.5) Amount payable from the General Fund (Item 3600-001-0001).....	-64,389,000
(9) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection (Villaraigosa-Keeley Act) Bond Fund (Item 3600-001-0005).....	-500,000
(10) Amount payable from the California Environmental License Plate Fund (Item 3600-001-0140).....	-14,989,000

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(12) Amount payable from the Fish and Wildlife Pollution Account (Item 3600-001-0207).....	-1,120,000
(13) Amount payable from the California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund (Item 3600-001-0211).....	-244,000
(14) Amount payable from the Marine Invasive Species Control Fund (Item 3600-001-0212).....	-1,363,000
(15) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-001-0235).....	-2,102,000
(16) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3600-001-0320).....	-28,190,000
(17) Amount payable from the Environmental Enhancement Fund (Item 3600-001-0322).....	-357,000
(18.5) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3600-001-0516).....	-2,427,000
(19) Amount payable from the Federal Trust Fund (Item 3600-001-0890).....	-42,000,000
(20) Amount payable from the Special Deposit Fund (Item 3600-001-0942).....	-1,648,000
(21) Amount payable from the Hatchery and Inland Fisheries Fund (Item 3600-001-3103).....	-21,480,000
(21.5) Amount payable from the Timber Regulation and Forest Restoration Fund (Item 3600-001-3212).....	-5,348,000
(22) Amount payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount (Item 3600-001-6027).....	-545,000

(23) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3600-001-6031).....	-7,216,000
(26) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3600-001-6051).....	-27,412,000
(27) Amount payable from the Salton Sea Restoration Fund (Item 3600-001-8018).....	-12,795,000
(28) Amount payable from the California Sea Otter Fund (Item 3600-001-8047).....	-135,000

Provisions:

1. The funds appropriated in this item may be increased with the approval of, and under the conditions set by, the Director of Finance to meet current obligations proposed to be funded in Schedules (8) and (19). The funds appropriated in this item shall not be increased until the Department of Fish and Wildlife has a valid contract, signed by the client agency, that provides sufficient funds to finance the increased authorization. This increased authorization may not be used to expand services or create new obligations. Reimbursements received under Schedules (8) and (19) shall be used in repayment of any funds used to meet current obligations pursuant to this provision.
2. The funds appropriated in this item for purposes of subdivision (n) of Section 75050 of the Public Resources Code shall continue only so long as the Bureau of Reclamation within the United States Department of the Interior continues to provide federal funds and continues to carry out federal actions to implement the settlement agreement in *Natural Resources Defense Council v. Rodgers* (2005) 381 F.Supp.2d 1212.
3. Of the funds appropriated in this item, \$2,300,000 shall be available to the Department of Fish and Wildlife for addressing urgent fish, stream, and con-

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servation activities related to the extreme drought conditions.

SEC. 7. Item 3860-001-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

3860-001-0001—For support of Department of Water Resources.....	51,353,000
Schedule:	
(1) 10-Continuing Formulation of the California Water Plan.....	60,817,000
(2) 20-Implementation of the State Water Resources Development System.....	4,073,000
(3) 30-Public Safety and Prevention of Damage.....	242,210,000
(4) 35-Central Valley Flood Protection Board.....	13,732,000
(5) 40-Services.....	7,454,000
(6) 45-California Energy Resources Scheduling (CERS).....	24,175,000
(7) 50.01-Management and Administration.....	86,980,000
(8) 50.02-Distributed Management and Administration.....	-86,980,000
(9) Reimbursements.....	-41,069,000
(10) Amount payable from the California Environmental License Plate Fund (Item 3860-001-0140).....	-533,000
(11) Amount payable from the Feasibility Projects Subaccount (Item 3860-001-0445).....	-86,000
(12) Amount payable from the Energy Resources Programs Account (Item 3860-001-0465).....	-2,589,000
(13) Amount payable from the Sacramento Valley Water Management and Habitat Protection Subaccount (Item 3860-001-0544).....	-26,000

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(14) Amount payable from the California Safe Drinking Water Fund of 1988 (Item 3860-001-0793).....	-232,000
(15) Amount payable from the Federal Trust Fund (Item 3860-001-0890).....	-11,293,000
(16) Amount payable from the Dam Safety Fund (Item 3860-001-3057).....	-11,639,000
(17) Amount payable from the Department of Water Resources Electric Power Fund (Item 3860-001-3100).....	-24,175,000
(18) Amount payable from the Cost of Implementation Account, Air Pollution Control Fund (Item 3860-001-3237).....	-324,000
(19) Amount payable from the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund (Item 3860-001-6001).....	-1,027,000
(20) Amount payable from the Flood Protection Corridor Subaccount (Item 3860-001-6005).....	-100,000
(21) Amount payable from the Urban Stream Restoration Subaccount (Item 3860-001-6007).....	-45,000
(22) Amount payable from the Yuba Feather Flood Protection Subaccount (Item 3860-001-6010).....	-407,000
(23) Amount payable from the Water Conservation Account (Item 3860-001-6023).....	-198,000
(24) Amount payable from the Conjunctive Use Subaccount (Item 3860-001-6025).....	-50,000
(25) Amount payable from the Bay-Delta Multipurpose Water Management Subaccount (Item 3860-001-6026).....	-550,000
(26) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3860-001-6031).....	-5,835,000

