

AGENDA

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

Assemblymember Fran Pavley, Chair

2002-03 MID-YEAR ADJUSTMENTS

THURSDAY, JANUARY 16, 2003

STATE CAPITOL, ROOM 444

I.	CONSENT ITEMS.....	PAGE 2
II.	ITEMS TO BE HEARD.....	PAGE 6
	➤ DEPARTMENT OF FORESTRY AND FIRE PROTECTION.....	PAGE 6
	➤ DEPARTMENT OF FISH AND GAME.....	PAGE 7
	➤ WILDLIFE CONSERVATION BOARD.....	PAGE 7
	➤ DEPARTMENT OF WATER RESOURCES.....	PAGE 8
	➤ CALEPA SECRETARY.....	PAGE 8
	➤ AIR RESOURCES BOARD.....	PAGE 9
	➤ DEPARTMENT OF PESTICIDE REGULATION.....	PAGE 9
	➤ STATE WATER RESOURCES CONTROL BOARD.....	PAGE 10
	➤ OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT.....	PAGE 12

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

On December 4, 2002, the Governor released his proposal for cuts to General Fund expenditures, transfers and fund shifts totaling nearly \$10.2 billion over two years. In the areas of natural resources and environmental protection, these proposed savings to the General Fund total \$265.25 million over the two years. Of this, nearly \$109 million is proposed through cuts to programs, with \$156.2 million in General Funds savings being realized through fund shifts and transfers.

CONSENT ITEMS

(dollars in thousands)

Org.	Dept	Proposal	2002-03	2003-04	Type
0540	Resources Agency	Reduce Operating Expenses & Equipment	53	53	Cut
0540	Resources Agency	Reduce out-of-state travel	12	26	Cut
0555	Environmental Protection Agency	Reduce out-of-state travel	3	6	Cut
3340	Conservation Corps	Reduce out-of-state travel	14	30	Cut
3340	Conservation Corps	Shift fund source to Collins-Dugan California Conservation Corps Reimbursement Account	1,000		Fund Shift
3340	Conservation Corps	Reduce Corps Member Benefits Savings	655		Fund Shift
3360	Energy Commission	Revert unencumbered funds for energy projects (AB 29X)	54		Cut
3360	Energy Commission	Revert unencumbered funds for energy projects (AB 29X)	1,679		Cut
3360	Energy Commission	Transfer unencumbered energy project funds from Renewable Resource Trust Fund to General Fund (AB 29X)	6,308		Cut
3460	Colorado River Board	Reduce Operating Expenses & Equipment	23	23	Cut
3480	Department of Conservation	Reduce out-of-state travel	26	55	Cut
3480	Department of Conservation	Shift fund source for Mineral Classification Program	471		Fund Shift
3540	Forestry and Fire Protection	Close two Air Attack Bases with no reduction in air services	150	795	Cut

Consent Items

Org.	Dept	Proposal	2002-03	2003-04	Type
3540	Forestry and Fire Protection	Eliminate Fire Safe Community Planning position	50	70	Cut
3540	Forestry and Fire Protection	Reduce out-of-state travel	48	103	Cut
3560	State Lands Commission	Revert past year funding for removal of hazards in State-owned rivers, bays, and sloughs	1,156		Cut
3560	State Lands Commission	Reduce operating expenses	200	200	Cut
3560	State Lands Commission	Reduce out-of-state travel	6	14	Cut
3560	State Lands Commission	Shift funding to Kapiloff Land Bank Fund	364	364	Fund Shift
3600	Department of Fish and Game	Reduce the number of enforcement positions	1,641	2,891	Cut
3600	Department of Fish and Game	Eliminate Urban Fishing Program	175	1,200	Cut
3600	Department of Fish and Game	Reduce Information Technology	122	500	Cut
3600	Department of Fish and Game	Reduce in-state-travel	100	100	Cut
3600	Department of Fish and Game	Reduce out-of-state travel	23	50	Cut
3640	Wildlife Conservation Board	Reduce Operating Expenses & Equipment, travel and general expense	86	86	Cut
3640	Wildlife Conservation Board	Shift prior year Capital Outlay project costs from GF to Bond Funds	19,164		Fund Shift
3720	Coastal Commission	Eliminate local assistance for the Local Coastal Program	500	500	Cut
3790	Parks and Recreation	Reduce out-of-state travel	10	22	Cut
3790	Parks and Recreation	Raise park fees	4,500	20,000	Fund Shift
3820	Bay Conserv. & Dev. Commission	Cancel office lobby remodeling	165		Cut
3820	Bay Conserv. & Dev. Commission	Layoff temporary help position	31	31	Cut
3820	Bay Conserv. & Dev. Commission	Shift funding to Bay Fill Cleanup and Abatement Fund	146	146	Fund Shift
3820	Bay Conserv. & Dev. Commission	Shift funding to reimbursements	69	69	Fund Shift

