



**2009-10
Budget Conference Committee
on SB 61**

Upon Call of the Chair – Room 4203

RESOURCES

Assemblymember Noreen Evans, Chair
Senator Denise Moreno Ducheny, Vice Chair
Members: Senator Bob Dutton, Senator Mark Leno, Senator Alan Lowenthal, and Senator Mimi Walters
Assemblymember Bob Blumenfield, Assemblymember Kevin De León, Assemblymember Roger Niello, and Assemblymember Jim Nielsen

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0540 Natural Resources Agency

Issue	Description	2009 Budget Act	May Revise	Comments
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0540-011-0140 Secretary of the Natural Resources Agency

3600-001-0140 Department of Fish and Game

**310 Environmental License Plate
111 Fee (ELPF)**

The *2009 Budget Act* includes a \$4.7 million reduction to the ELPF expenditures in Resources departments due to declining revenues.

In January the Governor introduced trailer bill language to increase the ELPF by \$4 per plate. The Assembly approved the TBL.

The Senate adopted TBL that increased the ELPF by \$8 and used the additional funds for new fish and game wardens.

The May Revise proposes to reduce ELPF funding for Fish and Game by an additional \$2.5 million. This reduction will delay a February Budget augmentation of \$3 million (FGPF) for 15 new Wardens until 2010-11.

3360 Energy Resources Conservation and Development Commission

Issue	Description	2009 Budget Act	May Revise	Comments
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3360-001-0890 Energy Resources Conservation and Development Commission

3360-001-0465

302	ARRA Funds for the State Energy Program (SEP)	53,628,000	226,093,000	
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The SEP funds will be used to provide loans, grants, technical assistance and support of commercially-available energy efficiency and renewable energy technologies and related projects. These projects will focus on improving commercial and residential building energy efficiency and promoting green workforce development.

The commission will develop a program plan for spending the funds by mid-July 2009. The plan must be approved by DOE.

Proposal includes nine limited-term PYs.

3360 Energy Resources Conservation and Development Commission

Issue	Description	2009 Budget Act	May Revise	Comments
204	<p>Alternative and Renewable Fuel and Vehicle Technology Program: Hydrogen Component</p> <p>The <i>2008-09 Budget Act</i> includes \$75 million for the ARFVT. The <i>2009-10 Budget Act</i> includes \$102 million for the ARFVT.</p> <p>The Energy Commission has developed an Investment Plan for how to spend the ARFVT funds. The Investment Plan includes \$40 million for hydrogen projects.</p> <p>The Assembly adopted budget bill language to cap the hydrogen spending to \$6 million in the budget year.</p>	\$40,000,000		

3480 Department of Conservation

Issue	Description	2009 Budget Act	May Revise	Comments
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**3480-001-0133 Department of Conservation
3480-101-0133**

109	Restructure Beverage Container Recycling Fund (BCRF)	564,829,000	-203,193,000 TBL	
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The BCRF is projected to have a negative fund balance of \$161.9 million by the end of 2009-10.

To bring the fund into balance, the Governor proposes:

1. Decrease BCRF expenditures by \$1.1 million and 10 PY.
2. Eliminate program expenditures currently in statute (PRC 14581). Retain only handling fee payments at \$40 million annually.
3. Create a new \$20 million local assistance competitive grant program to replace the programs eliminated by the trailer bill.

3540 Department of Forestry and Fire Protection

Issue	Description	2009 Budget Act	May Revise	Comments
3540-001-0001 Department of Forestry and Fire Protection				
3540-001-1014				
110	<p data-bbox="212 443 695 524">Revised Emergency Response Initiative (ERI)</p> <p data-bbox="212 524 695 654">Replace \$76 million of CalFire’s General Fund base with a new ERI fee.</p> <p data-bbox="212 686 695 849">The enhancements to the CalFire budget that proposed in January will be delayed until FY 2010-11.</p> <p data-bbox="212 881 695 1125">The Assembly approved the January proposal for a 2.8 percent ERI fee for additional fire fighters and equipment, and added \$5 million for fuels reduction competitive grants.</p> <p data-bbox="212 1157 695 1239">The Senate rejected the January proposal for a 2.8 percent ERI.</p> <p data-bbox="212 1287 695 1408">For a more detailed discussion of the ERI fee proposal, please see item 0690-001-1014.</p>	564,829,000	76,000,000 TBL	<p data-bbox="1205 443 1934 735">The LAO has an alternative proposal for a State Responsibility Area (SRA) fee. The SRA fee as proposed by the LAO would be a fee on the owners of structures in SRA that would be generally proportional to the additional costs imposed on the state as a result of the presence of those structures.</p>