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- (27) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3860-001-6051)..... -15,047,000
- (28) Amount payable from the Disaster Preparedness and Flood Prevention Bond Fund of 2006 (Item 3860-001-6052)..... -184,883,000
- (29) Amount payable from the Greenhouse Gas Reduction Fund (Item 3860-001-3228)..... -1,000,000

Provisions:

1. The amounts appropriated in Items 3860-001-0001 to 3860-001-6052, inclusive, shall be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as the Department of Finance may authorize, including cooperative work with other agencies.
2. The funds appropriated in this item for purposes of subdivision (n) of Section 75050 of the Public Resources Code may be expended only so long as the United States Bureau of Reclamation continues to provide federal funds and continues to carry out federal actions to implement the settlement agreement in *Natural Resources Defense Council v. Rodgers* (E.D. Cal. 2005) 381 F.Supp.2d 1212.
3. Of the funds appropriated in Schedule (28), \$500,000 shall be available for encumbrance until June 30, 2016, and shall be expended for flood management projects consistent with the Central Valley Flood Protection Plan, adopted pursuant to Section 9612 of the Water Code, that, in addition to flood management benefits, provide other public benefits, including water supply, transient water storage, water quality improvements, and ecosystem benefits.
4. Of the funds appropriated in this item, \$1,000,000 shall be expended to improve groundwater monitoring and reporting efforts, including, but not limited to, a new well completion report system.

SEC. 8. Item 3860-001-3228 is added to Section 2.00 of the Budget Act of 2013, to read:

3860-001-3228—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Greenhouse Gas Reduction Fund 1,000,000

Provisions:

1. The amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2016, and available for liquidation until June 30, 2018.
2. The funds appropriated in this item shall be expended to administer a grant program for local agencies, joint powers authorities, or nonprofit organizations to implement residential, commercial, or institutional water efficiency programs or projects that reduce greenhouse gas emissions, and also reduce water and energy use.

SEC. 9. Item 3860-001-6052 of Section 2.00 of the Budget Act of 2013 is amended to read:

3860-001-6052—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Disaster Preparedness and Flood Prevention Bond Fund of 2006..... 184,883,000

SEC. 10. Item 3860-003-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

3860-003-0001—For support of Department of Water Resources..... 1,000,000

Provisions:

1. The Department of Water Resources shall notify the Joint Legislative Budget Committee within 30 days of expending funds from this item for flood emergency response.
2. The Department of Water Resources is authorized to use funds from this item only for emergency response if they are spent on activities to respond to a flood emergency event pursuant to the criteria identified in

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the Water Resources Engineering Memorandum Process. These criteria will specify conditions where an imminent threat of system failure has been identified based on (a) forecasts of riverflows to exceed flood stage or overtop levees or banks, (b) water flowing through a levee carrying sediment, or (c) the determination by a geotechnical engineer or flood-fight specialist that there is a need for immediate levee or flood control structure repair or stabilization to prevent failure. The department shall notify the Chairperson of the Joint Legislative Budget Committee of the flood emergency criteria developed by the department and provide a copy of the final Water Resources Engineering Memorandum to the chairperson of the joint committee 30 days prior to adoption.

3. The Department of Water Resources may access funds from this item only for a period of seven days for each event following the identification of a flood emergency event.
4. If additional funds are needed beyond the amount appropriated in this item, the Department of Finance is authorized to transfer funds from Item 9840-001-0001 to this item, pursuant to Provision 5 of Item 9840-001-0001.
5. The Department of Water Resources may transfer funds from this item back to the original source, either Item 3860-001-0001 or 9840-001-0001, if the department has determined that the funds are not ultimately needed for emergency response activities.
6. Notwithstanding any other provision of this item, \$1,000,000 of the funds appropriated in this item shall be available to augment the Save Our Water Campaign. The Save Our Water Campaign shall expand its education and outreach activities, including coordinating local actions to assist all Californians.

SEC. 11. Item 3860-101-3228 is added to Section 2.00 of the Budget Act of 2013, to read:

3860-101-3228—For local assistance, Department of Water Resources, payable from the Greenhouse Gas Reduction Fund 19,000,000

Provisions:

1. The amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2016, and available for liquidation until June 30, 2018.
2. The funds appropriated in this item shall be available for local assistance to establish, on or before July 1, 2014, a grant program for local agencies, joint powers authorities, or nonprofit organizations to implement residential, commercial, or institutional water efficiency programs or projects that reduce greenhouse gas emissions, and also reduce water and energy use.
3. The funds appropriated in this item shall be available for expenditure not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or his or her designee. The notification shall include a description of proposed expenditures, how the expenditures will further the regulatory purposes of the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code), how the expenditures will achieve specified greenhouse gas emission reductions, how the agency considered other objectives of that act, and how the agency will document expenditure results, pursuant to Section 16428.9 of the Government Code.

SEC. 12. Item 3860-101-6052 of Section 2.00 of the Budget Act of 2013 is amended to read:

3860-101-6052—For local assistance, Department of Water Resources, payable from the Disaster Preparedness and Flood Prevention Bond Fund of 2006..... 222,100,000

Provisions:

1. Of the funds appropriated in this item, \$5,000,000 shall be available for encumbrance until June 30, 2016,

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and shall be expended for flood management projects consistent with the Central Valley Flood Protection Plan, adopted pursuant to Section 9612 of the Water Code, that, in addition to flood management benefits, provide other public benefits, including water supply, transient water storage, water quality improvements, and ecosystem benefits.