**SUBCOMMITTEE NO. 3 ON NATURAL RESOURCES
AND ENVIRONMENTAL PROTECTION**

JANUARY 16, 2003

Consent Items

Org.	Dept	Proposal	2002-03	2003-04	Type
3860	Department of Water Resources	Reduce Flood Management Activities	598	2,075	Cut
3860	Department of Water Resources	Eliminate North Coast Watershed assessments	321	371	Cut
3860	Department of Water Resources	Reduce out-of-state travel	137	293	Cut
3860	Department of Water Resources	Reduce water management activities	96	1,626	Cut
3860	Department of Water Resources	Shift funding for Drought Panel Recommendations to Prop 50	6,400	6,400	Fund Shift
3870	CALFED Bay-Delta Program	Reduce oversight and coordination	465	1,918	Cut
3870	CALFED Bay-Delta Program	Fund Shift to Prop 50 (SO)	15,000	32,822	Fund Shift
3870	CALFED Bay-Delta Program	Fund Shift to Prop 50 (LA)	1,000	4,500	Fund Shift
3900	Air Resources Board	Reduce Zero-Emission Vehicle Incentive Program	2,000		Cut
3900	Air Resources Board	Reduce out-of-state travel	6	13	Cut
3910	Integrated Waste Management Board	Shift funding source for the Border Program	70	119	Cut
3930	Pesticides Regulation	Reduce out-of-state travel	14	28	Cut
3940	Water Resources Control Board	Reduce water rights	610	3,321	Cut
3940	Water Resources Control Board	Reduce Salton Sea Restoration Activities	350		
3940	Water Resources Control Board	Reduce Equipment	67		Cut
3940	Water Resources Control Board	Reduce Training	63		Cut
3940	Water Resources Control Board	Reduce out-of-state travel	11	24	Cut

**SUBCOMMITTEE NO. 3 ON NATURAL RESOURCES
AND ENVIRONMENTAL PROTECTION**

JANUARY 16, 2003

Consent Items

Org.	Dept	Proposal	2002-03	2003-04	Type
3960	Toxic Substances Control	Reduce oversight at State and Federal orphan sites	1,400	1,046	Cut
3960	Toxic Substances Control	Reduce Illegal Drug Lab Cleanup Guideline Developmental Activities	912	580	Cut
3960	Toxic Substances Control	Reduce Off-Highway Emergency Response Program	96	184	Cut
3960	Toxic Substances Control	Reduce Illegal Drug Training	70	405	Cut
3960	Toxic Substances Control	Reduce out of state travel	9	5	Cut
3960	Toxic Substances Control	Shift funding for distributed administration costs	1,500		Fund Shift
3960	Toxic Substances Control	Shift funding source for Border Activities	80	340	Fund Shift
3980	Environmental Health Hazard Assessment	Reduce various operating and personal services expenses	185	900	Cut
8570	Food & Agriculture	Reduce Weed and Vertebræ & Bio-control Programs	750	1,500	Cut
8570	Food & Agriculture	Reduce Exotic Pest Control Program	230		Cut
8570	Food & Agriculture	Reduce out of state travel	115	246	Cut
Total Consent Reductions			71,559	86,050	

ITEMS TO BE HEARD

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

PROPOSAL: Reduction in Fire Lookout Station Program

\$150,000 current year and \$750,000 budget-year cuts to fire services.

BACKGROUND:

This proposal would eliminate permanent staffing of the lookout station program. Currently, the Department operates 22 fire lookout stations. The Department indicates that it intends to staff these lookouts on an "as needed" basis, depending upon the fire danger in a particular area based upon weather conditions.

PROPOSAL: Increased Federal Reimbursements

\$5.0 million in increased federal reimbursement for specific activities.

BACKGROUND:

Increased reimbursement from the Federal Emergency Management Agency (FEMA) for specified emergency fire suppression costs, as the federal government has broadened the criteria for obtaining these funds. The Department has indicated in discussions that FEMA has expressed that California will be receiving these funds. The Department should attempt to clarify for the Subcommittee the certainty of the receipt of these federal funds.

DEPARTMENT OF FISH AND GAME

PROPOSAL: Reduction in Timber Harvest Review Activities

\$425,000 reduction in funding for participation in timber harvest plan review.

BACKGROUND:

The department provides input to the Department of Forestry and Fire Protection on timber harvest plans to protect fish and wildlife resources during timber harvesting operations. This proposal will reduce the department's review of these plans.

Ensure compliance with State laws and to minimize impacts to fish and wildlife species.

WILDLIFE CONSERVATION BOARD

PROPOSAL: Fund Shifts from General Fund to Bond Funds

\$24.97 million shift of previously approved expenditures for the acquisition of the "Cargill Salt Ponds" from General Fund to bond funds (Propositions 40).

BACKGROUND:

The Resources Agency and the Administration's December overview indicated the intent for this to be funded by the Water Security, Clean Drinking Water, Coastal and Beach Protection Bond Act of 2002 (Proposition 50).

DEPARTMENT OF WATER RESOURCES

PROPOSAL: Flood Control Subventions

Reversion of \$58.1 million in local flood control subventions to the General Fund.

