

AGENDA

ASSEMBLY BUDGET COMMITTEE NO. 3 RESOURCES AND TRANSPORTATION

ASSEMBLYMEMBER RICHARD BLOOM, CHAIR

WEDNESDAY, MARCH 16

9:00 A.M. - STATE CAPITOL ROOM 447

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VOTE-ONLY**3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION****VOTE-ONLY ISSUE 1: BOARD OF FORESTRY AND FIRE PROTECTION EFFECTIVENESS MONITORING SERVICES**

The Governor's Budget requests \$425,000 (Timber Regulation and Forest Restoration Fund) in Fiscal Year 2016-17 and the same amount in 2017-18 for effectiveness monitoring assistance from academic institutions and/or consultants to support the evaluation of the environmental protection effectiveness of the Forest Practice Act and Rules. The evaluation work will be carried out per the Strategic Plan of the Board's Effectiveness Monitoring Committee (EMC), which was approved by the full Board on October 1, 2015.

Effectiveness monitoring is a key component of adaptive management and is necessary for assessing if management practices are achieving the various resource goals and objectives called for in AB 1492 (Blumenfeld), Chapter 289, Statutes of 2012.

VOTE-ONLY ISSUE 2: FIRE SAFETY, FLAME RETARDANTS, AND BUILDING INSULATION

The Governor's Budget requests \$125,000 (Building Standards Administration Special Revolving Fund) on a one-time basis for a contract to accomplish the review, research testing, and implementation of any proposed building standards for fire safety of fire retardants in building insulation. The funding will allow the Office of the State Fire Marshal to assess whether non-flame retarded insulation can be used safely in under-slab and subgrade applications.

VOTE-ONLY ISSUE 3: FENNER CANYON CONSERVATION CAMP-REPLACE WATER BOILERS (COBCP)

The Governor's Budget requests \$376,000 to replace the two existing aged and non-compliant water boilers which provide heat and hot water to the inmate dormitory at Fenner Canyon Conservation Camp, located in northeastern Los Angeles County. The project includes replacement of boilers, heat exchange radiators, water softener and a building to house equipment.

VOTE-ONLY ISSUE 4: ISHI CONSERVATION CAMP: DOMESTIC DRINKING WATER (COBCP)

The Governor's Budget proposes \$871,000 to replace the current drinking water system at Ishi Conservation Camp per a State Water Resource Control Board (SWRCB) compliance order. Ishi Conservation Camp is a year-round, 100-person camp located on an 80 acre state-owned site at 2000-foot elevation in Eastern Tehama County.

VOTE-ONLY ISSUE 5: POTRERO FOREST FIRE STATION- RELOCATE FACILITY (COBCP)

The Governor's Budget proposes \$400,000 to acquire a new site and construct a standard 2-engine fire station for Potero Forest Fire Station. Originally constructed in 1952, weathering, age and obsolescence make the existing facility inadequate for use as an Essential Services Facility. Total project costs are estimated at \$12.7 million.

VOTE-ONLY ISSUE 6: REAPPROPRIATIONS FOR VARIOUS PROJECTS (COBCP)

The Governor's Budget requests reappropriation of funding authority for various phases of 20 major capital outlay projects. These projects have been delayed due to funding constraints and have either already been restarted or are expected to be restarted in fiscal year 2016-17. Reappropriation is necessary for the completion of these projects.

VOTE-ONLY ISSUE 7: REPLACE COMMUNICATIONS FACILITIES, PHASE V (COBCP)

The Governor's Budget requests \$1.6 million for preliminary plans to replace six CALFIRE communications facilities and add an additional tower at a seventh existing site to comply with the legislatively mandated plan for the California Technology Agency's Public Safety Communications Office to convert all telecommunications sites in the State's Public Safety Microwave Network to digital technology. Total project costs are estimated at \$21.3 million.

Staff Recommendation: Approve as Budgeted Issues 1-7

3860 DEPARTMENT OF WATER RESOURCES**VOTE-ONLY ISSUE 8: CALIFORNIA WATER ACTION PLAN – LOCAL ASSISTANCE FOR FLOOD PROTECTION**

The Governor's Budget requests the reversion of approximately \$28.9 million from unused balances of Proposition 84 and a new appropriation of \$62.5 million from Proposition 84, and \$360,000 from Proposition 13. The new appropriation would provide Local Assistance for flood management activities within the Sacramento-San Joaquin Delta. Of this amount, \$1.4 million (Propositions 13 and 84) is requested in support of the Department's Flood Corridors Program and \$1.5 million (Propositions 84) in support of the Statewide Flood Control Subventions Program. The language of these bond acts dedicates these funds specifically for the purposes of Delta flood protection, the flood corridors program, and flood control subventions. This is the remaining funding from these bond acts for these purposes.

VOTE-ONLY ISSUE 9: RIVERINE STEWARDSHIP TECHNICAL ASSISTANCE

The Department of Water Resources (DWR) currently administers two programs relating to river and stream restoration, the Fish Passage Improvement Program and the Urban Streams Restoration Program. These programs have received funding under previous general obligation bond acts (Propositions 13, 50 and 84). This proposal requests that the remaining dollars from these bond acts – \$2.4 million from Proposition 13, \$600,000 from Proposition 50, and \$1.66 million from Proposition 84 – be combined and used to provide technical assistance to federal, state, and local entities in undertaking river and stream restoration projects. The proposal also seeks \$17 million in reimbursement authority to allow DWR to receive payment from federal or state entities as part of its providing the technical assistance.

VOTE-ONLY ISSUE 10: SAN JOAQUIN RIVER RESTORATION AND TRUCKEE RIVER OPERATING AGREEMENT IMPLEMENTATION (STATE & FEDERAL REIMBURSEMENT)

The Governor's Budget proposes to give DWR the authority to receive funds from other state and federal entities associated with the San Joaquin River Restoration (\$25.1 million in reimbursement) and would also provide DWR with ongoing support for implementation of the Truckee River Operating Agreement (\$350,000).

- San Joaquin River Restoration Work – reimbursement. The DWR has unique expertise with regard to river restoration work, and has assisted the Wildlife Conservation Board and the San Joaquin River Conservancy with river restoration projects for more than a decade. This proposal would simply allow DWR to continue being reimbursed by state and federal partners for its activities.

- Truckee River Operating Agreement Implementation. The Truckee River Operating Agreement (TROA) is the result of several decades of effort to resolve interstate Truckee River water disputes and was signed in 2008. The landmark agreement has cleared its final legal hurdle, including the resolution of two longstanding lawsuits, and was implemented on December 1, 2015. The \$350,000 (General Fund) requested herein would support DWR's major responsibilities under the agreement.

Current activities of DWR are funded through a grant from the U.S. Bureau of Reclamation that is expiring. Thus, the request for new support of existing work.

VOTE-ONLY ISSUE 11: DRINKING WATER QUALITY – PILOT PROJECTS (SAFE DRINKING WATER LOCAL ASSISTANCE FUNDING)

The Governor's Budget requests \$2.5 million (Proposition 50) in local assistance funding to fund pilot and demonstration projects for treatment and removal of seven specific contaminants, as well as drinking water disinfection projects using ultraviolet technology and ozone treatment. The language of Proposition 50 specifically delineates that the funds must be used for pilot projects to eliminate seven specific, listed contaminants. This request appropriates the remaining Prop 50 funds for this work in one final grant round.

VOTE-ONLY ISSUE 12: WATER LOSS AUDIT PROGRAM IMPLEMENTATION (SB 555)

The Governor's Budget requests \$350,000 (General Fund) ongoing support to implement the distribution system water loss audit program required by SB 555 (Wolk), Chapter 679, Statutes of 2015. In addition, a one-time appropriation of \$150,000 (General Fund) is requested to develop rules and processes for validation and submittal, and for the utilization of a public on-line water audit submittal tool and database. The costs in this proposal are consistent with cost estimates provided by the Department to the Legislature during discussions of SB 555.

Staff Recommendation: Approve as Budgeted Issues 8-12

3940 STATE WATER RESOURCES CONTROL BOARD

VOTE-ONLY ISSUE 13: AMEND CALIFORNIA HEALTH AND SAFETY CODE FOR ENVIRONMENTAL LABORATORY ACCREDITATION PROGRAM FEES

The Governor's Budget requests budget Trailer Bill Language (TBL) to amend the Health and Safety Code to allow the State Water Resources Control Board (SWRCB) to adopt fee regulations by emergency actions so that the annual fee schedule will generate sufficient revenue to support the Environmental Laboratory Accreditation Program (ELAP) annual budgetary appropriation. This request will align the ELAP fee process with the SWRCB's fee authority for its water quality, water rights, and other drinking water programs.

ELAP provides evaluation and accreditation of environmental testing laboratories to verify the quality of analytical data used for regulatory purposes meets requirements of the State's drinking water, wastewater, shellfish, food, and hazardous waste programs. The current ELAP fee schedule has not generated sufficient revenue to meet the Program's budgetary authority. Total ELAP revenue for Fiscal Year 2014-15 fell short of total budgetary authority by approximately \$1.8 million. In order to address this structural deficit, fees needed to be increased by approximately 58% in 2015-16. Absent this authority to adjust fees for 2016-17 and beyond, other fund sources would be necessary to offset continuing operational costs.

VOTE-ONLY ISSUE 14: DRINKING WATER OPERATOR CERTIFICATION PROGRAM

The Governor's Budget requests \$110,000 and one permanent position for the Drinking Water Operator Certification Program (DWOCP) to replace a limited term position that will expire on June 30, 2016. The new position will assist with the examination process and the increased workload within the unit. The position cost of \$110,000 will be offset by a reduction in contract costs of \$388,000. The net result is a reduction of \$278,000 to the Drinking Water Operator Certification Special Account.

VOTE-ONLY ISSUE 15: INCREASE BOARD MEMBER PER DIEM

The Governor proposes \$335,000 (various special funds) for increased regional board member per diem payments and budget TBL. The proposal increases Regional Water Board member per diem from \$100 to \$500. It also authorizes Board members to receive one day's per diem to review materials in preparation for board meetings. Further, it deletes provisions stating that Board members receiving unrelated salary are not eligible for per diem and caps total statewide expenditures for Board member per diem in lieu of the current cap for each regional board. This cap is in accordance with the increased per diem payments proposed and assumes each regional board meets once monthly.

The \$100 per diem amount and the \$13,500 cap have not increased since 1989. The low per diem compensation does not reflect current economic conditions, which have changed substantially in the past quarter-century, and does not adequately compensate people serving on the Regional Water Boards for the significant responsibilities that are placed upon them. Additionally, current law does not explicitly allow Regional Water Board members to receive per diem for the time they spend preparing for board meetings, which is a necessary activity to participating in these board meetings, given the complexity of the issue. The low per diem rate makes it difficult to recruit and retain people who are willing to serve on the Regional Water Boards, and particularly makes it difficult to recruit and retain people who reflect the economic diversity of the state.

VOTE-ONLY ISSUE 16: LOW-INCOME WATER RATE ASSISTANCE PROGRAM (AB 401)

The Governor's Budget requests \$129,000 per year for two years (Waste Discharge Permit Fund, Civil Penalties) and one position to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, as required by AB 401 (Dodd), Chapter 662, Statutes of 2015. AB 401 requires the SWRCB to consider existing rate assistance programs authorized by the Public Utilities Commission in developing the plan and include recommendations for other cost-effective methods of providing assistance to low-income water customers. The SWRCB must also submit a report to the Legislature no later than February 1, 2018, on its findings regarding the feasibility, financial stability, and desired structure of the program, including any recommendations for legislative action that may need to be taken.

