

## AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 3  
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

Assemblymember Fran Pavley, Chair

WEDNESDAY, APRIL 21, 2004  
STATE CAPITOL, ROOM 447  
8:30 A.M.SCHEDULED HEARING ITEMS

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## 3540 – CALIFORNIA CONSERVATION CORPS

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The California Conservation Corps (CCC) is a youth development program that assists federal, state and local agencies and nonprofit entities in conserving California's natural resources while providing employment, training, and educational opportunities for young men and women. The CCC provides approximately 3 million hours of resource protection work each year, including, but not limited to, tree planting, stream restoration, trail building, park development, landscaping, energy conservation, forest improvements, plant nursery operations, and wildlife habitat restoration. The CCC is a major statewide emergency response organization. The CCC responds to floods, earthquakes, and other natural disasters, and assists with homeland security. The annualized Corpsmembers population for 2004-05 is anticipated to be 1,200, of which approximately 200 Corpsmembers are supervised by local nonprofit conservation corps.

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### ISSUE 1: GENERAL FUND REDUCTION

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The Governor's 2004-05 Budget proposes a \$12.8 million (General Fund) reduction to the Corps' Training and Work Program. This reduction proposes:

- 1) **Facility Closures.** The closure of the Los Padres, Ukiah, and Norwalk residential centers, as well as the McKinleyville, Arcata, and Crescent City non-residential centers.
- 2) **Reduction in Membership.** A reduction of the membership of the Corps by 200.
- 3) **Elimination of Health Benefits.** Eliminating health benefits (\$2.3 million GF) for the remaining 1,200 Corpsmembers.

**BACKGROUND:** The Conservation Corps has seen a reduction in its funding from \$93.2 million (\$62.8 million General Fund) in the 2001-02 Budget Act, to a proposed \$59.5 million (\$22.6 million General Fund), a 36 percent overall reduction (64 percent GF) in four years.

In the January 10, 2003 proposed 2003-04 Budget, the Administration had proposed this same reduction which was rejected by the Legislature, who provided funding for the benefits. Regardless of the will of the Legislature, these funds were administratively held, and health benefits were not provided to Corpsmembers in the 2003-04 Fiscal Year. It is the understanding of the Subcommittee that this was not part of the Section 4.10 reductions, but in addition to those. The Corps indicates that it has experienced difficulty finding providers willing to provide benefits for groups under 1,500 persons, and therefore has not used the funds for the purpose intended.

**COMMENTS:** In the 2003-04 Budget Act, the Legislature rejected a reduction to the Corps' budget that would have eliminated health benefits to Corpsmembers. However, during the current year these funds have been administratively held, effectively denying benefits to the Corpsmembers.

Considering the small General fund savings vis-à-vis the overall potential General fund shortfall, the Subcommittee may wish to consider whether the denial of health benefits to one thousand, two hundred employees who serve the State of California in the manner that Corpsmembers do, is a good public policy.

STAFF RECOMMENDATION: Staff recommends the approval of \$10.5 million in General Fund reductions, and to withhold on the \$2.3 million reduction to the Corpsmember health benefits.

Staff, the Department of Finance, and the Corps should work to evaluate the potential for providing benefits for Corpsmembers should the funding be provided.

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**ISSUE 2: CAPITAL OUTLAY PROPOSALS**

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The Governor's proposed 2004-05 Budget Act includes requested funding for two capital outlay projects at the Corps. These include \$1.33 million (lease revenue bonds) for planning and working drawings associate with the relocation of the Tahoe Base Center, and \$29,000 (General Fund) for preliminary plans related to a future project at the Sierra Placer Center, to link the facility to the municipal sewer system.

An April Finance Letter is proposing to pull back the Sierra Placer Center Proposal citing increased cost estimates and recommending a delay in the project, as well as cancellation of the \$29,000 funding request.

**COMMENTS:** These proposals are consistent with the Corps' capital outlay needs and neither staff not the LAO has raised issue with them.

