



NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

Resources Agency

The Resources Agency, through more than 20 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 Governor's 2004-05 Budget proposes \$6.8 million for support of the Secretary's programs.

The Secretary for Resources is a voting member of 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 San Francisco Bay Conservation and Development Commission. The secretary is also an ex-officio, non-voting, member of the Energy Resources Conservation and Development Commission and the California Coastal Commission.

■ MAJOR PROVISIONS

The major provisions of the proposed Resources Agency budget include:

- ◆ **Natural Resources Bond Expenditures.** The 2004-05 Governor's Budget does not propose significant expenditures from Propositions 40 or 50. According to the Administration, appropriation of Resources bond funding in 2004-05 is being deferred until the spring, pending an evaluation of various alternatives to reorganize and streamline existing resource conservation efforts. Details of bond expenditures is expected to be released along with the Governor's May Revision of the budget.

As a result of this deferral, Agency-wide expenditures have been reduced, particularly at the Office of the Secretary, the Tahoe Conservancy, the Wildlife Conservation Board, and Parks & Recreation. Table 1 provides some

additional information as to major funding changes, but does not break out bond funds separately.

Table 1.

AGENCY FUNDING BY DEPARTMENT
(dollars in thousands)

	<i>2003-04</i>	<i>2004-05</i>	<i>%</i>	<i>2003-04</i>	<i>2004-05</i>	<i>%</i>
	<i>All Funds</i>	<i>All Funds</i>	<i>Change</i>	<i>GF</i>	<i>GF</i>	<i>Change</i>
Resources Agency	\$188,095	\$6,802	-96.38%	0	0	0.00%
Special Res.-Sea Grant	200	200	0.00%	0	0	0.00%
Special Res.-TRPA	3,355	3,355	0.00%	0	0	0.00%
Yosemite Foundation	840	840	0.00%	0	0	0.00%
Tahoe Conservancy	39,428	5,660	-85.64%	0	0	0.00%
Conservation Corps	92,933	81,306	-12.51%	35,884	22,640	-36.91%
Energy Commission	307,272	355,117	15.57%	620	0	-100.00%
Colorado River Board	1,184	1,170	-1.18%	0	0	0.00%
Conservation	554,395	881,568	59.01%	5,396	3,790	-29.76%
Forestry & Fire Protection	848,132	683,387	-19.42%	467,735	370,652	-20.76%
State Lands Commission	21,362	22,462	5.15%	9,130	9,100	-0.33%
Fish & Game	275,643	273,978	-0.60%	37,670	37,352	-0.84%
Wildlife Conservation Board	407,069	27,265	-93.30%	8,192	193	-97.64%
Boating & Waterways	83,323	65,783	-21.05%	0	0	0.00%
Coastal Commission	14,883	14,499	-2.58%	9,549	9,549	0.00%
State Coastal Conservancy	81,317	14,565	-82.09%	0	0	0.00%
Parks & Recreation	940,062	389,643	-58.55%	97,295	82,316	-15.40%
Native American Heritage Comm.	550	521	-5.27%	0	0	0.00%
Santa Monica Mountains Conservancy	24,299	629	-97.41%	0	0	0.00%
Bay Conservation & Development Comm.	4,900	3,942	-19.55%	3,112	3,113	0.03%
Rivers & Mtns. Conservancy	18,798	17,704	-5.82%	0	0	0.00%
San Joaquin River Conservancy	1,365	347	-74.58%	0	0	0.00%
Baldwin Hills Conservancy	8,578	393	-95.42%	0	0	0.00%
Delta Protection Commission	301	301	0.00%	0	0	0.00%
San Diego River Conservancy	265	265	0.00%	0	0	0.00%
Coachella Valley Mtns. Conservancy	20,982	406	-98.07%	0	0	0.00%
Water Resources	1,397,587	920,718	-34.12%	54,746	45,851	-16.25%
Calif. Bay-Delta Authority	191,999	30,909	-83.90%	10,915	8,515	-21.99%
Energy Resources Scheduling	6,759,813	5,367,133	-20.60%	0	0	0.00%
TOTALS	\$12,288,930	\$9,170,868	-25.37%	\$740,244	\$593,071	-19.88%
Personnel Years All Depts.	14,914	14,759	-1.04%			

California Conservation Corps

The California Conservation Corps (CCC) is a youth development program that assists federal, state and local agencies and nonprofit entities in conserving California's natural resources while providing employment, training, and educational opportunities for young men and women. The CCC responds to floods, earthquakes, and other natural disasters, and assists with homeland security. The annualized corpsmember population for 2004–05 is anticipated to be 1,200, of which approximately 200 corpsmembers are supervised by local nonprofit conservation corps.