VOTE-ONLY ISSUE 17: NO COST CONVERSION OF SURFACE WATER AMBIENT MONITORING PROGRAM CONTRACT FUNDING TO PERSONAL SERVICES

The Governor's Budget proposes to redirect existing contract funds, from the Waste Discharge Permit Fund (WDPF), currently used for contracted water quality monitoring tasks to hire six permanent state employees to conduct this work. This proposal does not require additional funding.

The SWRCB believes that ongoing water quality monitoring activities conducted by the Surface Water Ambient Monitoring Program (SWAMP) at the Regional SWRCBs are

functions that can and should be carried out by civil servants within the SWRCB organization. The new permanent positions will be located at Regions 2, 5, and 6 because these Regional Boards have consistently employed place-based contractors using SWAMP contract resources over for the past few years.

VOTE-ONLY ISSUE 18: PUBLIC WATER SYSTEMS CONSOLIDATIONS

The Governor's Budget requests 2.5 permanent positions and \$352,000 (Safe Drinking Water Account) to address the increased workload associated implementing SB 88 (Committee on Budget and Fiscal Review), Chapter 27, Statutes of 2015. SB 88 authorizes the SWRCB to require a public water system or state small system serving a disadvantaged that consistently fails to provide an adequate supply of safe drinking water to be consolidated with, or receive an extension of service from, another public water system. The legislation also requires the SWRCB to make funds available for the costs of completing the consolidation or extension, and would provide liability protection to the receiving water system, wholesaler or other agency in the chain of distribution.

The new workload consists of consultation with a number of agencies, conducting outreach to domestic well owners, holding the required public meetings and public hearings, and making various findings before ordering the consolidation or extension of service.

VOTE-ONLY ISSUE 19: SAFE DRINKING WATER ACCOUNT EXPENDITURE AUTHORITY

The Governor's Budget requests an additional \$3,702,000 per year in expenditure authority from the Safe Drinking Water Account to support the Drinking Water Program. Approval of this proposal will allow the SWRCB to shift expenditures for Large Water Systems (LWS) that are currently being subsidized by federal funds and grant money to fees paid by LWS. These federal funds are no longer available to support program administrative costs. This increase will allow the Program to fully fund budgetary expenditures with fees.

VOTE-ONLY ISSUE 20: SB 555 URBAN RETAIL WATER SUPPLIERS

The Governor's Budget requests one position and \$540,000 (\$400,000 Local Assistance) from the Small System Technical Assistance Account to address the increased workload associated with implementing the provisions of SB 555 (Wolk), Chapter 679, Statutes of 2015. SB 555 requires the SWRCB to develop regulations establishing performance standards for urban water supplier water loss and provide up to \$400,000 towards procuring water loss audit report validation assistance for urban retail water suppliers.

VOTE-ONLY ISSUE 21: SCHOOL DISTRICT ACCOUNT TECHNICAL ADJUSTMENT

The Governor's Budget requests a reappropriation of the unencumbered local assistance balance in the School District Account from FYs 2009-10, 2010-11, and 2011-12. Extending the encumbrance period would provide the SWRCB with the ability to continue paying claims to school districts that perform corrective action in response to an unauthorized release of petroleum from underground storage tanks. The SWRCB requests that the reappropriated funds be available for encumbrance until June 30, 2019.

VOTE-ONLY ISSUE 22: SITE CLEANUP SUBACCOUNT AND REPLACING, REMOVING, OR UPGRADING UNDERGROUND STORAGE TANKS

The Governor's Budget requests a reappropriation to extend the encumbrance and liquidation period of the local assistance funds in the Site Cleanup Subaccount (SCS) and the Replacing, Removing, or Upgrading Underground Storage Tanks (RUST) Loans from the fiscal year 2015-16 appropriation. The SWRCB requests that the reappropriated funds be available for encumbrance until June 30, 2018 and liquidation until June 30, 2021. The Governor's 2015-16 Budget proposal inadvertently left out this request for extended encumbrance and liquidation periods.

VOTE-ONLY ISSUE 23: TIMBER REGULATION AND FOREST RESTORATION PROGRAM IMPLEMENTATION (AB 1492)

The Governor's Budget requests conversion of 5.3 limited term positions to permanent and \$547,000 from the Timber Regulation and Forest Restoration Fund to continue the implementation of AB 1492 (Blumenfield), Chapter 289, Statutes of 2012), as they pertain to the authorities and responsibilities of the SWRCBs.

The major responsibilities under the AB 1492 Timber Regulation and Forest Restoration Program can be categorized under four key components: 1) Timber Harvest Document Review, Approval, and Enforcement; 2) Administrative Accountability, Efficiency, and Transparency; 3) Data Monitoring; and 4) Ecological Performance Measures. The limited term positions largely focused on implementation of component 1. Converting the limited term resources to permanent status would assist the SWRCB in meeting its ongoing statutory obligations under component 1 and the remaining components. Anticipated workload includes Board of Forestry and Fire Protection Committee participation, timber plan review, timberland conversion permit review, administering a forest restoration grant program, and establishing performance targets for review, inspections, and ecological measures of forest activities with all activities directed towards protecting, restoring, and or enhancing beneficial uses.

VOTE-ONLY ISSUE 24: WATER RECYCLING - CONVERT LIMITED TERM POSITIONS TO PERMANENT

The Governor's Budget requests three existing limited term positions be converted to permanent positions and \$498,000 (\$149,000 from Waste Discharge Permit Fund and \$349,000 from the Safe Drinking Water Account) to address the increased water recycling work load associated with the drought. The Division of Drinking Water currently has three limited term positions dedicated to developing criteria for indirect potable reuse of recycled water. These positions expire on June 30, 2016. The workload for these positions will extend beyond their current expiration date and will shift from criteria development to implementation. Once these criteria are in place, the Board anticipates an increase in projects proposing potable reuse of recycled water.

VOTE-ONLY ISSUE 25: WATER RIGHTS FUND TECHNICAL ADJUSTMENT

The Governor's Budget requests Budget TBL to make \$3.75 million in Water Rights Fund (WRF) that is currently appropriated without regard to fiscal year (used to support 25 enforcement positions) available for encumbrance for one year, rather than the current default three-year period. This TBL will provide funding for the enforcement positions, but correct an issue where unspent funds are rolled to subsequent years even though they are not required for the operational purpose of supporting the 25 water rights enforcement positions. These changes are consistent with legislative intent to fund the positions, but allow unspent funds to revert to the WRF so as to not cause additional pressures when setting fees.

Staff Recommendation: Approve as Budgeted Issues 13-25

3600 DEPARTMENT OF FISH AND WILDLIFE**VOTE-ONLY ISSUE 26: GRAY LODGE WILDLIFE AREA-FIELD 82**

The Governor's Budget \$108,000 (Fish and Game Preservation Fund, State Duck Stamp Account) for a project at the Gray Lodge Wildlife Area to provide habitat for nesting and brood rearing waterfowl and other wetland dependent species. The project will increase semi-permanent wetlands through refurbishing a perimeter levee that will create a brood pond (19.5 acres) and enhancing the water control structures of the upland unit (95 acres) allowing for increased ecosystem diversity, management capabilities, and water efficiency.

VOTE-ONLY ISSUE 27: MARINE RESOURCES MANAGEMENT AND ASSESSMENT

The Governor's Budget requests an increase in spending authority of \$443,000 per year (Marine Invasive Species Control Fund) for three years to improve efficiency in governing conservation and protection of natural resources by fully implementing the Marine Life Protection Act, improving resources assessment and increasing monitoring for the critical marine species. Non-native aquatic species increasingly threaten California's coastal habitats. Newly introduced species have few natural predators, which enable them to spread rapidly, altering natural ecosystems and habitats. They threaten native species and state fisheries, and can also impact infrastructure, the economy, and human health. The Department of Fish and Wildlife (DFW) estimates that over 500 NAS are already present in California.

VOTE-ONLY ISSUE 28: PROPOSITION 50 LOCAL ASSISTANCE GRANTS

The Governor's Budget requests \$2,011,000 (Proposition 50) to award competitive grants that implement components of Water Security, Clean Drinking Water, Coastal and Beach Protection of 2002, the California Water Action Plan, and the Delta Stewardship Council's Delta Plan. The purpose of this request is to appropriate these bond funds to restore wildlife and fish habitat in the Delta and Central Valley. There are no positions requested, nor are there changes proposed to any program. This is consistent with the legislation that provided the funds and with the voters will in Prop. 50.

VOTE-ONLY ISSUE 29: PROPOSITION 84 REVERSION

The Governor's Budget requests a reversion of \$3,003,000 associated with Fiscal Year (FY) 2012-13 appropriation of Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) funding. The Department received \$9,101,000 of which the balance will not revert until June 30, 2017. The Department proposes a reversion of the balance now in order to better utilize the remaining balance beginning in FY 2016-17.

VOTE-ONLY ISSUE 30: REALIGN DEDICATED FISH AND GAME PRESERVATION FUND ACCOUNTS

The Governor's Budget proposes to realign the Fish and Game Preservation Fund dedicated (FGPF-D) accounts, resulting in a \$6.2 million overall reduction, to better align the FGPF-D account's expenditure authority with revenues, to ensure the accounts remain structurally balanced. The FGPF-D comprises 27 accounts dedicated to specific revenue sources such as tag sales, application fees, donations, and violation fines.

Staff Recommendation: Approve as Budgeted Issues 26-30

3340 CALIFORNIA CONSERVATION CORPS

VOTE-ONLY ISSUE 31: AUBURN CAMPUS: KITCHEN, MULTI-PURPOSE ROOM & DORM REPLACEMENT (COBCP)

The Governor's Budget requests \$19.6 million from the General Fund for the construction phase of a new kitchen, multipurpose building and dormitory to replace the current facilities at the Auburn campus. This proposal is to complete the Auburn capital outlay project. Funding of \$2.6 million was approved for preliminary plans and working drawings for FY 2015/16.

Built in the 1950's Placer Center was originally a California Department of Forestry (CDF) inmate fire camp. In 1977, the CCC occupied the facility and operated it as one of eight CCC/CDF fire centers. Due to the age of the facility, deferred maintenance issues, repair and maintenance costs, and failing infrastructure systems, this proposal calls for funding to replace the existing corpsmember dormitories and kitchen/dining hall. The dorms and kitchen/dining hall are part of a larger campus facility.

VOTE-ONLY ISSUE 32: FUEL REDUCTION PROGRAM

The Governor's Budget requests \$2.6 million in FY 2016-17 and \$2.9 million in FY 2017-18 in State Responsibility Area Fire Prevention (SRA) appropriation, and position authority for up to five positions for Program Oversight and Administration activities effective January 1, 2017, through June 30, 2018 to continue CCC's Fuel Reduction Program for two years.

