

**AGENDA**  
**ASSEMBLY BUDGET SUBCOMMITTEE NO. 3**  
**NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION**

**ASSEMBLYMEMBER FRAN PAVLEY, CHAIR**

**WEDNESDAY, APRIL 3, 2002**  
**STATE CAPITOL, ROOM 127**  
**8:00 A.M.**

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## **0540 SECRETARY FOR RESOURCES**

The Resources Agency, through its various departments, boards, commissions, and conservancies, administers programs that conserve, preserve, restore and enhance the rich and diverse natural resources of California. The Secretary for Resources, a member of the Governor's Cabinet, is responsible for administering programs and policies governing the acquisition, development and use of the State's resources to attain these objectives.

The Resources Agency consists of the Departments of Forestry and Fire Protection, Conservation, Fish and Game, Boating and Waterways, Parks and Recreation, and Water Resources; the State Lands Commission; the Colorado River Board; the San Francisco Bay Conservation and Development Commission; the State Reclamation Board; the Energy Resources Conservation and Development Commission; the Wildlife Conservation Board; the Delta Protection Commission; the California Conservation Corps; the California Coastal Commission; the State Coastal Conservancy; the California Tahoe Conservancy; the Santa Monica Mountains Conservancy; the Coachella Valley Mountains Conservancy; the San Joaquin River Conservancy; San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy; Baldwin Hills Conservancy; and the Special Resources Program.

### **ISSUE 1: SEA GRANT PROGRAM**

The Governor's proposed 2002-03 budget is requesting a \$700,000 reduction to the General Fund support for this program. This reduction would provide \$200,000 support for the program. This reduction would reflect a \$900,000 General Fund reduction to this program since the 2000-01 budget year.

#### **BACKGROUND:**

This program provides state assistance to the University of California and University of Southern California. These funds are the necessary matching funds for selected projects under the federal Sea Grant Program. The Sea Grant Program in California encourages research and education in the fields of marine resources and technology.

#### **COMMENTS:**

The Subcommittee withheld action on this item during the first hearing of the Resources Secretary's budget.

## **3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

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The California Department of Forestry and Fire Protection (CDF) protects the people of California from fires, responds to emergencies, and protects and enhances forest, range, and watershed values, providing social, economic, and environmental benefits to rural and urban citizens. The Department of Forestry and Fire Protection's objectives are intended to:

- Protect the lives, property, and natural resources of the people of the State of California, while maintaining the health and safety of its workforce;
- Contain costs and losses due to wildfire through improved prevention of damaging fires and the optimization of its initial attack fire suppression organization;
- Streamline its operational and regulatory functions regarding forest practices and vegetation management practices on wildlands; and
- Optimize the cost-effectiveness of the services provided through partnerships and cooperative agreements with all levels of government and the private sector.

The Department of Forestry and Fire Protection provides fire protection services for some local governments on a cost reimbursement basis. Departmental employees and equipment provide emergency response services for floods, earthquakes, and hazardous material spills, and other non-fire emergencies as part of the California Emergency Plan. The Department of Forestry and Fire Protection also provides protection of lives and property through the development and application of fire prevention engineering, enforcement and education.

### **ISSUE 1: EMERGENCY FIRE SUPPRESSION FUND (E-FUND)**

The Administration is proposing the elimination of General Fund set-asides to the E-Fund. This reflects a \$55 million savings to the General Fund. The E-Fund would be replaced by authorization from the Director of Finance to expend funds from the reserve for economic uncertainties, based on fire suppression costs reported quarterly by the department.

#### **BACKGROUND:**

The Department has funded the E-Fund in the Current Year (CY) at \$55 million (General Fund). Actual emergency fire suppression costs in 1999-00 and 2000-01 exceeded \$100 million and 2001-02 costs are expected to exceed this amount as well. While having the E-Fund from which to draw temporarily allows for the Department to make payments associated with emergency fire suppression, it creates a problem when expenditures eclipse the E-Fund amount. The Department is unable to make payments to vendors in excess of the E-Fund amount until the Legislature passes deficiency legislation to authorize the funds.

**COMMENTS:**

This proposal would characterize yearly emergency fire suppression activities in the same way the state deals with catastrophic emergencies such as floods and earthquakes, rather than attempting to budget a specific "guessed-at" amount. In recent budget history, the E-Fund amount budgeted has been insufficient to cover necessary emergency fire suppression costs. According to the LAO annual costs have consistently been greater than \$35 million during the last decade, averaging \$70.5 million over this period.