**STAFF RECOMMENDATION:** Approve the requested proposals, including the April Finance Letter to delete the January plan for the Sierra Placer Center.

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**ISSUE 3: APRIL FINANCE LETTERS - BOND FUNDS**

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Finance Letters received on April 1 propose \$3.18 million (Proposition 12) and \$5.23 million (Proposition 40) for state operations and local assistance relating to the Corps' Resource Conservation Projects. This provides grants to local conservation corps for resource conservation projects.

**COMMENTS:** This proposal is consistent with programmatic activity of the Corps and consistent with the expenditure requirements of these funds.

**STAFF RECOMMENDATION:** Approve the requested \$8.4 million (bond funds) requested in the Finance Letter.

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

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

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### **ISSUE 1: MARINE LIFE PROTECTION ACT (MLPA)**

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During mid-year reductions as part of Section 4.10 personal services reduction plan, MLPA funding was sacrificed, resulting in a total reduction of \$7.2 million for DFG from both General Fund and the Environmental License Plate Fund (ELPF). This caused an additional \$800,000 in private matching funds for MLPA to be lost.

**BACKGROUND:** Last year, the Legislature appropriated \$800,000 from ELPF for carrying out MLPA, a law requiring a network of marine reserves and other protected areas in California's ocean waters, based on scientific information and consultation with interested parties. Due to budget constraints DFG was unable to hire new staff or consultants for the project.

At an earlier hearing of this Subcommittee, the Secretary of Resources stated the Administration's commitment to restarting the MLPA. Private matching funds have again been pledged to MLPA implementation, and at least \$400,000 in federal funds is being used for necessary studies.

**COMMENTS:** To take advantage of matching funds that could be used for contractors, and to be able to oversee an MLPA initiative, DFG needs two things:

- Approximately \$500,000 appropriated for the marine region, and
- An exemption from the hiring freeze.

**GENERAL FUND IMPACTS:** Potentially none if special funds can once again be utilized.

**STAFF RECOMMENDATION:** The Subcommittee should ask DFG if it is aware of any specific plans the Secretary has come up with to fund the MLPA, and or what efforts it is making to fund MLPA. The Subcommittee should also explore under what circumstances the Department of Finance would be willing to make an exemption to the hiring freeze.

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### **ISSUE 2: SALTON SEA AND COLORADO RIVER QUANTIFICATION SETTLEMENT AGREEMENT (QSA)**

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This proposal seeks \$3.17 million (Proposition 13) (\$686,000 in 03-04 and \$2.48 million in 04-05) for implementation of SB 277, SB 317, and SB 654, relating to implementation of the QSA. This proposal would fund DFG's activities to protect habitat and wildlife in the Salton Sea and the Lower Colorado River areas.

**COMMENTS:** This request would implement requirements set forth through the implementing legislation of the QSA. Staff has raised no issues with the request.

The Department should report to the Subcommittee on the planned activities of DFG as they relate to the State' s involvement in the QSA, and the implementation of the enacting legislation.

**STAFF RECOMMENDATION:** Approve the requested bond funds.

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**ISSUE 3: ADDITIONAL DEPARTMENTAL PROPOSALS**

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The Governor's budget proposes eight additional budget changes. These include support and capital outlay proposals as follows:

**Departmental Support**

- 1) **Comprehensive Wetlands Habitat Program.** Shift of \$894,000 from the Environmental License Plate Fund to the Public Restoration Account (Proposition 99) and to provide an additional \$606,000 (Proposition 99) to provide baseline funding of the Comprehensive Wetlands Habitat Program (CWHP). CWHP participates in various state, local, and federal projects to protect, enhance and restore
- 2) **Marine Invasive Species Act Implementation.** \$1.2 million (Marine Invasive Species Control Fund) for implementation of AB 433 (Chapter 491, Statutes of 2003), which re-authorized the Ballast Water Management Act.

