

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

**Assemblymember Fran Pavley, Chair**

**WEDNESDAY, MAY 8, 2002**  
**STATE CAPITOL, ROOM 127**  
**8:00 AM**

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**ITEMS TO BE HEARD**

**CAPITAL OUTLAY PROJECTS**

ITEM	DESCRIPTION	PAGE
3340	<u>CALIFORNIA CONSERVATION CORPS</u>	3
3540	<u>DEPARTMENT OF FORESTRY AND FIRE PROTECTION</u>	3
3790	<u>DEPARTMENT OF PARKS AND RECREATION</u>	5

**OPEN ITEMS**

ITEM	DESCRIPTION	PAGE
0540	<u>SECRETARY FOR RESOURCES</u>	6
Issue 1	➤ Reappropriation of Proposition 12 and 13 Funds	6
Issue 2	➤ Lake Tahoe Environmental Improvement Program Supplemental Report Language	6
3480	<u>DEPARTMENT OF CONSERVATION</u>	7
Issue 1	➤ Beverage Container Recycling Fund Loan to the General Fund	7

## OPEN ITEMS

ITEM	DESCRIPTION	PAGE
<b>3600</b>	<b><u>DEPARTMENT OF FISH AND GAME</u></b>	<b>7</b>
Issue 1	➤ Administration Proposed General Fund Reduction	7
<b>3930</b>	<b><u>DEPARTMENT OF PESTICIDE REGULATION</u></b>	<b>8</b>
Issue 1	➤ Administration Proposed Budget Changes	8
<b>8570</b>	<b><u>DEPARTMENT OF FOOD AND AGRICULTURE</u></b>	<b>8</b>
Issue 1	➤ Medfly Preventative Release Program	8
Issue 2	➤ Administration Proposed Budget Changes	9
Issue 3	➤ Red Imported Fire Ants Program	9
	<b><u>CALFED BAY-DELTA PROGRAM</u></b>	<b>10</b>
Issue 1	➤ Staff Recommended General Fund Reductions	10
	<b><u>PROPOSITION 40 PROPOSALS</u></b>	<b>12</b>
Issue 1	➤ Administration Proposed Proposition 40 Expenditures	12
	<b><u>FEE DISCUSSIONS</u></b>	<b>13</b>
Issue 1	➤ Department of Forestry and Fire Timber Harvest Plan Fees	13
Issue 2	➤ Department of Parks and Recreation: State Park Fees	14
Issue 3	➤ Air Resources Board: Stationary Source Program Fees	15
Issue 4	➤ State Water Resources Control Board: Core Regulatory Program Fees	15

## CAPITAL OUTLAY

### 3340: California Conservation Corps

The California Conservation Corps (CCC) proposes three capital outlay projects. The Corps and the Department of Finance and the LAO are attempting to clear up any outstanding issues.

#### COMMENTS:

Staff recommends withholding on the CCC's capital outlay proposals pending the outcome of these discussions.

### 3540: Department of Forestry and Fire Protection

The Governor's proposed 2002-03 budget includes 21 proposals to be funded through lease-payment bonds, 1 to be funded from the General Fund, and an additional 8 have been requested in May 1 Technical Letters as reappropriation items.

The specific proposals are detailed in figure 1 below.

Figure 1.

Project Name	Phase	Project Total
South Operations HQ	W, C	\$16,401,000
Weaverville FFS	C	\$1,971,000
Manton FFS	C	\$1,364,000
Harts Mill FFS	C	\$1,323,000
Sonora FFS	C	\$2,078,000
Sand Creek FFS	C	\$1,338,000
Usona FFS	C	\$1,362,000
Rancheria FFS	C	\$1,802,000
San Marcos FFS**	P,W,C	\$2,115,000
Elk Camp FFS	C	\$1,496,000
Santa Clara RUH	C	\$1,378,000
Ukiah FFS	C	\$2,042,000
Bautista CC	P, W, C	\$3,079,000
Springville FFS	P, W, C	\$2,740,000
Sweetwater FFS**	P, W, C	\$2,651,000
Raymond FFS**	P, W, C	\$2,478,000
Buckhorn FFS	P, W, C	\$1,143,000
Altaville FFS	C	\$2,046,000