BACKGROUND:

The Local Flood Control Subventions Program pays 70 percent of the non-federal share of flood control projects, with the remaining 30 percent paid by the local agency sponsors. Over the last three years, \$128.3 million General Fund has been appropriated for flood control subventions.

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY SECRETARY

PROPOSAL: Permit Assistance Centers

The 2002 Budget Act included \$479,000 General Fund to operate two permit assistance centers and the CalGOLD online permit assistance service.

BACKGROUND:

The Administration proposes to reduce funding for the two permit assistance centers and believes that the services can be handled by the CalGOLD Internet system.

AIR RESOURCES BOARD

PROPOSAL: Stationary Source Fees

The Governor's proposed 2003-04 Budget proposes \$10 million in fees to support the Air Resources Board's (ARB) Stationary Source Program.

BACKGROUND:

The Administration's proposal would give authority to the ARB to adjust these fees to replace General Fund support of these programs with the Air Pollution Control Fund.

The Subcommittee may wish to consider expediting the approval of trailer bill language to provide sufficient time for the ARB to develop regulations and have the fee in place for 2003-04. The proposal before the Subcommittee is consistent with a proposal provided by the LAO and discussed by this Subcommittee last year.

DEPARTMENT OF PESTICIDE REGULATION

PROPOSAL: Elimination of Pest Management Grants

\$352,000 General Fund reduction in the current year (1.8 personnel years) and \$352,000 in the budget year (1.8 personnel years).

BACKGROUND:

The Pest Management Grants program helps non-profit organizations, private groups, university researchers, government entities, and other address pest management challenges on a local or regional scale. Additionally, the Integrated Pest Management (IPM) Program encourages the use of pest management strategies that are environmentally sound and offer less risk.

PROPOSAL: Market Surveillance Residue Program

\$195,000 reduction in the current year and \$992,000 in the budget year.

BACKGROUND:

DPR analyzes domestically produced and imported foods for pesticide residues to enforce the tolerances set by U.S. EPA. Samples are collected at points of entry, packing sites, and the wholesale and retail markets.

STATE WATER RESOURCES CONTROL BOARD

**PROPOSAL: General Fund Reductions - Water Quality Trend Monitoring;
Investigations and Cleanups; Water Quality Control Planning;
and Agricultural Waste Management Program**

\$1.32 million CY and \$8.3 million BY reduction to the Water Board's Water Quality Trend Monitoring, Water Quality Control Planning, Investigations and Cleanup, and Agricultural Waste Management Activities.

BACKGROUND:

Water Quality Trend Monitoring

\$831,000 CY and \$6.8 million BY reduction to the Water Board's Water Quality Trend Monitoring Program. The Water Board has 5 monitoring programs: the Coastal Water Monitoring and Assessment; the Coastal Initiative; the Lake Tahoe Water Monitoring and Assessment; the Groundwater Ambient Monitoring and Assessment (GAMA); and the Surface Water Ambient Monitoring Program (SWAMP).

The total funding for these five programs in 2002-03 is approximately \$10 million. The GAMA program is being reduced in the current year; these are unencumbered contract funds that would otherwise have provided groundwater data in support of various efforts, including the development of the statewide monitoring plan required by AB 599.

State Water Resources Control Board, continued

Agricultural Waste Management Program

\$450,000 CY and \$1.12 million BY reduction to contract funds that have historically been used to assist growers in managing the discharge of salts and toxic chemicals (e.g., selenium) in agricultural drain waters through the development and implementation of Best mgmt practices.

Spills, Leaks, Investigations and Cleanup Program

\$25,000 CY and \$290,000 BY reduction in General Fund support for investigations relating to the cleanup of spills and the identification of responsible parties associated with spills, leaks, or other discharges.

Watershed Management Initiative - Water Quality Control Planning

\$15,000 CY and \$85,000 BY reduction to funding allowing Regional Boards to develop basin plans to identify beneficial uses, water quality characteristics & water quality programs.

Fees

The Governor's proposed 2003-04 Budget assumes increased fees at the Water board to cover a \$13.6 million reduction to General Fund support of the Board's regulatory activities. Additionally, the Subcommittee had before it, trailer bill language that would delete specific fee references from the Water Code and simply provides authority for the Board to set fees to fully cover the Boards costs to administer and enforce its waste discharge activities.

The Subcommittee may wish to consider directing that the Budget Year cost of these programs be covered by any fee increase adopted by the Legislature.

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT

PROPOSAL: Reduction to Pesticide and Toxic Materials Section

\$107,000 General Fund reduction (1.3 personnel years) in the current year and \$775,000 General Fund reduction (6.6 personnel years) in the budget year to the Pesticide and Toxic Materials Section.

BACKGROUND:

Elimination of Pesticide Epidemiologist and Health Educator positions currently vacant. These positions conduct epidemiological studies of populations living near agricultural areas where pesticide use is the greatest and perform education and outreach activities.

With these reductions, OEHHA would discontinue pesticide-related epidemiological studies, physician education, and outreach activities