



February 23, 2023

The Honorable Toni Atkins
 President Pro-Tempore
 California State Senate

The Honorable Anthony Rendon
 Speaker of the Assembly
 California State Assembly

The Honorable Nancy Skinner
 Chair, Senate Budget Committee
 California State Senate

The Honorable Phil Ting
 Chair, Assembly Budget Committee
 California State Assembly

The Honorable Josh Becker
 Chair, Senate Budget Subcommittee 2
 California State Senate

The Honorable Steve Bennett
 Chair, Assembly Budget Subcommittee 3
 California State Assembly

Re: Support for Natural and Working Lands Investments in the Fiscal Year 2023-24 Proposed Budget

Dear President Pro-Tempore Atkins, Speaker Rendon, Senator Skinner, Senator Becker, Assemblymember Ting, and Assemblymember Bennett,

On behalf of the undersigned organizations, we respectfully request the Legislature to reject the Governor’s proposed cuts to the critical funding needed to meet the state’s climate goals as they relate to our natural and working lands. Investments to make our lands more resilient to climate extremes also play a critical role in increasing food and water security, advancing equity, drawing down carbon, and protecting biodiversity.

Extreme weather events, like the multi-decadal megadrought, frequent catastrophic wildfires, increasing high heat days, and the recent atmospheric rivers (which caused over \$30 billion in damage), are all key indicators that we must make the strategic investments necessary to reduce emissions in the atmosphere and increase our resiliency to the changing climate now. In addition to natural carbon sequestration benefits, scaling up climate-smart land management practices reduces the size and frequency of wildfires, heat-related mortalities, air and water pollution, and coastal erosion. In the case of the recent winter storms, building hydrological resilience through practices like planting trees and cover crops allows rainwater to slow down, spread across the land, sink into the soil and replenish groundwater rather than runoff into waterways, taking valuable topsoil with it. This is one example of why investments in nature-based solutions need to be made urgently, consistently and completely.

Last year, the legislature was rightly lauded for passing a landmark package of climate bills to reduce emissions, protect frontline communities, and advance natural carbon sequestration. Without the proper funding to follow, these commitments are hollow. While spending across the board must be reduced given current revenue projections, the Governor's proposal makes a disproportionately large cut to its resources and environment portfolio, despite the Administration's own mandate to scale up resource conservation through its Extreme Heat Action Plan, Policy Pathways report, and 30x30 Executive Order. Additionally, the Governor uplifted AB 1757 at a signing ceremony in Vallejo last year, which mandates the State set an "ambitious range of targets for natural carbon sequestration, and for nature-based climate solutions."

Furthermore, 'trigger restorations' provide little assurance to the affected programs. According to the LAO, the current economic outlook suggests that revenues will likely be lower than the administration's current projections. In fact, most 'trigger restorations' or 'delays' are categorized as automatic reductions in AB 221 (budget bill), and restorations actually coming to fruition have been extremely rare historically. Therefore, the \$1.8B categorized as 'trigger restorations' are likely to be real reductions.

To meet our climate commitments and avoid far greater human, social and environmental costs in the future, we respectfully request the following proposed reductions to be rejected:

Extreme Heat and Community Resilience

- \$100 million cut to CNRA's Urban Greening Program for FY 2023-2024
- \$75 million cut to OPR's Extreme Heat and Community Resilience Program
- \$75 million cut to the Statewide Parks Program, effectively zeroing it out for FY22
- \$60 million cut to CAL FIRE's Urban Forestry Program, effectively zeroing it out for FY22 & FY 23

Nature-Based Solutions and Coastal Resilience

- \$485 million cut from the Coastal Conservancy budget, including a 65% reduction in its nature-based solutions budget
- \$40 million cut to WCB's San Joaquin Valley Flood Plain Restoration, without which no funding would be provided. Restoration on this critical landscape is necessary to address the dual dangers of flooding and drought, replenishing groundwater for future drought relief while protecting towns from catastrophic flooding.
- \$4 million from the Climate Smart Land Management Program, a 30% reduction in one of the very few programs directed at providing capacity support for organizations working on nature-based climate solutions.

- \$79 million from the WCB's Cascade and High Sierra Upper Watersheds Program, which was created to promote watershed protection and climate resiliency in the watersheds that provide a majority of California's water supply.
- \$79 million from the WCB's Southern California Watersheds Program, which was created to promote watershed protection and climate resiliency in southern California.

Climate Smart Agriculture

- \$25 million from DoC's Sustainable Agricultural Land Conservation Program, effectively zeroing it out its General Fund support
- \$15 million cut from the Healthy Soils Program with just \$10 million in proposed funding for the 2023-2024 budget
- \$6 million cut to CDFA's urban agriculture program, slashing the program in half
- \$15 million cut to CDFA's pollinator habitat program, slashing the program in half
- \$21.5 million cut to CDFA's Technical Assistance and Conservation Management Plan, slashing the program in over half
- \$5 million cut to CDFA's New and Beginning Farmer Training and Farm Manager Apprenticeships Program, slashing the program in half
- \$5 million cut to CalRecycle's Composting Opportunities program, effectively zeroing it out

Drought Response and Water Resilience

- \$40 million cut to CDFA's State Water Efficiency and Enhancement Program (SWEEP), leaving just \$70 million for FY 2022-2023 amidst an ongoing drought

While we are pleased to see interest in the Governor's proposal to pursue a climate bond, it cannot come at the cost of delaying action now. Reliance on a bond measure is insufficient to meet our statutory goals, and a dangerous bet to make given the performance of bond measures and environmental fee initiatives in the last several elections. Additionally, if a bond measure were to be successful, the earliest those funds would materialize would likely be in July 2025 or later. Critical, shovel-ready projects cannot be delayed that long, especially as the "boots on the ground" have been preparing for state-funded projects after the promise of last year's significant climate budget.

Finally, we support the adoption of CNRA's Budget Change Proposal (BCP) for Natural and Working Lands. This multi-agency request for staffing is necessary to accomplish the goals laid out in AB 1757. Given the scope of work required by the bill to develop targets, establish methods of measuring carbon on landscapes, and update the Natural and Working Lands Climate Smart Strategy, increased capacity at the state agency level is pertinent, and an investment in the long-term health of our lands.

We urge the Legislature to restore the proposed cuts to critical natural and working lands programs needed to meet our climate and conservation goals. Due to the nature of these efforts, investments must be made years before their benefits are reaped. Delays on funding for this strategic portfolio only compound our costs in the future. California cannot uphold its climate commitments without the adequate funding to implement its world-leading policies.

Thank you for the opportunity to provide our perspectives, and we look forward to working with you and your staff on advancing an equitable and resilient budget.

Sincerely,

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The Climate Center

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California Climate & Agriculture Network
(CalCAN)

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