Project Name	Phase	Project Total
Ventura YCC	C	\$1,397,000
Nipomo FFS	C	\$1,777,000
Fenner Canyon CC	C	\$2,452,000
Minor (general fund)	C	\$485,000
<b>May 1 Technical</b>		
Stevens Creek FFS	RA	\$0
Pacheco FFS	RA	\$0
San Luis Obispo RUH	RA	\$0
Hemet-Ryan AAB	RA	\$0
Owens Valley FFS	RA	\$0
Dew Drop FFS	RA	\$0
Hammond FFS	RA	\$0
Squaw Valley FFS	RA	\$0
<b>Total</b>		<b>\$54,918,000</b>

RA = Reappropriation  
W= working drawings  
P= Planning  
C=Construction

**COMMENTS:**

The LAO has reviewed these and has raised issue with four of the proposals. To clarify these, the LAO and Finance have agreed upon language to be inserted in 3540- 301-0660 as follows:

**Provisions:**

**7. Preliminary plans for Schedules (2), (9), (18) and (19) of this item are not yet complete. Due to the consistent design and components of forest fire stations, and to facilitate the use of the Public Buildings Construction Fund and related interim financing from the Pooled Money Investment Account, these projects are authorized to the extent the scope and cost for Schedules (2), (9), (18), and (19) remain consistent with Department of General Services capital outlay budget packages B1CDF98, B2CDF109, B1CDF102, and B2CDF103, respectively. Nothing in this provision shall be construed to limit the Public Works Board's authority pursuant to Government Code Section 13332.11.**

Staff recommends the approval of the capital outlay proposals and the budget bill language proposed by the LAO.

**3790: Department of Parks and Recreation**

The Department of Parks and Recreation has several capital outlay proposals totaling \$53.91 million (bond fund, special fund, federal fund and reimbursement). The specific proposals are detailed below in figure 2.

Figure 2.

Title	Phase	Jan 10 Budget	April 1 Finance Letter
ANZA-BORREGO DESERT SP	S	\$248,000	
ANZA-BORREGO DESERT	P	\$367,000	
BIG BASIN REDWOODS SP	P,W	\$169,000	
BORDER FIELD SP	W	\$150,000	
CARDIFF SB	C	\$2,153,000	
CRYSTAL COVE SP	W	\$803,000	
EMPIRE MINE SHP	W	\$97,000	
FOLSOM POWERHOUSE SHP	W,C,E	\$2,420,000	
FORT ROSS SHP	W	\$307,000	
HEARST SAN SIMEON SHM	C	\$4,337,000	
HENRY W. COE SP	C,E	\$2,040,000	
HOLLISTER HILLS SVRA	P	\$50,000	
HUMBOLDT REDWOODS SP	P	\$94,000	
JACK LONDON SHP	W,C,E	\$1,661,000	
LA PURISIMA MISSION SHP	P,W	\$143,000	
LOS ENCINOS SHP	W,C,E	\$1,091,000	
MORRO BAY SP	C	\$3,206,000	
MOUNT DIABLO SP	P,W	\$613,000	

Title	Phase	Jan 10 Budget	April 1 Finance Letter
NEW BRIGHTON SB	C,E	\$2,520,000	
OCEANO DUNES SVRA	P	\$50,000	
PFEIFFER BIG SUR SP	W,C,E	\$3,358,000	
PRAIRIE CITY SVRA	A	\$3,805,000	
PRAIRIE CREEK SP	W,C	\$1,969,000	
SANTA LUCIA MOUNTAINS	A	\$1,500,000	
SILVERWOOD LAKE SRA	W,C	\$2,547,000	
WILDER RANCH SP	C	\$2,083,000	
WILL ROGERS SHP	P,W	\$214,000	
Budget Development	S	\$500,000	
Reimbursements	A,P,W,C	\$3,000,000	
Federal Trust Fund	A,P,W,C	\$1,500,000	\$2,200,000
Habitat Acquisition 2000 Bond	A	\$1,237,000	
Habitat Conservation	A	\$1,000,000	
OHV Purchases and Appraisals	A,S	\$400,000	
California Sno Park	C	\$25,000	
OHV Unit Projects	C	\$2,145,000	
Capital Outlay Minors	C	\$3,904,000	
<b>DPR Totals</b>		<b>\$51,706,000</b>	<b>\$2,200,000</b>

Phase

A- Acquisition  
P- Planning  
W- Working Drawings

C- Construction  
S- Study

**COMMENTS:**

Staff recommends the approval of the Department of Parks and Recreation's capital outlay proposals identified in figure 2 above.