3560 State Lands Commission

Issue	Description	2009 Budget Act	May Revise	Comments
3560-001-0001	State Lands Commission			
	<p>Tranquillon Oil and Gas The Plains Exploration and Production Company (PXP) would use an existing oil platform in federal waters to drill to state waters. Separate confidential agreements with the Environmental Defense Counsel require PXP to donate 3,900 acres of coastal area lands to the state for conservation purposes and decommission 3 oil platforms and other coastal infrastructure in 14 years. Without federal cooperation, the terms of this agreement are not enforceable.</p> <p>The State Lands Commission (SLC) rejected this project. The trailer bill would allow the Director of DOF to approve the project in lieu of the SLC.</p>	9,447,000	TBL	<p><u>State revenue:</u> 2009-10: \$100 million</p> <p>2010-11 through 2023-24: royalties dependent on price of oil per barrel, but the DOF estimates a total of \$1.8 billion (assumes \$75/barrel)</p>

3600 Department of Fish and Game

Issue	Description	2009 Budget Act	May Revise	Comments
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3600-001-0001 Department of Fish and Game

Marine Life Protection Act 74,831,000

The LAO proposed to reduce the MLPA by \$4.4 million General Fund. That is the entire amount of the state funding for the MLPA.

The Department of Fish and Game (DGF) receives matching funds from private foundations, the federal government, and the Department of Parks and Recreation.

There are five study areas for Marine Protected Areas (MPA) along the California coast. One of these studies has been completed.

The Marine Life Protection Act (MLPA) directs the state to reevaluate and redesign California's system of marine protected areas (MPAs) to:

- Increase coherence and effectiveness in protecting the state's marine life and habitats, marine ecosystems, and marine natural heritage; and
- Improve recreational, educational and study opportunities provided by marine ecosystems subject to minimal human disturbance.

3790 Department of Parks and Recreation

Issue	Description	2009 Budget Act	May Revise	Comments
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3790-001-0001 Department of Parks and Recreation

3790-001-0392

107	Eliminate General Fund Support for the State Park System	143,408,000	-110,000,000	
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Eliminate \$70 million General Fund in 2009-10 and eliminate all General Fund for state parks in 2010-11 (\$143 million).

In 2009-10, the General Fund reduction will lead to the closure of 220 state parks.

The closure of parks will lead to a loss of \$40 million in park user fee revenue.

3860 Department of Water Resources

Issue	Description	2009 Budget Act	May Revise	Comments
3860-510-0502 3860-001-6026	Department of Water Resources			
305	Delta Habitat and Conveyance Program Delta Habitat and Conservation Conveyance: 11 permanent and 4 temporary PY to begin environmental and engineering work for an environmental impact report on alternative water conveyance. These PY would be paid for by the State Water Project at \$2.6 million. Both the Senate and Assembly rejected this part of the BCP. CALFED Conveyance Program: \$180,000 from Proposition 13 bond funds and two limited term PY for the South Delta Fish Facility Improvement Projects. The Assembly approved and the Senate rejected this part of the proposal.	0		

3940 State Water Resources Control Board

Issue	Description	2009 Budget Act	May Revise	Comments
3940-001-0890 3940-001-0439	State Water Resources Control Board			
155	<p>ARRA Funds for 604(b) and Orphan Underground Storage Tank (UST) Cleanup \$2.6 million in American Recovery and Reinvestment Act (ARRA) funds for Clean Water Act Section 604(b) project planning.</p> <p>\$13.6 million in ARRA funds for the UST Orphan Site Cleanup Fund.</p> <p>The proposal also includes budget trailer bill language waiving the requirement to deposit \$10 million in UST funds into the Orphan fund when federal funds are available and allowing the use of federal funds to fulfill requirements for Orphan UST Cleanup funds.</p>	268,113,000	16,240,000 TBL	

3980 Office of Environmental Health Hazard Assessment

Issue	Description	2009 Budget Act	May Revise	Comments
3980-001-0001 3980-001-0044 3980-001-0106 3980-001-3056	Office of Environmental Health Hazard Assessment			
050	Fund Shift from General Fund to Special Funds Shift \$1.6 million and 7 PY from General Fund to special funds as follows: - \$840,000 from MVA - \$201,000 from Department of Pesticide Regulation Fund - \$598,000 from Safe Drinking Water and Toxic Enforcement Fund. The shift would pay for activities related to hazard evaluation of toxic air contaminants, public health pesticide activities, and Proposition 65 activities.	8,340,000	1,639,000	Note: The Governor proposes to eliminate OEHHA starting July 1, 2010.