The CCC performed some fire hazard reduction work FY 2008-09 thru FY 2012-13 using Proposition 84 funds. With the expiration of Prop 84 funds, the CCC relied upon approved limited-term Proposition 40 funding in FY 2013-14 and 2014-15. This provided the department with funding necessary to designate crew time to work in the State Responsibility Areas (SRA) to perform fuel reduction and watershed restoration projects around communities on public lands, along roadways and evacuation routes; and activities to improve forest health so the forest can better withstand wildfire, as

authorized by Proposition 40. Beginning July 1, 2015, the CCC was allocated SRA funding for one year in lieu of Proposition 40 funding to allow CCC to continue work on critical fuel reduction projects throughout the state. This allocation expires June 30, 2016.

VOTE-ONLY ISSUE 33: VEHICLE REPLACEMENT PLAN

The Governor's Budget requests a three-year increase in annual expenditure authority of \$812,000 in the Collins Dugan Reimbursement Account to annually replace approximately thirty vehicles in its fleet. This would enable the CCC to (1) meet its operational needs, (2) minimize health and safety concerns related to crew transportation, and (3) continue its vehicle replacement plan to replace its aging fleet with newer, more fuel efficient vehicles.

Staff Recommendation: Approve as Budgeted Issue 31-33

3840 DELTA PROTECTION COMMISSION

VOTE-ONLY ISSUE 34: ECONOMIC SUSTAINABILITY PLAN UPDATE

The Governor's Budget requests one-time funding of \$150,000 for consultant work to review and partially update the Economic Sustainability Plan (ESP) as required by statute, including necessary public participation processes.

The Delta Protection Act requires the Delta Protection Commission (Commission) to review and make necessary amendments to the ESP every five years. Existing staff are fully extended with ongoing workload requirements and efforts to meet other mandates identified in the Delta Protection Act and Delta Reform Act. This proposal would provide funding for consultants to augment Commission staff and assist in the review and update of the policies and recommendations of the ESP, as well as conduct required public participation processes.

Staff Recommendation: Approve as Budgeted

ITEMS TO BE HEARD

3540 DEPARTMENT OF FORESTRY & FIRE PROTECTION

3600 DEPARTMENT OF FISH & WILDLIFE

3860 DEPARTMENT OF WATER RESOURCES

3940 STATE WATER RESOURCES CONTROL BOARD

8570 DEPARTMENT OF FOOD AND AGRICULTURE

ISSUE 1: DROUGHT RESPONSE FUNDING

The 2016-17 Budget proposes \$323.1 million (\$212.1 million General Fund) in one-time funds across nine departments to continue immediate response to the drought. This agenda examines the drought funding allocations for the Department of Forestry and Fire Protection (CALFIRE), Department of Fish and Wildlife (DFW), the Department of Water Resources (DWR), the SWRCB and the California Department of Food and Agriculture (CDFA). Drought proposals funded from Greenhouse Gas Reduction Funds will be discussed at a hearing on Cap and Trade expenditures scheduled for April 20, 2016.

Specifically, the request includes:

CALFIRE: \$74.5 million (General Fund) and \$2.9 million (State Responsibility Area Fire Prevention Fund) to continue firefighter surge capacity, retain seasonal firefighters beyond the normal budgeted fire season, provide additional defensible space inspectors, and enhance air attack capabilities to suppress wildfires during the 2016 fire season.

DWR: \$64 million (General Fund) for multiple statewide drought response efforts including:

- \$42 million for potential installation and removal of a temporary rock barrier in the Sacramento-San Joaquin Delta to deter salinity encroachment should it be needed;
- \$12 million to implement statewide actions, including operation of the drought management operations center, water transfer support and water supply modeling;
- \$5 million to provide emergency drinking water support for small communities, including addressing private wells; and
- \$5 million to continue Save Our Water, the state's public education campaign aimed at helping all Californians reduce water use.

SWRCB: \$5.4 million (General Fund) and \$16 million (Cleanup and Abatement Account) for continue enforcement of drought-related water rights and water curtailment actions and provide grants for emergency drinking water projects.

DFW: \$15.7 million (General Fund) and \$2 million (Hatchery and Inland Fisheries Fund) for continue fish rescue and stressor monitoring, water efficiency projects on department lands, law enforcement activities, and to provide infrastructure to protect salmon.

CDFA: \$200,000 (General Fund) to validate and conduct economic analysis studies to determine the ongoing economic impacts of California's drought on the State's agriculture sector and .identify potential solutions.

BACKGROUND

California appears to be in its fifth dry year in a row. California's drought conditions have resulted in dangerously low levels of water in our reservoirs and groundwater aquifers and have impacted every aspect of our environment and economy. The drought has imperiled drinking water supplies, our agricultural sector, sensitive habitats and greatly contributed to catastrophic wildfire and significant tree mortality throughout the state. Even with El Nino conditions this winter, drought conditions will continue due to extremely low reservoir elevations, groundwater over drafting, and very dry soil and vegetation conditions statewide.

In the past two years, the Legislature and Governor have deployed significant resources to combat the drought and made progress addressing a multitude of water challenges facing the state. Since the Governor declared a state of drought emergency in January 2014, \$3.7 billion has been appropriated to assist drought-impacted communities, provide additional resources for critical water infrastructure projects and respond to drought-related wildlife emergencies. The state has also committed an additional \$292 million (General Fund) in the current year for emergency response activities associated with catastrophic wildfires.

Of the \$628 million appropriated to address near-term and immediate needs, \$437 million, or 70 percent, has been committed through December 31, 2015. An additional \$139 million will be committed by June 30, 2016. This represents 92 percent of the total near-term funding. According to the Administration, the remainder will be expended in 2016-17, associated primarily with the Department of Water Resources' efforts to revise the guidelines for the Water-Energy Grant Program to support projects with greater energy and water savings potential.

Of the \$3 billion appropriated for long-term actions, \$471 million has been committed, with an additional \$622 million in commitments anticipated by June 30, 2016. This represents \$1.1 billion, or approximately one-third, of the total funding for long-term actions. The long-term commitments are for complex infrastructure projects, and in many cases grant recipients need time to develop appropriate plans and local matches

for the state funds. The Administration states that as local entities develop plans and projects for their regions over the next few years, including plans related to groundwater management, stormwater management, water recycling, and other water infrastructure needs, the remaining \$2 billion will be expended.

LAO COMMENTS

LAO Recommendations for 2016–17: Adopt Governor’s Drought–Related Budget Proposals (described above). We believe the Governor’s approach to focus primarily on the most urgent human and environmental drought–related needs makes sense. The severity of enduring drought conditions supports the continued need for these response activities.

LAO Recommendations for Longer Term: Learn Lessons to Apply in Future Droughts. Given the certainty that droughts will reoccur, and the possibility that subsequent droughts might be similarly intense, we recommend the Legislature continue to plan now for the future. Such planning can be facilitated by (1) learning from the state’s response to the current drought, (2) identifying and sustaining short–term drought–response activities and policy changes that should be continued even after the current drought dissipates, and (3) identifying and enacting new policy changes that can help improve the state’s response to droughts in the future. We recommend the Legislature spend the coming months and years vetting various drought–related budget and policy proposals for their potential benefits and trade–offs, and enacting changes around which there is widespread and/or scientific consensus. This could include both changes that remove existing barriers to effective drought response, as well as proactive changes that improve water management across the state. The Legislature can gather such information through a number of methods, including oversight hearings and public forums, but we also recommend the administration submit two formal reports: one that provides data measuring the degree to which intended drought response objectives were met, and one that provides a comprehensive summary of lessons learned from the state’s response to this drought.

STAFF COMMENTS

LAO's drought response report provides a thoughtful and thorough analysis of the state's drought investments to date. Staff concurs with LAO's recommendation to fund the Governor's 2016-17 drought proposals to address the urgent human and environmental needs outlined in this agenda item. LAO notes that evidence supports the continued need for these response activities.

"Groundwater basins can take years to replenish. As such, drinking water shortages and other emergency needs for residents living in the most severely drought-affected communities likely will continue in the coming year and should

be a high priority for the state. Supporting the state's vulnerable fish and wildlife also should be a prioritized, particularly given recent evidence of high mortality rates for several already endangered salmon and smelt species."

Staff also agrees with LAO that now is a good time for the Legislature to ask questions and seek data to improve the state's approach to handling future droughts. Thus, the Subcommittee may wish to consider asking the Administration to provide data measuring the degree to which intended drought response objectives were met and a comprehensive summary of lessons learned from the state's response to this drought.

Further, LAO notes while most of the proposed funding likely will be needed even if the state experiences notable storms this winter, high precipitation rates could diminish the need for a few of the proposal. For example, high flows in the Sacramento River would negate the need to install and remove a salinity barrier in the Delta, for which the Governor has budgeted \$42 million. During the May Revision, the Administration should update the Subcommittee on whether winter storms have negated the need for certain components of the drought funding proposal.

Staff Recommendation: Hold Open \$42 million for DWR's installation and removal of a temporary rock barrier in the Sacramento-San Joaquin Delta; Approve the remainder of the proposals as budgeted. Adopt Supplemental Reporting Language requiring the Administration submit two formal reports: one that provides data measuring the degree to which intended drought response objectives were met, and one that provides a comprehensive summary of lessons learned from the state's response to this drought.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION

The Department of Forestry and Fire Protection's (CAL FIRE) budget is \$2.1 billion, which represents a 10 percent increase from last year. This increase is primarily due to the Governor's \$180 million (Greenhouse Gas Reduction Fund) proposal for healthy forests and urban forestry. A portion of the Department's budget receives special funds, with \$1.3 billion of the proposed total funding coming from General Fund.

ISSUE 1: PROFESSIONAL STANDARDS PROGRAM

The Governor's Budget requests \$4.4 million (\$4.08 million General Fund and \$336,000 Special Fund) and 14 positions to implement a centralized dedicated unit responsible for overseeing a comprehensive program addressing investigations and adverse actions.

Additionally, this request includes funding five vehicles. The vehicles will be used for investigators to travel to various statewide locations to complete investigatory work and required job functions. There are no additional vehicles that can be redirected due to the current cap on vehicles.

Further, based on the current capacity of CAL FIRE's office buildings and the Department of General Service's estimates for allowable work space, CAL FIRE will need to lease new office space in order to accommodate the requested positions. Finally, due to the complex nature of some investigations, the need to retain the services of individuals to provide expert testimony in certain instances will be necessary. This request includes \$100,000 in FY 2016-17 and then \$300,000 annually starting in FY 2017-18 for these contracted services, based on the complexities of previous investigations.

BACKGROUND

CAL FIRE does not have a centralized process or dedicated staff responsible for performing administrative investigations and preparing adverse actions. It currently redirects existing staff from various other programs, resulting in the delay or deferral of assigned responsibilities. Additionally, the number and severity of personnel actions has increased significantly over the past several years, requiring an even greater number of staff being redirected from their normally assigned responsibilities.

According to the Administration, the quality of investigation and written adverse actions has suffered because temporarily assigned investigators are unable to maintain proficiency in these skills. Further, there is no centralized oversight resulting in inconsistencies in the investigation and execution of adverse actions, penalties, and investigative materials.

CAL FIRE is required to conduct an administrative investigation when a formal complaint is filed against a peace officer pursuant to the Public Safety Officers Procedural Bill of Rights and the Firefighters Procedural Bill of Rights. CAL FIRE is also required to conduct an investigation when a complaint or suspicion of employee misconduct is filed and received via the California Whistleblowers Protection Act.