## 0540 SECRETARY FOR RESOURCES

### Issue 1: Propositions 12 and 13 Reappropriation

This proposal has no fiscal impact, it simply provides for the reappropriation of funds included in prior years' budget acts from the 2000 Park Bond and Water Bond.

#### **BACKGROUND:**

A total of \$44.8 million (\$41.4 million Prop. 12, \$3.4 million Prop. 13) was appropriated in the 00-01 and the 01-02 Budget Acts that were not given 3-year expenditure authority, a practice that is common for capital outlay funds.

#### **COMMENTS:**

The Subcommittee withheld action on this item during the March hearing. These funds are appropriated for projects previously approved by Legislature (twice).

### Issue 2: Lake Tahoe Environmental Improvement Program

Earlier in the Subcommittee's hearing of the 2002-03 proposed budget, it adopted Supplemental Report Language under the Tahoe Regional Planning Agency's budget relating to the Lake Tahoe Environmental Improvement Program. Through negotiations, it has been decided that this language is best directed to the Secretary for Resources. The language listed below is the appropriate, agreed upon Supplemental Report language that should be requested of the Secretary for Resources.

**Lake Tahoe Environmental Improvement Program.** The Resources Agency shall, in consultation with California Environmental Protection Agency, the Business, Transportation and Housing Agency, the Tahoe Regional Planning Agency, the California Tahoe Conservancy, the Department of Parks and Recreation, the Department of Transportation, the State Water Resources Control Board, the California Air Resources Board and/or other appropriate agencies report to the Chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees of both houses by January 10, 2003 on the State of California's participation in the implementation of the Environmental Improvement Program (EIP) for the Lake Tahoe Basin. The report shall include, but not be limited to:

- a. The implementation and results of the most recent evaluation of environmental standard attainment in the Tahoe region.
- b. A summary of the major program activities that further EIP policies and objectives planned for the budget year by the various California boards and departments implementing the EIP. The summary shall include planned program expenditures and projected timelines and, where feasible, a discussion of policy choices and funding priorities inherent in the budget proposal.
- c. A status report of the major EIP program accomplishments to date, including, to the extent practicable and appropriate, estimated measures of benefit by the various California boards and departments implementing the EIP.

## **3480 DEPARTMENT OF CONSERVATION**

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### **Issue 1: Beverage Container Recycling Fund General Fund Loan**

The budget proposes a \$218 million loan to the General Fund from the Beverage Container Recycling Fund (BCRF). The BCRF is projected to have a fund balance of \$25 million, a reduction of \$165.7 million from the current-year. The Administration has proposed budget bill language to repay the loan with interest.

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

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### **Issue 1: Administration Proposed General Fund Reduction**

The Governor's proposed 2002-03 budget includes a \$975,000 General Fund reduction to the Department of Fish and Game's budget. This reduction would eliminate the payment of fees in lieu of taxes to counties with designated "Wildlife Areas."

#### **BACKGROUND:**

Since the mid-1940's, the Department of Fish and Game has been making payments of fees to counties for Wildlife Areas that are not subject to property taxes.

#### **COMMENTS:**

The Subcommittee did not approve this reduction at its prior hearing of the item.

## **3930 DEPARTMENT OF PESTICIDE REGULATION**

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### **Issue 1: Administration Proposed Budget Changes**

The Governor's proposed 2002-03 Budget includes three proposals relating to the Department of Pesticide Regulation. These include:

- \$3.5 million (General Fund) reduction to State Operations (\$3.0 million) and Local Assistance (\$500,000) activities.
- \$3.4 million (General Fund) to support Departmental activities not fully funded in AB 780 (Thomson) which authorized the Departments "mill" assessment.
- \$37,000 (reimbursement authority) for monitoring of the Department of Food and Agriculture's Pest Eradication and Emergency Projects.

#### **COMMENTS:**

The Subcommittee did not approve the items proposed above when this issue was heard at a previous hearing.