The 2001-02 Budget began the fiscal year with a reserve of \$2.596 billion. The Legislative Analyst's Office (LAO) estimates the CY reserve will be \$12 million at the end of the fiscal year. The Governor's 2002-03 proposed budget includes a \$511 million reserve. The Legislature will need to ensure that the reserve for economic uncertainties contains a sufficient balance to cover the certainty of these fire costs, as they will increase the demand on the reserve.

The LAO has noted concern regarding this proposal and should present the Subcommittee with specific problems that they see. Specifically, the LAO had raised issue with the authority this proposal gives to the Director of Finance to approve deficiency expenditures for emergency fire suppression activities without advance notification to the Legislature.

The Subcommittee may wish to consider altering the proposed budget bill language to provide for stronger legislative oversight.

**ISSUE 2: STATE RESPONSIBILITY AREA ACTIVITY REIMBURSEMENT**

The budget proposes a \$20 million General Fund reduction in day-to-day firefighting costs by increasing reimbursements from local governments by a like amount. The Department continues to work on the details of this proposal.

**BACKGROUND:**

CDF is responsible for fire protection on approximately one-third (31 million acres) of California's lands. The lands for which CDFFP is responsible are mostly privately owned forestlands, watersheds, and rangelands referred to as "state responsibility areas" or SRAs. The SRA lands must be designated by the Board of Forestry and must be covered wholly or in part by timber, brush, or other vegetation that serves a commercial purpose (such as rangeland or timber harvesting) or that serves a natural resource value (such as watershed protection). There can be several different types of landowners in SRAs, such as timber operators, rangeland owners, and owners of individual residences. However, CDFFP is not responsible for the protection of structures in SRAs.

**COMMENTS:**

**LAO Recommendations.** The LAO urges the Legislature not to adopt the proposal until the Department provides a plan for recovering the costs. The Department has indicated they have convened a stakeholder group but have not yet developed a proposal.

The LAO urges the Legislature to consider enactment of fire protection fees on property owners who directly benefit from these services. They suggest three specific fee mechanisms including a timber harvest tax dedicated to fire protection, a per-acre assessment on SRAs, and a surcharge on all improved lots in SRAs.

This proposal has the potential for placing an additional un-funded burden on local agencies, or possibly creating a situation that disrupts the concept of "mutual aid" between State and local emergency response agencies.

**Local Concerns.** The counties of Kern, Los Angeles, Marin, Orange, Santa Barbara, and Ventura provide fire protection under contract to the Department. These counties proved initial response to the fires on SRAs. When a wildland fire escapes the initial attack, the Department responds to assist in fire suppression.

The wildland urban intermix has become the most difficult problem facing rural and wildland fire agencies in the United States. Recent evidence of destruction of natural resources, life and property by fast spreading conflagrations in California's wild-lands and rural areas are clear evidence that the potential for fire caused disasters is expanding.

The counties assert that this "fund-shift" to their local governments will result in a cut back in services. They concede that a long-term solution might include federal fire agencies paying the state a "standby" fee, and a restructuring of responsibilities between the state and local fire protection agencies. There is a real question about whether this can be done in the next few weeks.

### ISSUE 3: ADDITIONAL DEPARTMENTAL PROPOSALS

- \$200,000 reimbursement authority for pre-fire expenses associated with fire crew activities.
- \$690,000 (federal funds) for contracts to reduce fire fuels and for the utilization of this fuel in biomass production of electricity. This proposal includes out-year costs of \$310,000 (federal funds).
- \$2,800,000 (Forest Resources Improvement Fund) reduction in expenditures through redirection of costs or reductions.
- \$1,394,000 (General Fund) reduction to various contracts and staff positions.

#### COMMENTS:

These proposals reflect expenditures consistent with the mission and responsibility of the Department, as well as necessary reductions to maintain Departmental priorities in the face of the current economic uncertainties.

### ISSUE 4: LAND RECORD INFORMATION PROJECT

The budget includes \$415,000 to continue the second year of a two year (2001-02 and 2002-03) project, the Land Record Information (LRI) Project. The LRI project proposes to standardize land record information (such as assessed value, owner's name, and development status) for each parcel of land in the state. Generally, this information is currently collected and stored at the local level.