RESOURCES, CALEPA, AND ENERGY
ITEMS RECOMMENDED FOR VOTE-ONLY

	Item/Issue No.	Description	2009 Budget Act	Proposal	Assembly	Senate	Recommendation
	0540-001-0140 0540-501-0140 0540-492	Secretary of Natural Resources					
1	101	CALFED Science	0	2,899,000	AAB - \$2.89 million with 5 year encumbrance; BBL to conform science program with new Bay-Delta governance structure if adopted by the Legislature through the policy process.	\$1.5 million with 3 year encumbrance; BBL to move CBDA funds to a new governance structure if adopted by the Legislature; TBL to post science contracts online.	\$2,899,000; Senate liquidation period (3 years); Senate TBL; Assembly BBL
2	102	CALFED Science Reappropriation	0	BBL	AAB - Reappropriations with 5 year encumbrance period.	Approved Reappropriations with 3 year encumbrance period.	Senate
	0540-493	Secretary of Natural Resources					
3	150	Coastal Impact Assistance Program Reappropriation	0	0	May Revise Item - Not Heard in Subcommittee	May Revise Item - Not Heard in Subcommittee	AAB
	0540-001-6051 0555-001-0044 3600-001-8018	Secretary of Natural Resources/ Secretary for CalEPA/ Department of Fish and Game					
4	304	New River Project	0	0	\$2 million to CalEPA from Salton Sea funds for New River EIR	BBL to provide \$800,000 to locals from river parkways funds for New River EIR.	Senate
	0555-001-0235	Environmental Protection Agency					
6	199	Proposition 99 Reduction	0	-8,000	May Revise Item - Not Heard in Subcommittee	May Revise Item - Not Heard in Subcommittee	AAB

RESOURCES, CALEPA, AND ENERGY
ITEMS RECOMMENDED FOR VOTE-ONLY

	Item/Issue No.	Description	2009 Budget Act	Proposal	Assembly	Senate	Recommendation
	3340-001-0001	California Conservation Corps					
7	100	Emergency Response Expenditure Authority - Collins Dugan Reimbursement Account	0	BBL	AAB - Language allows CCC to bypass JLBC when seeking expenditure of Federal, local, or private funds during an emergency. CCC currently has such authority for state funds.	Not heard	Approve language with notification to JLBC when authority is used without the 30-day wait period
	3340-001-6051	California Conservation Corps					
8	201	Proposition 84 - Additional bond funds for the California Conservation Corps	0	0	Not heard	Increase of \$7 million Prop 84 funds for CCC and BBL that requires state CCC to do outreach to foster youth.	Senate
9	201	Proposition 84 - Additional bond funds for the Local Conservation Corps	0	0	Not heard	Increase of \$6.7 million Prop 84 for local corps and BBL that requires local corps to do outreach to foster youth.	Senate
	3360-001-0465 3360-001-3062	Energy Resources Conservation and Development Commission					
10	001	April Letter: Siting Program Workload Requirements	0	2,252,000	Approved proposal with change to fund 40 percent of proposal from fee revenue.	Not heard	Senate

RESOURCES, CALEPA, AND ENERGY
ITEMS RECOMMENDED FOR VOTE-ONLY

	Item/Issue No.	Description	2009 Budget Act	Proposal	Assembly	Senate	Recommendation
	3360-001-0465	Energy Resources Conservation and Development Commission					
11	104	Siting Renewable Generation and Transmission	0	2,589,000	AAB	Not heard	Senate
	3540-001-0001	Department of Forestry and Fire Protection					
12	302	CDF - Diesel Retrofits	0	2,762,000	AAB - \$2.7 million from GF.	\$2.7 million from AB 118 funds with BBL allowing the use of the fund source for one year.	Senate
	3540-001-0001	Department of Forestry and Fire Protection					
13	112	Delay Vehicle Replacements	0	-17,000,000	May Revise Item - Not Heard in Subcommittee	May Revise Item - Not Heard in Subcommittee	AAB
	3540-001-0235	Department of Forestry and Fire Protection					
14	199	Proposition 99 Reduction	0	-53,000	May Revise Item - Not Heard in Subcommittee	May Revise Item - Not Heard in Subcommittee	AAB
	3540-490	Department of Forestry and Fire Protection					
15	105	Extension of Liquidation for Bonds	0	0	Not heard	AAB	Senate
	3540-301-0660	Department of Forestry and Fire Protection					
16	701	Restore Funding for Lease Revenue Projects	0	290,344,000	AAB	Approved as budgeted +1,000	Assembly