However, the most common administrative investigations are conducted in response to citizen complaints and employee behavior. An administrative investigation consists of interviewing the subject(s) of the allegation(s), witnesses to activities, and supervisors of affected employees. Investigations require evidence collection, document review, analysis of gathered information, surveillance, and detailed documentation of all findings and opinions. These investigations typically average between 40 and 80 hours to complete. However, complex investigations can require hundreds of hours and a multitude of personnel.

LAO ASSESSMENT AND RECOMMENDATIONS

LAO Assessment. *We find that it is reasonable for the department to standardize its policies and procedures, increase its oversight of activities in the field, and make its training program more robust. However, we find that the ongoing workload for the new program is unclear for several reasons.*

Estimate of Future Workload Uncertain. *First, the proposed program is new, and its estimated ongoing workload is a projection based on recent workload. While this serves as a reasonable starting point for estimating future workload, actual ongoing workload might change. For example, the number of investigations in recent years might be above average due to increased concerns that arose from a high-profile case and related events over the past couple of years. Basing the ongoing workload on the number of investigations in recent years could overestimate the program's needs. In addition, the number of background investigations could fluctuate based on future position authority and vacancy rates.*

Impact of New Professional Standards Unit on Ongoing Workload Unclear. *Second, it is unclear how the creation of a new professional standards unit will affect the ongoing workload because some of the unit's activities could influence the number of required investigations or adverse actions undertaken. For example, if the improved education and training successfully prevent misconduct in the future, the new unit might have fewer cases of employee misconduct to process in the long run.*

Specific Staff Needed in Long Run Unclear. *Third, because the make-up of activities is proposed to shift, the number and classifications of staff might not be appropriate for the ongoing workload. For example, it is not clear that the same*

classifications needed to undertake policy development and training are best suited for the ongoing investigations workload.

LAO Recommendation. Approve Request on Limited–Term Basis. Given the uncertainty about the department’s ongoing workload related to the new professional standards program, we recommend that the Legislature approve the additional ongoing resources proposed on a three–year limited–term basis. This timeframe would allow the department to fully implement the program over a period of time before evaluating the program’s ongoing workload needs. This would also provide an opportunity for the Legislature and administration to evaluate the effectiveness of the proposed program before committing ongoing resources.

CAL FIRE Response to LAO Recommendation.

The workload for this program is well established and is ongoing. Looking at the program essentially in two parts, firstly, there is established workload related to background checks, investigations, and other adverse actions. The Department has been meeting this workload through redirecting personnel and using retired annuitants. The Department annually conducts approximately 50-60 background investigations and an estimated 150 administrative actions statewide. Second, there is the prevention, standardization, and coordination work that is required.

The development of policies, procedures, training, and coordination is not one time in nature and requires continuous updating. For example, the Department must update processes to respond to decisions from the State Personnel Board, changes in the Firefighter Bill of Rights, and the Peace Officer Bill of Rights. This is the area where the Department has struggled to create statewide consistency due to a lack of dedicated, appropriate personnel.

As noted in the LAO analysis, many other Departments (including some within the Natural Resources Agency) have established programs that are not limited-term in nature but are rather on-going dedicated programs. The Department’s request for positions—one positions for approximately every 500 employees—is modest in comparison with the two departments noted in the LAO analysis. The Department of Fish and Wildlife has one staff for every 99 employees, and Department of Parks and Recreation has 1 for every 174 employees.

STAFF COMMENTS

Staff agrees that the workload for this proposal is well established and ongoing. Further, CAL FIRE's position request for this program is modest compared to other departments with comparable professional standards programs. Funding this proposal seems reasonable to help CAL FIRE ensure compliance with State law and Departmental policy and avoid liability by implementing a statewide consistency for all investigations performed by CAL FIRE.

Staff Recommendation: Approve as Budgeted

ISSUE 2: SITUATIONAL COMMAND AWARENESS DATA ACQUISITION

The Governor's Budget requests \$7.6 million (\$7.0 million General Fund and \$600,000 Special Funds) and 12.8 positions beginning in Fiscal Year 2016-17, with additional funding and positions in subsequent years to acquire, install, and support Automated Vehicle Location (AVL) and Mobile Data Computer (MDC) devices in all CAL FIRE emergency response equipment to efficiently and accurately locate CAL FIRE equipment and resources while in transit or on an incident.

BACKGROUND

CAL FIRE currently utilizes the Computer-Aided Dispatch (CAD) system to track its equipment. This system is designed to track the location of an engine, using the last position reported over the radio by the equipment operator. Due to the inability of the CAD system to display real-time locations of CAL FIRE resources, the last reported position of an engine could potentially be several miles from the equipment's actual position when it is en-route, at an incident, or returning from an incident.

Currently, when responding to an incident, equipment operators and crew use a paper map book or standalone navigation device to obtain driving directions to the location of the incident. These navigation methods are inefficient, and are prone to error due to manual inputs of the incident location.

Commercially available maps are inaccurate in rural areas where CAL FIRE routinely responds to incidents and cannot be used. In addition, during high fire activity, radio traffic often becomes congested, and chances of dispatchers making status and location update errors or omissions increases significantly.

When utilizing the current CAD system, CAL FIRE Emergency Command Center (ECC) Chiefs, as well as other decision-making personnel, do not have comprehensive decision support display screens showing the equipment status and incident location information. This situation leads to missed opportunities to make informed decisions that would lead to optimal use and positioning of firefighting equipment and personnel, which could result in improved firefighter safety. In addition, engine companies and other fire suppression personnel do not have direct access to CAD, and as such, do not have quick access to critical decision-making data that includes, but is not limited to, jurisdictional boundaries, power line locations and ownership, water supplies, bridge weight limits, fire hydrant layers, etc. Overall, the complexity of providing fire protection services and incident volume has increased markedly since CAL FIRE deployed its Geographic Information System (GIS) based CAD systems to its 21 ECCs in 2003.

Due to the factors listed above, CAL FIRE is facing a significant challenge to efficiently and accurately locate CAL FIRE equipment and resources while in transit or on an incident. The Department is also missing opportunities to respond to emergencies with

the nearest equipment and resources, which is critical when tasked with responding to large and damaging fires.

STAFF COMMENTS

Currently, CAL FIRE does not have the technology to efficiently and accurately locate and communicate with emergency response equipment or personnel. As fire conditions worsen in the fourth year of drought, there is even greater potential danger to CAL FIRE personnel and the 31 million acres of State Responsibility Area (SRA), which can be mitigated with this technology. AVL and MDCs will improve the Department's ability to respond with the closest available resources, which can improve firefighter safety and can reduce the negative impact from fires.

Implementing AVL and MDC has been effective for many municipal fire and police departments throughout the United States. Additionally, AVL, MDC, and communications technologies are now reliable and reasonably priced. Postponing the project could lead to higher fire suppression costs in the coming years.

Staff Recommendation: Approve as Budgeted

ISSUE 3: EMERGENCY COMMAND CENTER STAFFING

The Governor requests \$17 million (\$16.97 million General Fund and \$28,000 various special funds) and 61.6 positions, along with 34.3 two-year limited-duration temporary help positions to meet the increased workload during historically anticipated periods of increased fire activity. The requested funds will help address critically low staffing levels in CAL FIRE's 21 Emergency Command Centers (ECC) that intake emergency calls and allocate and manage resources.

BACKGROUND

CAL FIRE has a total of 24 Command Centers: each of the Department's 21 Units is supported by an ECC; the ECCs are supported by two regional Operations Coordination Centers (OCC); and, the OCCs are supported by the Sacramento Command Center (Sac CC).

Personnel assigned to ECCs receive reports of emergencies, allocate resources based on preplanned response criteria, coordinate interagency incident activities, maintain resource and personnel accountability, provide incident support, coordinate movement of resources to ensure operational readiness, provide internal and external information, and document resource and incident activity. The role of ECC personnel during the initial phase of an incident does not cease with the dispatching of resources. ECC personnel continue to serve as the Incident Commander directing the response until field resources arrive on scene.

Dispatching Standards. The National Fire Protection Association (NFPA) sets standards for staffing and operation of communication centers. CAL FIRE was unable to meet dispatching standards as set by NFPA. Based upon this dispatch data, CAL FIRE was only able to dispatch 52% of vegetation fire calls within 60 seconds and 71% of calls within 106 seconds. This is far below the 80% and 95% thresholds set by the NFPA standard.

Staff Allocations. The current staffing allocation for CAL FIRE ECCs was established in 1982. CAL FIRE ECCs dispatched CAL FIRE resources to 13,345 incidents in 1982. In 2014, ECCs dispatched CAL FIRE resources to 64,138 incidents. Compared to 1982, this equates to an increase of 381% in CAL FIRE responses to emergency incidents. Although the State Responsibility Area (SRA) has remained around 31 million acres in those 33 years, California's population has increased 64 percent.

Technology Impacts. Along with the increase in incidents since 1982, the number of 911 calls received by ECCs has increased exponentially. Vegetation fires in particular generate a substantially higher number of 911 calls today than in 1982. The advent of cell phones and increased population has led to a significant increase in 911 reports of vegetation fires. In 2013, for example, a small vegetation fire that consumed about five acres near the community of Cameron Park generated more than 200 emergency phone calls into the Amador-EI Dorado ECC.

Impact of Staffing Methods. A "staffing pattern" is the term given to the mechanism used by CAL FIRE to increase staffing levels beyond normal budgeted staffing. ECCs routinely rely on staffing patterns to force personnel on-duty in order to meet daily operational needs. Staffing patterns are increasingly covered entirely with mandatory overtime, resulting in morale issues, employee burn-out, and additional costs to the General Fund.

CAL FIRE has received multiple grievances related to working conditions within ECCs. These grievances are based on such factors as poor working conditions, lack of rest, inability to cook or eat meals, lack of time for physical training, bathroom breaks, and showering. Cumulative days of sleep deprivation have also resulted in ECC FCs falling asleep at the console and failing to dispatch resources.

The mandatory overtime required to meet operational needs in ECCs, coupled with the working conditions listed above, results in employee "burnout". It takes at least one year to become proficient in an ECC assignment; however, most FCs transfer out of their Command Center assignment within two years. The continuous recruitment and training of ECC personnel is a significant impact to the Department, and turnover has been directly related to the factors described above.

Requested Baseline Positions. The permanent emergency response positions (3 Battalion Chiefs, 21 Fire Captains, 33.6 Communication Operators) requested in this proposal bring CAL FIRE closer to the minimum number needed to provide staffing required to process calls and dispatch incidents within NFPA standards.

The 33.6 Communication Operators (Com Ops) will be assigned to the Unit ECCs. This will bring existing allocations to two Com Ops for each of the 21 Unit ECCs. Com Op duties include, but are not limited to, the following tasks: answer and process emergency calls received from the public and/or other agencies; obtain incident details including incident location, caller information, and incident type; enter incident information into Computer Aided Dispatch (CAD) system; utilize CAD to dispatch and track resources (engines, dozers, hand crews, aircraft, chief officers, foresters, etc.) and, provide incident logistics.

The 21 Fire Captains (FCs) will be assigned to the Unit ECCs. This will bring existing allocations to four FCs for each of the 21 Unit ECCs. FCs serve as ECC Duty Officers and their duties include, but are not limited to, the following tasks: provide day to day supervision; scheduling, training, and evaluation of Com Ops; work directly for the Unit Duty Chief and Executive Management to provide incident intelligence and other operational support; provide telecommunication assistance to the ECC and field; and, serve as Incident Commander for all incidents until the arrival of resources.