**Departmental Capital Outlay**

- 3) **Wildlife Care & Research Center Completion & Enhancement.** \$280,000 (Oil Spill Prevention and Administration Fund) for the completion of the Marine Wildlife Veterinary Care and Research Center.
- 4) **Napa-Sonoma Marshes WLA - Huichica Creek Unit, Burn Area.** \$50,000 (Proposition 12) for the construction of a fresh water conveyance pipeline for the facility.
- 5) **Capital Outlay Project Planning.** \$160,000 (\$60,000 Fish and Game Preservation Fund and reimbursements) for general capital outlay activities for various projects.
- 6) **OSPR Petroleum Chemistry Laboratory - Addition.** \$193,000 (OSPAF) for facility construction and expansion.
- 7) **Shasta Valley Wildlife Area Field 21 Irrigation Pivot.** \$100,000 (Proposition 12) for irrigation system for various plantings at the wildlife area.
- 8) **Eel River Wildlife Area, Ocean Ranch Unit, Main Levee & Road.** \$450,000 (Proposition 12 and Fish and Game Preservation Fund) for the rebuilding and reinforcement of the service road and levee.

**COMMENTS:** Staff has raised no issues with these proposals.

**STAFF RECOMMENDATION:** Approve the requested budget changes.



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**ISSUE 4: APRIL FINANCE LETTERS**

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- 1) **Department of Parks and Recreation / DFG Joint Communications Services.** Temporary transfer of seven positions from DFG to DPR for coordinated dispatching services to be directed by DPR. This will streamline response by both emergency personnel as well as DFG's response to hazardous spills, including marine oil spill response.
- 2) **Fisheries Restoration Grants Program.** \$7.0 million (Proposition 40) one-time appropriation for grants to public and private entities, non-profit organizations, and tribes for fisheries restoration activities to leverage federal funds through the National Oceanic and Atmospheric Administration.

**COMMENTS:** Staff has raised no issues with these requests. These proposals are consistent with the requirements activities permissible from the bond funds, and also assist in the State's emergency response activities.

**STAFF RECOMMENDATION:** Approve the April Finance Letters as requested.

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**ISSUE 5: APRIL FINANCE LETTER: CALFED ECOSYSTEM RESTORATION PROGRAM**

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This proposal includes a \$72,000 General Fund reduction, and a \$72.3 million (reimbursements and Proposition 50) to fulfill its role as the implementing agency for the Ecosystem Restoration Program (ERP) associated with the CALFED Bay-Delta Program.

As the implementing agency, DFG is responsible for coordinating restoration planning, project implementation and monitoring, as well as administrative support for the ERP. This proposal includes \$69.5 million in grants to implement the various aspects of ERP, including at least \$10.0 million for projects to assist farmers in the incorporation of restoration activities in their agricultural practices.

**COMMENTS:** The LAO has expressed concern relating to this proposal as the CALFED Bay-Delta Authority also received an ERP proposal for \$5.2 million (Proposition 50) and would like bore detail on the related proposals.

**STAFF RECOMMENDATION:** Withhold action on this proposal for discussion at a later hearing.

## 3640 – WILDLIFE CONSERVATION BOARD

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The Wildlife Conservation Board was established within the Department of Fish and Game (DFG) to administer a capital outlay program for wildlife conservation and related public access pursuant to the Wildlife Conservation Act of 1947.

The Board conducts or oversees investigations and studies to determine the areas within the State considered most essential for wildlife production and preservation, and which will provide compatible recreational opportunities. The Board develops fishing piers and fishing access sites at lakes, on the ocean, and along the State's waterways and aqueducts, and provides a long-term funding mechanism to provide for the preservation and enhancement of California's diverse wildlife and habitats.

