

- 1) CAL FIRE estimates staff workload costs of approximately \$1.4 million in year one, \$1.6 million in year two, and \$1.5 million annually thereafter (GGRF) to hire three analysts, three foresters (at different classifications), and one environmental scientist to establish and implement the Program.
- 2) By requiring CAL FIRE to use at least 10% of its GGRF funding to implement the Program, this bill creates ongoing cost pressures of an unknown amount on the department's GGRF allocation to the extent the proposed set-aside in the bill diverts resources away from projects that would otherwise have received funding from the department. According to CAL FIRE, its grant programs are consistently oversubscribed.
- 3) The Air Resources Board (ARB) estimates ongoing annual staff workload costs of approximately \$391,000 (GGRF) to assist with bill implementation. Current law requires ARB to develop quantification methodologies and reporting materials and provide ongoing guidance for agencies administering GGRF programs. ARB is also responsible for conducting outreach in disadvantaged communities, including within lands under the control of federally recognized tribes, to inform community members about investment opportunities. ARB contends it could not absorb within existing resources the workload necessary to perform these tasks for the Program.

As part of the Governor's proposed budget for fiscal year (FY) 2026-27, ARB has submitted a budget change proposal (BCP) requesting approximately \$3.6 million and 10 positions in FY 2026-27 and ongoing (GGRF and Cost of Implementation Account) to implement the updated regulations and program requirements for the reauthorized cap-and-invest program. It is not clear if ARB could utilize a portion of these resources for implementation of this bill, should the Legislature approve its BCP.

COMMENTS:

- 1) **Purpose.** According to the author:

AB 1891 sets aside 10% of the Greenhouse Gas Reduction Fund allocated to CalFire for wildfire resiliency and forest health to support beneficial fire, with 25% of that dedicated specifically to tribes and tribal organizations. Beneficial fire has been a proven practice utilized by California's first peoples for thousands of years. The evidence is clear, beneficial fire projects help our ecosystems foster biodiversity, reduce wildfire risk, and preserve natural habitats and forests. It is time we expand these practices and give California another tool to help make our state more resilient to wildfires and natural disasters.

- 2) **Background. Beneficial Fire.** Governor Newsom issued multiple executive orders in 2015 to expand, streamline, and expedite the state's use of beneficial fire, also known as prescribed burns and cultural fire. As detailed by the administration, expanding the use of beneficial fire reduces risks of large, catastrophic wildfires and restores California's fire-adapted and fire-dependent ecosystems. The Governor's Wildfire and Forest Resilience Task Force issued California's Strategic Plan for Expanding the Use of Beneficial Fire in 2022 that set an ambitious state and federal goal to treat up to 400,000 acres with beneficial fire annually by 2025. California's Nature-Based Solutions Climate Targets issued in April 2024 set a target of applying beneficial fire to 1.5 million acres per year by 2045. Over the past

several years, the Legislature has made significant investments in wildfire resilience ranging from fire prevention projects to forest health programs to home hardening grants.

Funding. Since 2014, the Legislature has appropriated billions of dollars in climate investments funded by auction proceeds from the state's cap-and-invest program, deposited into GGRF. SB 901 (Dodd), Chapter 626, 2018, allocated \$200 million annually to CAL FIRE from GGRF through FY 2023–24, including \$35 million to complete prescribed fire and other fuel reduction projects through proven forestry practices consistent with the recommendations of the Forest Carbon Plan. SB 155 (Committee on Budget and Fiscal Review), Chapter 258, Statutes of 2021, extended SB 901's continuous appropriations to CAL FIRE through FY 2028-29 for those same forest health, fire prevention, and fuel reduction projects.

As part of the 2025 bill package that extended the state's cap-and-invest program, SB 840 (Limón), Chapter 121, Statutes of 2025, made various modifications to the allocation of GGRF revenues starting in FY 2026-27. SB 840 maintained the existing funding level (\$200 million) for the wildfire and forest resilience funding but removed the sunset. SB 840 also changes the order in which the GGRF statutory allocations are to be made each year. SB 901 funding is in tier three. If GGRF funding is insufficient to fully support the statutory amounts for all the programs enumerated in SB 840 and pay for state administrative costs, then the legislation directs the Department of Finance to reduce the statutory allocations in this third category (including wildfire and forest resilience funding) proportionately.

As part of the Governor's budget for FY 2026-27, the administration has proposed trailer bill language (TBL) to strike the earmarked percentages enacted pursuant to SB 155 for forest projects and prescribed fire and instead allocates CAL FIRE's \$200 million for any project listed. This bill – which conflicts with the TBL – requires CAL FIRE to use no less than 10% of its continuously appropriated funding from GGRF to implement the Program.

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