SEC. 13. Item 3860-301-3228 is added to Section 2.00 of the Budget Act of 2013, to read:

3860-301-3228—For capital outlay, Department of Water Resources, payable from the Greenhouse Gas Reduction Fund 10,000,000

Schedule:

(1) 20.20.212-Water-Energy Efficiency
 Projects..... 10,000,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance until June 30, 2017, and shall be expended to improve water use efficiency, save energy, and reduce greenhouse gas emissions from state water management systems.
2. The funds appropriated in this item shall be available for expenditure not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or his or her designee. The notification shall include a description of proposed expenditures, how the expenditures will further the regulatory purposes of the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code), how the expenditures will achieve specified greenhouse gas emission reductions, how the agency considered other objectives of that act, and how the agency will document expenditure results, pursuant to Section 16428.9 of the Government Code.

SEC. 14. Item 3860-301-6052 of Section 2.00 of the Budget Act of 2013 is amended to read:

3860-301-6052—For capital outlay, Department of Water Resources, payable from the Disaster Preparedness and Flood Prevention Bond Fund of 2006.....	150,842,000
Schedule:	
(1) 30.95.022-Feather River Urban Risk Reduction Project.....	76,720,000
(2) 30.95.135-West Sacramento Project (GRR).....	1,357,000
(2.5) 30.95.140-Delta Flood Emergency Preparedness, Response, and Recovery Project.....	12,000,000
(3) 30.95.250-Yuba River Basin Project.....	645,000
(4) 30.95.251-Marysville Ring Levee Reconstruction Project.....	12,423,000
(5) 30.95.302-Sutter Basin Feasibility Study.....	1,364,000
(6) 30.95.310-Lower Cache Creek, Yolo County, Woodland Area Project.....	1,294,000
(7) 30.95.311-Folsom Dam Modifications Project.....	66,758,000
(8) 30.95.320-Lower San Joaquin River.....	813,000
(9) 30.95.327-Sacramento River Flood Control System Evaluation.....	333,000
(10) 30.95.328-American River Watershed, Folsom Dam Raise Project.....	3,350,000
(11) Reimbursements-West Sacramento Project (GRR).....	-500,000
(12) Reimbursements-Sutter County Feasibility Study.....	-494,000
(13) Reimbursements-Lower Cache Creek, Yolo County, Woodland Area Project.....	-353,000
(14) Reimbursements-Folsom Dam Modifications Project.....	-19,814,000
(15) Reimbursements-Yuba River Basin Project.....	-322,000

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- (16) Reimbursements-Marysville Ring Levee Reconstruction Project..... -3,727,000
- (17) Reimbursements-American River Watershed, Folsom Dam Raise Project..... -1,005,000

Provisions:

1. The funds appropriated in this item may be expended for relocations and acquisition of land, easements, and rights-of-way, including, but not limited to, borrow pits, spoil areas, and easements for levees, clearing, flood control works, and flowage, and for appraisals, surveys, and engineering studies necessary for the completion or operation of the projects in the Sacramento and San Joaquin watersheds as authorized by Section 8617.1 and Chapters 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code. Notwithstanding paragraph (1) of subdivision (a) of Section 12582.7 and Section 12585.5 of the Water Code, prior to state and federal authorization of the project and appropriation of federal construction funds by Congress and subsequent to submittal of a report to the Legislature pursuant to Section 12582.7 of the Water Code. The amounts appropriated in this item may be expended for state costs associated with pre-construction design and engineering work conducted by the federal government and others.
2. Funds appropriated in this item may also be expended for the evaluation, repair, rehabilitation, reconstruction, or replacement of flood protection facilities consistent with subdivision (a) of Section 5096.821 of the Public Resources Code; for study, evaluation, improvement, and addition of facilities to provide enhanced levels of flood protection consistent with subdivision (b) of Section 5096.821 of the Public Resources Code; or for the protection, creation, and enhancement of flood protection corridors and bypasses consistent with Section 5096.825 of the Public Resources Code.

3. Funds appropriated in this item may also be used for any of the following:
 - (a) Advances to the federal government, or payments to the federal government or others for incidental construction or reconstruction items that are an obligation of the state in connection with the completion or operation of the projects and for materials.
 - (b) Flood protection-related activities of the state associated with construction, reconstruction, relocation, or alterations to levees, other flood control works, highways, railroads, bridges, power lines, communication lines, pipelines, irrigation works, and other structures and facilities, and for appraisals, surveys, mitigation and engineering studies incidental thereto.
 - (c) Flood protection-related planning studies, surveys, preliminary plans, drawings, acquisitions, relocations, rights-of-way, construction, construction supervision, contract administration, and other work activities to be performed by Department of Water Resources personnel and contractors for completion of the projects.
4. Funds appropriated in this item may be used to implement the projects identified in this item without arrangements with the federal government while making reasonable efforts to obtain funding from the federal government in advance or by arranging to perform work which is a federal responsibility prior to the availability of federal appropriations with the intention that the costs will be reimbursed or eligible for credit by the federal government as provided in Public Law 99-662, Section 104, November 17, 1986; Public Law 90-483, Section 215, August 13, 1968; or other applicable law.
5. Notwithstanding Section 26.00, funds may be transferred, with the approval of the Department of Finance, among projects specified in this item and other Department of Water Resources flood protection-related major capital outlay projects with an active appropria-

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tion. The Director of Finance shall notify, in writing, the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, within 30 days or such lesser time as the chairperson of the joint committee, or his or her designee, may determine, prior to any transfer.