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### ISSUE 1: JANUARY BUDGET PROPOSALS

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- 1) **Habitat Conservation Fund (HCF).** The Governor's January budget proposes \$21.0 million (Proposition 40) to fund the statutory mandated (Proposition 117) transfer to this fund for the purposes of restoring, enhancing, acquiring and otherwise protecting habitat of deer, mountain lions, and endangered wildlife.
- 2) **Wildlife Restoration Fund for Capital Outlay.** This requests \$500,000 (Wildlife Restoration Fund) for various public access and development projects.

**COMMENTS:** Staff has raised no issues with these proposals. Proposition 40 has been used previously to support the HCF's activities in times of reduced General Fund.

**STAFF RECOMMENDATION:** Staff recommends approval of these items.

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### ISSUE 2: APRIL FINANCE LETTERS – RESOURCES BOND PROPOSALS

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- 1) **Colorado River Regulatory Program.** \$13.25 million (Proposition 50) for continued funding of the WCB's activities to acquire, protect and restore various components of the Colorado River program.
- 2) **San Joaquin River Conservancy.** \$11.0 million (Proposition 40) through the San Joaquin River Conservancy (SJRC) for acquisition, restoration, restoration and public access activities in the service area of the Conservancy. WCB implements the capital outlay activities on behalf of the SJRC.

**BACKGROUND:** Proposition 50 provided \$50 million to the WCB for activities associated with meeting California's required reduction in Colorado River water use. In 2003-04 the Legislature appropriated \$32.5 million for these purposes. According to the WCB, these funds have been expended, and this proposal seeks the remaining funds.

**COMMENTS:** Staff has raised no issues with the WCB's proposals. The WCB should report to the Subcommittee on its activities and involvement in the implementation of the QSA.

**STAFF RECOMMENDATION:** Approve the requested proposals.

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

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The Natural Heritage Preservation Tax Credit Act of 2000 (NHPTC) provides for the award of up to \$100 million in tax credits for qualified donations between July 1, 2000 through December 31, 2005, with an existing suspension of the award during the 2002-03 fiscal year. Donors are permitted to claim fifty-five percent of the value of a qualified property as a tax credit over an eight-year term, up to the donor's tax liability in any of the eligible years.

**BACKGROUND:** SB 1052 (Committee on Budget and Fiscal Review), which is currently in the Senate for Concurrence, would implement a request of the Governor to suspend the tax credit for the 2003-04 and 2004-05 Fiscal Years. The NHPTC was enacted as a five-year program. Should SB 1052 be enacted, three of those five years will have been suspended.

Separate legislation, AB 238 (Oropeza) sought to extend the NHPTC to provide the full years of the tax credit that were approved by the Legislature in 2000.

**COMMENTS:** In order to fully implement the original intent of the Act, the Subcommittee may wish to adopt trailer bill language that fulfills the full five years of the program. While the Assembly has passed legislation to suspend the program, additional years could be added to the end of the program, both permitting the suspension to take place and fulfilling the State's commitment both to the protection of conservation lands and the tax credits for land owners.

The Subcommittee may wish to consider trailer bill language to extend the program in the years after any suspension ends, in order to allow the acquisition of future properties at a much-reduced rate.

**GENERAL FUND IMPACTS:** The extension of this program could have as much as \$61 million of impact to the General Fund over the life of the claim of credits (eight years from the time of an award), but would allow the State to acquire these conservation lands at a reduced cost (55% of the value).

**STAFF RECOMMENDATION:** Adopt trailer bill language extending the sunset of the NHPTC from the current June 30, 2005 to June 30, 2008. Should the condition of the General Fund be unable to support these awards in any given Fiscal Year, the Legislature could again suspend the program as necessary.

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**ISSUE 4: HEARST ACQUISITION**

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The Hearst Ranch Corporation (Hearst) and two land trusts have developed a plan for a "Conservation Framework" which would include selling title to parts of its 82,000 acre property to the state and putting other parts into conservation easements.

