

## THE 2002 - 2003 STATE BUDGET



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# NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

Statewide spending within AB 425 for the areas of natural resources and environmental protection totaled \$4.29 billion (\$1.21 billion General Fund). The Resources Agency, along with its 21 constituent departments accounts for approximately \$3.30 billion (\$1.04 billion General Fund). The California Environmental Protection Agency and its six departments, boards and offices accounts for approximately \$993.0 million (\$471.0 million General Fund).

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## SECRETARY OF RESOURCES

The Resources Agency, through its various departments, boards, commissions, and conservancies, is responsible for administering programs that conserve, preserve, restore, and enhance the rich and diverse natural and cultural resources of California.

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### ■ Major Provisions

The major provisions of the Secretary of Resources budget include:

- **Major programmatic reductions:**
  - A) The Governor deleted \$430,000 (General Fund) provided by the Legislature for the Sea Grant Program to maintain the next phase of current multi-year scientific work.
  - B) \$3.1 million (General Fund) reduction to the Coastal County and City Offshore Energy Assistance Grant Program. This reduction reflects a one-year suspension of the program to address the General Fund shortfall.
  - C) \$111,000 (General Fund) reduction in various contracts with the University of California.
  - D) \$1.95 million (special funds) in funding for the California Legacy Project. The program costs were shifted to the Environmental License Plate Fund.

- **Proposition 40.** \$177.4 million for competitive grants for urban parks programs. \$65.5 million to the Department of Parks and Recreation for acquisition and development of the State Park System. \$215.5 million for the State's conservancies. \$56.2 million through the Secretary of Resources for river parkway acquisitions and development. \$25.0 million to the Air Resources Board for air quality grants. \$4.0 million to the local conservation corps as noted in the Corps' items. \$8.0 million to the Department of Fish and Game for salmon and trout restoration programs.

**Additional Proposition 40 Legislation.** Three additional pieces of legislation relating to the expenditure of Proposition 40 funds were also approved by the Governor. These bills include:

- AB 2534 (Pavley), Clean Beaches and Watershed Protection - \$223.4 million.
- AB 716 (Firebaugh), Historical and Cultural Endowment - \$166.0 million.
- SB 984 (Costa), Rangeland, Grazing Land, and Grassland Protection - \$19.2 million.

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## DEPARTMENT OF FORESTRY AND FIRE PROTECTION

The Department of Forestry and Fire Protection provides fire protection services for range lands, timberlands, and lands owned by the state or private agencies. The Office of the Fire Marshal is responsible for protecting life and property from fire through the development of fire prevention regulations.

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### ■ Major Provisions

The major provisions of the Department of Forestry and Fire Protection budget include:

- **Major programmatic reductions:**
  - A) \$793,000 (General Fund) and 5.7 personnel years for various administrative functions.
  - B) \$601,000 (General Fund) and 5.4 personnel years for various Resource Management programs.
  - C) \$2.8 million (special funds) reduction due to declining income from sales of forest products from the State Demonstration Forests. This decline will reduce funding available for the California Forest Improvement Program, Fuels Management and Urban Forestry.
- **Pre-Fire Operational Expenses for Fire Crews.** \$200,000 Reimbursements for inmate crew expenses associated with Pre-Fire Projects for local agreements with Fire Safe Councils and Resource Conservation Districts.

- **Biomass.** \$690,000 Federal Trust Fund augmentation to expand the opportunities for utilization of biomass waste material by implementing fuels management programs to enhance the economy and environment.
- **Emergency Fund.** \$75.0 million (General Fund) set aside to cover emergency fire suppression costs.
- **Oak Death Syndrome.** \$2.0 million to continue departmental efforts to combat this destructive condition affecting California's oak groves.

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## CALIFORNIA CONSERVATION CORPS

The California Conservation Corps (CCC) assists federal, state and local agencies, and nonprofit entities in conserving and improving California's natural resources while providing employment, training, and educational opportunities for young men and women. The CCC provides more than three million hours of conservation work each year, including tree planting, stream clearance, trail building, park development, landscaping, energy conservation, and forest improvements. Additionally, the CCC responds to emergencies caused by fires, floods, earthquakes, and other natural disasters.