- 6. Payments from a local sponsor may be received by the Department of Water Resources and may be advanced to the federal government.
- 7. Funds appropriated for the Lower Cache Creek, Lower San Joaquin River, West Sacramento, and Sutter Basin feasibility studies and reevaluation reports shall be available for encumbrance until June 30, 2015.
- 8. Funds appropriated for the Delta Flood Emergency Preparedness, Response, and Recovery Project and the Folsom Dam Modifications Project shall be available for encumbrance until June 30, 2017.

SEC. 15. Item 3860-401 is added to Section 2.00 of the Budget Act of 2013, to read:

3860-401—The amount of \$32,500,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Division 43 (commencing with Section 75001) of the Public Resources Code) shall be expended for support of flood management projects consistent with the Central Valley Flood Protection Plan, adopted pursuant to Section 9612 of the Water Code, that, in addition to flood management benefits, provide other public benefits, including water supply, transient water storage, water quality improvements, and ecosystem benefits.

SEC. 16. Item 3940-001-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

3940-001-0001—For support of State Water Resources Control Board, for payment to Item 3940-001-0439, payable from the General Fund.....	18,026,000
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Provisions:

1. Of the amount appropriated in this item, \$800,000 shall be available to the State Water Resources Control Board to protect and ensure the sustainability of groundwater resources in critical basins.
2. Of the amount appropriated in this item, \$2,500,000 shall be available to the State Water Resources Control Board for drought-related water right and water conservation actions, including establishing and enforcing requirements to prevent the waste or unreasonable use of water and to promote water recycling, establishing and enforcing curtailments in diversion based on unavailability of water under the diverters priority of right, and enforcing terms and conditions of water right permits and licenses.

SEC. 17. Item 3940-001-0193 of Section 2.00 of the Budget Act of 2013 is amended to read:

3940-001-0193—For support of State Water Resources Control Board, for payment to Item 3940-001-0439, payable from the Waste Discharge Permit Fund..... 107,151,000

Provisions:

1. Of the amount appropriated in this item, and notwithstanding subdivision (k) of Section 13350 of the Water Code, up to \$700,000 shall be from the balance of penalty revenues generated by the imposition of liabilities pursuant to Section 13350 of the Water Code. The funds specified in this provision are hereby appropriated to support the development of uniform water recycling criteria for indirect potable water reuse for groundwater recharge pursuant to Chapter 700 of the Statutes of 2010.
2. Of the amount appropriated in this item, \$1,200,000 shall be available to the State Water Resources Control Board for the Groundwater Ambient Monitoring Assessment Program. These funds shall be available for encumbrance or expenditure until June 30, 2015.

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SEC. 18. Item 3940-001-0439 of Section 2.00 of the Budget Act of 2013 is amended to read:

3940-001-0439—For support of State Water Resources Control Board, payable from the Underground Storage Tank Cleanup Fund.....	280,982,000
Schedule:	
(1) 10-Water Quality.....	485,843,000
(2) 20-Water Rights.....	17,274,000
(3) 25-Department of Justice Legal Services.....	1,217,000
(4) 30.01-Administration.....	21,245,000
(5) 30.02-Distributed Administration.....	-21,245,000
(6) Reimbursements.....	-9,203,000
(7) Amount payable from the General Fund (Item 3940-001-0001).....	-18,026,000
(8) Amount payable from the Unified Program Account (Item 3940-001-0028)....	-601,000
(9) Amount payable from the Waste Discharge Permit Fund (Item 3940-001-0193).....	-107,151,000
(10) Amount payable from the Marine Invasive Species Control Fund (Item 3940-001-0212).....	-100,000
(11) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-0235).....	-720,000
(12) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 3940-001-0387).....	-4,640,000
(13) Amount payable from the Water Recycling Subaccount (Item 3940-001-0419).....	-1,160,000
(14) Amount payable from the Drainage Management Subaccount (Item 3940-001-0422).....	-528,000

(15) Amount payable from the Seawater Intrusion Control Subaccount (Item 3940-001-0424).....	-228,000
(16) Amount payable from the Underground Storage Tank Tester Account (Item 3940-001-0436).....	-64,000
(17) Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-0740).....	-314,000
(18) Amount payable from the Federal Trust Fund (Item 3940-001-0890).....	-48,713,000
(19) Amount payable from the Water Rights Fund (Item 3940-001-3058).....	-13,000,000
(20) Amount payable from the Wastewater Operator Certification Fund (Item 3940-001-3160).....	-1,276,000
(21) Amount payable from the Timber Regulation and Forest Restoration Fund (Item 3940-001-3212).....	-2,495,000
(22) Amount payable from the Cost of Implementation Account, Air Pollution Control Fund (Item 3940-001-3237).....	-578,000
(23) Amount payable from the Watershed Protection Subaccount (Item 3940-001-6013).....	-200,000
(24) Amount payable from the Santa Ana River Watershed Subaccount (Item 3940-001-6016).....	-250,000
(25) Amount payable from the Lake Elsinore and San Jacinto Watershed Subaccount (Item 3940-001-6017).....	-133,000
(26) Amount payable from the Nonpoint Source Pollution Control Subaccount (Item 3940-001-6019).....	-204,000
(27) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-6020).....	-629,000
(28) Amount payable from the Wastewater Construction Grant Subaccount (Item 3940-001-6021).....	-932,000