## **8570 DEPARTMENT OF FOOD AND AGRICULTURE**

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### **Issue 1: Medfly Preventative Release Program**

The Governor's budget proposes \$9.2 million (permanent basis) from the General Fund and 138 positions to provide funding for Mediterranean Fruit Fly (medfly) control on an ongoing basis.

#### **BACKGROUND:**

The LAO has raised the issue that the affected agricultural community should assist in the support, through fees, of this program. Additionally, the Department was required to provide the Legislature with a report detailing options for alternate funding of this program. This report was due in January of 2002 and according to the Secretary of the Department, it was never done.

#### **COMMENTS:**

The Subcommittee should consider requiring the Department to contract with the University of California to produce the report requested by the Legislature in the 2001-01 Budget Act.



## Issue 2: Administration's Proposed Budget Changes

The Governor's budget includes several additional proposals relating to Departmental activities. These include:

- \$460,472 for the reestablishment of abolished positions.
- \$253,000 in reimbursement authority for CALFED program.
- \$562,500 (\$374,000 General Fund) one-time relocation costs associated with the headquarters relocation.
- \$225,000 expenditure authority for financial compliance audits.
- \$700,000 (federal funds) to participate in the federal Microbiological Data Program.
- Transfer of authority for equine inspection to the Livestock Identification program.

### BACKGROUND:

The Subcommittee withheld action on this item, noting concern over the reestablishment of the 11 abolished positions.

## Issue 3: Red Imported Fire Ant Program

The Governor's proposed 2002-03 budget includes \$7.4 million (General Fund) in support of the Red Imported Fire Ant Program. Of these funds, \$1.6 million is in support of efforts to enforce the quarantine of nursery stock and other soil materials in which the ants are transported and \$5.8 million supports local public outreach and eradication efforts.

### COMMENTS:

According to the LAO, the red imported fire ant is a nuisance pest but does not threaten any California agricultural industry. Under the program, CDFA mainly contracts with county agricultural commissioners to detect and eradicate the ants.

Given the fiscal condition of the State, the Subcommittee may wish to reduce the level of support to counties for this activity. State support for the enforcement of the quarantine in affected counties, as well as the eradication efforts could be continued even with a reduction to the General Fund support from the State. The LAO notes that, because the ants do not pose a risk to the state's agriculture, the counties should decide whether the program is worth continuing and if they conclude that it is a priority, they should fund the program.

## CALFED BAY-DELTA PROGRAM

### Issue 1: Staff Recommended General Fund Reductions

The Governor's proposed 2002-03 budget includes \$519.3 million (\$58.9 million General Fund) in support of the CALFED Bay-Delta Program.

In a previous hearing of this item, staff recommended a general fund reduction to various program elements of the CALFED Bay-Delta Program totaling \$19.0 million. This proposed reduction would leave \$39.9 million in General Fund and \$500.3 million in bond funds. The reductions recommended by the staff are displayed in figure 3 below.

Figure 3.

PROGRAM ELEMENT	PROPOSED 02-03 GF EXPENDITURES	STAFF RECOMMENDED GF CUT	GF REMAINING	DETAILS/ COMMENTS
<b>Ecosystem Restoration</b>	<b>\$3,764</b>	<b>-\$600</b>	<b>\$3,164</b>	
CALFED	\$764		\$764	
DWR	\$1,100	-\$100	\$1,000	S&OE
DFG	\$1,900	-\$500	\$1,400	S&OE
<b>Water Use Efficiency</b>	<b>\$8,358</b>	<b>-\$5,000</b>	<b>\$3,358</b>	
CALFED	\$1,391	-\$150	\$1,241	
DWR	\$6,967	-\$4,850	\$2,117	\$2,061 contracts & \$2,789 S&OE
<b>Watershed Management</b>	<b>\$4,699</b>	<b>-\$3,425</b>	<b>\$1,274</b>	
CALFED	\$2,219	-\$2,025	\$194	\$2,025 contracts
DWR	\$1,652	-\$1,400	\$252	\$369 contracts & \$1,031 S&OE
DFG	\$445		\$445	
CDF	\$374		\$374	
<b>Levees</b>	<b>\$8,154</b>	<b>-\$3,500</b>	<b>\$4,654</b>	
CALFED	\$558		\$558	
DWR	\$7,434	-\$3,500	\$3,934	\$2,750 contracts & \$750 S&OE
DFG	\$38		\$38	
SWRCB	\$124		\$124	
<b>Storage</b>	<b>\$13,069</b>	<b>-\$5,500</b>	<b>\$7,569</b>	
CALFED	\$1,180	-\$246	\$934	S&OE
DWR	\$11,440	-\$5,254	\$6,186	\$1154 contracts & \$2750 S&OE
DFG	\$449		\$449	
<b>Oversight &amp; Coordination</b>	<b>\$6,877</b>	<b>-\$975</b>	<b>\$5,902</b>	
CALFED	\$5,405	-\$600	\$4,805	S&OE
DWR	\$243		\$243	
DFG	\$305		\$305	
BCDC	\$88		\$88	
DOC	\$96		\$96	
SWRCB	\$740	-\$375	\$365	S&OE
<b>TOTAL</b>		<b>-\$19,000</b>		