**BACKGROUND:** Hearst originally planned a resort and commercial development on a scenic coastal portion of the property, but those plans changed in the face of public controversy. The plan and cost to the state are currently being negotiated by the Coastal Conservancy, WCB, and Department of Parks and Rec. An appraisal for the property was submitted to the Department of General Services, but an agreement on what would and would not be allowed in the easement has not yet been reached.

Because of the need for confidentiality, details of the negotiations and possible elements of the deal have not been made public. However, the ranch is an unusually large section of undeveloped coastal land and has important environmental and scenic value. The issue is not so much whether the land is worth a multi-million dollar investment by the state, but whether the state will get sufficient value for that investment.

**COMMENTS:** Concerns have been raised that there needs to be sufficient time for public and legislative review of the easement language, appraisals, resource surveys, and other details prior to closure of the deal. There are particular concerns that the deal could restrict public access to important sections of the property, including beaches.

**STAFF RECOMMENDATION:** The Subcommittee may wish to get further information from WCB and the other state entities involved in the negotiation regarding how the purchased land would be overseen and what the public access to the property would include. The Subcommittee may also wish to request a schedule for release of easement conditions, appraisals, and other details of the deal.

**3680 – DEPARTMENT OF BOATING AND WATERWAYS**

The Department of Boating and Waterways is authorized by statute to (1) plan and develop boating facilities on waterways throughout California and (2) protect the public's right to safe boating by providing financial aid to local law enforcement agencies.

In addition, the Department has responsibility for boating safety and education, licensing of yacht and shipbrokers, aquatic weed control in the Sacramento–San Joaquin Delta, and beach erosion control along California's coast.

**ISSUE 1: JANUARY BUDGET PROPOSALS**

The Governor's January 10 budget proposal includes 14 support and capital outlay proposals by the Department of Boating and waterways. The proposals are as follows:

Proposal	General Fund	Harbors & Watercraft Revolving Fund	Abandoned Watercraft Abatement Fund	Total
Departmental Support				
1. Public Small Craft Harbor Planning & Construction Loans	-	\$16,500	-	\$16,500
2. Small Craft Harbor Loans - Private Marinas	-	3,500		3,500
3. Launching Facilities Grants	-	9,996		9,996
4. Water Hyacinth Environmental Impact Report (EIR)	-	500		500
5. Abandoned Watercraft Abatement Fund Administration	-		500	500
6. Beach Erosion Program	-	1,000	-	1,000
Departmental Capital Outlay				
7. Project Planning	-	80	-	80
8. Morro Bay Marina Boat Basin Improvements	-	250	-	250
9. Statewide Emergency Repairs & Replacements	-	200	-	200
10. Statewide Boating Trails - Kayaking and Canoe facilities	-	50	-	50
11. Lake Perris, Alessandro Island Rehabilitation	-	496	-	496
12. Pyramid Lake, Vaqueros Boat Launching Facility	-	499	-	499
13. Lake Oroville, Thermalito Afterbay, Wilbur Boat Launching Facility	-	468	-	468
14. Lake Natoma Nimbus Flat Phase II Boating Instruction Safety Center	-	495	-	495
<b>Total</b>	<b>\$0</b>	<b>\$34,034</b>	<b>\$500</b>	<b>\$34,534</b>

**COMMENTS:** These proposals are consistent with the grant, loan, and other programmatic activities of the Department. Staff has raised no issues with the Department's requests.

**STAFF RECOMMENDATION:** Approve the 14 proposals requested in the Governor's January budget release.

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**ISSUE 2: APRIL FINANCE LETTER PROPOSALS**

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The Department of Boating and Waterways includes four additional proposal in April Finance Letters. These proposals are as follows:

- 1) **Clean Vessel Act Grants.** Increase of federal expenditure authority by \$240,000 for State Operations costs.
- 2) **Technical Correction.** Transfer of expenditure authority from capital outlay to support.
- 3) **Clean Vessel Act Grants.** Increase of federal expenditure authority by \$90,000 for Local Assistance costs.
- 4) **Funding Reallocation – Various Projects.** To Comply with the Americans with Disabilities Act, DBW is requesting authority to reallocate funds between regionally similar local assistance projects.

