

The 2022-23 Budget: Clean California Local Grant Program

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Summary. The Governor’s budget proposes \$100 million General Fund in 2023-24 (budget-year-plus-one) to support an additional year of local litter abatement and beautification grants administered by the California Department of Transportation (Caltrans). We recommend the Legislature reject this proposal given that it is premature to expand grants before data on project outcomes are available from the grants funded in the current and budget years.

Background

Clean California Initiative Includes Funding for Local Litter Abatement and Beautification Projects. The 2021-22 budget package included a total of about \$1.1 billion General Fund over a three-year period for the Clean California Initiative—specifically, \$475 million in 2021-22 and 2022-23 and \$146 million in 2023-24. The primary goal of the initiative is to increase litter abatement efforts by Caltrans and local entities and to support state and local beautification projects.

As shown in **Figure 1**, the funding for the initiative supports four different activities. This includes \$148 million in 2021-22 and 2022-23 (\$296 million over the two years) for a new competitive program—Clean California Local Grant Program (CCLGP)—administered by Caltrans to support local litter abatement and beautification projects on streets and roads, tribal lands, parks, transit centers, and other public spaces. Caltrans issued a call for projects in December 2021 and intends to award the full \$296 million for CCLGP in March 2022. The amount awarded is expected

to provide roughly 200 grants, with a maximum award for each grant set at \$5 million. All funded projects are required to be completed by June 30, 2024.

Caltrans Required to Submit Report on Project Outcomes. Budget trailer legislation adopted as part of the 2021-22 budget package—Chapter 81 of 2021 (AB 149, Committee on Budget)—requires Caltrans to report to the Legislature on the outcomes of CCLGP projects, as well as state beautification projects, as part of the 2022-23 and 2023-24 budgets. The reports shall include information on the amount of litter collected, the locations of projects, and the types of activities funded.

Governor’s Proposal

Proposes Funding for CCLGP in 2023-24. The Governor’s budget proposes \$100 million from the General Fund in 2023-24 for CCLGP. This would provide an additional year of funding for the program after the budget year. We estimate this would support roughly 70 additional grants.

Figure 1

Recently Approved Funding For Clean California Initiative

(In Millions)

Activity	2021-22	2022-23	2023-24
Clean California Local Grant Program	\$148	\$148	—
State beautification projects	144	144	—
Caltrans litter abatement	139	139	\$139
Administrative support	28	28	7
Public education campaign	17	17	—
Totals	\$475	\$475	\$146

Caltrans = California Department of Transportation.

Assessment

Proposal Requests Additional Funding for Grants Before Project Outcome Information Is Available. As mentioned earlier, Caltrans is statutorily required to report on key project outcomes of CCLGP as part of the 2022-23 and 2023-24 budgets. Given that CCLGP is a new program, the reported outcomes are intended to provide the Legislature with information on how effectively the program met its core objectives, which could then be used to guide future funding decisions. The Governor's proposal requests additional funding before the reporting requirements are completed, making it difficult at this time for the Legislature to assess the merits of providing funding to expand the program in budget-year-plus-one.

The administration indicates that it will submit a report to the Legislature this spring that will provide an update on state beautification and CCLGP projects. However, this report likely will not provide sufficient information for the Legislature to determine whether additional funding for

CCLGP is warranted. This is because the report will be released soon after grants are awarded and will only be able to provide a high-level overview of awarded projects and estimated outcomes. Before determining whether to fund additional grants, we find that it will be important for the Legislature to have data on outcomes from completed projects. This information likely will become available as projects near their required June 2024 completion date.

Recommendation

Reject Additional Funding for CCLGP Until More Data on Project Outcomes Are Available. We recommend the Legislature reject the Governor's proposal to provide an additional \$100 million for CCLGP in 2023-24. As mentioned above, the program already will receive \$148 million in the budget year. Expanding the program an additional year before data on project outcomes are available is premature. Based on the reported outcomes, the administration could request the additional funding proposed for 2023-24 as part of the budget process for that year.

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This post was prepared by Frank Jimenez and reviewed by Anthony Simbol. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.