The LAO has independently provided the Legislature with the option for \$16.3 million in general fund reductions. The LAO's proposed cuts are detailed in figure 4 below.

Figure 4

PROGRAM ELEMENT	GENERAL FUND	POSITIONS	SALARIES & OPERATING EXPENSES	CONTRACTS	LAO RECOS AND OPTIONS
<b>Ecosystem Restoration</b>					<b>-\$500</b>
DFG Base	\$1,900	30.8	\$1,900	\$0	
LAO Options Cut	-\$500	-7.8	-\$500	\$0	<b>-\$500</b>
<b>Remaining DFG</b>	<b>\$1,400</b>	<b>23.0</b>	<b>\$1,400</b>	<b>\$0</b>	
<b>Water Use Efficiency</b>					<b>-\$5,000</b>
CALFED (Base)	\$1,371	4.0	\$509	\$862	
LAO Options Cut	-\$150	-1.0	-\$150	\$0	<b>-\$150</b>
<b>Remaining CALFED</b>	<b>\$1,221</b>	<b>3.0</b>	<b>\$359</b>	<b>\$862</b>	
DWR (Base)	\$6,967	32.0	\$4,501	\$2,466	
LAO Recommended Cut	-\$3,900	-11.0	-\$1,839	-\$2,061	<b>-\$3,900</b>
LAO Options Cut	-\$950	-7.0	-\$950	\$0	<b>-\$950</b>
<b>Remaining DWR</b>	<b>\$2,117</b>	<b>14.0</b>	<b>\$1,712</b>	<b>\$405</b>	
<b>Remaining DWR/ CALFED</b>	<b>\$3,338</b>	<b>17.0</b>	<b>\$2,071</b>	<b>\$1,267</b>	
<b>Watershed</b>					<b>-\$3,800</b>
CALFED (Base)	\$2,219	2.0	\$194	\$2,025	
LAO Options Cut	-\$2,148	-1.0	-\$123	-\$2,025	<b>-\$2,148</b>
<b>Remaining CALFED</b>	<b>\$71</b>	<b>1.0</b>	<b>\$71</b>	<b>\$0</b>	
DWR (Base)	\$1,652	5.0	\$1,283	\$369	
LAO Options Cut	-\$1,652	-5.0	-\$1,283	-\$369	<b>-\$1,652</b>
<b>Remaining DWR</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Remaining DWR/ CALFED</b>	<b>\$71</b>	<b>1.0</b>	<b>\$71</b>	<b>\$0</b>	
<b>Levees</b>					<b>-\$4,500</b>
DWR (Base)	\$7,434	24.0	\$2,934	\$4,500	
LAO Options Cut -- Local Assistance	-\$4,500	0.0	\$0	-\$4,500	<b>-\$4,500</b>
<b>Remaining DWR</b>	<b>\$2,934</b>	<b>24.0</b>	<b>\$2,934</b>	<b>\$0</b>	
<b>Storage</b>					<b>-\$2,500</b>
CALFED (Base)	\$770	5.0	\$620	\$150	
LAO Options Cut	-\$246	-2.0	-\$246	\$0	<b>-\$246</b>
<b>Remaining CALFED</b>	<b>\$524</b>	<b>3.0</b>	<b>\$374</b>	<b>\$150</b>	
DWR (Base)	\$11,440	88.0	\$8,590	\$2,850	
LAO Options Cut	-\$2,254	-1.0	-\$100	-\$2,154	<b>-\$2,254</b>
<b>Remaining DWR</b>	<b>\$9,186</b>	<b>87.0</b>	<b>\$8,490</b>	<b>\$696</b>	
<b>Remaining DWR/ CALFED</b>	<b>\$9,710</b>	<b>90.0</b>	<b>\$8,864</b>	<b>\$846</b>	
<b>TOTAL</b>					<b>-\$16,300</b>