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### ■ Major Provisions

The major provisions of the California Conservation Corps' budget include:

- **Major programmatic reductions:**
  - A) \$5.3 million (General Fund) for the Weatherization and Energy Efficient Rehabilitation Program.
  - B) \$790,000 (General Fund) and reducing corps-member count by 60 due to the loss of the Mare Island facility.
  - C) \$543,000 (General Fund) and 1.9 personnel years for pilot programs.
- **Resource Conservation Projects.** \$3.5 million (Prop 12 Park Bond) and 2.9 personnel years (one-time) augmentation to continue resource conservation projects.
- **Capital Outlay Projects.** \$12.2 million (special funds) for one replacement residential facility and \$659,000 (General Fund) for two minor capital outlay projects.
- **Proposition 40.** \$4.0 million for grants to local conservation corps to assist in facility development.

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## DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation is responsible for preserving and managing California's natural and cultural resources, state parks, beaches, trails, wildlife areas, open spaces, off-highway vehicle areas, and historic sites. The Department provides fire protection services for range lands, timberlands, and lands owned by the state or private agencies.

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### ■ Major Provisions

The major provisions of the Department of Parks and Recreation budget include:

- **Major programmatic reductions:**
  - A) \$17.1 million (General Fund) for general operating expenses and equipment. These funds are to be partially offset through \$15.0 million State Parks and Recreation Fund, payable from the Motor Vehicle Fuel Account.
  - B) \$2.7 million (General Fund) for operating expenses and equipment.
  - C) \$10.0 million (State Parks System Deferred Maintenance Account) for deferred park maintenance. The Administration states that these funds will be replaced with \$10.0 million (Proposition 40, March 2002 Bond Measure), pending the outcome of the March 2002 election.
  - D) \$39.2 million bond funds, \$9.2 million special funds, \$1.5 million federal funds and \$8.2 million reimbursements for 33 major projects, budget development and minor projects.
  
- **Local Assistance Grant Programs.** \$48.1 million for ongoing local assistance grant programs (special funds).

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## DEPARTMENT OF WATER RESOURCES

The Department of Water Resources protects, conserves, develops, and manages California's water. The department has a major responsibility for supplying suitable water for personal use, irrigation, industry, recreation, power generation, and fish and wildlife; for flood management and the safety of dams. The department also provides flood control forecasting and assistance to local agencies, and coordinates the state involvement in the CALFED Bay-Delta process. The department also provides flood control forecasting and assistance to local agencies, and coordinates state involvement in the CALFED Bay-Delta process.

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### ■ Major Provisions

The major provisions of the Department of Water Resources budget include:

- **Major programmatic reductions:**
  - A) \$2.3 million (General Fund) reduction from water conservation, watershed assessments, and water quality data collection activities.
  - B) \$700,000 (General Fund) reduction to the Drought Panel activities. This reduction resulted in a total of \$7.7 million (General Fund) for the implementation of this program.
- **California Energy Resources Scheduling (CERS).** \$250,000 (DWR Electric Power Fund) reduction for representation before the Federal Energy Regulatory commission, leaving \$500,000 budgeted for this purpose.
- **CALFED Bay-Delta Program:** Statewide expenditures for the CALFED Bay-Delta Program includes \$525.3 million (\$46.1 million General Fund, \$54.5 million federal funds, \$424.7 other state funds).

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## ENERGY COMMISSION

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The Energy Commission is responsible for encouraging efficient energy uses to assure a reliable energy supply. The commission is responsible for siting electric power plants, developing energy conservation standards, monitoring and forecasting energy supplies and usage, and for energy research and development. Other state agencies also play a role in energy regulation and supply, including the Public Utilities Commission, the California Consumer Power and Conservation Financing Authority, the Electricity Oversight Board, the Independent System Operator and the power purchasing operations of the Department of Water Resources.