#### BACKGROUND:

During the current year, the project intends to conduct a study of how land record information can be used by various state agencies. In addition, the project will develop standards to be used in the collection of statewide parcel data.

#### COMMENTS:

Due to the current fiscal uncertainties, the Subcommittee may wish to consider capturing the General Fund dollars for this proposal.

### ISSUE 5: TIMBER HARVEST PLAN FEES

The LAO recommends the enactment legislation that would provide CDF with the authority to impose timber harvest plan (THP) fees. CDF and other agencies reviewing and enforcing THPs currently do not have the authority to charge fees for their costs associated with these activities.

The state regulates the harvesting of timber on nonfederal lands in California under the Forest Practice Act. Specifically, timber harvesting is prohibited unless harvest operations comply with a THP prepared by a registered professional forester and approved by the Director of CDF. The THP covers such matters as harvest volume, cutting method, erosion control, and wildlife habitat protection.

Timber harvest plans are reviewed by multiple state agencies in addition to CDF including the Departments of Conservation, Fish and Game, and the State Water Resources Control Board (SWRCB). For example, SWRCB is responsible for reviewing the impact of a THP on water quality. The review process can include initial desk reviews, preharvest inspections, inspections during harvesting, and inspections after harvesting is completed.

#### COMMENTS:

The Subcommittee may wish to look at possible options for fees associated with THPs. While the LAO has identified several options for fees, additional staff work is necessary to identify options suitable for a proposal.



## **3600 DEPARTMENT OF FISH AND GAME**

The Department of Fish and Game maintains native fish, wildlife, plant species and natural communities for their intrinsic and ecological value and their benefits to people. This includes habitat protection and maintenance in a sufficient amount and quality to ensure the survival of all species and natural communities. The department is also responsible for the diversified use of fish and wildlife including recreational, commercial, scientific and educational uses.

### **ISSUE 1: GENERAL FUND REDUCTIONS, FUND SHIFTS AND FUND SWEEPS**

The Governor's 2002-03 budget includes various reductions and changes to the General Fund and Special Fund support for Departmental activities.

The major proposed changes include:

- Sweeping \$8.0 million from the Salmon and Steelhead Trout Restoration Account to the General Fund. This is proposed to be back-filled by Proposition 40 funds;
- Shifting \$2.2 million of General Fund to support the Marine Life and Marine Reserve Management Account. With declining Tideland Oil Revenue, there would be insufficient funds to provide the \$2.2 million required by Chapter 326, Statutes of 1998 (AB 2784, Strom-Martin);
- Reducing \$975,000 (General Fund) for payment to counties of in-lieu fees;
- Reducing \$2,132,000 (General Fund) for review of California Environmental Quality Act (CEQA) documents. This will reduce the Department's overall review of documents from 38% to 10%;
- Reducing \$1,000,000 (General Fund) local assistance grants to the Natural Community Conservation Planning (NCCP) activities; and
- Shifting \$145,000 for wetlands mapping from the General Fund to the Environmental License Plate Fund.

### **COMMENTS:**

The shifting of funds from the Marine Life and Marine Reserve Management Account is consistent with a proposal in the State Land Commission's budget to alter the structure of funding from Tideland Oil Revenues. The details of that proposal will be heard when the Subcommittee takes up the State Lands Commission's budget.

In the 2000-01 Budget Act provided \$2.132 million specifically to increase the percentage of CEQA documents being reviewed. This proposal would take that amount back down to the historically low level.

**ISSUE 2: GENERAL FUND REDUCTIONS: CALFED**

The Governor's 2002-03 budget proposes a \$1,174,000 General Fund reduction to the CALFED Bay-Delta Program. This Subcommittee has set all CALFED budget change proposals and issues for hearing on April 17. This item will be put over until that time.

**ISSUE 3: ADDITIONAL DEPARTMENTAL PROPOSALS**

- \$506,000 (General Fund) in 2002-03 and \$724,000 in 2003-04 for the completion of lead abatement efforts at DFG residential facilities.
- \$100,000 (Proposition 12) in contract funds for the Yolo Wildlife Area Pacific Flyway Center Management Plan.

**COMMENTS:**

These proposals are consistent with the responsibilities of the Department and provide for continued activities.