**COMMENTS:** These proposals are technical in nature and staff has raised no issues with them at this time.

**STAFF RECOMMENDATION:** Approve these requested April Finance Letter changes.

## 3680 – DEPARTMENT OF PARKS AND RECREATION

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

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### ISSUE 1: GENERAL FUND REDUCTION – STATE PARK FEES

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The budget proposes to increase revenues from state park visitor fees by \$18 million, of which \$15 million will be used to replace General Fund support currently budgeted in the department for state park operations. The remaining additional revenue will be used for expanded collection activities (\$1 million) and additional maintenance activities (\$2 million). Under this proposal, the percentage of the department's operating costs that will be funded by visitor fees will increase from 18 percent to 24 percent.

**BACKGROUND.** The state's park system consists of hundreds of units and serves over 80 million visitors annually. The General Fund is the primary funding source for the state's park system. However, admission fees and other special funds also support the park system.

The administration's proposal includes a plan to change the way fee increases are structured. The administration is proposing to make fee adjustments based on "market" factors, including a consideration of other competing recreational opportunities in the vicinity of the park, visitor demand for the park, the time of year, and the particular service features at a park. This will result in greater differential in fees among and within parks under the new schedule. However, current law requires the department to make available reduced price day-use passes to those receiving public assistance and senior citizens.

**LAO COMMENTS:** In addition to the Department's plan, the LAO has made additional recommendations regarding the administration's fee proposal:

- The LAO has expressed concern regarding leaving the plan for the fees up to DPR, and recommends the adoption of supplemental report language (SRL) to direct DPR to report on the department's final fee schedule, updated revenue estimates, and visitor attendance numbers.
- The enactment of trailer bill language to provide policy guidance, ensuring that visitor fees are consistent with legislative priorities. Specifically: a) the role of fees in state park funding; b) differential pricing based on the level of service and facilities; c) setting fees comparable with those of similar recreational providers; d) user-friendly fee collection; e) annual reporting of park fees; and f) requiring fees to be used for deferred maintenance when feasible.

**COMMENTS:** DPR has noted that some of the LAO recommended constraints could prevent the Department from having maximum flexibility, which would include potentially reducing fees at a future date, without legislative authority.

**GENERAL FUND IMPACTS:** This proposal would shift \$18 million in costs from the General Fund to increased fees on users.

STAFF RECOMMENDATION: Staff recommends the approval of the shift from General Fund to fees, and the adoption of SRL as recommended by the LAO.

Additionally, staff recommends that the Subcommittee direct the Department, the LAO and staff to consider options for trailer bill language as recommended by the LAO.



**ISSUE 2: ADDITIONAL DEPARTMENTAL PROPOSALS**

The Governor's 2004-05 budget includes two additional proposals for DPR.

- 1) **Americans With Disability Act (ADA).** Proposes \$4.6 million in funding (\$4.0 million Proposition 40 and \$600,000 OHV) to implement year three of ADA transition plan. Also proposes extending schedule for implementing \$100 million in park upgrades to improve compliance with ADA requirements from 7 to 14 years.
- 2) **Off-Highway Vehicles (OHV).** Proposes \$8.2 million (OHV) in funding for staffing, operating expenses, and equipment to fund mandated OHV programs and to fund operation of a new OHV recreation unit in Riverside County.