RESOURCES, CALEPA, AND ENERGY
ITEMS RECOMMENDED FOR VOTE-ONLY

	Item/Issue No.	Description	2009 Budget Act	Proposal	Assembly	Senate	Recommendation
	3600-001-0001	Department of Fish and Game					
17	303	Board of Forestry (BOF) Regulations	0	0	No action	TBL that requires the BOF to adopt permanent Steelhead and Chinook regulations and the regulations find all logging within a watershed is a take on fish.	Conference Compromise (CC): Senate TBL modified to state that BOF must adopt permanent regulations by June 30, 2010.
	3600-001-0001	Department of Fish and Game					
18	199	Proposition 99 Reduction	0	-362,000	May Revise Item - Not Heard in Subcommittee	May Revise Item - Not Heard in Subcommittee	AAB
	3600-001-0001 3600-001-0200	Department of Fish and Game					
19	110	One-time \$30 million fund shift from Fish and Game Preservation Fund to replace General Fund for DFG activities.	0	0	May Revise Item - Not Heard in Subcommittee	May Revise Item - Not Heard in Subcommittee	AAB with BBL requiring notification to JLBC if federal funds will be lost
	3600-001-0995	Department of Fish and Game					
20	102	Environmental Review Support	0	500,000	AAB - Reimbursement Authority to allow Sempra Energy, Tejon Ranch, and the Orange County Transportation Authority to fund staff at DFG for permit review.	Rejected	Senate
21	302	Renewable Energy Regulatory Action Team	0	3,057,000	AAB - \$3,057,000 and 21 PYs to develop Natural Communities Conservation Plans (NCCP) for renewable energy siting.	Rejected	Senate

RESOURCES, CALEPA, AND ENERGY
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	Item/Issue No.	Description	2009 Budget Act	Proposal	Assembly	Senate	Recommendation
	3600-001-6051	Department of Fish and Game					
22	201	Prop 84: Ecosystem Restoration Plan: NCCP for Delta	0	8,914,000	Not heard	\$8.9 million with BBL restricting the uses of the funds for the program.	
23	202	Prop 84: Ecosystem Restoration Program	22,022,000	0	AAB	Rejected	Approve contingent on a Bay-Delta governance structure approved through the policy process.
24	3600-001-0001 3600-001-0140 3600-001-0200 3600-001-0320 3600-001-3103 3600-001-3117	Department of Fish and Game					
25	301	Diesel Vehicle Retrofits Program	0	900,000	AAB - \$900,000 from various funds	\$900,000 from AB 118 (ARFVT) funds with BBL allowing the use of the fund source for one year	Senate
	3680-101-0890	Department of Boating and Waterways					
26	102	Boating Infrastructure Grant Program	0	1,250,000	May Revise Item - Not Heard in Subcommittee	May Revise Item - Not Heard in Subcommittee	AAB
	3790-001-0001	Department of Parks and Recreation					
27	301	Diesel Vehicle Retrofits Program	0	1,635,000	AAB - \$1.6 million from GF	\$1.6 million from AB 118 (ARFVT) funds with BBL allowing the use of the fund source for one year	Senate
	3790-001-0235	Department of Parks and Recreation					
28	199	Proposition 99 Reduction	0	-1,254,000	May Revise Item - Not Heard in Subcommittee	May Revise Item - Not Heard in Subcommittee	AAB