In addition to the \$519.3 million proposed in the Governor's budget, there is approximately \$9.4 million in additional General Fund to implement recommendations of the Governor's Drought Advisory Panel. The LAO recommends that \$4.7 million of this amount be deferred. This would leave \$4.7 million in the budget year to assist local water agencies and rural homeowners in planning to address potential water shortages.

**COMMENTS:**

Staff recommends the reduction of \$19.0 million (General Fund) per the recommendations in figure 3, as well as the \$4.7 million recommended reduction to the Drought Advisory Panel's activities.

## THE CLEAN WATER, CLEAN AIR, SAFE NEIGHBORHOOD PARKS AND COASTAL PROTECTION ACT OF 2002

Proposition 40, passed by the voters in March of 2002, includes \$2.6 billion for State and local parks projects, air quality, water quality and storm water pollution runoff projects, as well as for historical and cultural projects relating to California's diverse population.

### Issue 1: Administration Proposed Proposition 40 Expenditures

The Governor's 2002-03 budget proposes expenditures of \$119.1 million in Proposition 40 funds. The proposed expenditures are detailed in figure 5 below.

Figure 5.

	Department/ Agency	Amount (millions)	Category	Comments
1.	Secretary for Resources	\$10.0	River Parkways - CALFED	Details relating to specific river parkways to receive funding not available.
2.	Department of Fish and Game	\$8.0	Salmon & Steelhead Trout Restoration Account	The corresponding sweep of \$8.0 mil. from the Salmon and Steelhead Trout Restoration Account to the GF was also held open.
3.	Wildlife Conservation Board	\$30.0	CALFED	These funds are continuously appropriated to the WCB and it is unclear if this proposal is necessary.
4.	State Coastal Conservancy	\$10.0	CALFED	
5.	Department of Parks and Recreation	\$10.0	Deferred Maintenance Account	The corresponding sweep of \$10.0 mil. from the Deferred Maintenance Account to the GF was held open.
6.	Department of Water Resources	\$51.1	CALFED	According to the bond these funds are to be used for the purposes of clean beaches, watershed protection, and water quality projects.
	<b>Total</b>	<b>\$119.1</b>		

### BACKGROUND:

The Administration has indicated its hope that the funds provided in this bond measure will be available for projects over the course of several years. To these ends, the Administration and the Legislature are looking at the structure of the bond to best allocate funds over 3 to 5 years.

The Administration indicated to the Legislature that upon the release of the five-year Infrastructure Plan, discussions relating to the overall expenditure of Proposition 40 would take place. The Infrastructure report was expected to be completed on April 30, 2002. The Legislature received notice from the Department of Finance on April 29, 2002 that the release of the Infrastructure Plan would be delayed, with no time-certain for the actual release date. There has been no subsequent discussions with the Administration

### COMMENTS:

The Subcommittee may wish to withhold action on the Administration's proposed expenditures from Proposition 40 until the Administration is prepared to enter into discussion with the Legislature regarding the overall Proposition 40 plan.

## FEE DISCUSSIONS

### Issue 1: DEPARTMENT OF FORESTRY AND FIRE PROTECTION: Timber Harvest Fees

The LAO has recommended that the Legislature enact legislation that would provide CDF with the authority to impose timber harvest plan (THP) fees. CDF and other agencies reviewing and enforcing THPs currently do not have the authority to charge fees for their costs.

#### BACKGROUND:

The Governor's proposed 2002-03 budget includes approximately \$21.5 million of general fund in support of State activities relating to the review and approval of THPs. These activities ensure the compliance with State environmental protection laws by individuals and businesses seeking to harvest timber for sale.