**COMMENTS:** Staff has raised no issues with these proposals.

**STAFF RECOMMENDATION:** Approve these two requested budget changes.

**ISSUE 3: LOCAL ASSISTANCE PROPOSALS**

Fund Source	Recreational			Historical	Total
	Grants	Local Projects	OHV Grants	Preservation Grants	
January Proposals					
1. Habitat Conservation Fund	\$2,205	\$1,500	-	-	\$3,705
2. Off-Highway Vehicle Trust Fund	-	-	17,000	-	\$17,000
3. Recreational Trails Fund	5,000	-	1,200	-	\$6,200
4. Federal Trust Fund	13,000	-	-	1,200	\$14,200
Subtotal	<b>\$20,205</b>	<b>\$1,500</b>	<b>\$18,200</b>	<b>\$1,200</b>	<b>\$41,105</b>
April Proposals					
5. Roberti-Z'Berg-Harris Grants	31,739	-	-	-	-
6. Urban Parks and Healthy Communities Act	23,337	-	-	-	-
7. Youth Soccer & Recreational Development Program	23,337	-	-	-	-
Subtotal	<b>\$78,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$78,413</b>
<b>Total</b>	<b>\$98,618</b>	<b>\$1,500</b>	<b>\$18,200</b>	<b>\$1,200</b>	<b>\$119,518</b>

**BACKGROUND:** Proposition 40 provided funding to the Department for various local assistance parks-related programs. The April Finance proposals request funds to implement three specific components of these local assistance programs.

**COMMENTS:** These proposals are consistent with statutory requirements of the various local assistance programs, and staff has raised no issues with them. The Department should update the Subcommittee on the status of its Proposition 40 activities and a schedule of the "roll-out" of these programs.

**STAFF RECOMMENDATION:** Approve the requested items.

## ISSUE 4: CAPITAL OUTLAY PROPOSALS

## Capital Outlay Budget Change Proposals, 2004-05

(Dollars in Thousands)

Description	General Fund	Special Funds	Bond Funds	Other Funds	Total
January Proposals					
<b>1 Habitat Conservation Purchases.</b> Proposes funds to acquire habitat located in and adjacent to units of the State Park System.	-	\$1,000	-		\$1,000
<b>2. Federal Trust Fund.</b> Acquisition of units or improve facilities within the State Park System.	-	-	-	3,700	3,700
<b>3. Prairie City State Vehicular Recreation Area.</b> Proposes funding for working drawings and construction to improve the facility.	-	6,519	-	-	6,519
<b>4. Off-Highway Vehicle (OHV) Opportunity Purchases.</b> Developing future OHV projects and to make purchases adjacent to state or federal OHV areas that become available.	-	400	-	-	400
<b>5. OHV Minor Capital Outlay.</b> Proposes funding for various small projects at State Vehicular Recreation Areas.	-	2,221	-	-	2,221
<b>6. Big Basin Redwoods SP.</b> Construction costs of rehabilitating the wastewater treatment plant.	-	-	1,066	-	1,066
<b>7. Crystal Cove SP.</b> First phase of construction costs to convert El Morro mobile home park to a full public access park.	-	-	5,511	-	5,511
<b>8. Fort Ross SP.</b> Construction of water system improvements.	-	-	1,092	-	1,092
<b>9. Morro Bay.</b> Construction of sewer system improvements.	-	-	968	-	968
<b>10. Samuel P. Taylor SP.</b> Preliminary plans to install new concrete reservoirs to improve the current water storage system.	-	-	199	-	199
<b>11. Reimbursed Projects.</b> Reimbursement authority to allow DPR to receive funds from other state departments and entities to acquire and develop state park properties.	-	-	-	3,000	3,000
<b>Subtotal</b>	<b>\$0</b>	<b>\$10,140</b>	<b>\$8,836</b>	<b>\$6,700</b>	<b>\$25,676</b>
April Proposals					
<b>12. Malibu SP.</b> Working drawings and construction to restore the Sepulveda Adobe.	-	-	1,233	-	1,233
<b>13. Chino Hills SP.</b> Construction and equipment for work on the facility visitor center.	-	-	1,667	-	1,667
<b>14. Crystal Cove SP.</b> Increased construction costs and reimbursements for the project.	-	-	4,231	287	4,535
<b>15. Statewide Minor Projects.</b> Construction, enhancement and improvements of various Volunteer Enhancement Program projects.	-	-	345	-	345
<b>16. Statewide Budget Development.</b> Planning of future projects.	-	-	150	-	150
<b>17. Angel Island SP.</b> Construction costs for the restoration of the Immigration Station Are of the Park.	-	-	12,484	-	12,484
<b>18. Malibu Creek SP.</b> Preliminary plans to rehabilitate the Tapia day use facility.	-	-	404	-	404
<b>19. Chino Hills SP.</b> Construction at the Coal Canyon Wildlife Corridor Restoration project.	-	-	1,054	-	1,054
<b>20. Topanga State Park.</b> Preliminary plans and working drawings for public use improvements.	-	-	574	-	574
<b>21. Doheny SB.</b> Construction and equipment for construction of lifeguard headquarters project.	-	-	1,121	-	1,121
<b>22. Lake Perris SRA.</b> Construction and equipment for the replacement of lifeguard headquarters project.	-	-	824	-	824
<b>23. Minor Projects - Statewide.</b> Funding of seven minor projects at various facilities.	-	-	2,647	-	2,647
<b>24. Shasta SHP.</b> Preliminary plans for the Southside Ruins Restoration project.	-	-	521	-	521

