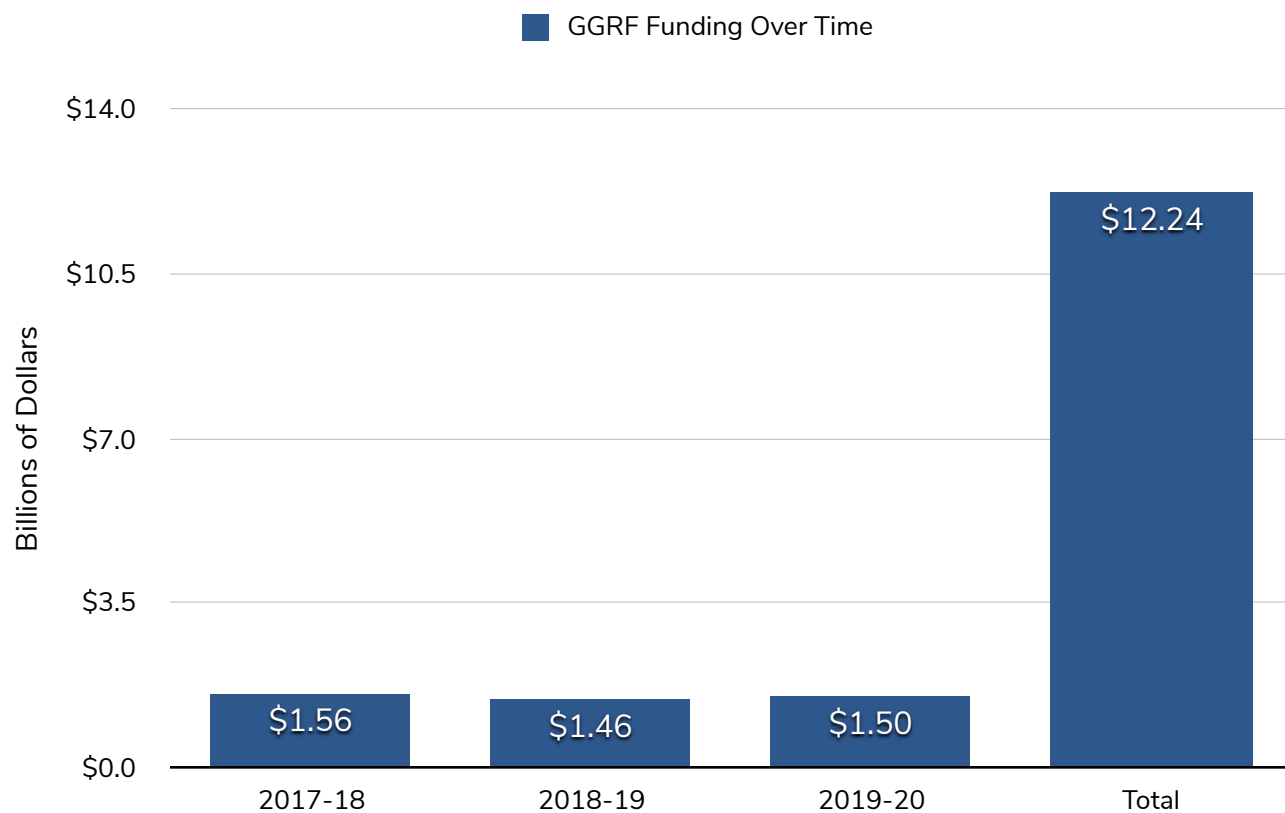




Climate Change & Resilience

California is experiencing the impacts of climate change throughout the state, including extreme heat, drought, devastating wildfires, mudslides and flooding, or longer-term threats such as sea level rise. In 2020, catastrophic wildfires consumed over four million acres across the state, far more than any other year in the state’s history. Climate-related disasters are occurring at a speed and scale not expected until the end of the century, and the Governor’s 2021-22 May Revision includes a number of proposals intended to curb climate change-inducing greenhouse gas (GHG) emissions and improve resiliency in order to help reduce risk and the potential future costs of increased climate change impacts.