The Subcommittee directed staff to convene a working group to look at the feasibility of imposing a fee on THPs as well as the possibility of "streamlining" the review process. The discussions with CDF, the LAO, the Department of Finance, have led to several options for the structuring of fees to either partially or completely offset the State's General Fund expenditures for these THP reviews.

The working group has discussed several options, including the ones listed below:

Fee Type	Fund Half of General Fund	Fund All of General Fund	Comments
Flat Fee	\$12,706 per THP	\$25,413 per THP	THP can range from 5 to over 1000 acres. Is one fee appropriate?
Acreage Harvested	\$51 per acre	\$103 per acre	THP can range from 5 to over 1000 acres, with an approx. average size of 250 acres.
Value of Timber Yield	≈ 2% assessment on yield value	≈ 4% assessment on yield value	Yield value set by the Board of equalization. Assessment would be a percentage of the set value.
Fee For Service	?	?	CDF and Finance cite difficulty of charging each property owner for the exact share of the State cost to review that owner's THP could increase costs and be counter productive.

#### COMMENTS:

The working group continues to consider these options should the Subcommittee require specific proposals for a fee increase.

**Issue 2: DEPARTMENT OF PARKS AND RECREATION: State Park Fees**

In the 2000-01 Budget Act, the Legislature approved the Administration's proposal to provide \$26 million in General Fund to backfill the loss of revenue to the Department when various use fees were reduced and eliminated. The Governor's budget estimates a reduction in Current Year and Budget Year revenues, attributable to these reduced fees, of approximately \$14.0 million over revenues in 2000-01.

**BACKGROUND:**

The Department of Parks and Recreation, when proposing its plan for reducing State Park fees, cited an interest in increasing the numbers of Park visitors, going so far as to request \$10 million in additional funding to cover costs associated with the expected increase. Specifically, the demographic Parks was hoping to attract was those Californians who have historically not ventured into the State Park System, including large numbers of urban dwellers. The fee most often pointed to with regard to these Californians was the Day-Use fee (approximately \$6 per vehicle before the reduction, now \$3).

In addition to reducing this fee however, the Department eliminated many other fees and costs that do not directly impact the numbers of park users. These include boat launch fees, pet fees, fees for multiple vehicles at a campsite, and the processing fee charged by an outside service to process campsite reservations. The Department indicates that it incurs approximately \$2.0 million in costs each year for this ticket reservation charge alone.

**COMMENTS:**

The Subcommittee should consider if the Department is best serving the people of California with the choices made in the fee reductions in 2001. It is apparent that the Department could reinstate certain currently abolished fees or increase certain fees without adversely impacting park users.

**Issue 3: AIR RESOURCES BOARD: Stationary Source Program Fees**

The Legislative Analyst's Office (LAO) has recommended legislation to expand the fee base of the Stationary Source Program, with the potential to generate \$18.7 million in revenue. This revenue could fund the Stationary Source Program and therefore, reduce the current General Fund support to the program.

**COMMENTS:**

Staff, the ARB, Finance and affected industries have met to look at the possibility of the State imposing fees to cover the costs implementing the Stationary Source Program. The LAO has developed several proposals for the Subcommittee's review and should present these.

The Subcommittee should consider these options and the question as to the appropriate level of the fee and the corresponding revenue generated in support of the program.

**Issue 4: STATE WATER RESOURCES CONTROL BOARD:  
Core Regulatory Program Fees**

The Governor's Budget proposes to raise fees to support the SWRCB's core regulatory program. This proposal expects to generate approximately \$15 million to offset current support from the General Fund by increasing the maximum fee amount that can be charged from \$10,000 to \$20,000. The total General Fund cost to the State to implement its core programs is approximately \$37.5 million.

**BACKGROUND:**

The Water Board, the LAO, Finance and staff have been working to compile specific information that the Subcommittee could use in determining appropriate fees to achieve various amounts of General Fund savings. LAO should comment on the status of the discussions.

Some of the options considered include:

- **Creating a new category for dischargers that release more than 100 million gallons per day;**
- **Capping fees at, anywhere from \$20,000 to more than \$35,000;**
- **Allowing the imposition of fees on "co-permittees;" and**
- **Deleting the exemption from these fees that confined-animal facilities current receive.**

**COMMENTS:**

The working group relating to this issue has made significant progress toward providing the Subcommittee with an appropriate proposal for its consideration.