25. MacKerricher SP. Construction to restore Historic Trestle.	-	-	1,939	-	1,939
Subtotal	\$0	\$10,140	\$29,194		\$26,481
Total	\$0	\$10,140	\$38,030	\$6,987	\$52,157

issue continued...

**COMMENTS:** The LAO has raised issue with five proposals, requesting additional information of the Department. The LAO should comment on the current recommendation and the Department should respond if necessary. The proposals are the following:

**April Capital Outlay Proposals, 2004-05**  
(Dollars in Thousands)

Description	General Fund	Special Funds	Bond Funds	Other Funds	Total
<b>1. Railroad Technology Museum.</b> Working drawings and construction costs to rehabilitate the facility.	-	-	\$6,626	\$5,000	\$11,626
<b>2. Chino Hills SP.</b> Working drawings for entrance road upgrade.	-	-	192	-	192
<b>3. Huntington SB.</b> Working drawings, equipment and construction to expand lifeguard and training facilities.	-	-	3,736	-	3,736
<b>4. Donner Memorial SP.</b> Working drawings, equipment and construction of the new visitor center and museum..	-	-	2,886	3,041	5,927
<b>5. Calaveras Big Trees SP.</b> Construction, working drawings and equipment for the construction of a new visitor center.	-	-	3,153	500	3,653
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,593</b>	<b>\$8,541</b>	<b>\$25,134</b>

**STAFF RECOMMENDATION:** Staff has raised no issues with these proposals. Depending upon the information provided on the five proposals for which the LAO required additional information, the Subcommittee should approve the proposals for which the LAO concurs with the Department and withhold on any for which there are still questions outstanding.

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**ISSUE 5: APRIL FINANCE LETTERS**

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- 1) **Disaster Relief.** This April Finance Letter requests \$6.79 million from Proposition 40 and \$20.37 million in reimbursement authority for repair damages caused by the San Simeon earthquake and the catastrophic Southern California fires of 2003.
- 2) **Department of Parks and Recreation / DFG Joint Communications Services.** Temporary transfer of seven positions from DFG to DPR for coordinated dispatching services to be directed by DPR. (see corresponding DFG proposal)
- 3) **Bond Administration.** This proposal requests \$1.57 million (Propositions 40 & 50) for continued administration activities of the expenditure of these bond funds.
- 4) **Extension of Liquidation Period for Bond Funds.** Due to requirements associated with program development, DPR is requesting an extension of the liquidation period for Proposition 40 funds associated with the Urban Parks Grant Program and the Murray-Hayden Competitive Grants Program.

**COMMENTS:** Staff has raised no issues with these proposals.

**STAFF RECOMMENDATION:** Approve the four April Finance Letter requests.