



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

August 23, 2017

The Honorable Bob Wieckowski
Chair, Senate Budget Subcommittee
No. 2 on Resources, Environmental
Protection, Energy & Transportation
State Capitol, Room 4085
Sacramento, CA 95814

RE: 2017-18 Cap-and-Trade Expenditure Plan

Dear Senator Wieckowski:

On behalf of the Rural County Representatives of California (RCRC), I am writing with our recommendations for specific components of the 2017-18 Cap-and-Trade Expenditure Plan. Specifically, RCRC would like to strongly urge significant allocations to the California Department of Forestry and Fire Protection (CAL FIRE) and the Sierra Nevada Conservancy from the Greenhouse Gas Reduction Fund (GGRF) for forest health programs, exclusive of urban forestry and urban greening, which would fund programs of great importance to California's rural communities that also impact Californians statewide. RCRC would also request a reconsideration of what defines a "disadvantaged community" in order to provide a more equitable distribution of those funds throughout the State's disadvantaged and low-income areas. RCRC is an association of thirty-five rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from those member counties.

Forest Health

RCRC believes that it is imperative to California's greenhouse gas emissions reductions goals that the State commit to a significant investment in the health of our forests. In addition to California's yearly wildfire season, which has increased significantly in severity and acreage burned over the past two decades, investments in forest health and restoration projects from the GGRF are even more vital in light of the current tree mortality emergency, where pest infestation has resulted in massive tree die-off in some of California's most critical forested areas. The tree mortality problem is so urgent that Governor Brown issued an Emergency Proclamation in October 2015 to implement actions to mitigate the impacts of the pest infestation. At that time, the USDA Forest Service estimated that 22 million trees in California were already dead, with tens of

1215 K Street, Suite 1650, Sacramento, CA 95814 | www.rcrcnet.org | 916.447.4806 | Fax: 916.448.3154

millions of additional trees in danger of succumbing to the infestation. In twenty months' time, we have seen 80 million more trees die off in our forests, and the University of California Berkeley estimates that this catastrophic mortality event has already eliminated nine percent of the State's live vegetation carbon storage.¹ Without significant investment in the management of both the already-dead trees and the remaining healthy forested lands, the mortality will continue to spread and the dead trees will ultimately exacerbate the State's GHG emissions in one of several ways: they will either contribute to high-severity wildfire emissions; remain in the forests and continue to decay; or be piled and burned due to lack of sufficient climate-friendly infrastructure such as biomass facilities.

The State's forested lands also provide the vital co-benefit of protecting the quality and quantity of our State's water supply, which largely originates in our forested watersheds. In fact, sixty percent of California's developed water supply originates in the Sierras alone², making investments in forest health even more crucial as we face uncertain precipitation conditions from year-to-year due to our changing climate. The health of our forests is also essential to maintaining wildlife habitat and providing urban residents with recreational opportunities not available in their own communities. And while we have had high levels of precipitation this year, it can take several years for forests to recover from severe drought conditions like what we have seen in California, especially when we have no guarantee from year-to-year that drought conditions will not return due to our changing climate.

RCRC would recommend an investment of at least \$100 million in our forest and watershed management in order to help restore California's forests to a more historically healthy condition.

Disadvantaged Communities

RCRC continues to advocate on behalf of California's rural low-income communities for greater consideration in allocation of GGRF and other grant funding programs. One way to ensure these communities are more equitably considered is to expand the definition of "disadvantaged communities" (DACs) used to satisfy Senate Bill 535 (De León, 2012). The current definition allows the California Environmental Protection Agency to utilize its California Environmental Health Screening Tool (CalEnviroScreen) to score communities based on a combination of pollution and socioeconomic factors. By utilizing CalEnviroScreen, which was not developed for use in this type of application, the definition effectively denies thirty California counties any chance to see those earmarked funds used for projects benefiting their communities. Many of the excluded counties contain forested communities that are severely socioeconomically disadvantaged and considered DACs under other definitions. Rural

¹ Battles, John. "Adaptation on Natural and Working Lands." California Climate Change Symposium. Sacramento, CA. 25 Jan. 2017

² Sierra Nevada Conservancy. (2013) Sierra Nevada Water Facts [Fact Sheet]. Retrieved from <http://www.sierranevada.ca.gov/our-region/ca-primary-watershed/factsheets/nov2013waterfactsheet.pdf>.

communities also generally have fewer resources to compete against urban and suburban projects for the remaining funds not reserved for DACs. The result has been citizens living in these rural areas receiving little State investment from a program that should benefit Californians statewide.

Greater cause for concern is the growing trend of allocating an even larger portion of the fund to DACs as defined by CalEnviroScreen than what was required in SB 535. The Governor's January proposed Cap-and-Trade Expenditure Plan invested nearly 50 percent of the GGRF in DACs, which leaves little room for investment in low-income, rural communities dealing with such climate-related issues as wildfire and tree mortality—profound climate change factors that are not considered in CalEnviroScreen. RCRC has great concerns with the increased use of the CalEnviroScreen DAC definition in legislative measures that establish grants and other programs that have no connection to the GGRF or air quality, and the tremendous impact that could have on the competitive ability of California's low-income, rural communities.

For the sake of statewide equity, RCRC advances for your consideration of including the following language in the Plan amending section 39711 of the Health and Safety Code:

39711(a) The California Environmental Protection Agency shall identify disadvantaged communities for investment opportunities related to this chapter. These communities shall be identified based on geographic, socioeconomic, public health, or environmental hazard criteria, and may include, but are not limited to, any of the following:

(1) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.

(2) Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.

(3) Areas identified by the California Environmental Protection Agency as containing predominantly low income households. For purposes of this section, "low-income households" are those with household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Developments' list of state income limits adopted pursuant to Section 50093.

(4) Areas consisting of census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093.

(b) The California Environmental Protection Agency shall hold at least one public workshop prior to the identification of disadvantaged communities pursuant to this section.

(c) Chapter 3.5 (commencing with Section 11340) of the Part 1 Division 3 of Title 2 of the Government Code does not apply to the identification of disadvantaged communities pursuant this section.

If you should have any questions or concerns regarding RCRC's recommendations on the Cap-and-Trade Expenditure Plan, please do not hesitate to contact Mary-Ann Warmerdam at mwarmerdam@rcrcnet.org or Staci Heaton at sheaton@rcrcnet.org. Both can also be reached at (916) 447-4806.

Sincerely,



STACI HEATON
Regulatory Affairs Advocate



MARY-ANN WARMERDAM
Senior Legislative Advocate

cc: Members of the Senate Budget Subcommittee No. 2 on Resources, Environmental Protection, Energy & Transportation