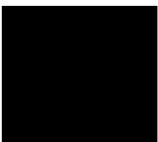


## THE 2005-2006 STATE BUDGET



## Natural Resources and Environmental Protection

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### Resources Agency

The mission of the Resources Agency is to restore, protect and manage the state's natural, historical and cultural resources for current and future generations using creative approaches and solutions based on science, collaboration and respect for all involved communities. The Secretary for Resources, a member of the Governor's Cabinet, sets the policies and coordinates the environmental preservation and restoration activities of 25 various departments, boards, commissions, and conservancies.

The Governor's budget proposes \$58.1 million (\$44.6 million in bond funds) in support of the activities of the Secretary for Resources and a total of \$4.8 billion (\$1.3 billion General Fund) for the various entities within the Resources Agency. This represents a reduction of \$1.8 billion from 2004-05 (an increase of \$200.6 million General Fund and a decrease of \$2 billion in other funds) and a reduction of 73 positions. The decrease is attributable to a reduction in bond funding available for expenditure in 2005-06.

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### ***Major Provisions***

- **Impact of Unallocated Reduction.** The Governor's budget proposes that the state operations budgets of all departments be reduced by a total of \$150 million General Fund. The departments have the flexibility to use layoffs, hiring freezes, procurement reductions, or other administrative means to achieve these reductions, at the departments' discretion. These reductions total \$10.3 million (6.9 percent of the total statewide unallocated reduction) at the Resources Agency and its departments, while the Agency receives only 1.5 percent of the State's total General Fund expenditures.
- **River Parkways Program.** The Governor's proposed budget includes \$38.35 million (\$30.5 million Proposition 50 and \$7.85 million Proposition 40 bond funds) to provide grants for the development and protection of river parkways. These grants fund various projects such as park development, habitat restoration and the development of public access trails along state rivers.

- **Sierra Nevada Cascade Program.** The Governor's proposed budget includes \$11.65 million from Proposition 50 to provide grants for the acquisition of land and water resources to protect lakes, reservoirs, rivers, streams, and wetlands in the Sierra Nevada region. The Secretary for Resources will coordinate with the newly created Sierra Nevada Conservancy to ensure the environmental preservation of the Sierra Nevada region.

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## DEPARTMENT OF FORESTRY AND FIRE PROTECTION

The California Department of Forestry and Fire Protection protects the people of California from fires, responds to emergencies as part of the California Emergency Plan, and protects and enhances forest, range, and watershed values.

The Department's objectives are to protect lives, property, and natural resources; contain costs and losses due to wildfire through improved prevention of damaging fires and initial attack fire suppression; streamline operational and regulatory functions regarding forest practices and vegetation management practices on wildlands; and optimize services provided through partnerships and cooperative agreements with all levels of government and the private sector. The Department provides fire protection services for some local governments on a cost reimbursement basis and protects lives and property through the development and application of fire prevention engineering, enforcement and education.

The Governor's budget proposes \$803.6 million (\$524.8 million General Fund) in support of the Department of Forestry and Fire Protection's activities.

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### ***Key Provisions***

- **Fire Equipment Upgrades.** The Governor's budget includes \$10.8 million General Fund for fire engine and helicopter replacement and \$2.9 million General Fund for the conversion and replacement of radio equipment.
- **Fire Season Staffing.** The Governor's budget includes \$9.0 million and 49 positions are provided in this budget proposal in response to 2003 wildfires in Southern California that burned 750,000 acres, destroyed more than 3,700 homes. The Governor's Blue Ribbon Commission recommended these actions to help limit future fire damage.
- **Southern California Fuel Management.** The Governor's budget includes \$3.8 million in federal funds and 19 positions have been provided to

address the severe fire conditions in Southern California through various forest health enhancement projects, including the removal of dead trees and forest restoration.

- **Governor's Reorganization Plan.** The Board of Forestry is proposed for elimination under the Governor's Reorganization Plan. The Administration indicates that California does not need its own forest protection standards. Under their proposal, protection standards would in many instances be weakened to match standards of other states or the federal government.

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## DEPARTMENT OF FISH AND GAME

The Department of Fish and Game maintains native fish, wildlife, plant species and natural communities for their intrinsic and ecological value and their benefits to people. Activities include habitat protection and maintenance in a sufficient amount and quality to ensure the survival of all species and natural communities. The Department is also responsible for the diversified use of fish and wildlife including recreational, commercial, scientific and educational uses.