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(29) Amount payable from the Coastal Nonpoint Source Control Subaccount (Item 3940-001-6022).....	-136,000
(30) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3940-001-6031).....	-1,092,000
(31) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3940-001-6051).....	-1,903,000
(32) Amount payable from the Petroleum Underground Storage Tank Financing Account (Item 3940-001-8026).....	-609,000
(33) Amount payable from the State Water Pollution Control Revolving Fund Administration Fund (Item 3940-001-9739).....	-8,467,000

Provisions:

1. Notwithstanding any other provision of law, upon approval and order of the Director of Finance, the State Water Resources Control Board may borrow sufficient funds for cash purposes from special funds that otherwise provide support for the board. Any such loans are to be repaid with interest at the rate earned in the Pooled Money Investment Account.
2. The amount appropriated in Program (25) shall be used to reimburse the Department of Justice for legal services. In addition to the amount in Program (25), upon order of the Director of Finance, any non-General Fund Budget Act item for support of the State Water Resources Control Board may be augmented to reimburse the Department of Justice for legal services. No augmentation shall be made sooner than 30 days after the Joint Legislative Budget Committee has been notified in writing.

SEC. 19. Item 3940-002-0679 is added to Section 2.00 of the Budget Act of 2013, to read:

3940-002-0679—For support of State Water Resources Control Board.....	4,000,000
Provisions:	
1. The funds appropriated in this item are appropriated from the State Water Pollution Cleanup and Abatement Account, created pursuant to Section 13440 of the Water Code, to the State Water Resources Control Board to provide interim emergency drinking water to disadvantaged communities with contaminated drinking water supplies, without regard to the source of contamination, including those contaminated drinking water supplies exacerbated by drought conditions. These funds shall be available for expenditure until June 30, 2015.	

SEC. 20. Item 3940-101-3147 of Section 2.00 of the Budget Act of 2013 is amended to read:

3940-101-3147—For local assistance, State Water Resources Control Board, for Program 10-Water Quality, payable from the State Water Pollution Control Revolving Fund Small Community Grant Fund, to be available for expenditure until June 30, 2017.....	15,000,000
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SEC. 21. Item 4265-111-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

4265-111-0001—For local assistance, Department of Public Health.....	46,957,000
Schedule:	
(1) 10.10-Emergency Preparedness.....	60,724,000
(2) 20.10-Chronic Disease Prevention and Health Promotion.....	193,242,000
(3) 20.20-Infectious Disease.....	271,121,000
(4) 20.30-Family Health.....	1,628,722,000
(5) 20.40-Health Information and Strategic Planning.....	510,000
(6) 20.50-County Health Services.....	14,181,000
(7) 20.60-Environmental Health.....	128,000,000
(8) Reimbursements.....	-227,101,000

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(9) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4265-111-0080).....	-11,000,000
(10) Amount payable from the Health Statistics Special Fund (Item 4265-111-0099).....	-510,000
(11) Amount payable from the California Health Data and Planning Fund (Item 4265-111-0143).....	-240,000
(12) Amount payable from the Genetic Disease Testing Fund (Item 4265-111-0203).....	-87,747,000
(13) Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4265-111-0231).....	-35,185,000
(14) Amount payable from the Child Health and Safety Fund (Item 4265-111-0279).....	-469,000
(15) Amount payable from the Indian Gaming Special Distribution Fund (Item 4265-111-0367).....	-4,000,000
(16) Amount payable from the Domestic Violence Training and Education Fund (Item 4265-111-0642).....	-235,000
(17) Amount payable from the Federal Trust Fund (Item 4265-111-0890).....	-1,509,879,000
(18) Amount payable from the WIC Manufacturer Rebate Fund (Item 4265-111-3023).....	-260,000,000
(19) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 4265-111-6031).....	-65,000,000
(20) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 4265-111-6051).....	-48,000,000

(21) Amount payable from the ALS/Lou Gehrig’s Disease Research Fund (Item 4265-111-8053)..... -177,000

Provisions:

1. The Office of AIDS in the State Department of Public Health, in allocating and processing contracts and grants, shall comply with the same requirements that are established for contracts and grants for other public health programs. Notwithstanding any other provision of law, the contracts or grants administered by the Office of AIDS shall be exempt from the Public Contract Code and shall be exempt from approval by the Department of General Services prior to their execution.
2. The appropriation in this item for the Alzheimer’s Research Centers shall be used for direct services, including, but not limited to, diagnostic screening, case management, disease management, support for caregivers, and related services necessary for positive client outcomes.
3. Of the amount appropriated in Schedule (7), \$15,000,000 shall be available for encumbrance until June 30, 2016, for purposes consistent with subdivisions (a) and (c) of Section 75021 of the Public Resources Code for grants of up to \$500,000 per project for public water systems to address drought-related drinking water emergencies or threatened emergencies. The State Department of Public Health shall develop new guidelines for the allocation and administration of these moneys, including guidelines that dictate the circumstances under which the per-project limit of \$500,000 may be exceeded. These guidelines shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The department shall make every effort to use other funds available to address drinking water emergencies, including federal funds made available for the drought, prior to using the funds specified in this provision.