Temporary Fire Season Staffing. In addition to the baseline staffing listed above, CAL FIRE is also requesting two-year limited-duration funding and 34.3 temporary help positions given drought and tree death. The 34.3 temporary help positions will meet the increased workload associated within defined historical fire activity periods, as defined by CAL FIRE's staffing allocation guidelines, which are based on historical wildfire

patterns for the period of time when over 90 percent of wildland fire acres burn in each of the 21 Units. These additional resources will allow CAL FIRE to staff-up the 21 Unit ECCs during what has historically been the busiest period for wildfire activity in those geographic regions.

STAFF COMMENTS

The positions requested will partially address CAL FIRE's critically low ECC staffing levels which were last updated in 1982 and are based on the workload and emergency incident complexity that existed at that time. Staffing ECCs based on the workload and technology that exists now will allow CAL FIRE to meet minimum NFPA dispatch standards for incident processing and 911 call answering, and enhance firefighter and public safety.

Staff Recommendation: Approve as Budgeted

ISSUE 4: PUBLIC INFORMATION AND EDUCATION

The Governor's Budget requests \$1.54 million (General Fund) and \$127,000 (Special Fund) and five positions to address staffing needs for Public Information and Education responsibilities.

BACKGROUND

Prior to the drought augmentation funding, CAL FIRE had two dedicated Public Information Officers (PIO) and one dedicated fire prevention PIO. The PIOs are responsible for covering the entire State, responding to media inquiries, as well as generating key public safety messages to be shared through traditional media, social media, direct public contact, and the Department's websites.

The type of messages that are provided range from incident information, to public education, to hazardous liquid pipeline incidents, fireworks, timber harvest operations, prescribed fire, forestry sector greenhouse gas reduction, and policy issues such as the State Responsibility Area fire prevention fee. The Department is responsible for filtering and disseminating all general Department and incident information Statewide, often on a minute-by-minute basis. The type of information ranges from critical emergency wildfire evacuations, to high profile timber harvesting plans, to the impact of climate change on CAL FIRE's programs, to inquiries on State fire codes from the State Fire Marshal's Office. The current staffing level is extremely disproportional to the amount of media and public requests the Department receives, as evidenced that each of two PIOs' billable overtime was in excess of 1,500 hours prior to the addition of the drought staff.

Starting in FY 2015-16, CAL FIRE received an increase of \$1.2 million for a Public Education campaign centered on the prevention and preparedness for wildland fires throughout California. The campaign targets homeowners and residents of the State Responsibility Area (SRA).

STAFF COMMENTS

The requested funding will allow the Department to better respond to all forms of media requests and maintain a consistent public safety message through the implementation of Public Education programs and stakeholder outreach. The current levels of overtime of current staff positions (approximately 1,500 hours of overtime on average) are not sustainable.

While initial attack and major incidents will take up much of the workload, the addition of the requested staff will enable CAL FIRE to focus more on Public Education and outreach on complex and/or controversial Resource Management issues, such as high profile timber harvest approvals, the SRA Review, SRA Fire Prevention Grants, and the

tree mortality crisis. The additional staff will also allow more focus to be afforded to fire and life safety issues such as smoke alarms, fire sprinklers, flame retardant building materials, fireworks, and liquid pipeline oversight. Currently, PIO and Public Education staff focus on these issues primarily in reaction mode, rather than taking a proactive approach to public outreach and media communication before the issue gets into the media.

Staff Recommendation: Approve as Budgeted

ISSUE 5: AVIATION CONTRACTS INCREASE

The Governor's Budget requests \$3.48 million (General Fund) for DynCorp and LSI contract increases, due to higher maintenance costs related to the increase in fire activity above historically contracted and budgeted amounts.

BACKGROUND

CAL FIRE'S Aviation Management Unit (AMU) is tasked with providing aviation assets during fire season and performing scheduled routine maintenance in between fire seasons. In order to maintain and operate the aviation fleet, DynCorp provides the highly specialized, skilled workforce of pilots and aviation maintenance technicians that ensure CAL FIRE's aircraft fleet are on hand and readily accessible at all times. In addition, due to the nature of CAL FIRE's mission and the age of the surplus military aircraft fleet (rotary wing are Vietnam era and fixed wing are predominantly Korean War era), it is difficult to anticipate the amount and complexity of repairs needed to be performed on the fleet without this workforce.

The AMU is also tasked with performing unplanned, emergency maintenance. The LSI contract ensures timely delivery of required parts and related logistical services consistently throughout the year. This contract holds the expertise in military parts ordering, inventory management, and federal supply resources. They also hold top security clearances that are required in order to comply with the Department of Defense (DOD), the Military Standard Requisition and Issue Procedures, and Daasc Automated Message Exchange System, which is a bridge between the DOD and the Standard Base Supply System. Without funding for the LSI contract, CAL FIRE could not guarantee the necessary aviation assets when needed.

Due to the increased fire activity above historically contracted and budgeted amounts, both fixed-wing and rotary aircraft are reaching their mandatory maintenance cycles sooner and requiring a higher level of parts. In addition, pilots are flying outside of contracted availability periods due to drought extended staffing of air attack bases, resulting in mandatory maintenance cycles and parts. It is CAL FIRE's responsibility to ensure there are no interruptions in maintenance activities necessary to keep the aircraft flying, and for scheduled routine maintenance to be performed in between fire seasons. The requested funding will enable CAL FIRE ensure that emergency unscheduled maintenance can be performed, and to have the necessary parts and components to assure the aircraft are able to fly during fire season to safeguard and protect the people and resources of the State.

STAFF COMMENTS

The additional funding will ensure that CAL FIRE has adequate fixed-wing pilots, aviation mechanics, and logistics support services are available to protect the people and resources of the State.

The proposal also requests budget bill language (BBL) that allows CAL FIRE to expeditiously amend both the DynCorp and LSI contracts when fire season activity and its associated maintenance and parts usage is higher than currently contracted.

Staff Recommendation: Approve as Budgeted

ISSUE 6: INFORMATION TECHNOLOGY AND INFORMATION SECURITY STAFFING MODERNIZATION

The Governor's Budget requests \$3 million (\$2,772 million General Fund and \$228,000 Special Funds) and 14 positions to address staffing needs in Information Technology (IT) and Information Security (IS).

BACKGROUND

CAL FIRE is facing a significant challenge to maintain its infrastructure and software portfolio. Since current staffing levels were allocated, the Department has become increasingly dependent on IT and automation to ensure appropriate logistical support, communication of tactical and operational information, and the interchange of information between CAL FIRE and its cooperators that manage and protect the wildland of California. Due to static staffing levels, Information Technology Services (ITS) has not been able to keep pace with the increased workload. IT has become an integral part of CAL FIRE operations and the ability of emergency responders and related staff to perform essential job functions and duties. According to the Department, with limited staff, it has become increasingly difficult to support existing systems and meet the business needs of constantly evolving technologies. The IS function does not have staff exclusively dedicated to the security of Department data and system operations, which causes degradation in the Department's ability to defend against current and emerging security threats.

CAL FIRE has attempted to mitigate these effects through the use of existing staff, reallocation of duties, and with technologies that improve support efficiencies. As legacy software continues to age, the demand for technology increases, and the ability to integrate old and new technology becomes increasingly difficult. The Department faces a significant threat of system failures and degraded operational capabilities unless staffing levels are addressed.

CAL FIRE is further challenged with providing information systems to over 350 facilities located throughout the State, many in remote areas and requiring extensive travel time. Currently, 15 employees provide field support for the entire CAL FIRE technical implementation. CAL FIRE currently has a ratio of one technician for every 357 computers.

To address the deficiencies within the IT and IS functions, CAL FIRE is requesting to increase staff in the following program functions:

- five positions for User Support to meet the increasing demand for support, maintenance and repair of office systems, to adequately provide user support for field operations, and to obtain a more manageable and realistic workload ratio of technicians to computers;
- five positions for Networking and Infrastructure to develop and modify software applications to replace and upgrade existing legacy systems, and to begin

moving towards "Cloud First" initiatives sourcing out of the Department of Technology;

- three positions for Information Security to help ensure ensuring that CAL FIRE's information assets are properly protected, managing vulnerabilities within the infrastructure, managing threats and incidents impacting resources, ensuring policies are in place and employees comply with them, and educating employees about their information security and privacy protection responsibilities.

STAFF COMMENTS

Current CAL FIRE staffing levels are inadequate to address numerous technical needs that have emerged as a result of ongoing technical advancements. This proposal will provide CAL FIRE with the necessary staffing to allow critical IT and IS functions to continue to operate. The number of positions requested is consistent with similar staffing models in other State agencies.

Staff Recommendation: Approve as Budgeted

ISSUE 7: TREE MORTALITY CRISIS**BACKGROUND**

California is facing a tree mortality crisis. Experts predict that an estimated 29 million trees are dead and many more are likely to die by the end of the year due to wildfires, drought, disease, and climate change. On February 22, 2016, the Subcommittee held a joint hearing with the Assembly Natural Resources Committee to better understand the threats California's forests face and the actions the Administration is taking to respond to those threats.

At the hearing, the Administration discussed Governor Brown's October 20, 2015, emergency proclamation on the tree mortality epidemic, its request for federal support and partnership, and the newly created Tree Mortality Task Force. The Administration described the massive die-off of trees in the state is an evolving emergency and indicated that the Task Force would work to support local efforts and to implement a response.

While the Governor's Budget does not contain a specific proposal to address the tree mortality issue, it does include \$140 million (Greenhouse Gas Reduction Funds) for the Department to support landscape-scale forest health and resilience programs that reduce GHG emissions through fuel reduction, reforestation projects, pest and diseased tree removal, and long-term protection of forested lands vulnerable to conversion. Funds will also support biomass energy generation projects. The proposal gives priority to landscape-scale forest health and resilience projects that leverage multiple sources of funds (state, local, and federal) and that combine multiple stakeholders. CAL FIRE will undertake a stakeholder process, including the Tree Mortality Task Force, to identify and prioritize these landscapes.

STAFF COMMENTS

The 2015-16 State Budget included \$5 million in local grants from the State Responsibility Area (SRA) Fire Prevention Fund aimed at funding local entities' efforts to augment CAL FIRE's ongoing fire prevention activities. On February 1, 2016, CAL FIRE announced the award of 19 SRA Fund grants in six counties that have been greatly affected by tree mortality. Over \$1.7 million was approved for local projects focused on the removal of dead and dying trees in order to reduce the wildfire threat around homes within the counties of Fresno, Kern, Madera, Mariposa, Tulare and Tuolumne. The remaining \$3.2 million of grant funds to be awarded will follow the established review process over the next couple of months and will support projects that contribute to fire prevention efforts around homes across the State within the State Responsibility Area.

With over 29 million dead or dying trees and following a very devastating fire season in California, the Subcommittee may wish to consider appropriating additional grant

funding from the SRA Fire Prevention Fund for dead tree removal within the SRA. So far this year, CAL FIRE has received 178 applications, requesting nearly \$13 million in SRA grant funds. Currently, there is a fund balance of \$43.5 million. Additionally, staff has learned that there is also nearly \$40 million in accounts receivable from feepayers (per the Board of Equalization).

