

RESOURCES

The Budget provides significant funding for programs that protect California's natural resources for current and future generations. These programs not only preserve and restore the state's pristine coastline, unique forests, and diverse fish and wildlife habitat, but also protect the public from wildfires, floods, and other natural disasters. The Budget includes funding for the following programs critical to maintaining and enhancing California's natural resources:

FLOOD PROTECTION

The Disaster Preparedness and Flood Prevention Bond Act of 2006 (Proposition 1E) authorizes \$4.1 billion in general obligation bonds for levee repair and other flood control system improvements. This proposition was part of a coordinated effort to address California's infrastructure needs, and it reflected a recognition that California's aging levees and other flood control infrastructure are in urgent need of repair and improvement. This recognition was strengthened by the devastation produced by failed levees in New Orleans during and after Hurricane Katrina in 2005. Governor Schwarzenegger has made improving flood protection a high priority, as evidenced by his 2006 Emergency Proclamation that directed the Department of Water Resources to repair critical levee erosion sites in the Central Valley.

Proposition 1E provides the following amounts in total:

- \$3.0 billion for Central Valley flood control system repairs and improvements
- \$500 million for flood control subventions outside the Central Valley

RESOURCES

- \$300 million for stormwater flood management outside the Central Valley
- \$290 million for flood protection corridors and bypasses and floodplain mapping

To address the state's urgent flood control needs, the Budget appropriates \$774.4 million from Proposition 1E and the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) bond funds to continue the repair and evaluation of critical levees, provide subventions to help local governments protect their communities from flooding, and continue development of the state's strategic flood management capability. This funding will be dedicated to the following flood control projects: Mid-Valley Area Levee Reconstruction, South Sacramento County Streams, American River Watershed (Folsom Dam Raise), American River Watershed (Folsom Dam Raise, Bridge Element), American River Flood Control—Natomas Features, West Sacramento Project, Sutter Pumping Plant, Sutter Bypass East Water Control Structures, and for feasibility studies on additional projects.

PROPOSITION 84

Proposition 84 authorizes an additional \$5.4 billion in general obligation bonds to increase water supplies, improve flood protection, support state and local parks, acquire land to protect wildlife habitat, and restore impaired ecosystems. Proposition 84 will provide the following amounts:

- \$1.5 billion for drinking water and water quality projects
- \$800 million for flood control
- \$65 million for water planning and project design
- \$928 million for protection of rivers, lakes, and streams
- \$450 million for forest and wildlife conservation
- \$540 million for protection of beaches, bays, and coastal waters
- \$500 million for parks and nature education facilities, including construction of new facilities and renovation and rehabilitation of existing facilities
- \$580 million for sustainable communities and climate change reduction

The Budget appropriates \$1 billion in Proposition 84 funds for expenditure in 2007-08, including \$859 million for programs administered by the Resources Agency. Some important uses of those funds are highlighted below.

OCEAN PROTECTION

California has placed a high priority on developing comprehensive programs to protect our increasingly threatened marine resources. Under this Administration, \$20 million in one-time funding and \$10.6 million in ongoing annual funding has been spent to create marine protected areas, ensure sustainable fisheries, and regulate marine industries.

Proposition 84 allocates a total of \$90 million specifically for ocean protection. This will sustain and enhance marine protection and management programs in coming years, and ensure the development of additional marine protected areas and additional management plans for marine species. The Budget appropriates the first \$28.1 million for this purpose in 2007-08.

SIERRA NEVADA CONSERVANCY

The Sierra Nevada Conservancy was established by statute in 2004 to initiate, encourage, and support efforts to improve the environmental, economic, and social well-being of the Sierra Nevada Region. Proposition 84 allocates \$54 million to the Conservancy for the protection of rivers, lakes, and streams in the Sierra Nevada region, along with their watersheds and associated land, water, and other natural resources. The Budget appropriates the first \$17.5 million to the Conservancy in 2007-08.

WATER SUPPLY PROJECTS

Maintaining an adequate and reliable water supply is essential for a strong and growing economy. The state must adapt and improve its water supply systems and infrastructure to address the significant challenges associated with population growth, environmental needs in the Delta, and the effects of climate change.

Proposition 84 provides \$1 billion for integrated regional water management and \$65 million for statewide planning activities to address California's future water supply needs. Although the Administration's water supply proposals were not ultimately approved in the Budget, the Governor is interested in working with the Legislature to develop a comprehensive water package this year that includes the following components:

RESOURCES

- Water Storage Projects
- Delta Sustainability and Conveyance
- Water Stewardship and Restoration
- Water Conservation