**ISSUE 3: SUPPLEMENTAL REPORTS LATE**

In the *Supplemental Report of the 2001 Budget Act*, the Legislature required three reports from DFG. These reports were due February 1, 2002. To date, these reports have not been received. The specific required reports included:

- **Fisheries Restoration Grant Program.** The Department of Fish and Game shall report to the Legislature by February 1, 2002, on how it plans to streamline the evaluation process for the Fisheries Restoration Grant Program (FRGP). The report should identify how much time will be saved in the evaluation process by implementing the streamlining recommendations.
- **California Environmental Quality Act Requirements.** The Department of Fish and Game shall report to the Legislature, by February 1, 2002, on how it will meet its California Environmental Quality Act requirements for the FRGP. The report shall provide an analysis justifying why the selected approach is the most appropriate to take, including its costs and benefits.
- **Evaluation Plan.** The Department of Fish and Game shall submit to the Legislature by February 1, 2002, an evaluation plan for the FRGP. The plan shall include the methodology to be used to evaluate various types of projects funded by FRGP. It shall also identify the staffing levels which the department deems necessary to conduct project evaluations using the identified methodology.

**COMMENTS:**

During the 2001-02 Subcommittee process, the Assembly reduced the Department's budget by \$300,000 (unallocated) in response to 1 late report. These funds were eventually restored after the report was received. The Subcommittee should consider a similar action for each of these late reports.

## **3640 WILDLIFE CONSERVATION BOARD**

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The Wildlife Conservation Board (WCB) was established within the Department of Fish and Game to administer a capital outlay program for wildlife conservation and related public access pursuant to the Wildlife Conservation Act of 1947. The Board conducts or oversees investigations and studies to determine the areas within the State considered most essential for wildlife production and preservation, and which will provide compatible recreational opportunities. The Board develops fishing piers and fishing access sites at lakes, on the ocean, and along the State's waterways and aqueducts. The Wildlife Protection Act of 1990 (Proposition 117) was implemented in order to provide a long-term funding mechanism to provide for the preservation and enhancement of California's diverse wildlife and habitats.

### **ISSUE 1: GENERAL BOARD PROPOSALS**

- \$500,000 (Wildlife Restoration Fund) for public access acquisition and development projects.
- \$21,000,000 (Habitat Conservation Fund) for acquisition and restoration of habitat.
- \$74,000 (General Fund) reduction pursuant to the Administration's request for a 15% General Fund reduction.

### **COMMENTS:**

These proposals reflect expenditures consistent with the mission and responsibility of the Board, as well as necessary reductions to maintain priorities in the face of the current economic uncertainties.

**ISSUE 2: MERCED GRASSLANDS PROJECT**

The 2001-02 Budget Act appropriated \$30 million to acquire conservation easements on sensitive habitat related to the UC Merced Grasslands Project that would create, in effect, a biological reserve to protect species and habitat in advance of the development of the UC Merced campus.

In its document, *Options for Addressing the State's Fiscal Problem: 2002-03*, the LAO has identified up to \$16 million (General Fund) of the original \$30 million that has not yet been expended.

**COMMENTS:**

With the passage of Proposition 40, the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, the WCB is receiving \$300.0 million in bond funds for the "acquisition, development, rehabilitation, restoration, and protection of habitat areas." This project would be eligible for these bond funds.

**ISSUE 3: NATURAL HERITAGE PRESERVATION TAX CREDIT ACT OF 2000**

The Natural Heritage Preservation Tax Credit Act of 2000 (SB 1647, O'Connell) allows the donation of property to state or local agencies or nonprofit organizations, and gives the donor a partial state tax credit based on the assessed value of the property. The act authorizes \$100 million of tax credits through 2005.

**BACKGROUND:**

In its document, *Options for Addressing the State's Fiscal Problem: 2002-03*, the LAO noted that up to \$36 million of the original \$100 million credit remained unclaimed. According to recent discussion with the WCB and the Department of Finance, this number is closer to \$30 million after the Board approves additional expenditures in May.

**COMMENTS:**

Should the WCB approve tax credits in the Budget Year that "spend down" the remaining \$30 million balance, the State's revenues could be affected in an amount approaching \$10 to \$15 million. This is a result of the credit claimant only being allowed to claim the credit up to the amount of their tax liability. Any additional unclaimed credit can be shifted off to subsequent tax years.

