



March 25, 2014

The Honorable Richard Bloom
Chair, Budget and Fiscal Review Subcommittee No. 3
State Capitol, Room 2179
Sacramento, CA 95814

RE: Cap and Trade Revenues

Dear Assembly Member Bloom:

On behalf of the thirty-four member counties of the Rural County Representatives of California (RCRC), I write to offer our support for specific components of and recommendations on the Governor's proposal regarding the expenditure of the revenues expected to be generated by the cap and trade auctions.

While we support using cap and trade funds for transportation projects, the only realistic way rural communities will benefit is if some of those funds are carved out specifically for rural communities use. Historically, any grant funding available for air quality improvement projects is distributed on the basis of which projects can get the most emissions reductions for the money. This puts rural communities at a disadvantage because large urban counties already have infrastructure and contracts in place that give them an economic advantage in applying for these types of funds. In addition, twenty-one California counties are not included in metropolitan planning organizations therefore those counties will receive little to no benefit from any funding granted for regional projects. Since only four RCRC counties have been determined to contain areas that qualify as disadvantaged communities under CalEnviroScreen, as opposed to 19 counties under the Public Resources Code definition, the most economically challenged counties will be all but shut out of this funding.

Beyond the transportation sector, we would like to express our strong support for the proposed funding allocation to CALFIRE. Wildfires, such as last year's devastating Rim Fire, are quickly decimating our state's carbon sequestration capacity, water quality, and air quality. Unfortunately, the drought we now face will only exacerbate this situation, further worsening an already bleak fire picture for the state. Fire prevention and forest restoration projects must be considered a priority in California's strategies to reduce carbon emissions.

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We also continue to urge the state to allot cap and trade funds in future budgets to the Sierra Nevada Conservancy for restoration, fuels treatment, and biomass utilization projects on the national forests. The U.S. Forest Service (USFS) manages a full twenty percent of California's total land mass, with more than seventy percent of that land residing within RCRC member counties. Funding continues to be a major roadblock in USFS attempts to increase the pace and scale of forest restoration and management projects, and management of the national forests is not only paramount to carbon sequestration and prevention of wildfire emissions, but vital to the state's climate adaptation strategies.

Finally, we also urge the state to consider investing a portion of the funds to Williamson Act subventions. Williamson Act, if funded, could prove a vital tool in preserving agricultural lands and maintaining or even boosting carbon sequestration potential. While counties are still honoring current contracts, there are a number of counties considering termination of their Williamson Act contracts absent state funding for the program due to fiscal pressures on their General Fund budget for public safety and other needed programs in the county.

If you should have any questions or concerns regarding RCRC's position on this item, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Cyndi B. Hillery".

Cyndi B. Hillery
Legislative Advocate

cc: Members, California State Assembly