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SEC. 22. Item 5180-101-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

5180-101-0001—For local assistance, Department of Social Services..... 1,287,588,000

Schedule:

(1) 16.30-CalWORKs.....	4,462,802,000
(2) 16.65-Other Assistance Payments.....	843,264,000
(3) Reimbursements.....	-944,000
(4) Amount payable from the Emergency Food Assistance Program Fund (Item 5180-101-0122).....	-618,000
(5) Amount payable from the Federal Trust Fund (Item 5180-101-0890).....	-4,008,897,000
(6) Amount payable from the Child Support Collections Recovery Fund (Item 5180-101-8004).....	-8,019,000

Provisions:

1. (a) No funds appropriated in this item shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the State Department of Social Services that adds to the costs of any program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures of a rule, regulation, or all-county letter that would increase the costs of a program, the Department of Finance shall consider the amount of the proposed increase on an annualized basis, the effect the change would have on the expenditure limitations for the program set forth in this act, the extent to which the rule, regulation, or all-county letter constitutes a deviation from the premises under which the expenditure limitations were prepared, and any additional factors relating to the fiscal integrity of the program or the state's fiscal situation.

- (b) Notwithstanding Sections 28.00 and 28.50, the availability of funds contained in this item for rules, regulations, or all-county letters that add to program costs funded from the General Fund in excess of \$500,000 on an annual basis, including those that are the result of a federal regulation, but excluding those that are (a) specifically required as a result of the enactment of a federal or state law or (b) included in the appropriation made by this act, shall not be approved by the Department of Finance sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or sooner than such lesser time after notification as the chairperson of the joint committee, or his or her designee, may in each instance determine.
2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$500,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share of costs of a program or programs when the federal funds have not been received by this state prior to the usual time for transmitting that federal share to the counties of this state. This loan from the General Fund shall be repaid when the federal share of costs for the program or programs becomes available.
 3. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund the costs of the administrative hearing process associated with the CalWORKs program.
 4. (a) The Department of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, including, but not limited to, the timing of federal payments, or any rule or regulation adopted and any all-county letter issued as a result of the enactment of a federal or state law, the adoption of a

- federal regulation, or a court action, during the 2013–14 fiscal year that are within or in excess of amounts appropriated in this act for that year.
- (b) If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At the time the report is made, the amount of the appropriation made in this item shall be increased by the amount of the excess unless and until otherwise provided by law.
5. Nonfederal funds appropriated in this item which have been budgeted to meet the state’s Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
 6. In the event of declared disaster and upon county request, the State Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from this item and Item 5180-101-0890, to Items 5180-001-0001 and 5180-001-0890, for this purpose.
 7. Pursuant to the Electronic Benefit Transfer (EBT) Act (Chapter 3 (commencing with Section 10065) of Part 1 of Division 9 of the Welfare and Institutions Code) and in accordance with the EBT System regulations (Manual of Policies and Procedures Section 16-401.15), in the event a county fails to reimburse the EBT contractor for settlement of EBT transactions made against the county’s cash assistance programs, the state is required to pay the contractor. The State Department of Social Services may use funds from this item to reimburse the EBT contractor for settlement on behalf of the county. The county shall be re-

- quired to reimburse the department for the county’s settlement via direct payment or administrative offset.
8. The Department of Finance is authorized to approve expenditures for the California Food Assistance Program in those amounts made necessary by changes in the CalFresh Program Standard Utility Allowance, including those that result from midyear Standard Utility Allowance adjustments requested by the state. If the Department of Finance determines that the estimate of expenditures will exceed the expenditure authority of this item, the department shall so report to the Legislature. At the time the report is made, the amount of the appropriation made in this item shall be increased by the amount of the excess unless and until otherwise provided by law.
 9. Upon request of the State Department of Social Services, the Department of Finance may increase expenditure authority in this item by up to \$25,300,000 for food assistance programs associated with persons affected by the drought. Notwithstanding any other provision of law, these funds shall be available for encumbrance by the State Department of Social Services through December 31, 2014, for commodity purchases and state and local agency administrative costs incurred on or before June 30, 2014, to provide food assistance associated with the drought through existing partnerships. The Department of Finance shall provide notification of the adjustment to the Joint Legislative Budget Committee within 10 working days from the date of Department of Finance approval of the adjustment.

SEC. 23. Item 5180-141-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

5180-141-0001—For local assistance, Department of Social Services.....	742,457,000
Schedule:	
(1) 16.75-County Administration and Automation Projects.....	2,031,473,000

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(2) Reimbursements.....	-221,534,000
(3) Amount payable from the Federal Trust Fund (Item 5180-141-0890).....	-1,067,482,000

Provisions:

1. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$140,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal or reimbursable share, or both, of costs of a program or programs when the federal funds or reimbursements have not been received by this state prior to the usual time for transmitting state payments for the federal or reimbursable share of costs. This loan from the General Fund shall be repaid when the federal share of costs or the reimbursements for the program or programs becomes available.
2. In the event of declared disaster and upon county request, the State Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from this item and Item 5180-141-0890, to Items 5180-001-0001 and 5180-001-0890, for this purpose.
3. Provision 1 of Item 5180-101-0001 also applies to this item.
4. Pursuant to public assistance caseload estimates reflected in the annual Governor's Budget, the Department of Finance may approve expenditures in those amounts made necessary by a court action or changes in caseload that are in excess of amounts appropriated in this act. If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At the time the report is made, the amount of the appropriation made by this

item shall be increased by the amount of the excess unless and until otherwise provided by law.

- 5. Nonfederal funds appropriated in this item which have been budgeted to meet the state’s Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
- 6. This item may be increased by order of the Director of Finance to address system changes necessary to implement the requirements of the federal Patient Protection and Affordable Care Act (P.L. 111-148). The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any expenditure approved under this provision not less than 30 days prior to the effective date of the approval.
- 7. In the event of a declaration of a major disaster by the President of the United States, and upon request of the State Department of Social Services following approval by the United States Department of Food and Agriculture’s Food and Nutrition Service, the Department of Finance may increase expenditure authority in this item in order to fund the administrative costs of a Disaster Supplemental Nutrition Assistance Program food assistance program.