Staff Recommendation: Approve \$10 million SRA Fire Prevention Fund for two years for local grants to assist with dead tree removal within the SRA.

3860 DEPARTMENT OF WATER RESOURCES

The Department of Water Resources' proposed budget is \$3 billion, which represents a 40 percent decrease in expenditure from last year. This decrease is primarily due to final appropriation of Proposition 1E (2006 Flood Prevention Bond) in the 2015-16 Budget. Most of the Department's budget is special funds, with \$153 million of the proposed total funding coming from General Fund.

ISSUE 1: GENERAL FUND RESTORATION

The Governor's Budget requests an increase of \$11.5 million (General Fund) baseline funding to restore critical on-going flood management programs previously supported by the General Fund. Appropriation reductions from multiple fiscal years resulted in significant decreases in the Department's baseline General Fund. These appropriation reductions were due to on-going budgetary deficits in the State's General Fund. The restoration of \$11.5 million will be used for Flood System Operations and Maintenance (\$10.1 million), Flood Emergency Response (\$900,000), and Flood Risk Reduction Projects (\$500,000).

BACKGROUND

Flood System Operations and Maintenance. The Department directly operates and maintains 293 miles of State-Federal Project levees where no local levee protection district exists. Additionally, the Department maintains over 1200 miles of flood control channels and more than 20 related flood control structures and activities.

Annual flood system operations and maintenance is a General Fund obligation for the State of California. Throughout the years of the State's fiscal crisis, there were General Fund reductions to the maintenance program. In FY 2011-12, part of the funding reduction was offset by a temporary shift to bond funding to cover the amount of the General Fund reductions. However, Proposition 1E bond funding cannot be used for annual operations and maintenance, resulting in General Fund-related channel, levee and facilities operations and maintenance obligations being deferred.

Failure to properly operate and maintain the system increases the State's flood damage liability. This request would allow the Department to resume all the annual operations and maintenance obligations including those that were not eligible under Proposition 1E bond funding.

Flood Emergency Response. If a flood event exceeds the capability of the local responder or becomes part of a larger regional event, the Department, as the lead State agency, will step in to assist or lead flood emergency response efforts. This program supports local collaboration for response and preparedness by helping ensure local responders have adequate response and mitigation plans, protocols, materials, and training. In FY 2011-12, General Fund allocations for this program were eliminated.

Staff and operating expenses dedicated to this effort were shifted to Proposition IE. The dedicated funds for staff time from Proposition IE will be expended by FY 2016-17.

Flood Risk Reduction Programs. The Department administers various flood risk reduction programs currently funded through appropriations from Proposition 1E. In the 2015-16 Budget Act, the Legislature approved bond funding for continuing urban (\$270 million), nonurban (\$118 million), and system-wide (\$300 million) flood risk reduction actions. While project funding is currently supported by bond funds, these programs, and the local flood projects that they support, are ongoing. This funding is used to support various activities associated with those programs, including property review and transfers, support for the Central Valley Flood Protection Board in processing permits, and other associated activities. This request will restore the General Fund that was temporarily shifted to bond funds, as the bond funds for these activities will be expended by FY 2016-17. Absent this support, work timelines will be extended and/or projects will be deferred.

STAFF COMMENTS

During the State's fiscal crisis, the Department shifted appropriate operations and maintenance (O&M) work to Proposition IE bond funding and deferred annual O&M workload that was not appropriate to fund with Proposition IE. The Proposition IE funds for these programs will be expended by fiscal year 2016-17. Reinstating General Fund will help the Department minimize adverse impacts to the above-mentioned critical on-going flood management programs.

Staff Recommendation: Approve as Budgeted

ISSUE 2: IMPLEMENTING, TRACKING AND UPDATING THE CALIFORNIA WATER ACTION PLAN TO GUIDE STATE INVESTMENT PRIORITIES AND FINANCING PLAN

The Governor requests \$1.15 million (General Fund) for three years, to support five existing positions, including \$150,000 for contract services, to implement, update, and track performance of the California Water Action Plan (CWAP) and prepare the State Investment Strategy and Finance plan. Activities supported by this proposal include: coordinating State agencies; developing performance metrics that lead to sustainable outcomes, measuring and tracking performance, and developing annual "report cards" for the Administration and Legislature; conducting system assessments to identify and update State actions and investment priorities; and developing a sustainable finance plan needed to implement State priorities.

BACKGROUND

The California Water Action Plan describes actions the Administration believes are needed to cope with extreme weather, natural disasters, climate change, and future population growth. Initially drafted in 2014, this January the Administration released the 2016 update to the Action Plan, which the Administration plans to use to guide statewide actions such as flood protection, wetlands restoration, groundwater management, and restoration of the Salton Sea.

According to the Administration, this proposal addresses long-standing limitations in State water planning and management recognized in the CWAP including: (1) inadequate State agency alignment to oversee the planning and management of California water resources towards common outcomes; (2) lack of methods, data or programs to track and report on the performance of policies and actions; and (3) lack of a comprehensive and integrated State investment strategy and finance plan for sustainable water management.

To date, State government has not had a prioritized implementation plan that could be used to assign roles or direct action; nor has it had a finance plan describing how the State would pay for that implementation. This proposal would fund this work, to be completed as part of the process to implement, update, and track performance of the CWAP and the 2018 update of the California Water Plan (CWP).

STAFF COMMENTS

While the Legislature has approved numerous budget proposals over the past two years which have implemented portions of the CWAP, it is worth noting that the CWAP is the Administration's Plan and has not been implemented by statute. However, the CWAP was referenced in the Water Bond (Proposition 1), which was passed by the Legislature and approved by voters in 2014. This proposal would provide the necessary resources to conduct foundational work to ensure that the California Water Action Plan is implemented and progress is reported.

Staff Recommendation: Approve as Budgeted.

ISSUE 3: CALIFORNIA WATER ACTION PLAN IMPLEMENTATION – CA NATIONAL HYDROGRAPHY DATA SET AND CRITICAL IMPROVEMENTS FOR STREAM GAGES

The Governor's Budget seeks support for two Departmental actions necessary for the collection and use of data relating to statewide hydrography (i.e., the science of surveying and charting bodies of water, such as seas, lakes, and rivers):

- *National Hydrography Dataset (NHD) Stewardship.* \$1.1 million annually and four positions to support the maintenance of the NHD. It also includes a one-time appropriation of \$775,000 in FY 2016-17 to use an external consultant to improve the water features and map resolution in the Central Valley for DWR flood protection studies and programs.
- *Stream Gage Safety Improvements.* \$1.25 million in FYs 16-17 and 17-18 (General Fund) and 4.2 positions to renovate and upgrade 30 surface water gaging stations along the San Joaquin, Sacramento, Feather, Consumes, Scott, Shasta, and Susan Rivers and tributaries to these rivers for safety and improved operation.

BACKGROUND

National Hydrography Dataset. The NHD works in a manner similar to Google Maps, but for data regarding waterways. Currently, the data contained in the NHD for California is at a very low resolution and covers only major waterways. This proposal will allow DWR to update the NHD to include details for streams, canals, sloughs and smaller waterways. This update would provide a basis for local communities to collaborate on urban stream restoration and flood control projects, as well as State and federal agencies to collaborate on the San Francisco Bay Delta. With an accurate, high-resolution map of the waterways in California, it opens up the possibility of new uses for the data by government, business, and non-profit organizations. This proposal would build on the work started (but abandoned) by the U.S. Geological Survey (USGS), and provide California with a consistent, authoritative source for California's water features.

Stream Gage Safety Improvements. Recent inspections of the current surface water gaging stations revealed a number of safety and operational issues that need immediate attention. This proposal would address corroded, damaged, or otherwise unsafe structural elements of the flow measurement gages and provide the opportunity to upgrade technology. All of the data collected is used by DWR's larger programs, such as: Flood Management, the California Water Plan, the Sustainable Groundwater Management Program, and the Drought Program.

STAFF COMMENTS

This proposal would build on the work started by the USGS and provide California with a consistent, authoritative source for California's water features. Further, retrofitting deteriorated surface water gages will ensure that the state has continuous water data records vital to the management of the state's water resources.

Staff Recommendation: Approve as Budgeted

ISSUE 4: CLIMATE CHANGE ADAPTATION TO ENSURE STATEWIDE WATER SUPPLY RELIABILITY

The Governor's Budget requests \$2.5 million (General Fund) ongoing to support 7.5 existing positions at the Integrated Water Management Climate Change Program. This funding will support conducting detailed evaluations of current and projected climate change impacts on the State's water supply and flood control systems, as well as identify potential system redesign alternatives and other adaptation responses to climate change for California's water sector.

BACKGROUND

The Climate Change Program produces information for the biennial assessment of the Governor's Climate Action Team, determines climate change vulnerabilities and adaptation strategies for the California Water Plan (CWP) Update, and serves as one of the key mechanisms for integrating water management services across DWR, State agencies and the State as a whole. This program specifically supports the incorporation of climate change into local Integrated Regional Water Management (IRWM) Plans throughout the State, data collection and dissemination, research, decision-making tools and guidance, and public outreach related to climate change impacts to California's water supply.

The work on climate change adaptation undertaken by DWR to this point was funded by bond funds (Proposition 84). Fiscal year 2015-16 was the last year of appropriation from Proposition 84 for the Climate Change Program and no further funding for these purposes is available.

STAFF COMMENTS

Funding this proposal will support continuing DWR's important work on climate change adaptation in the water sector.

Staff Recommendation: Approve as Budgeted

ISSUE 5: CRITICAL WATER SHORTAGE MANAGEMENT PROGRAM

The Governor's Budget requests \$550,000 (General Fund) ongoing to support three existing positions to develop and implement a new Critical Water Shortage Management Program, providing support for critical water shortage preparedness activities at the State and local level on an ongoing basis to continually prepare for critically dry and drought conditions. This work will be used to update the State's Drought Contingency Plan and to conduct critical water shortage and drought preparedness activities on a year round basis.

BACKGROUND

At the end of the 2009 drought, the Department, along with many other State agencies (CalOES, SWRCB, DFW, CDFA), developed a Drought Contingency Plan (Plan). This Plan lists specific actions for various agencies to take in preparing for and responding to critically dry or drought conditions. According to the Department, although significant funding was provided in 2014-15 and 2015-16 for drought, that funding supported critical and immediate emergency drought response actions under the various Executive Orders. The funding did not support actions to assist in long-term preparedness for dry or critical water shortage that was recommended in the Plan.

The creation of the Critical Water Shortage Management Program is intended to provide management, technical assistance and resources to local, State and federal agencies for preparing for and managing critically dry periods and drought emergencies through the establishment of the Drought Management Operations Center (DMOC) and support of the Water Transfers Program. DMOC activities include monitoring critical water shortage and drought conditions, identifying critical areas, assessing local infrastructure and water system conditions, reviewing groundwater information, and being the centralized source of dissemination of critical water shortage and drought conditions, as dictated by changing local, regional or statewide water conditions. An important role of this program is to organize and coordinate with a number of State and local agencies to ensure that drought impacts are planned for, identified early, and, as appropriate, ensure timely response actions are implemented.

STAFF COMMENTS

This proposal will provide the necessary resources for the Department to conduct critical water shortage and drought preparedness activities on a year round basis to better prepare the state for the next drought.

