

ASSEMBLY BUDGET COMMITTEE

INFORMATIONAL HEARING

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

AGENDA

DECEMBER 16, 2002

3:00 PM

ROOM 447

- I. Opening Remarks of the Chair and Members
-Assemblymember Fran Pavley**

 - II. Overview of Proposed Reductions
-Legislative Analyst**

 - III. Response and General Discussion of Proposals
-John Lloyd, Department of Finance
-Legislative Analyst**

 - IV. Public Comment (not limited to Resources Issues)**

 - V. Closing Comments
-Assemblymember Fran Pavley**
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NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

On December 4, 2002, the Governor released a proposal for cuts to General Fund expenditures, transfers and fund shifts totaling nearly \$10.2 billion. In the areas of natural resources and environmental protection, these proposed savings to the General Fund total \$254.3 million over the two years.

The proposed two-year cuts for resources and environmental protection total \$106.5 million (\$74.46 million in the current year), with proposed two-year fund shifts totaling \$147.8 million (\$78.19 million in the current year). These reductions reflect a 6% cut to General Fund support of natural resources and environmental protection programs.

The following pages provide a description of several key proposals within the Resources Agency and CalEPA.

RESOURCES AGENCY

ENERGY RESOURCES, CONSERVATION & DEVELOPMENT COMMISSION

PROPOSAL:	Reversion of Unencumbered Balances
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Reversion of \$1.73 million of unencumbered funds for various energy-related programs.

BACKGROUND:

The Administration proposes the reversion of \$1.7 million of unencumbered funds intended for cost-effective energy conservation and demand-side management programs, and \$53,000 of unencumbered funds to provide time-of-use or real time electric meters to customers whose usage is greater than 200 kilowatts.

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

PROPOSAL:	Reduction in Fire Service Activities
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\$350,000 (5.2 personnel years) current year and \$1.62 million (26.1 personnel years) budget-year cuts to fire services.

BACKGROUND:

This proposal would consolidate air attack activities, closing two existing bases, and eliminate the lookout station program, as well as various other planning activities.

Forestry and Fire Protection**PROPOSAL: Increased Federal Reimbursements**

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

BACKGROUND:

Increased reimbursement from FEMA for specified emergency fire suppression costs, as the federal government has broadened the criteria for obtaining these funds.

STATE LANDS COMMISSION

PROPOSAL: Aquatic Hazard Removal

\$1.16 million reversion of funds provided for the removal of hazards in State waters.

BACKGROUND:

The 2001 Budget Act provided \$1.40 million for the removal of hazards in State waters and in the surf zone of California's coast. This \$1.16 million has not currently been expended and is available for reversion.

DEPARTMENT OF FISH AND GAME

PROPOSAL: Reduction in Enforcement Positions

\$1.64 million in General Fund (29.5 personnel years) savings in the current year and \$2.89 million (47.5 personnel years) savings in the budget year.

BACKGROUND:

This proposal will eliminate 31 vacant positions, including Fish and Game Wardens, Patrol Captains, Regional Patrol Chiefs and Patrol Lieutenants. Since the positions to be eliminated are already vacant, this reduction will not reduce the department's current law enforcement capabilities, but will prevent returning staffing levels to previous levels.

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.

WILDLIFE CONSERVATION BOARD

PROPOSAL: Fund Shifts from General Fund to Bond Funds

\$41.12 million shift of previously approved General Fund expenditures to bond funds (Propositions 40 & 50).

BACKGROUND:

The Administration proposes to shift \$24.97 million for the acquisition and restoration of wetlands at the Cargill Salt Ponds in San Francisco Bay to the Water Security, Clean Drinking Water, Coastal and Beach Protection Bond Act of 2002 (Proposition 50). Additionally, various prior-year General Fund appropriations totaling \$19.16 million currently available for wetlands acquisition and restoration are proposed to be shifted from the General Fund to Proposition 40 bond funds.

DEPARTMENT OF PARKS AND RECREATION

PROPOSAL: Reinstatement of State Park Fees

\$4.5 million in the current year and as much as \$20.0 million in the budget year.

BACKGROUND:

The 2000 Budget Act provided \$20.0 million (General Fund) to backfill a reduction in revenues at State Parks when park fees were reduced, and in some instances eliminated. This proposal would reinstate various fees to generate the revenue previously lost.