Given the burden this places on the General Fund in this uncertain economy, the Subcommittee may wish to consider trailer bill language to schedule out the amount authorized in tax credit s over the next 2 or 3 years. This would provide authority to approve \$10 million in credits in the Budget Year and each of the next two Budget Years, or \$15 million in 2002-03 and \$15 million in 2003-04. This action would limit the General Fund pressure in the Budget Year to approximately \$4.0 to \$10.0 million instead of as much as \$20.0 million.

## **8570 DEPARTMENT OF FOOD AND AGRICULTURE**

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The California Department of Food and Agriculture (CDFA) has, as its primary objectives to: Serve the diverse citizens of California by maintaining an abundant, affordable, safe, and nutritious food supply; Provide leadership, innovation and oversight in the production and marketing of agricultural products; Prevent or eradicate animal diseases and exotic and invasive species harmful to people, commerce, and the environment; Develop and enforce weights and measures standards for all types of products in California and at all levels of commerce; and Support a network of fairs and expositions in the state for their societal and economic service values.

### **ISSUE 1: MEDFLY PREVENTATIVE RELEASE PROGRAM**

The Governor's budget proposes \$9.2 million from the General Fund and 138 positions to provide funding for Mediterranean Fruit Fly (medfly) control on an ongoing basis.

#### **BACKGROUND:**

The department began efforts to control the impact of the medfly on California's agricultural industry in 1975. Since 1980, the state has spent around \$140 million from the General Fund to support this effort, with a similar amount provided by the federal government. The department has used aerial and ground spraying, and sterile medfly releases to fight the pest.

The current Preventative Release Program (PRP) began in 1996 and involves raising sterile medflies and releasing them throughout a 2,100 square mile area of the Los Angeles Basin. Total program costs are \$18 million annually, shared equally between the state and the federal government.

The Legislature approved this as a five-year program with a June 30, 2001 sunset date. The *2001-02 Budget Act* extended the program for an additional year.

The LAO recommends the State's cost be shared by industries that benefit from the program. They are recommending the enactment of legislation to develop an assessment program that will equitably distribute half the cost of the PRP across those industries that most benefit from the absence of the medfly.

**COMMENTS:**

During the 2001-02 budget hearings, the Legislature expressed concern over the General Fund obligation for the program and directed the department, through supplemental report language, to provide information detailing how the funding source for the PRP could be shifted in whole, or in part from the General Fund to the Agriculture Fund. ***This report, due January 10, 2002, is to include various funding options for the Legislature to consider. This report has not yet been received by the Legislature.***

This program's \$9,156,000 General Fund budget consists of \$4.5 million in operating expenses and equipment and \$4.6 million in salary costs. This proposal seeks to extend the Medfly program for a second year beyond the original 5-year program.

**ISSUE 2: NFACT PROGRAM**

This proposal requests \$130,000 (General Fund) in permanent expenditure authority to support the NFACT (New Mexico, Florida, Arizona, California, Texas) Program. The proposal would allow the department to coordinate efforts with four other states in order to influence national agricultural policy.

**BACKGROUND:**

In February 1999, CDFA, in conjunction with the agriculture departments in the other states in the coalition, established a coalition to influence national agricultural policy in specific areas of concern to the five states. This coalition was established at a meeting of the National Association of State Departments of Agriculture (NASDA) and to date the coalition has been scheduling meetings to coincide with NASDA meetings to save on travel and other costs. Since 1999, CDFA has funded coalition-related activities from its base budget.



**COMMENTS:**

The LAO, in its Analysis of the 2002-03 Budget Bill, cites that that the requested augmentation is not warranted. This is because the department has resources in its base budget to participate in a number of multi-state groups to influence national agricultural policy. On an annual basis, it is up to the department to assess the priority of the various policy areas and allocate funding to participate in these meetings and conferences accordingly.

**ISSUE 3: GENERAL FUND REDUCTIONS**

The Governor's 2002-03 budget includes three proposals for the reduction of General Fund expenditures.

- \$419,400 General Fund reduction to various Plant Health and Pest Prevention Services.
- \$240,000 General Fund reduction to measurement and compliance programs.
- \$100,000 General Fund reduction to the Administrative Services Division.

**COMMENTS:**

These proposals seek to reduce the General Fund demand on the Departments budget. While affecting various program in the Department, these reductions are necessary to deal with the current fiscal conditions.