Staff Recommendation: Approve as Budgeted

ISSUE 6: DELTA HABITAT CONSERVATION AND CONVEYANCE PROGRAM

The Governor's Budget requests the conversion of 38 limited-term positions to permanent positions. These positions are intended to carry out the preliminary design phase activities within components of the Delta Habitat Conservation and Conveyance Program (DHCCP). This proposal includes no funding request as the positions are funded by the State Water Project (SWP) and have no impact on the State's annual Budget Act. These positions are estimated to cost the SWP approximately \$6.9 million.

BACKGROUND

The DHCCP is the unit within the Department that would carry out the planning and design of the Governor's proposed tunnels to convey water through the Sacramento-San Joaquin Delta as part of the effort to achieve the goals of ecosystem restoration and water supply reliability in the Delta.

Through fiscal year 2012-13, the Legislature approved 37 permanent positions and 38 two-year limited-term positions to support the DHCCP. In fiscal year 2014-15, the Department requested that the 38 two-year limited-term positions be converted to permanent. Noting "the complexity and scope of this project and its multiple delays," the Assembly rejected the conversion to permanent, and instead granted a two-year extension of the limited-term positions. The Senate took this same action to conform.

STAFF COMMENTS

DWR has yet to complete a CEQA document for this project including specifying operational criteria or make binding arrangements to fund all construction, operations, maintenance, and mitigation. The Delta Reform Act requires these actions must be complete before construction can begin. Until it's clear that this project has met its binding commitments and is moving forward, new permanent positions for WaterFix are premature. Further, the Department has only filled four of the 38 limited-term positions it received previously. Thus, staff recommends denying the Administration's request to make the positions permanent, but approving, for another two-years, the four positions that have been filled already.

Staff Recommendation: Deny the Administration's proposal to make the positions permanent, but approve the extension of four positions for two years.

3940 STATE WATER RESOURCES CONTROL BOARD

The SWRC's budget is \$1 billion, which represents a 65 percent decrease from last year. This substantial change is primarily due to the one-time allocation of approximately \$1.6 billion Proposition 1 funds in 2015-16. The Legislature provided an extended encumbrance period for this funding; therefore, it will be expended over a multiyear period. Most of the Department's budget is comprised of special funds, with \$48 million of the proposed total funding coming from General Fund.

ISSUE 1: SITE CLEANUP PROGRAM AUGMENTATION

The Governor's Budget requests \$2.4 million Cleanup and Abatement Account (CAA) authority and 17 positions for workload associated with projects to clean up contaminated sites for redevelopment and brownfields restoration that can be funded via cost recovery.

BACKGROUND

Last year, the Legislature approved a Governor's Budget request to re-assign 17 positions funded by CAA to the Site Cleanup Subaccount (SCS) to implement projects that did not have responsible parties or other parties that could provide funding via cost recovery. The 17 positions shifted in the 2015 Budget Act moved from working on projects that had cost recovery funding to projects that did not, and therefore were funded by the SCS funding mechanism provided by SB 445 (Hill), Chapter 547, Statutes of 2014.

The shift enabled staff to concentrate on cleanup projects not eligible for cost recovery funding. At the time of the request, the SWRCB believed that unfunded inactive sites were the limiting factor in the overall site backlog and that the SWRCB could reprioritize existing caseload with minimal impacts. The SWRCB has since determined that, due to the shift of staffing from cost recovery to SCS site work, the staffing remaining to work on cost recovery-funded workload is insufficient to meet cost recovery project workload need.

The economic recovery has increased the demand for SWRCB oversight of Brownfield redevelopment cases enrolled for cost recovery under the SCP. This is evidenced by an on-going 50 percent increase in new cases obtained by the SWRCBs through the Brownfield memorandum of agreement between the SWRCB and the Department of Toxic Substances Control and its mandated lead-agency determinations. Concurrent with this increase in cases enrolled for cost recovery under the SCP, the SWRCB has had to backlog 20 percent of its SCP cost recovery caseload, including some Brownfield redevelopment cases, due to the implementation of SB 445.

STAFF COMMENTS

The positions and funding in this proposal will reduce the backlog in cost recovery funded eligible projects, allowing the SWRCB to provide better protection of water supply safety, human health safety, and economic development.

Staff Recommendation: Approve as Budgeted.

ISSUE 2: WATER RIGHTS PERMITTING AND LICENSING AUGMENTATION

The Governor's Budget seven positions and \$851,000 (Water Rights Fund) to process applications to appropriate water, petitions to change existing rights, wastewater change petitions, and licensing of water rights.

BACKGROUND

The SWRCB Division of Water Rights Permitting and Licensing Program is tasked with processing applications to appropriate water (permits), requests for licenses on fully developed water right permits, registrations, and petitions to change existing rights and redirect wastewater for beneficial use.

A water right permit is an authorization to develop a water diversion and use project. In addition to authorizing diversion and beneficial use, permits also include terms and conditions that help to protect public trust resources and other legal users of water. An application to divert and use water by permit may be filed by any person or other entity that seeks to divert and beneficially use a reasonable amount of surface water. Filing of the application initiates a public process which includes administrative and environmental reviews by Permitting and Licensing Program staff.

The Program has maintained a significant backlog for many years. The current number of pending items, as of June 2015, consists of 385 applications, 304 registrations, 578 petitions, and 1,626 expired permits subject to licensing review. Using average recent non-drought years completion rates to estimate, current backlog is 14 years for applications to appropriate water, 9 years for registrations, 8 years for petitions, and 44 years for licensing of water rights permits.

To date, streamlining and other efficiency efforts have not been able to overcome the high workload volume. According to the Board, without this proposal, existing staff will continue to focus on the highest priority projects. The bulk of the projects in the backlog will likely continue to experience a lack of progress. Parties who are illegally diverting without valid water rights will likely continue to divert. Increasing staffing levels should directly increase the number of water right permits, licenses, registrations, petitions, and related water orders issued in any given year as compared to the number issued under current staffing levels.

STAFF COMMENTS

Approval of this proposal will assist in reducing the Water Right Permitting and Licensing backlog, resulting in more rapid action on new water rights, water right change petitions, wastewater petitions and water rights licensing. Granting these additional resources will boost water supply (Including new storage and recycled water) to help with drought resiliency and provide water right conditioning protective of fish and

wildlife public trust resources.

The Water Rights Program is funded through fees charged to water right permit and license holders. The SWRCB estimates that this proposal would increase Water Right's Permits, Licenses, and application fees by approximately 8 percent.

Staff Recommendation: Approve as Budgeted.

3600 DEPARTMENT OF FISH AND WILDLIFE

The Department of Fish and Wildlife budget is \$586 million. This represents a four percent increase from last year. Most of the Department's budget is comprised of special funds, with \$97 million of the proposed total funding coming from General Fund.

ISSUE 1: IVORY SALE AND IMPORTATION ENFORCEMENT (AB 96)

The Governor's Budget requests \$1,778,000 (General Fund) to implement enforcement of AB 96 (Atkins), Chapter 475, Statutes of 2015, banning illegal trade of elephant ivory and rhinoceros horns in California to protect African elephants and rhinoceros from extinction.

BACKGROUND

Three federal laws (the Lacey Act, the Endangered Species Act, and the African Elephant Conservation Act) along with other regulatory and administrative actions by the Obama Administration, govern the ivory trade in the United States. These laws, regulations, and administrative actions collectively prohibit the importation of African and Asian elephant ivory in to the United States for commercial purposes.

AB 96 enacted enhanced protections for elephants and rhinoceros in an effort to protect the species from extinction. Specifically, AB 96 makes it unlawful to purchase, sell, offer for sale, possess with the intent to sell, or import with the intent to sell ivory or rhinoceros horns and makes this prohibition enforceable by the Department.

This proposal implements AB 96 by creating a higher level of protection to elephants and rhinoceros, providing additional directed enforcement and expertise in the worldwide fight against the illegal commercial trafficking and trade of ivory and rhinoceros horns. The requested funding will support: one Wildlife Forensics Specialist to provide the scientific support to specially trained law enforcement staff; four wardens and one lieutenant, to identify illegal ivory or rhinoceros horn products and testify in court as an expert witness in criminal cases; and one Attorney position to help guide law enforcement, ivory collectors and the public through the mix of state and federal laws relating to possession, transport and sale of ivory and rhinoceros products.

STAFF COMMENTS

Successful implementation of this proposal should result in a diminished supply of ivory and rhinoceros horn products in the market place, which in turn should help protect African elephants and rhinoceros from extinction.

Staff Recommendation: Approve as Budgeted

ISSUE 2: SACRAMENTO AND SAN JOAQUIN TRIBUTARIES

The Governor's Budget requests \$816,000 (General Fund) and one permanent position to complete negotiations in tributaries to the Sacramento-San Joaquin rivers for settlements that create water supply and regulatory certainty for water users and improve ecological flow and habitat for species. This proposal would provide one new Attorney IV position to lead the negotiations, develop settlement agreements, and provide ongoing monitoring of the implementation of the settlement agreements. In addition, this proposal would provide one-year funding for four existing environmental scientist positions with experience in biology, hydrology and other disciplines needed to negotiate critical terms for the voluntary settlements agreements.

BACKGROUND

The Governor's Water Action Plan, a comprehensive water infrastructure and management strategy provides that: "The administration, with the involvement of stakeholders, will build on the work in tributaries to the Sacramento and San Joaquin rivers, analyze the many voluntary and regulatory proceedings underway related to flow criteria, and make recommendations on how to achieve the salmon and steelhead and ecological flow needs for the state's natural resources through an integrated, multi-pronged approach."

This proposal reflects the high priority placed by the Administration on finding durable results to long-running water disputes. The Department has worked closely with the SWRCB in this area and will continue to do so as it is pursuing settlement agreements. The Department and the Board have the principal authority and responsibility to ensure that the state's waters will support fish and wildlife in good condition.

The Natural Resources Agency and the Department support a target deadline of the end of 2016 to complete the agreements. This near-term effort will be an intensive endeavor. The Department proposes to form a unit of five staff with expertise in biology, hydrology, natural resources and water law, and ecology, as well as experience working with water users and others in a collaborative venue.

STAFF COMMENTS

This proposal will continue to allow the department to fully engage in negotiation of settlements related to water supply on tributaries to the Sacramento and San Joaquin Rivers.

Staff Recommendation: Approve as Budgeted

3340 CALIFORNIA CONSERVATION CORPS

The Conservation Corps' budget is \$111 million, which represents a 17 percent increase from last year. This increase is primarily due to the Governor's \$15 million (GGRF) proposal to operate a new Energy Corps Program. The Department's budget contains \$44 million General Fund.

ISSUE 1: EXPANSION OF RESIDENTIAL CENTERS

The Governor's budget proposes \$400,000 (General Fund) to begin implementation of a five-year plan for expansion of CCC residential centers. This amount consists of funding for the acquisition phase of residential centers in Napa (\$200,000), Pomona (\$100,000), and Ukiah (\$100,000). Acquisition phase costs can include an investigation of the condition of a property, surveys, title costs, appraisal fees, and staff time. For Napa and Pomona the administration plans to use lease revenue bonds (generally repaid from the General Fund) for construction. Ukiah is proposed to be funded entirely from the General Fund. The Governor's budget also proposes \$2.7 million from the General Fund for one-time and ongoing operational costs of a new residential center in Butte County [Magalia].