RESOURCES, CALEPA, AND ENERGY
ITEMS RECOMMENDED FOR VOTE-ONLY

	Item/Issue No.	Description	2009 Budget Act	Proposal	Assembly	Senate	Recommendation
	3810-491	Santa Monica Mountains Conservancy					
29	101	Extension of liquidation: Various Bond Funds	0	0	AAB - extension of liquidation for various bond and special funds	Not heard	Assembly
	3850-301-0005	Coachella Valley Mountains Conservancy					
30	301	Proposition 12: Capital Outlay Projects	0	0	Not heard	\$343,000 in Prop 12 for priority land purchase.	Senate
	3850-301-6029	Coachella Valley Mountains Conservancy					
31	301	Proposition 40: Capital Outlay	0	0	Not heard	\$456,000 in Prop 40 for priority land purchase.	Senate
	3850-301-6051	Coachella Valley Mountains Conservancy					
32	301	Proposition 84: Capital Outlay Projects	0	0	Not heard	\$6 million in Prop 84 for priority land purchase.	Senate
	3860-001-0001	Department of Water Resources					
33	251	Central Valley Flood Protection Board	0	0	Not heard	Reduced GF support for the Board by \$1,000	TBL requiring board members to be appointed by Jan 1, 2010.
34	203	Delta Levees	0	0	Not heard	Reduced \$3.9 million GF from Delta Levees Program	May Revise Proposal: Fund shift of \$7 million GF for Prop 1E funds.
	3860-101-6052	Department of Water Resources					

RESOURCES, CALEPA, AND ENERGY
ITEMS RECOMMENDED FOR VOTE-ONLY

	Item/Issue No.	Description	2009 Budget Act	Proposal	Assembly	Senate	Recommendation
35	305	Pajaro River Flood Control Project	0	0	\$5 million Prop 1E Integrated Regional Water Management - Stormwater funds for first phase of the project, with BBL stating that this is in consideration of and contingent upon availability of federal funding.	Not heard	Assembly
	3860-510-0502	Department of Water Resources					
36	106	April Letter: Delta Fishery Improvements	0	367,000	Not heard	AAB: 4 PY to implement new requirements of biological opinion.	Assembly
37	202	State Water Project (SWP) Reporting Language	0	0	Not heard	Trailer bill to require annual reporting of SWP expenditures.	CC - Senate language enhanced.
38	301	SWP New and Expanded Operating Requirements	5,920,000	0	AAB - \$5.9 million and 42 PY	\$3.1 million and 19 PY	Senate
39	302	SWP Program Management Group	1,544,000	0	AAB - \$1.5 million and 9 PY	Rejected proposal	Senate
40	303	SWP Climate Change Energy	1,705,000	0	AAB - \$1.7 million and 9 PY	Approved \$236,000 and one PY	Senate
41	304	SWP 16 flow monitoring stations	-280,000	0	AAB - savings of \$280,000 SWP	Rejected proposal	Assembly
	3900-490	Air Resources Board					
42	190	Proposition 1B Reappropriation	0	0	May Revise Item - Not Heard in Subcommittee	May Revise Item - Not Heard in Subcommittee	AAB
	3910-001-0387	California Integrated Waste Management Board					

RESOURCES, CALEPA, AND ENERGY
ITEMS RECOMMENDED FOR VOTE-ONLY

	Item/Issue No.	Description	2009 Budget Act	Proposal	Assembly	Senate	Recommendation
43	153	April Letter: Education in the Environment Initiative.	0	250,000	Not heard	AAB: 500,000 over two years of Water Quality funds for the Education and the Environment Initiative. \$500,000 already transferred in 2008-09 via Section letter.	Assembly
	3930-001-0106	Department of Pesticide Regulation					
44	TBL	Require 20 percent reduction in Volatile Organic Compound Emissions for Central Valley	0	0	Not Heard	Approved TBL	Approve TBL
	3940-001-0439	State Water Resources Control Board					
45	199	Proposition 99 Reduction	0	-303,000	May Revise Item - Not Heard in Subcommittee	May Revise Item - Not Heard in Subcommittee	AAB
46	154	Interagency Agreement with Department of Water Resources for bond funded work on IRWM program.	0	870,000	May Revise Item - Not Heard in Subcommittee	May Revise Item - Not Heard in Subcommittee	AAB
	3960-001-0014	Department of Toxic Substances Control					
47	101	Increase TSCA Fee and Offset General Fund	0	0	Not heard	TBL to increase the TSCA Environmental Fee by 15 percent (approximately \$4 million) to replace GF.	Senate
	8660-001-0462	Public Utilities Commission					
48	105	Energy Efficiency Savings Goals and Utility Performance Incentives	0	461,000	AAB	\$461,000 with BBL to restrict the PUC from engaging in workforce education and training development in the Energy Efficiency program.	Senate

RESOURCES, CALEPA, AND ENERGY
ITEMS RECOMMENDED FOR VOTE-ONLY

	Item/Issue No.	Description	2009 Budget Act	Proposal	Assembly	Senate	Recommendation
49	106	Renewable Portfolio Standard and Renewable Transmission	0	322,000	AAB	Not heard	Senate