The Governor's budget proposes \$297.5 million (\$37.3 million General Fund) in support of the Department of Fish and Game's activities.

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### ***Key Provisions***

- **Lands Management.** The Governor's proposed budget includes \$2.1 million (\$1.5 million Proposition 12) to develop, enhance, and restore wildlife areas, ecological reserves, and donated lands managed by the Department.
- **Central Valley Angler Monitoring Programs.** The Governor's proposed budget includes \$1.15 million (\$859,000 federal funds and \$286,000 Fish and Game Preservation Fund) and 16 positions to monitor and evaluate impacts on salmon and steelhead fishing in the Sacramento-San Joaquin River system.
- **Cantara Restoration and Monitoring Project.** The Governor's proposed budget includes \$1.1 million in reimbursements over two years to monitor resources restoration projects in the upper Sacramento River. The restoration projects will be completed in 2006-07.
- **Marine Life Protection Management.** The Governor's proposed budget includes continuation of \$500,000 in ongoing funding from the Environmental License Plate Fund for the design and management of marine protected areas.

## STATE COASTAL CONSERVANCY

The State Coastal Conservancy develops and implements programs to protect, restore and enhance natural, recreational, and economic resources along California's coast, coastal watersheds, the ocean, and within the San Francisco Bay Area. Through direct funding and grants to local agencies and nonprofit organizations, the Coastal Conservancy supports the restoration and enhancement of the natural environment and scenic lands, the development of public access, the protection of agricultural lands, the restoration of watersheds and ocean resources to improve water quality and improve habitat values, as well as education programs on coastal resources for grades K through 12.

The Governor's budget proposes \$9.4 million (bond and special funds) in support of the Coastal Conservancy's activities.

### ***Key Provisions***

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- **California Ocean Protection Act.** The Governor's budget proposes \$1.2 million Environmental License Plate Fund to establish the Ocean Protection Council. Pursuant to Chapter 719, Statutes of 2004, the Council will coordinate the State's coastal waters and ocean ecosystem protection and conservation efforts, and will develop strategies to ensure the sustainability of ocean resources and habitats.

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## DEPARTMENT OF PARKS AND RECREATION

The mission of the California Department of Parks and Recreation is to provide for the health, inspiration, and education of the people of California by helping to preserve the State's extraordinary biological diversity, protecting its most valued natural, cultural and historical resources, and creating opportunities for high-quality outdoor recreation for current and future generations to enjoy. With increased urbanization, the establishment of park units and recreation areas accessible to the major population centers of the state has become particularly important. Specific activities include stewardship of natural resources, historic, cultural and archeological sites, artifacts and structures; provision of interpretive services for park visitors; construction and maintenance of campsites, trails, visitor centers, museums, and infrastructure such as roads and water systems; and creation of recreational opportunities such as hiking, bicycling, fishing, swimming, horseback riding, jogging, camping, picnicking and off-highway vehicle recreation.

The Governor's budget proposes \$380.0 million (\$101.0 million General Fund) in support of the Department of Parks and Recreation's activities.

## ***Key Provisions***

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- **Hearst Ranch.** The Governor's proposed budget includes \$1.3 million General Fund to operate the Hearst Ranch Conservation Acquisition. Two million individuals are expected to visit the property annually. The funding will provide for public access planning and maintenance; coastal trail design, development and management.
- **Americans with Disabilities Act (ADA) Transition Plan.** The Governor's budget proposes \$11.8 million General Fund and Off-Highway Vehicle Trust Fund for year-four efforts to improve ADA accessibility at State Parks and facilities.
- **Park Fee Increases.** The Governor's budget proposes park fee increases to repair and improve State Park water, wastewater and sewer systems to help comply with State and federal legal mandates for drinking water and waste discharge. In 2004-05 Park fees were restructured on a sliding scale based on peak demand and park popularity. The fee increases proposed for 2005-06 will remain within previously authorized ranges, yet generate an additional \$6 million in revenue.

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## **DEPARTMENT OF WATER RESOURCES**

The Department of Water Resources protects, conserves, develops, and manages California's water. The Department evaluates existing water resources, forecasts future water needs and explores future potential solutions to meet ever-growing needs for personal use, irrigation, industry, recreation, power generation, and fish and wildlife. The Department also works to prevent and minimize flood damage, ensure the safety of dams, and educate the public about the importance of water and its proper use.

The Governor's budget proposes \$1.06 billion (\$43.0 million General Fund) in support of the Department of Water Resources' activities.