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.

PROPOSAL: Reduction in Flood Management Activities

\$598,000 in the current year and \$2.08 million (8.1 personnel years) in the budget year.

BACKGROUND:

These reductions are flood-related programs, including floodplain mapping activities, services from retired annuitants, and consolidation of computer system maintenance through DWR's central division. The budget year reduction reflects the full year program reductions.

PROPOSAL: Fund Shift for Drought Panel Activities

\$6.4 million shift from General Fund to Proposition 50 funds.

BACKGROUND:

The 2002 Budget Act provides \$7.75 million for the Drought Panel Recommendations Program, including \$6.4 million for local assistance grants. The program provides technical and financial assistance to rural homeowners and small water agencies to prepare water shortage plans. Proposition 50 provides \$500 million for grants for various projects, including projects that protect communities from droughts.

CALFED BAY-DELTA PROGRAM

PROPOSAL: Reduction in Oversight and Coordination

\$465,000 General Fund reduction to the Oversight and Coordination Program in the CALFED Program.

BACKGROUND:

The Administration proposes a \$465,000 reduction to the CALFED Program Oversight and Coordination Program, including \$100,000 budgeted for the Department of Fish and Game and \$365,000 budgeted for the State Water Resources Control Board.

PROPOSAL: Fund Shifts from General Fund to Bond Funds

\$16.0 million shift from General Fund expenditures to Proposition 50 funds.

BACKGROUND:

The 2002 Budget Act provides \$46.1 million for the CALFED Bay-Delta Program. Proposition 50 includes \$825 million for CALFED for a wide range of purposes. The Administration proposes to provide \$16 million from Proposition 50, in lieu of the General Fund, for water storage issues, levee restoration and maintenance, ecosystem restoration, watershed improvement, water use efficiency, and improved science.

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY**AIR RESOURCES BOARD**

PROPOSAL: Zero Emission Vehicle Grants

Reversion of \$2.0 million for zero emission vehicle grants.

BACKGROUND:

A total of \$3.5 million General Fund from Chapter 1072, Statutes of 2000, for zero emission incentive grants remains available for encumbrance, but \$2 million of this amount will not be needed to fund grant applications due by the December 31, 2002, eligibility deadline.

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.

WATER RESOURCES CONTROL BOARD

PROPOSAL: Reduction in Water Quality Trend Monitoring

\$831,000 current year reduction (4.8 personnel years) and \$6.8 million budget year reduction (33.3 personnel years).

BACKGROUND:

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.

Water Resources Control Board**PROPOSAL: Elimination of Agricultural Waste Management Program**

\$450,000 current year reduction and \$1.12 million budget year reduction (4.8 personnel years).

BACKGROUND:

These contract funds 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.

DEPARTMENT OF TOXIC SUBSTANCES CONTROL**PROPOSAL: Drug Lab Cleanup Activities**

\$982,000 reduction in the current year and \$985,000 in the budget year for drug lab cleanup activities.

BACKGROUND:

The Administration proposes to reduce funding for the development of guidelines for illegal drug lab removals, training on illegal drug lab removals.

PROPOSAL: Reduction of Oversight at State/Federal Orphan Sites

\$1.4 million reduction of General Fund in the current year and \$1.05 million reduction in the budget year.

BACKGROUND:

Current year proposal would shift \$1.05 million of expenditures to the Toxic Substance Control Account and would continue in the budget year with a corresponding shift of \$1.05 million.

Toxic Substances Control**PROPOSAL: Fund Shifts**

\$1.58 million shift from General Fund to the Hazardous Waste Control Account.

BACKGROUND:

This proposal would shift \$1.5 million of distributed administration costs from General Fund to special funds, as well as \$80,000 for border activities currently funded by the General Fund.

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT**PROPOSAL: Reduction in Personnel Services**

\$185,000 (0.9 personnel years) reduction in the current year and \$900,000 (9.5 personnel years) reduction in the budget year for various operating expenses and personnel costs.

BACKGROUND:

Elimination of one, currently vacant position which supports the Oakland-based local and wide area information networks and servers. Those functions would be reduced and administered via the Sacramento office as resources allow.

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