

AGENDA ASSEMBLY BUDGET SUBCOMMITTEE NO. 3 ON RESOURCES

ASSEMBLYMEMBER VIRGINIA STROM-MARTIN, CHAIR

**WEDNESDAY, MAY 19, 1999
STATE CAPITOL, ROOM 127
3:00 P.M.**

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3360 CALIFORNIA ENERGY COMMISSION

ISSUE 1: MAY REVISION

The Governor's May Revision proposes to repay the remaining balance of interest that had improperly accrued in the General Fund and not the Petroleum Violation Escrow Account. The Governor proposes to allocate a portion of the PVEA funds to the Energy Commission as follows:

- \$5 million for the purchase of low or zero emission fuel vehicles for the state fleet.
- \$500,000 for hydrogen fueling sites for fuel cell buses. There is a related May Revision proposal for the Air Resources Board to assist local transit agencies to purchase fuel cell busses.
- \$500,000 to evaluate and recommend transportation energy measures to address growing concerns about greenhouse gas emission, primarily carbon dioxide, nitrous oxide, and methane.
- \$500,000 for the purpose of evaluating and recommending transportation energy measures to address growing concerns about greenhouse gas emissions.
- \$500,000 for the PLACE³S (Planning for Community Energy, Economic, and Environmental Stability) "Smart Growth" pilot.

COMMENTS:

The Department of Finance concluded an audit in 1996 that determined interest was improperly accruing in the General Fund, rather than the PVEA. As of June 30, 1999, the balance owed to the PVEA is expected to be around \$31 million. The Governor's January budget proposal includes the repayment of \$4 million and allocates those funds to the California Conservation Corps. The May Revision proposes to repay the remaining \$27 million balance.

3790 DEPARTMENT OF PARKS AND RECREATION

ISSUE 2: DAY USE FEES

Throughout the State Park system, visitors are charged with fees upon entry into parks. While in the past, the revenues generated by the fees have been critical to meet the operational needs of the park system, the State's current economic situation enables increased support by the General Fund and not upon day use fees.

The amount needed to "buy-out" the fees stands at approximately \$20 million.

COMMENTS:

The intent of this proposal is to increase access to State Parks and to encourage Californians to take advantage of the "quality of life" opportunities provided by the parks.

While the \$20 million proposal would cover the expect amount of day fees collected, it may not be enough to cover lost season passes revenue and fine revenue.

Should the Committee choose to support the \$20 million proposal, the outstanding issues can be dealt with as the budget goes before the Conference Committee.

The following Budget Bill Language is also recommended:

Of the amount funded in this item, \$20 million shall only be allocated to the department once the department eliminates day use fees at all state parks. Any day use fees collect shall be offset by an equal reduction of the \$20 million allocation.

ISSUE 3: MAY REVISION

The Governor's May Revision includes \$157 million (General Fund) for restoration and rehabilitation work at State Parks, including \$137 million for deferred maintenance, \$10 million for cultural heritage projects, and \$10 million for natural heritage projects.

COMMENTS:

This Subcommittee approved \$150 million for deferred maintenance at an earlier hearing. That action, however, did not specify funding for cultural or natural heritage projects.

ISSUE 4: FUEL TAX ATTRIBUTABLE TO OFF-HIGHWAY VEHICLE USE

In 1990 the Department of Parks and Recreation commissioned a study on fuel usage by off-highway vehicles. The study recommended that the methodology and findings should be updated every two years. That has not been done. To provide an update at this time, the department would require \$400,000 (Off-Highway Vehicle Trust Fund) and Budget Bill Language should be adopted to specify the guidelines for the study.

COMMENTS:

Funds deposited in the Off-Highway Vehicle Trust Fund are received from the Motor Vehicle Fuel Account based on a formula for determining the amount of funds in that account attributed to motor vehicle fuel used in the off-highway operation of vehicle.

This action would conform to a Senate Action.

3820 SF BAY CONSERVATION AND DEVELOPMENT COMMISSION

ISSUE 5: MAY REVISION

The Governor's May Revision provides a fund shift of \$174,000 for fees to the General Fund for the Long Term Management Strategy (LTMS) program. This proposal also requests that the proposed Trailer Bill Language that would have authorized the collection of fees be rescinded.

COMMENTS:

Due to the condition of the General Fund at the time the Governor's original budget was drafted, the budget included fees rather than General Funds for the LTMS program. Since that time, the condition of the General Fund has improved to the point where additional fees do not need to be collected from the dredging industry.

3860 DEPARTMENT OF WATER RESOURCES

ISSUE 6: MAY REVISION

The Governor's May Revision includes the following changes:

- \$10 million to continue 20 positions to study the feasibility of integrated water storage projects north of the Delta and to establish 57 positions to begin the CalFed integrated storage system. Of the \$10 million, \$4.5 million is proposed to be used to complete the investigation of the Sites Reservoir.
- \$44 million for local flood control subventions. This would fund the amount appropriated in legislation last year for flood control subventions. However, the proposal also includes Trailer Bill Language that would take away the appropriation for flood control subventions in each of the next two years. As a result the funding would need to again be put into the budget each year.

COMMENTS:

The Subcommittee approved the \$44 million for local flood control subventions in accordance with current statute at a previous hearing

3900 AIR RESOURCES BOARD

ISSUE 7: MAY REVISION - PVEA

The Governor's May Revision proposes to repay the remaining balance of interest that had improperly accrued in the General Fund and not the Petroleum Violation Escrow Account.

- The Governor proposes to allocate \$2.7 million from the PVEA to the Air Resources Board to promote the use of fuel cell technology and to assist local transit agencies to purchase buses powered fuel cells.

COMMENTS:

The Department of Finance concluded an audit in 1996 that determined interest was improperly accruing in the General Fund, rather than the PVEA. As of June 30, 1999, the balance owed to the PVEA is expected to be around \$31 million. The Governor's January budget proposal includes the repayment of \$4 million and allocates those funds to the California Conservation Corps. The May Revision proposes to repay the remaining \$27 million balance.

3910 INTEGRATED WASTE MANAGEMENT BOARD

ISSUE 8: MAY REVISION

The Governor's May Revision proposes the following alterations:

- An increase of \$92,000 (General Fund) to implement pilot programs to determine the effectiveness of the International Standards Organization (ISO) 14000.
- An increase of \$5 million (California Tire Recycling Fund) for the implementation of Executive Order W-184-98, which requires the board to increase enforcement activities against the illegal stockpiling of waste tires and to remediate legacy waste tire piles.

COMMENTS:

The ISO 14000 is a set of voluntary standards and guidelines to help businesses and organizations incorporate sound environmental management systems into their operations. ISO 14000 encourages businesses to incorporate performance-based standards to improve environmental performance at a lower cost than existing regulations. There are related proposals for the Secretary of CalEPA, Air Resources Board, State Water Resources Control Board, and the Department of Toxic Substances Control.