## ***Key Provisions***

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- **Flood Control Strategic Improvements.** The Governor's proposed budget includes \$9.7 million General Fund for levee maintenance activities, engineering evaluations of the structural integrity and capacity of levees, improved emergency response capabilities, and floodplain mapping activities to identify areas vulnerable to floods.

Under *Paterno v. State of California*, the State was found to be liable for more than \$460 million in damages from the 1986 floods. This proposal provides additional funding to ramp-up flood protection efforts. The

Governor's budget does not include the judgment amount owed by the State, assuming the sale of a bond to pay the \$469 million.

- **Proposition 50 Proposals.** The Governor's proposed budget includes \$202.5 million in Proposition 50 bond funds are provided in the Department's budget for various water projects, including grants for integrated regional water management projects, CALFED water use efficiency projects, and desalination projects.
- **All-American Canal Lining.** The Governor's proposed budget includes \$59.1 million General Fund for the lining of the All-American and Coachella canals. This funding is consistent with the Quantification Settlement Agreement (QSA), which is a comprehensive agreement among the federal government, State, and various water agencies to reduce California's use of Colorado River water.

This funding was proposed in the 2004-05 Budget Act, but the Legislature found the proposal to be premature and it was deleted from the final budget sent to the Governor.

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## CALIFORNIA BAY-DELTA AUTHORITY

The California Bay-Delta Authority coordinates 24 state and federal agencies to implement a long-term comprehensive plan that will restore ecological health and improve water supply reliability of the Bay-Delta system.

Restoration objectives are set forth in a 30-year comprehensive plan to address the ecosystem health and water supply reliability problems in the Bay-Delta. The plan identifies projects and strategies to address eleven major program elements, including ecosystem restoration, drinking water quality, levee system integrity, watershed management, water storage, water transfers, water use efficiency, delta water conveyance, science, water management, and an environmental water account for water purchases.

The Governor's budget includes \$150.3 million for the state's share of the CALFED Program (\$12.1 million General Fund, \$125.1 million bond funds, and \$13.1 million other funds).

## CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

The California Environmental Protection Agency (CalEPA) coordinates and supervises the State's environmental protection programs, which focus on restoring, preserving, and enhancing California's environmental quality.

The Governor's budget proposes \$1.4 billion (\$68.9 million General Fund and \$1.3 billion other funds) and 4,442.4 positions for CalEPA. This represents an increase of 121 positions and a decrease of \$192 million (\$3.8 million General Fund) from the revised 2004-05 Budget. Most of the decrease in funds is attributable to less bond money being available for expenditure in 2005-06. Agency funding provides ongoing support of efforts to address environmental health risks to children and other sensitive populations, transboundary and coastal pollution, ecological and human health risks from fuels and toxic substances, and water quality improvement.

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## AIR RESOURCES BOARD

The Air Resources Board (Air Board) is responsible for protecting and improving California's air quality. The Air Board adopts and enforces regulations for motor vehicles, fuels, and consumer products, and oversees the activities of 35 local air pollution control and air quality management districts (local districts). These local districts have primary responsibility for regulating emissions from stationary sources.

The Governor's budget proposes \$236.8 million (\$2.2 million General Fund) in support of the Air Resources Board's activities.

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### ***Key Provisions***

- **North American Free Trade Agreement, Vehicle Reduction Program.** \$3.7 million (\$2.35 million Motor Vehicle Account and \$1.35 million Air Pollution Control Fund) and 15 positions to address the Heavy Duty Vehicle workload increases along the California-Mexico border. Under the North American Free Trade Agreement, daily entries of trucks from Mexico into California are expected to grow from the current level of 3,500 more than 12,000.
- **Fine and Ultrafine Particulate Matter.** The Governor's budget proposes \$8.6 million (\$2.97 million Motor Vehicle Account and \$5.6 million Air Pollution Control Fund) and 20 positions to meet workload growth in monitoring, assessing, and mitigating fine and ultrafine particulate matter.

The U.S. Environmental Protection Agency has directed states to develop, by January 2008, a State Implementation Plan.