SEC. 24. Item 5180-141-0890 of Section 2.00 of the Budget Act of 2013 is amended to read:

5180-141-0890—For local assistance, Department of Social Services, for payment to Item 5180-141-0001, payable from the Federal Trust Fund..... 1,067,482,000

Provisions:

- 1. Provisions 2, 3, 4, 6, and 7 of Item 5180-141-0001 also apply to this item.
- 2. Upon request by the Department of Finance, the Controller shall transfer funds between this item and Item 5180-153-0890 as needed to reflect the estimated ex-

penditure amounts for each county that opts into the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18260 of the Welfare and Institutions Code. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

SEC. 25. Item 7100-001-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

7100-001-0001—For support of Employment Development Department, for payment to Item 7100-001-0870..... 24,070,000
 Provisions:
 1. Of the funds appropriated in this item, \$2,000,000 shall be available for encumbrance until June 30, 2015, for the purposes of providing flexible training-related services to workers and employers in localities designated by the Governor for drought or other disaster relief.

SEC. 26. Item 7100-001-0870 of Section 2.00 of the Budget Act of 2013 is amended to read:

7100-001-0870—For support of Employment Development Department, payable from the Unemployment Administration Fund—Federal..... 659,728,000
 Schedule:
 (1) 10-Employment and Employment-Related Services..... 179,688,000
 (2) 21-Tax Collections and Benefit Payments..... 801,927,000
 (3) 22-California Unemployment Insurance Appeals Board..... 78,900,000
 (4) 30.01-General Administration..... 53,380,000
 (5) 30.02-Distributed General Administration..... -51,004,000
 (6) 50-Employment Training Panel..... 51,109,000
 (7) Reimbursements..... -25,847,000

- (8) Amount payable from the General Fund (Item 7100-001-0001)..... -24,070,000
- (9) Amount payable from the Employment Development Department Benefit Audit Fund (Item 7100-001-0184)..... -15,805,000
- (10) Amount payable from the Employment Development Department Contingent Fund (Item 7100-001-0185)..... -82,190,000
- (11) Amount payable from the Employment Training Fund (Item 7100-001-0514)..... -51,589,000
- (12) Amount payable from the Unemployment Compensation Disability Fund (Item 7100-001-0588)..... -253,778,000
- (13) Amount payable from the School Employees Fund (Item 7100-001-0908).... -993,000

Provisions:

- 1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated pursuant to Section 1555 of the Unemployment Insurance Code.
- 2. Provision 1 of Item 7100-001-0588 also applies to funds appropriated in this item for the Unemployment Insurance Program.

SEC. 27. Item 8570-001-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

8570-001-0001—For support of Department of Food and Agriculture..... 55,612,000

Schedule:

- (1) 11-Agricultural Plant and Animal Health, Pest Prevention, Food Safety Services..... 168,719,000
- (2) 21-Marketing, Commodities, and Agricultural Services..... 21,908,000
- (3) 31-Assistance to Fairs and County Agricultural Activities..... 1,343,000
- (4) 41.01-Executive, Management, and Administrative Services..... 20,624,000

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(5) 41.02-Distributed Executive, Management, and Administrative Services.....	-20,493,000
(6) 51-General Agricultural Activities.....	35,323,000
(7) Reimbursements.....	-16,537,000
(8) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 8570-001-0044).....	-6,674,000
(9) Amount payable from the Department of Agriculture Account, Department of Food and Agriculture Fund (Item 8570-001-0111).....	-37,977,000
(11) Amount payable from the Fair and Exposition Fund (Item 8570-001-0191)....	-1,343,000
(12) Amount payable from the Harbors and Watercraft Revolving Fund (Item 8570-001-0516).....	-4,294,000
(13) Amount payable from the Department of Agriculture Building Fund (Item 8570-001-0601).....	-1,963,000
(14) Amount payable from the Federal Trust Fund (Item 8570-001-0890).....	-91,496,000
(15) Amount payable from the Antiterrorism Fund (Item 8570-001-3034).....	-541,000
(16) Amount payable from the Analytical Laboratory Account, Department of Food and Agriculture Fund (Item 8570-001-3101).....	-500,000
(17) Amount payable from the Specialized License Plate Fund (Item 8570-001-3139).....	-477,000
(17.5) Amount payable from the Greenhouse Gas Reduction Fund (Item 8570-001-3228).....	-10,000,000
(18) Amount payable from the Municipal Shelter Spay-Neuter Fund (Item 8570-001-8055).....	-10,000

Provisions:

1. The Secretary of Food and Agriculture shall furnish to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee annual reports on

all expenditures from all fund sources for emergency detection and eradication activities relating to agricultural plant or animal pests or diseases for which no other program funds are available to be used to detect or eradicate such pest or disease if the pest or disease is not considered established in California and the pest or disease infests or infects plants or animals of commercial or noncommercial agriculture, ornamental horticultural, or habitat of significance. The report shall specify the amount expended by funding source, the activities performed, the pest or disease, the location where the pest was detected, the location where the eradication efforts were performed, and the animal or plant affected for each emergency detection or eradication.

2. The Department of Food and Agriculture shall require full public participation, including public meetings, from all major regions of the state for each notification of proposed actions within the Light Brown Apple Moth program.