■ MAJOR PROVISIONS

The major provisions of the proposed Conservation Corps budget include:

- ◆ **General Fund Reduction.** \$12.8 million General Fund reduction, including the loss of approximately 200 corpsmember positions and the closure of 6 facilities. These include the Los Padres, Ukiah, and Norwalk residential centers, and the McKinleyville, Arcata, and Crescent City non-residential centers.

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.

■ MAJOR PROVISIONS

The major provisions of the proposed Department of Conservation budget include:

- ◆ **Seismic Hazard Mapping Program.** \$1.2 million (special funds) for continued activities associated with the state-wide mapping of potential seismic hazards.
- ◆ **Williamson Act Fund Shift.** \$1.2 million (General Fund) reduction and a \$622,000 (Soil Conservation Fund) increase to support the Department's Williamson Act and California Farmland Conservancy Programs.

Department of Forestry and Fire Protection

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.

CDF 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.

■ MAJOR PROVISIONS

The major provisions of the proposed CDF budget include:

- ◆ **2003 Southern California Fires.** While not proposed as an expenditure in the 2004-05 Budget Act, the Southern California Fires last fall were some of the worst on record and are expected to cost a total of \$65 million, \$40 million of which will be reimbursed by the federal government.
- ◆ **Computer Aided Dispatch System.** \$1.6 million (911 Account) for continuing efforts to update the Department's emergency dispatching system.
- ◆ **Forest Resources Improvement Fund (FRIF) Reduction.** \$12.3 million (FRIF) reduction in departmental support due to a halt in timber harvesting at Jackson Demonstration State Forest.
- ◆ **Capital Outlay Proposals.** \$9.4 million (\$4.1 million GF and \$5.3 million bond) in various acquisition, construction and relocation projects at 12 fire stations.

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.

■ MAJOR PROVISIONS

The major provisions of the proposed Fish and Game budget include:

- ◆ **Quantification Settlement Agreement - Salton Sea / Colorado River.** \$2.5 million (special funds) for support of the department's activities to implement requirements of the Quantification Settlement Agreement.
- ◆ **Marine Invasive Species Act Implementation.** \$1.2 million (Marine Invasive Species Control Fund) to continue departmental activities associated with the Ballast Water Management Act of 1999.

Department of Parks and Recreation

The mission of the California Department of Parks and Recreation is to provide for the health, inspiration, and education of the people of California by helping to preserve the state's extraordinary biological diversity, protecting its most valued natural and cultural resources, and creating opportunities for high-quality outdoor recreation. An ever-increasing population in California has resulted in accelerated urbanization which necessitates the establishment of park units and recreation areas accessible to the major population centers of the State. It is necessary to provide for the wise and constructive use of the State's natural resources for recreational uses and to preserve the State's cultural, historical, and natural heritage for future generations to enjoy.

■ MAJOR PROVISIONS

The major provisions of the proposed Parks and Rec. budget include:

- ◆ **State Park Fee Restructuring.** \$18.0 million in increased expenditure authority from expected income from a restructuring of the Department's various camping and day use fees. This proposal includes a \$15.0 million (General Fund) reduction to be offset by the increased fees.
- ◆ **Local Assistance Programs.** \$41.1 million (special and federal funds) for various recreational and off-highway vehicle grant programs.
- ◆ **Capital Outlay Proposals.** \$25.7 million (various special funds) for 11 acquisition and development capital outlay proposals.

Department of Water Resources

The Department of Water Resources (DWR) 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, and to educate the public about the importance of water and its proper use.

■ MAJOR PROVISIONS

The major provisions of the proposed DWR budget include:

- ◆ **Colorado River Management Account.** \$16.1 million for canal lining and groundwater storage projects to reduce California's dependence upon Colorado River water use in accordance with the Colorado River Water Use Plan.
- ◆ **Flood Control Sediment Removal.** \$2.6 million (GF redirection) for sediment removal along the Sacramento River Flood Control Project.
- ◆ **Flood Control Subvention Reversion.** The Governor proposes a mid-year reversion of \$105 million in local flood control subvention funding.

CALFED Bay-Delta Authority

The California Bay-Delta Program is an effort to implement a long-term comprehensive plan that will restore ecological health and improve water management for the beneficial uses of the Bay-Delta system.

Oversight and coordination of the California Bay-Delta Program has been provided by State and federal staff which, until recently, were funded in the Department of Water Resources and the U.S. Bureau of Reclamation. Beginning in January 2003, California Bay-Delta Program oversight and coordination is now being provided by the California Bay-Delta Authority, established by Chapter 812, Statutes of 2002 (SB 1653).