LAO ANALYSIS AND COMMENTS

LAO provided the following thorough and detailed analysis of the Governor's five-year plan for expansion of CCC residential centers.

***Background.** The CCC operates 25 facilities in urban and rural areas statewide—7 residential centers and 18 nonresidential facilities known as satellite facilities. The typical residential center includes a dormitory, dining room and kitchen, administrative offices, recreational facilities, classroom space, and warehouse space. The residential centers normally house between 80 to 100 corpsmembers. The typical satellite facility includes classroom space and administrative offices. The satellite facilities normally serve between 30 to 60 corpsmembers.*

The administration's recent Five-Year Infrastructure Plan—which proposes state spending on infrastructure projects in all areas of state government through 2020–21—includes a major expansion of the CCC residential center program. Specifically, the plan proposes a combined total of \$171 million over the next five years from the General Fund and lease revenue bond funds to design and construct new CCC residential centers. There would be added costs to complete design and construction of two new residential centers that would still be in the preliminary plan phase in 2020–21. Some of the proposed centers would replace current satellite facilities, while others would add capacity in new locations.

Under the Governor's plan, the total number of corpsmembers would increase, and a greater share would reside in residential centers. By 2020–21, the number of residential corpsmembers would increase from 623 to 1,172 (88 percent), and the total number of corpsmembers would increase from 1,537 to 1,757 (14 percent). This would result in the share of corpsmembers in residential centers increasing from 41 percent to 67 percent.

Once a residential center is built, its annual average operating cost is \$3.4 million. Roughly 50 percent of operating costs are paid for with General Fund, 45 percent are paid for with reimbursements from work projects, and the remaining 5 percent is from state special funds.

Expansion Designed to Achieve Multiple Goals. *The administration believes that the proposed expansion will achieve multiple goals. First, residential centers allow access to the CCC program for young people from all parts of the state, not just those that live within commuting distance of a satellite facility. Corpsmembers must find affordable housing within commuting distance of the satellite facility. This can present a barrier in regions where the cost of living is relatively high (such as Napa). By removing the obstacle of finding affordable housing within commuting distance of a satellite facility, CCC believes it will have more participation in certain regions.*

Second, the CCC states that residential centers offer a better option than some of its satellite locations by (1) providing a structured environment offering full immersion in work projects and educational programs, (2) offering stability and security, and (3) providing many opportunities for community engagement and personal development. According to CCC, residential facilities promote academic success because the residential setting provides more time for corpsmembers to dedicate to academics. They can attend class, participate in study groups, and participate onsite in academic projects. Data shows CCC corpsmembers in school at residential centers achieved greater gains in math and reading levels than their counterparts in satellite facilities. Furthermore, a higher percentage of corpsmembers from residential centers (27 percent) go on to post-corps education and training than satellite facilities (17 percent), as evidenced by the greater number of CCC graduates from residential centers who claim the scholarship earned by successfully completing a year of service. Residential center corpsmembers are also more likely to participate in community service projects than satellite facility corpsmembers.

Third, the CCC states that the proposed expansion would allow it to better meet the needs of the communities by having more corpsmembers there and offer a residential center program in additional areas of the state. The number of corpsmembers at some of CCC's satellite operations match the needs of the communities they serve. In deciding which satellite facilities to convert to residential centers, the CCC reviewed several factors such as recruitment trends, demand for work, and existing field staffing. The CCC also considered its

geographic reach and its ability to offer residential center programs throughout the state. For example, there is currently no residential center south of Camarillo.

Expansion at Initial Three Sites Would Mostly Leverage Existing State Properties. *The administration plans to build new residential centers on existing state property whenever possible. According to the administration, utilizing existing state property is preferred and expedites site selection and acquisition. For the Pomona residential center, the former Lanterman Developmental Center (now Cal Poly Pomona) is an option. For the Napa residential center, the Napa State Hospital and the Yountville Veterans Home are both options. In Ukiah, continuing in the current leased facility is no longer feasible. This is because the Department of General Services will not renew the lease as the buildings are in disrepair and do not meet today's building standards.*

LAO Recommendation. *We recommend the Legislature wait until there is more information on corpsmember outcomes before approving the acquisition phase for new residential centers in Napa and Pomona. We believe the Legislature should take steps to ensure that it will have sufficient information in the future to make informed decisions about whether to go forward with the residential center expansion. We recommend the Legislature require the CCC to report at budget hearings on its progress towards developing a database to track corpsmember outcomes. According to CCC, it will not be able to identify trends for another two or three years. We further recommend CCC report at budget hearings on whether it can develop a robust database within existing resources, or whether additional resources are necessary to create this database.*

We recommend the Legislature approve the request for \$100,000 General Fund to begin the acquisition phase of a project to replace the current residential center in Ukiah.

CCC Response to LAO Recommendation.

Residential centers provide stable and positive environments for homeless and youth aging out of foster care, young people from neighborhoods with high level of gang violence and others who are often disconnected from work, education, and career pathways. Young people enrolled at residential centers are relieved from many of the day-to-day challenges faced by non-residential corpsmembers – e.g., family support obligations, housing responsibilities and conflicts, and unreliable transportation. Unlike non-residential facilities, CCC residential centers are supervised 24-7, with staff available to monitor and advise corpsmembers, and offer consistent after hour programs. Thus, young adults living in Northern California can be involved in conservation projects in Southern California, and vice versa, without the obstacles of transportation and housing.

Napa – Meeting Demand for Project Work. *The Napa location has a historical work project base of almost 40 years. The Napa satellite, downsized from a CCC*

residential center, has been operational for over 20 years. There is no shortage in the near future of public service conservation work in this area – which was also hard hit by some of the most devastating fires of 2015. The CCC does not have the sufficient crews to respond to demand beyond its current project sponsors: Napa Valley Flood Control District, City of Yountville, Jack London State Park and Caltrans. The growing demand for CCC work cannot be met by expanding the non-residential program given the low unemployment rate in Napa County. Currently, most Napa-satellite corpsmembers commute from Solano County and face significant transportation and housing challenges.

Pomona - Re-Establishing Geographic Parity. *There are no CCC residential centers in Southern California. The residential center in Camarillo (Ventura County) is the southernmost residential center. Hence, it is critical for a residential center in Pomona to expand access to CCC's residential program for young people in this region who need to be nearer home than an assignment in Northern California. The Pomona Center has been operational for over 30 years. The project base is stable and growing, but we have not been able to meet the demands based on corpsmember resources, thus limiting projects to the following: Energy Crews, Fuel Reduction Crews, Public Land Projects, and Landscaping Projects – Year-round projects for Cal Trans.*

Investment Return. *LAO's analysis indicates the residential expansion program would realize an estimated increase in the total number of corpsmembers by a modest 220. In reality, the investment for each residential center should be based on the life of the facility, namely 100 corpsmembers x 2 (turnover rate and replacement) x 50 years = 10,000 corpsmembers. The proposed seven new residential centers will benefit 10,000 x 7 = 70,000 corpsmembers.*

STAFF COMMENTS

Staff agrees that the CCC's residential facilities offer unique experiences and outcomes that are unavailable at their non-residential counterparts. Residential facilities are available to individuals from throughout the state and eliminate barriers to success such as unreliable commuting options and unstable housing. Further, these facilities provide stable and positive environments for homeless youth, young people aging out of foster care, and those from neighborhoods with high level of gang violence.

LAO points out that the five-year expansion plan, estimated to cost \$170 million, would only realize a modest increase of 220 corps members. However, the CCC's counter that the investment for each residential center should be based on the life of the facility. Using that calculation, the benefit of the proposed facilities would extend to 70,000 corpsmembers.

The Corps should report on progress towards developing a database to track corpsmember outcomes. As LAO notes, the decision about whether to take the initial steps towards a major expansion of the CCC residential centers is ultimately a policy

decision for the Legislature. While staff agrees that the expansion of the residential facilities is a worthy endeavor, the Subcommittee may wish to weigh the benefits of expanding the CCC residential program against other General Fund priorities.

Staff Recommendation: Hold Open

3885 DELTA STEWARDSHIP COUNCIL

The Delta Stewardship Council's budget is \$26.7 million, which represents a six percent increase from last year. The Department's budget contains some special funds, with \$18 million of the proposed total funding coming from General Fund.

ISSUE 1: FUNDING TO SUPPORT UPDATE OF THE DELTA PLAN AND THE DELTA SCIENCE PROGRAM

The Governor's Budget requests \$3.6 million (General Fund) to support independent science through the Delta Science Program and to update the Delta Plan and regulations to address flood management, ecosystem restoration, and water supply reliability. Specifically, the proposal allocates:

- *Delta Science Program* – \$2.1 million annually to bolster the Delta Science Program's mission of providing the best available science by increasing support for monitoring and science investigations, and the Delta Plan Interagency Implementation Committee's (DPIIC) High-Impact Science Actions, which were endorsed in 2015 by the 17-member panel comprised of state and federal agencies; and
- *High-Priority Delta Plan Updates* – \$1.45 million for the next two years to update the Delta Plan, regulations, and recommendations relative to flood management, ecosystem restoration, water supply, and the significant shift in policy from the Bay Delta Conservation Plan (BDCP) to WaterFix and EcoRestore.

BACKGROUND

The Delta Reform Act required the Delta Plan to include an adaptive management strategy for ongoing ecosystem restoration and water management decisions, and that Plan implementation be based on best available science. The Act also requires the Council to "review the Delta Plan at least once every five years and revise it as the Council deems appropriate." The dynamic nature of the Delta has resulted in several high priority updates that are necessary to achieve the coequal goals. Updating the Plan on an "as-needed basis" would not only ensure the relevancy of the Plan in terms of serving as a framework towards achieving the coequal goals, but it would do so in a cost-effective manner.

WaterFix, EcoRestore, and Other Delta Related Issues. The Delta Reform Act includes requirements for incorporating the BDCP into the Delta Plan (with conditions) in order to create a single, complete management plan for the Delta. For FY 15/16, the Council received a one-time augmentation of \$1.0 million for consultant contracts to assist with anticipated updates to the Delta Plan in the event of BDCP approval and incorporation into the Plan. In April 2015, the State and federal agencies responsible for the BDCP

proposed a new approach to replace the proposed plan: WaterFix and a parallel initiative, EcoRestore. Given the timing of the shift, the Council's FY 15/16 budget change request did not anticipate this change in approach.

In light of this significant change, additions and modifications to the Delta Plan, its narrative, regulatory policies, and recommendations, will be necessary. These Delta Plan revisions, in turn, will provide guidance to the Department of Water Resources, which will need to certify the WaterFix project's consistency with the Delta Plan, as will EcoRestore's individual restoration projects.

STAFF COMMENTS

Science-based adaptive management is important to ensuring that the Delta Plan remains an effective and relevant document upon which decision-making in the Delta is reliant. Without the ability to actively update the Delta Plan as is currently needed, the Plan's effectiveness and relevancy will be significantly compromised, impacting the Council's ability to effectively carry out its statutory mandates, including consistency determinations for covered actions such as the WaterFix and EcoRestore projects.

It is important to clarify that none of this funding would go to complete the Bay Delta Conservation Plan (BDCP)/ WaterFix or to incorporate WaterFix into the Delta Plan if it advances.

Staff Recommendation: Approve as Budgeted