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### ■ Major Provisions

The major provisions of the Energy Commission's budget include:

- **Elimination of General Fund Support.** Replaces General Fund support (\$5.7 million) with special fund support from the Energy Resources Programs Account (ERPA), financed through authorization for up to a one-tenth mill per kilowatt-hour increase in the electricity surcharge (AB 3000 and AB 3009).
- **Power Plant Siting.** Reduces base funding by \$1.15 million for power plant siting activities.
- **Data Collection.** Reduces by \$1.7 million to eliminate the 2002-03 component of electricity consumption data collection activities deleted by SB 1 X3 for 2001-02.
- **Dairy Waste-to-Energy Program.** Augments by \$5 million (reduced by the Governor to \$3 million) for projects to enhance energy production and reduce water pollution by using dairy wastes to generate electricity.
- **Loans from Renewable Resource Trust Fund (RRTF).** Includes a total of \$160 million of loans from this fund that benefit the General Fund. The RRTF is financed through a utility bill surcharge and is used to improve the competitiveness of in-state renewable energy projects. The budget provides a \$150 million loan to the General Fund, which will be repaid with interest at the rate earned by the Pooled Money Investment Account. The budget expresses intent that repayment be made so as to ensure no adverse affect on this program. The budget also includes a \$10 million loan from the RRTF to the California Consumer Power and Conservation Financing Authority to replace an existing \$10 million General Fund start-up loan to the Authority.
- **Interest Transfer to the General Fund.** Transfers interest earning (\$14 million) in 2002-03 to the General Fund from the RRTF and from the Public Interest Research, Development, and Demonstration Fund.

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## DEPARTMENT OF CONSERVATION

The Department of Conservation protects public health and safety, ensures environmental quality, and supports the state's long-term viability in the use of California's earth resources. The Department provides policy direction, education, regulation and dissemination of information concerning agricultural and open space lands and soils; beverage container recycling; geology and seismology; and mineral, geothermal and petroleum resources.

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### ■ Major Provisions

The major provisions of the Department of Conservation budget include:

- **Major programmatic reductions:** \$1.1 million fund transfer from the Soil Conservation Fund to the General Fund.
- **Lead Agency CEQA Funding.** \$925,000 (General Fund) and 6.5 positions for the department to act as the lead CEQA agency for new oil drilling in Kern County.
- **Farmland Conservancy Program.** \$11.7 million (Prop 12 Park Bond Funds) for the California Farmland Conservancy Program.

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## DEPARTMENT OF FISH AND GAME

The Department of Fish and Game is charged with the management of California's diverse fish, wildlife, and plant resources, and the habitats upon which they depend. Implicit in this duty is 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. The Department manages 800,000 acres of wildlife habitat, including 98 wildlife areas and 99 ecological preserves, holds conservation easements on another 102,000 acres, and regulates sport taking of fish and game.

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### ■ Major Provisions

The major provisions of the Department of Fish and Game budget includes:

- **Major programmatic reductions:**
  - A) \$2.1 million (General Fund) reduction from review projects pursuant to the California Environmental Quality Act.
  - B) \$1.2 million (General Fund) for various CALFED program activities.
  - C) \$1.0 million (General Fund) from local assistance grants under the Natural Community Conservation Planning program.
  - D) \$8.0 million (Salmon and Steelhead Trout Restoration Account) transfer to the General Fund.
- \$8.0 million (Proposition 40) for the Salmon and Steelhead Trout Restoration Program.



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## CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF THE SECRETARY

The Secretary for Environmental Protection, working with the boards, departments, and office comprising the California Environmental Protection Agency (CalEPA), coordinates and supervises the State's environmental protection programs and administers state and federal clean air, clean water, hazardous waste, and solid waste programs to safeguard our environment and the public health.

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### ■ Major Provisions

The major provisions of the California Environmental Protection Agency, Office of the Secretary budget include:

- Major programmatic reductions:
  - A) A reduction of 27.4 positions related to elimination of 12 Permit Assistance Centers to finalize the closure of these centers, as \$2.0 million was reduced in the Current-Year Budget Act.
  - B) \$352,000 (General Fund) reduction to the Scientific Peer Review Program.

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## AIR RESOURCES BOARD

The Air Resources Board helps protect the public health of Californians by ensuring that federal and State health-based air quality standards are achieved and exposure to air toxins are reduced through a variety of controls for mobile and stationary sources of pollution. The Board adopts and enforces emission standards for motor vehicles, fuels, consumer products, and toxic air contaminants. The Board's research, monitoring, and emission inventory programs are the scientific and technical foundations that support regulatory activities.