■ MAJOR PROVISIONS

The major provisions of the proposed CALFED budget include:

- ◆ **General Fund Reduction.** \$2.4 million in General fund reductions. Specifically, \$720,000 in contracts for communication and external affairs, \$830,000 for program implementation contracts, and \$850,000 for legal services and administrative contracts.

Environmental Protection Agency

Secretary for CalEPA

The Secretary for Environmental Protection (Cal/EPA) manages the State's environmental protection programs and, as a member of the Governor's Cabinet, advises the Governor on environmental policy matters. The following organizations are under the purview of the Secretary: Air Resources Board, California Integrated Waste Management Board, Department of Pesticide Regulation, State Water Resources Control Board, Department of Toxic Substances Control, and Office of Environmental Health Hazard Assessment.

AGENCY-WIDE FUNDING (dollars in thousands)

	2003-04 All Departments	2004-05 All Departments	\$ Change	% Change
General Fund	\$76,540	\$56,395	(\$20,145)	-26.30%
Special Funds	\$722,229	\$772,821	\$50,522	6.90%
Bond Funds	\$703,357	\$11,488	(\$691,869)	-98.40%
Federal Funds	\$160,967	\$161,516	\$819	0.50%
Other Funds	\$30,326	\$35,874	\$5,548	18.30%
Total: All Funds	\$1,693,489	\$1,038,094	(\$655,395)	-38.70%
Personnel Years	4,296.40	4,277.70	-18.7	-0.40%

Air Resources Board

The Air Resources Board has primary responsibility for protecting air quality in California. This responsibility includes establishing ambient air quality standards for specific pollutants, administering air pollution research studies, evaluating standards adopted by the U.S. Environmental Protection Agency and developing and implementing plans to attain and maintain these standards. These plans include emission limitations for vehicular and industrial sources established by the Board and local air pollution control districts.

■ MAJOR PROVISIONS

The major provisions of the proposed Air Board's budget include:

- ◆ **Fine Particulate (PM 2.5) Infrastructure Improvement.** \$3.0 million (Air Pollution Control Fund) for infrastructure improvements to monitor emissions pursuant to state and federal air quality standards.

- ◆ **General Fund Reduction Offset By Fees.** \$2.6 million GF reduction with a corresponding increase in stationary source pollution fees in support of the Board.

Integrated Waste Management Board

The California Integrated Waste Management Board promotes the following waste management practices: (1) source reduction, (2) recycling and composting, (3) reuse, and (4) environmentally safe transformation and land disposal. The Board protects public health and safety and the environment through the regulation of solid waste facilities, including landfills.

■ MAJOR PROVISIONS

The major provisions of the proposed Resources Secretary's budget include:

- ◆ **Implementation of E-Waste Recycling Program.** \$52.3 million (Electronic Waste Recovery and Recycling Account) to begin implementing the requirements of SB 20 (Sher), to reduce the improper disposal of electronic waste at landfills.

State Water Resources Control Board

The State Water Resources Control Board (State Board) and the nine Regional Water Quality Control Boards (Regional Boards) preserve and enhance the quality of California's water resources and assure their proper allocation and effective use. These objectives are achieved through two programs: Water Quality and Water Rights.

■ MAJOR PROVISIONS

The major provisions of the proposed Water Board budget include:

- ◆ **General Fund Reduction.** \$5.3 million in General Fund reductions to Board activities, including water quality monitoring, chromium 6, and well investigations.
- ◆ **Underground Storage Tank Cleanup.** \$17 million (Underground Storage Tank Cleanup Fund) for underground storage tank cleanup costs.

Department of Toxic Substances Control

The Department of Toxic Substances Control (DTSC) protects public health and the environment by (a) regulating hazardous waste management activities, (b) overseeing or performing cleanup activities at sites contaminated with hazardous substances, (c)

encouraging pollution prevention and the development of environmentally protective technologies and (d) providing regulatory assistance and public education. The Environmental Cleanup and Fee Reform Act of 1997 changed the Department's fee structure by eliminating, replacing and reducing many of the existing fees paid by the hazardous waste management industry and other businesses. The Act eliminated hazardous waste industry fees as a source of funding for the cleanup of hazardous substance release sites, including state match at National Priority List Sites, and replaced them with an expanded environmental fee. The Act was the first step to establish a more reliable and stable funding structure for the Department's programs.

■ MAJOR PROVISIONS

The major provisions of the proposed Department of Toxic Substance Control Budget include:

- ◆ **General Fund Reduction.** \$1.4 million General Fund reduction through a shift to special fund support.

- ◆ **Implementation of E-Waste Recycling Program.** \$424,000 (Electronic Waste Recovery and Recycling Account) to begin implementing the requirements of SB 20 (Sher), to reduce the improper disposal of electronic waste at landfills.