



March 31, 2025

The Honorable Ben Allen
Chair, Senate Budget Subcommittee No. 2
1020 N. Street, Room 502
Sacramento, CA 95814

The Honorable Steve Bennett
Chair, Assembly Budget Subcommittee No. 4
State Capitol, Room 447
Sacramento, CA 95814

RE: Budget Subcommittees No. 2 and No. 4 related to Climate, Resources, Environmental Protection, and Energy: 2025-26 Proposed Budget

Dear Senator Allen and Assemblymember Bennett,

The League of California Cities (Cal Cities) is pleased to share our perspectives on the climate, resources, environmental protection, and energy budget items as proposed in the Governor's 2025-26 Proposed January Budget. Cal Cities is appreciative of your leadership in championing the passage of Proposition 4 (Prop. 4), the \$10 billion Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 and for your role as budget subcommittee chair to elevate environmental investments in the state's budget. Cal Cities was a part of the Yes on Proposition 4 Campaign, alongside a broad coalition of organizations that support achieving the climate bond's goals. We will need your Legislative oversight to ensure funds are administered consistent with how voters approved the initiative.

Prop. 4 was intended to provide new dedicated funding for climate resiliency projects, in addition to what the state and local governments have already invested to build resilience in communities impacted by climate change. However, we write to express our concerns regarding the Governor's proposed budget, specifically the plan to backfill \$273 million in General Fund commitments with Prop. 4 funds. Specifically, the programs proposed for backfill will reduce the amount of monies available to cities and other local agencies who can leverage this funding. The program areas where funding should be restored include:

- Water Recycling (SWRCB) – \$51 million
- Dam Safety (DWR) – \$47 million
- Systemwide Flood Risk Reduction (DWR) – \$15 million
- Wildfire and Forest Resilience of State-owned Lands (Parks) – \$68 million
- Home Hardening (CalOES) – \$13 million
- Extreme Heat Mitigation Community Resilience and Heat Program (LCI) – \$15 million
- Watershed Climate Resilience (WCB) – \$32 million
- Park Creation and Outdoor Access Deferred Maintenance (Parks) – \$14 million
- Clean Energy Demand-Side Grid Support Program (CEC) – \$50 million¹

¹ Of the \$50 million of Prop. 4 funding proposed in the Governor's January Budget for Clean Energy Demand-Side Grid Support Program, approximately \$18 million is proposed to backfill General Fund monies and \$32 million to backfill Greenhouse Gas Reduction Fund monies, according to the Legislative Analysts Office.



We respectfully urge the Legislature to reject this proposed shift and ensure that Prop. 4 funds are used as intended based on the public's backing of the initiative. Not only would restoring Prop. 4 funding to its original intent reinforce to voters the state's commitment to implement the measure responsibly, but it would continue to support many cities and local agencies who are looking to this funding as additional investments for climate resilience projects.

We also recognize that the Prop. 4 funding should be administered as expeditiously as possible. Cal Cities supports the Governor's proposed trailer bill language, which includes an exemption from the Administration Procedures Act (APA) to provide assurances that implementation will occur efficiently.

Cal Cities continues to support the following as key investments in Prop. 4 to be appropriated during early implementation over the next several years:

- Safe drinking water infrastructure, including investments for PFAS remediation, flood management, water recycling, stormwater management, groundwater replenishment, and water conservation
- Wildfire mitigation, prevention, home hardening, and forest health
- Coastal resilience, and sea level rise mitigation and adaptation
- Transformation climate community, extreme heat and community resilience centers, urban greening, and fairground modifications as resilience centers
- Wildlife habitat and biodiversity, and sustainable agricultural infrastructure
- Outdoor and recreational access to parks, and safe neighborhood parks
- Off-shore wind and clean energy transmission investments

Thank you for your consideration of this request. Cal Cities looks forward to continuing to work with you to ensure Prop. 4 is successfully implemented in the years to come. If you have any follow up questions, please contact Legislative Advocate Melissa Sparks-Kranz at msparkskranz@calcities.org or 916-658-8232.

Sincerely,

A handwritten signature in blue ink that reads "Melissa L. Sparks-Kranz".

Melissa Sparks-Kranz
Legislative Advocate
League of California Cities

cc: Members, Senate Budget Subcommittee No. 2
Members, Assembly Budget Subcommittee No. 4
Joanne Roy, Consultant, Senate Budget Subcommittee No. 2
Emilye Reeb, Consultant, Senate Republican Caucus
Christine Miyashiro, Consultant, Assembly Budget Subcommittee No. 4
Brent Finkel, Consultant, Assembly Republican Caucus