Traditionally, the vast majority of annual climate-related funding in California has come from the state’s **Greenhouse Gas Reduction Fund (GGRF)**. Funded by revenue raised from the state’s cap-and-trade program, the GGRF allocates funding for different climate and environment-related programs—with at least 25% going to programs that benefit disadvantaged communities, which tend to suffer disproportionately from pollution and climate change. While the proposed 2021-22 budget does still include \$1.37 billion in expenditures of GGRF funds, it is also proposing to spend more from the General Fund on climate programs this year. The chart below shows GGRF funding in 2019-20 (latest year for which data are available) and total appropriations with more detail available [here](#).



Data from California Air Resources Board

WHAT'S IN THE 2021-22 MAY REVISION & FINAL BUDGET

Transportation accounts for roughly 40% of California's greenhouse gas emissions. The Governor issued Executive Order N-79-20 in September 2020 which sets out new goals for the phase-out of gasoline-powered cars and trucks in the state. The Order requires 100% of in-state sales of new passenger cars and trucks to be zero-emission vehicles (ZEVs) by 2030 and 100% of in-state sales of medium- and heavy-duty trucks and busses to be ZEVs by 2045. To that end, the Governor is proposing to secure \$1 billion of future revenues to increase the pace and scale of construction of EV charging and hydrogen fueling stations while spurring economic development. Altogether, the May Revision ZEV package totals \$826 million in 2021-22 (down from \$965 million proposed in the January budget), including \$216 million to invest in consumer adoption of ZEVs. More information on the clean transportation components of the final budget can be found [here](#).

California is an extreme drought this year, and the May Revision also includes \$2.8 billion over four years (\$700 million in 2021-22) to improve the state's **water** infrastructure and drought resistance. This funding would be used to provide safe drinking water, build water supply reliability, improve flood protection, and provide immediate drought support, among other proposals. The May Revision also includes \$350 million General Fund over two years to increase resiliency to increasing **extreme heat** events as a result of climate change. Extreme heat makes drought conditions worse and increases the risk of wildfires. From 1987 to 2016, extreme heat days and nights increased by 7 and 21 days per year, respectively, in California.

The May Revision also includes \$905 million General Fund (\$912 total funds) to accelerate the state's progress toward its **clean energy** goals and reduce climate change-causing emissions from energy production and use. This includes \$350 million for long duration storage projects, \$250 million for energy efficiency in the industrial sector, among other components. The May Revision also includes \$290 General Fund to support various **agricultural** programs, including climate smart agriculture, drought resiliency, fund alternatives to agricultural burning, and support conservation planning. Lastly, the budget includes \$300 million one-time General Fund to accelerate the cleanup of contaminated properties in communities impacted by **toxic chemical sites**.

CLIMATE KEY FACTS

- ➔ **California's Climate Vulnerabilities:** Of the 20 most destructive fires in state history, 19 of them occurred within the last 30 years and 10 since 2015
 - ▶ Coast: Nearly 75% of California's population lives in coastal counties, and the ocean and coast contributed \$41.9 billion to the state's GDP and 515,000 jobs in 2014 (latest year data available)
 - ▶ Transportation: Climate change impacts from sea level rise and coastal erosion are imminent threats to the state's transportation network, which is critical for emergency response
- ➔ **Challenges Remain:** While California hit its first climate goal four years early, major reductions are needed to hit its next goal in 2030
 - ▶ The largest share of the state's emissions come from the transportation sector, which hit an all-time high of 41% of total emissions in 2017, and vehicle miles traveled continues to increase
- ➔ **Funding to Date** Provides resource management and wildland fire protection services covering 31 million acres through 234 state fire stations (and staff 568 local stations that are funded by local governments)
 - ▶ Cal Fire employs over 6,100 full-time fire professionals, foresters, and administrators; 2,600 seasonal firefighters; 2,750 local government volunteer firefighters; 600 Volunteers in Prevention
- ➔ **Fire Camps:** As of October 2019, over \$12 billion has been allocated from the GGRF for various climate-related programs
 - ▶ The largest amount (\$2.7 billion) has gone to high-speed rail, followed by low carbon transportation (\$2.2 billion) and affordable housing and sustainable communities (\$1.9 billion)

*Data from the 2021-22 May Revision & final budget, and LAO unless otherwise specified.

Learn more & try your hand at the California Budget Challenge @ www.budgetchallenge.org