SEC. 28. Item 8570-001-3228 is added to Section 2.00 of the Budget Act of 2013, to read:

8570-001-3228—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Greenhouse Gas Reduction Fund 10,000,000
 Provisions:

1. The funds appropriated in this item shall be available for encumbrance until June 30, 2015, to establish and implement a program, in consultation and coordination with the Department of Water Resources and the State Water Resources Control Board, on or before July 1, 2014, to provide financial incentives to agricultural operations to invest in water irrigation treatment and distribution systems that will reduce greenhouse gas emissions, and will also reduce water and energy use, augment supply, and increase water and energy efficiency in agricultural applications. Incentives shall be ranked and distributed based on financial need, imme-

diacy of water supply increased and efficiency gained to address water shortages, and reduction in water pumping or treatment that uses energy causing greenhouse gas emissions.

2. The funds appropriated in this item shall be available for expenditure not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or his or her designee. The notification shall include a description of proposed expenditures, how the expenditures will further the regulatory purposes of the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code), how the expenditures will achieve specified greenhouse gas emission reductions, how the agency considered other objectives of that act, and how the agency will document expenditure results, pursuant to Section 16428.9 of the Government Code.

SEC. 29. Section 39.00 of the Budget Act of 2013 is amended to read:

SEC. 39.00. The Legislature hereby finds and declares that the following bills are other bills providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution: AB 74, AB 75, AB 76, AB 77, AB 78, AB 79, AB 80 as amended on February 26, 2014, AB 81, AB 82, AB 83, AB 84, AB 85, AB 86, AB 87, AB 89, AB 90, AB 91, AB 92, AB 93, AB 94, AB 95, AB 96, AB 97, AB 98, AB 99, AB 100, AB 102, AB 103, AB 104, AB 105, AB 106, AB 107, AB 108, AB 109, SB 66, SB 70, SB 71, SB 72, SB 73, SB 74, SB 75, SB 76, SB 77, SB 79, SB 80, SB 81, SB 82, SB 83, SB 84, SB 85, SB 86, SB 87, SB 88, SB 89, SB 90, SB 91, SB 92, SB 93, SB 94, SB 96, SB 97, SB 98, SB 99, SB 100, SB 101, SB 102, SB 103, SB 104 as amended on February 26, 2014, and SB 105.

SEC. 30. This act shall become operative only if Assembly Bill 80 or Senate Bill 104 of the 2013–14 Regular Session is enacted and becomes operative.

SEC. 31. This act is a Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution and shall take effect immediately.

Approved _____, 2014

Governor

Attachment 2

Emergency Drought-Relief Funding Under Drought-Relief Bill Package (SB 103 and SB 104)

Infrastructure investments to improve water supply

- \$472.5 million (Proposition 84/2006 Water Bond) to Department of Water Resources (DWR) for Integrated Regional Water Management Program grants.¹ \$200 million of these funds would be expedited for drought preparedness/response projects.
- \$77 million (Proposition 1E) to DWR for Central Valley flood protection projects that provide additional public benefits, including water supply and water quality improvements.

Emergency Drinking Water, Water Supply and Water Quality

- \$15 million (General Fund) to the Department of Public Health (DPH) for alternative water supplies and public water system improvements
- \$4 million (special funds) to the State Water Resources Control Board (Board) to secure emergency drinking water supplies for disadvantaged communities.
- \$7 million (special funds) to the Board for grants to small and severely disadvantaged communities for wastewater treatment projects that protect water quality in rivers and groundwater basins.
- \$2.5 million (General Fund) to the Board for drought-related water rights and conservation actions.

Housing, Employment and Emergency Services for Drought-stricken Communities

- \$10 million (special funds) to the Department of Housing and Community Development for housing or utility subsidies for people who become un- or underemployed due to drought conditions
- \$2 million (General Fund) to the Employment Training Panel for job training related to drought related job losses
- \$1.8 million (General Fund) to the Office of Emergency Services for disaster recovery assistance to communities

Water and Energy Efficiency for Urban and Agricultural Communities

- \$20 million (AB 32 cap-and-trade auction revenues) to DWR to improve water use efficiency, save energy and reduce greenhouse gas emissions from local water management.
- \$10 million (AB 32 cap-and-trade auction revenues) to DWR for water/energy efficiency upgrades at two State Water Project facilities (Hyatt and Thermalito power generation sites near Oroville).

¹ This is the only appropriation relating specifically to drought relief in SB 104. The remainder of the drought-relief funding is authorized under SB 103.

- \$10 million (AB 32 auction revenues) to California Department of Food and Agriculture (CDFA) for incentives to reduce water and energy use, augment supply, and increase water and energy efficiency in the agricultural sector.

Sustainable Groundwater Management

- \$1.2 million (special funds) to the Board for groundwater quality monitoring (Groundwater Ambient Monitoring and Assessment Program).
- \$800,000 (General Fund) to the Board to protect and ensure the sustainability of groundwater resources in critically overdrafted basins.
- \$1 million (General Fund) to DWR to improve groundwater monitoring and reporting efforts.

Water Education, Fish and Wildlife, Fire Fuel Reduction and other actions

- \$1 million (General Fund) to DWR for the Save Our Water campaign: drought-related education and outreach.
- \$2.3 million (General Fund) to Department of Fish and Wildlife for urgent fish, stream and conservation activities.
- \$13 million (General Fund) to California Conservation Corps and Local Conservation Corps for water use efficiency and fire fuel reduction programs.