

## NATURAL RESOURCES

The Natural Resources Agency consists of 26 departments, boards, commissions, and conservancies responsible for administering programs to conserve, protect, restore, and enhance the natural, historical, and cultural resources of California.

The May Revision includes total funding of \$10.3 billion (\$2 billion General Fund and \$8.3 billion other funds) for all programs included in this Agency.

In addition to the changes discussed in this chapter, the May Revision includes proposals to reduce state operations and achieve statewide efficiencies. Please see the Reducing State Government chapter for the details of the Governor's proposal.

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### RECENTLY ADOPTED SOLUTIONS

The Legislature approved the following major solutions in March. Each solution is included in pending legislation.

- Eliminate Funding for CAL FIRE's Fourth Firefighter—A decrease of \$3.6 million in 2010-11 and \$30.7 million in 2011-12 as a result of restoring CAL FIRE's staffing levels to three firefighters per engine.
- Reduction to State Parks—A decrease of \$11 million in 2011-12. When fully implemented, the expenditure reductions will produce \$22 million in ongoing General Fund savings and close up to 70 state parks.

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## **SOLUTIONS TO ADDRESS REMAINING SHORTFALL**

Previously proposed or newly proposed solutions are needed to address the remaining budget shortfall. They include:

- **Proposition 1E Fund Shift**—A shift of \$16 million to Proposition 1E funds in 2011-12 to support flood management activities. Proposition 1E, approved by the voters in 2006, authorizes \$4.09 billion in general obligation bonds to improve flood protection in California. This proposal will shift \$16 million General Fund currently dedicated to levee maintenance, Delta levees, and floodplain mapping activities to Proposition 1E.
- **Watermaster Fees**—A shift of \$1.23 million to reimbursements in 2011-12 to support the Watermaster Program. The Department of Water Resources currently administers the Watermaster Program to ensure that water is allocated by an impartial third party according to legal water rights established by the courts. This proposal will eliminate General Fund support for the Watermaster Program and instead would fully support the program through fees paid by those who benefit from the service, consistent with existing statute.

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## **OTHER POLICY PROPOSALS AND MAJOR WORKLOAD ADJUSTMENTS**

The May Revision includes the following significant policy proposal necessary to enhance the Department of Conservation’s oil and gas regulatory program:

- **Oil and Gas Permitting and Enforcement Augmentation**—An increase of \$4.7 million Oil, Gas, and Geothermal Administrative Fund and 32.4 positions in 2011-12. California oil and gas operators have been experiencing significant delays in project approval, permitting, and construction site review. This proposal will enable the Department of Conservation to address additional permitting workload and enhance the Department’s existing regulatory oversight of oil and gas development in the state.

The May Revision includes the following proposal for the California Energy Commission to implement recently chaptered legislation:

- **California Renewable Resources Act (SBX1 2)**—An increase of \$646,000 Renewable Resources Trust Fund and 5 positions in 2011-12 to implement a 33 percent Renewable Portfolio Standard (RPS) by 2020. The enabling legislation requires the

CEC to adopt regulations specifying enforcement of renewable energy procurement requirements for publicly owned utilities (POU), and monitor POU planning and compliance with renewable energy procurement requirements.