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### ■ Major Provisions

The major provisions of the Air Resources Board budget includes:

- Major programmatic reductions:
  - A) \$5.5 million (Motor Vehicle Account) and \$4.4 million (General Fund) spending reduction in various stationary and mobile source-related programs.
  - B) \$5.0 million (Motor Vehicle Account) for subvention payments to local air districts was vetoed by the Governor. The Legislature had sustained the funding, as these funds were proposed to be cut in the Governor's budget, and they were ultimately reduced.
  - C) \$1.3 million (Motor Vehicle Account) for community health programs and a global warming study was vetoed by the Governor.

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## STATE WATER RESOURCES CONTROL BOARD

The mission of the State Water Resources Control Board (Water Board) and the nine Regional Water Quality Control Boards is to preserve and enhance the quality of California's water resources and ensure proper allocation and efficient use of water resources for the benefit of present and future generations. Activities include regulatory oversight of the state's surface, ground, and coastal waters; control of unauthorized water diversions; and protection of water quality in watersheds and coastal waters from point source and non-point sources of pollution.

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### ■ Major Provisions

The major provisions of the State Water Resources Control Board budget include:

- **Major programmatic reductions:** \$2.7 million (General Fund) reduction to various programs.
- **Water Bond Local Assistance.** \$70.9 million (Prop 13 Water Bond Funds) and 1.0 personnel year for local assistance grants and implementation of the 2000 Water Bond.
- **Proposition 50 (November 2002 water Bond).** \$30.5 million from the water bond on the November ballot for local assistance activities.
- **System for Water Information Management, Phase 2.** \$4.3 million (General Fund) and 5.0 positions to continue development of Phase 2 of the System for Water Information Management.
- **Underground Storage Tank Cleanup Fund Augmentation.** \$22.4 million (Underground Storage Tank Cleanup Fund) one-time augmentation for claim payments.

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## DEPARTMENT OF TOXIC SUBSTANCES CONTROL

The Department of Toxic Substances Control protects public health and the environment by regulating hazardous waste management activities, overseeing or performing cleanup activities at sites contaminated with hazardous substances, encouraging pollution prevention and the development of environmentally protective technologies and providing regulatory assistance and public education.

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### ■ Major Provisions

The major provisions of the Department of Toxic Substances Control budget include:

- **Major programmatic reductions:**
  - A) \$4.8 million fund shift from General Fund to the Toxic Substances Control Account (TSCA), for direct site cleanup.
  - B) \$2.0 million unallocated reduction.
  - C) \$2.0 million fund shift from General Fund to TSCA for oversight of military base cleanups.
  - D) \$1.3 million (CLEAN Account) reduction and 11.1 positions.
  - E) \$1.1 million shift from General Fund to TSCA for various administrative costs.
- **California Land Environmental Restoration and Reuse Act.** \$350,000 (CLEAN Account) to implement provisions of SB 32 (Escutia), California Land Environmental Restoration and Reuse Act.
- **Infrastructure Augmentation.** \$4.6 million (TSCA) and \$2.3 million (HWCA) one-time, and \$871,000 (TSCA) and \$429,000 (HWCA) ongoing, for moving costs, modifications to leased space, modular furniture, disaster preparedness supplies, and increased rent for office space.

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## DEPARTMENT OF PESTICIDE REGULATION

The Department of Pesticide Regulation protects public health and the environment through the nation's most rigorous and comprehensive program to evaluate pesticides and control pesticide use. The mission of the Department is to protect human health and the environment by regulating pesticide sales and use, and fostering reduced-risk pest management.

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### ■ Major Provisions

The major provisions of the Department of Pesticide Regulation budget include:

- **Major programmatic reductions:**
  - A) \$744,000 (General Fund) reduction for risk assessments and various other programs.
  - B) \$3.4 million (special funds) fund shift for various programs.
  - C) \$2.5 million (General Fund) for bioassessment of the San Joaquin Watershed, Pest Management Alliance grants, and various other programs.