- **Mobile Source Emissions Compliance.** The Governor's budget proposes \$3.55 million (\$1.4 million Motor Vehicle Account, \$1.7 million Air Pollution Control Fund) and 13 positions to meet workload growth associated with carrying out activities intended to ensure that mobile sources of air pollution meet state and federal air quality laws and regulations. These activities include mobile source certification and testing upgrades, small off-road engine certification, and certification of control measures for cargo tanks.
- **Carl Moyer Program.** The Governor's budget proposes \$1.2 million (Air Pollution Control Fund) and 11 positions to implement the provisions of Chapter 707, Statutes of 2004, which expanded the Carl Moyer Program to target additional pollutants, include light and medium-duty vehicle projects, and expands the eligibility for grant funding to previously unregulated sources. The budget also includes \$23.8 million in Air Pollution Control Fund for local air districts to use for mobile source emissions mitigation.

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## **INTEGRATED WASTE MANAGEMENT BOARD**

The California Integrated Waste Management Board promotes the following waste management practices: (1) source reduction, (2) recycling and composting, (3) reuse, and (4) environmentally safe transformation and land disposal. The Board protects public health and safety and the environment through the regulation of solid waste facilities, including landfills. Board activities include research, permitting, inspection, enforcement, public awareness, market development to promote recycling industries, and technical assistance to local agencies in development of local integrated waste management plans.

The Governor's budget proposes a total of \$190.4 million (special funds) for the Waste Board's programs.

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### ***Key Provisions***

- **E-Waste Program.** The Governor's budget proposes \$72.3 million (Special Fund) for implementation of the Electronic Waste Recovery and Recycling Program. Integrated Waste Management Board and the Department of Toxic Substance Control jointly implement this program.
- **Environmental Education.** The Governor's budget proposes \$3.5 million (Special Funds) and 5 positions for the on-going Education and Environment Initiative pursuant to Chapter 665, Statutes of 2003. The statute requires that CalEPA develop and implement a comprehensive

strategy so elementary and secondary schools teach required academic content standards via environmental principles.

**Governor's Reorganization Plan.** The Waste Board is one of the board's proposed for elimination by the Governor's Reorganization Plan. The Administration indicates that California does not need its own Waste Management Board protection standards under their proposal, protection standards would in many instances be weakened to match standards of other states or the federal government.

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## STATE WATER RESOURCES CONTROL BOARD

The State Water Resources Control Board and the nine Regional Boards preserve and enhance the quality of California's water resources and ensure proper allocation and effective use. These objectives are achieved through the Water Quality and Water Rights programs.

The Governor's budget proposes \$728.6 million (\$29.2 million General Fund) in support of the State Water Resources Control Board's activities.

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### ***Key Provisions***

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- **Brownfields Remediation.** The Governor's budget proposes \$1.6 million (\$502,000 federal funds and \$1.01 million Cleanup and Abatement Account) and 15 positions to expedite existing priority groundwater cleanups, respond to cleanup and oversight requests for new sites around the state, and address workload in the State Board's Department of Defense program.
- **Bond Funding.** The Governor's budget proposes \$615,000 in support funding and \$164.7 million in local assistance from Proposition 50 and Proposition 13 to fund CALFED watershed protection, clean beaches, water recycling, groundwater monitoring, and integrated regional water management projects.
- **Underground Storage Tank Cleanup Program.** The Governor's budget proposes \$834,000 and 9 positions to support the program, and \$47.5 million to accelerate reimbursement of private parties for their underground storage tank cleanup costs.
- **Underground Storage Tank Replacement Program.** The Governor's proposed budget includes \$560,000 and 4 positions for support for the program, and \$11.5 million in local assistance to fund new grants to test the underground storage tanks during and after installation, and loans to purchase equipment needed for long-term leak detection monitoring.

## DEPARTMENT OF TOXIC SUBSTANCES CONTROL

The Department of Toxic Substances Control is responsible for the prevention and remediation of environmental damage caused by hazardous materials. The Department regulates hazardous waste transportation, treatment, storage, and disposal in California. It also oversees cleanup of contaminated sites and promotes pollution prevention. Specific programs include site mitigation and brownfields reuse, hazardous waste management, pollution prevention, and waste minimization.

The Governor's budget proposes \$170.6 million (\$18.2 million General Fund) in support of the Department of Toxic Substances Control's activities.

### ***Key Provisions***

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- **Brownfields Remediation.** The Governor's budget proposes \$1.65 million (federal funds and reimbursements) and 15 positions to oversee cleanup and environmental issues associated with the redevelopment of contaminated sites across the state.
- **Certified Unified Program Agency (CUPA).** The Governor's budget proposes \$1.3 million and 10 positions in order for the Department to act as the single CUPA in Imperial and Trinity counties for the purpose of coordinating six environmental and emergency management programs. The funding will be derived from fees on the regulated businesses in these two counties.