**ISSUE 4: ADDITIONAL DEPARTMENTAL PROPOSALS**

- \$460,472 for the reestablishment of abolished positions.
- \$253,000 in reimbursement authority for CALFED program.
- \$562,500 (\$374,000 General Fund) one-time relocation costs associated with the headquarters relocation.
- \$225,000 expenditure authority for financial compliance audits.
- \$700,000 (federal funds) to participate in the federal Microbiological Data Program.
- Transfer of authority for equine inspection to the Livestock Identification program.

**COMMENTS:**

The CALFED proposal should be held over until the April 17<sup>th</sup> hearing, at which time the Subcommittee will address all CALFED issues together. The remaining proposals are consistent with the Departments responsibilities and overall mission.

**ISSUE 5: PIERCE'S DISEASE PROGRAM**

The budget includes \$18.8 million from the Pierce's Disease Management Account (PDMA) for support of the Pierce's Disease Control Program. Of this amount, \$8 million will be supported by the General Fund and \$4.9 million by federal funds. The remaining \$5.9 million will come from anticipated contributions from the wine and grape industry.

**BACKGROUND:**

In August 1999, an outbreak of Pierce's Disease, a bacteria that infects several plant species and can be particularly devastating to grape vines, was confirmed in the Temecula area in southern Riverside County. It was determined that the cause for the spread of the disease was due to a nonnative insect--the Glassy-Winged Sharpshooter. In response to the potential harm this disease poses to the wine grape industry, the Legislature has appropriated \$25 million to combat the spread of the disease through 2001-02. In addition, the federal government has provided about \$19.7 million and the wine industry has contributed about \$7.2 million. Thus, through 2001-02 \$52 million has been committed to this program.

**COMMENTS:**

According to a review by the LAO, the projected program expenditure level would leave the PDMA a reserve of \$1.6 million at the end of 2002-03, about the same amount estimated to be in the account at the end of the current year and 2000-01.

The LAO believes that the budget-year request of \$8 million from the General Fund be could reduced by drawing down this \$1.6 million reserve and recommend the amount of General Fund transfer into the PDMA support for the program be reduced by \$1.5 million, leaving a reserve of \$100,000.

**ISSUE 6: "BUY CALIFORNIA" PROGRAM**

This program received \$5.0 million in the 2001-02 Budget Act. According to the Administration, this program would create a partnership between government and industry to promote consumption of California-grown agricultural products to California consumers, benefiting both public health and the state's economy.

**COMMENTS:**

In its document, *Options for Addressing the State's Fiscal Problem: 2002-03*, the LAO has indicated in that, should the Legislature desire to capture additional General Fund savings the \$5.0 million GF for this program could be realized.

Due to its recent creation and the associated lack of exposure to this program by the Subcommittee, the Department should report on the status of this program and provide the Subcommittee with greater detail as to its intent.

**ISSUE 7: RED IMPORTED FIRE ANT PROGRAM**

In its document, *Options for Addressing the State's Fiscal Problem: 2002-03*, the LAO has identified possible General Fund savings in this program if the Legislature sees the need to achieve additional savings. The Governor's proposed 2002-03 Budget includes approximately \$8.7 million (General Fund) for efforts to control and eradicate the Red Imported Fire Ant.

**BACKGROUND:**

Though common in the Southeast, Red Imported Fire Ants have only recently appeared in California, Arizona and New Mexico. The California infestations were discovered in 1998, when Nevada officials notified CDFA that nursery products shipped from an Orange County commercial nursery to Las Vegas contained Red Imported Fire Ants. The discovery triggered a massive survey of Southern California. Red Imported Fire Ant colonies have now been found in five Southern California counties: Los Angeles, Orange, Riverside, San Bernardino and San Diego, isolated agricultural areas of Kern, Fresno, Madera and Stanislaus counties, as well as the most recent find in Sacramento County.

**COMMENTS:**

According to the LAO, the red imported fire ant is a nuisance pest but does not threaten any California agricultural industry. Under the program, CDFA mainly contracts with county agricultural commissioners to detect and eradicate the ants. Currently, the program is limited to a small number of counties in the state. The LAO notes that, because the ants do not pose a risk to the state's agriculture, the counties should decide whether the program is worth continuing and if they conclude that it is a priority, they should fund the program.