

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 Budget proposes total funding of \$7.7 billion (\$2.1 billion General Fund) and 19,125 positions for all programs included in this Agency.

TIMBER HARVEST PLANS

Existing law requires an interdisciplinary review of timber harvest plans by various departments. These plans serve as the equivalent of preparing an environmental impact report under the California Environmental Quality Act. Chapter 289, Statutes of 2012 (AB 1492) established a 1 percent assessment on lumber and other building wood products sold in California, with the assessment revenue used to fund specified activities, including existing and additional timber harvest plan reviews. The legislation allowed the elimination of fees that had been assessed on in-state timber producers (which had given an advantage to out-of-state producers) and made possible an expansion of the number of plans reviewed annually.

The Budget includes an increase of \$6.6 million Timber Regulation and Forest Restoration Fund and 49.3 positions in the California Natural Resources Agency, the Department of Conservation, the Department of Forestry and Fire Protection, the Department of Fish and Wildlife, and the State Water Resources Control Board to increase review of timber harvest plans.

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The new resources will increase the state's capacity to review and process timber harvest plans in a coordinated and timely manner, while ensuring that all applicable environmental regulations are closely enforced and followed.

DELTA STEWARDSHIP COUNCIL

The Delta Stewardship Council furthers the state's coequal goals in the Sacramento-San Joaquin Delta of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The Council is required to develop and periodically update a legally enforceable Delta Plan to guide state and local agency activities related to the Delta. Under state law, agencies are required to coordinate their actions pursuant to the Delta Plan with the Council and the other relevant agencies. The Budget includes \$11.6 million (\$5.6 million General Fund) and 55.5 positions for the Council.

The Council released a final draft of the Delta Plan and a corresponding draft Programmatic Environmental Impact Report in the fall of 2012. After the Council receives and considers written comments on the draft Report, and holds public hearings regarding proposed regulations to implement the Delta Plan, the Plan will be adopted formally in the spring of 2013. The resources necessary to oversee and implement the Plan will be evaluated during the spring budget process.

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

The Department provides resources management and wildland fire protection services covering over 31 million acres. It operates 228 fire stations and, on average, responds to over 5,600 wildfires annually. The Department also staffs local fire departments through reimbursement agreements with local governments. In six counties, the Department contracts with county agencies to provide fire protection and prevention services on the Department's behalf. Among other responsibilities, the Department develops and enforces fire safety standards through the Office of the State Fire Marshal and regulates and enforces timber harvesting operations. The Budget includes \$1.3 billion (\$678.7 million General Fund) and 6,885.7 positions for the Department.

Significant Adjustment:

- State Responsibility Area Fire Prevention Fees—An increase of \$11.7 million and 65.1 positions in 2013-14 to implement the provisions of Chapter 311, Statutes of

2012 (SB 1241) and engage in other fire prevention activities. The Department will assist in the review and updating of safety elements pertaining to fire hazards in local general plans required by SB 1241. In addition, funding is proposed to meet the demand for fuel treatment through the Vegetation Management Program, and educate homeowners on ways to prevent the ignition and spread of fires by hiring seasonal defensible space inspectors.

DEPARTMENT OF FISH AND WILDLIFE

The Department manages California's diverse fish, wildlife, and plant resources, and the habitats upon which they depend, for their ecological values and for their use and enjoyment by the public. This includes the management of recreational, commercial, scientific, and educational programs. The Budget includes \$366.3 million (\$62.7 million General Fund) and 2,527.2 positions for the Department.

Significant Adjustment:

- Salton Sea Restoration—An increase of \$12.1 million from Proposition 84 funds dedicated to Salton Sea Restoration for the restoration of between 800 and 1,200 acres of habitat. The proposal will implement a pilot project to create habitat through the construction of ponds at sites where the sea bed is exposed because of evaporation. Because other sources of water for the Sea are being phased out, the pilot project is designed to demonstrate the feasibility of having the ponds permanently sustained solely with agricultural runoff. The Natural Resources Agency will spearhead an effort to develop additional restoration measures at the Salton Sea.

DEPARTMENT OF PARKS AND RECREATION

The Department operates the state park system to preserve and protect the state's most valued natural, cultural, and historical resources. The park system includes 280 parks, beaches, trails, wildlife areas, open spaces, off-highway vehicle areas, and historic sites. It consists of approximately 1.56 million acres, including over 315 miles of coastline, 974 miles of lake, reservoir and river frontage, approximately 15,000 campsites and alternative camping facilities, and 4,249 miles of non-motorized trails. The Budget includes \$576.3 million (\$114.6 million General Fund) and 3,877.5 positions for the Department.

REFORMING PARKS

In July 2012, the California Natural Resources Agency announced that the Department had not reported \$20.5 million in the State Parks and Recreation Fund and \$34 million in the Off-Highway Vehicle Trust Fund to the Department of Finance. In September, Chapter 530, Statutes of 2012 (AB 1478) appropriated \$20.5 million from the State Parks and Recreation Fund to the Department to improve the park system and to keep parks open.

A Department of Finance audit made the following findings: 1) the governance structure over budgeting functions needs improvement; 2) risks over the State Park Contingent Fund exist; and 3) key controls over procurement activities need improvement. The Department concurred with each of these findings and has already reformed or begun systematic changes to its policies, procedures, communication, and training in each area. The Governor has appointed a new Director to oversee implementation of the necessary changes and lead the Department in carrying out its important mission.

Although the Department intentionally concealed the existence of the funding in the State Parks and Recreation Fund, the difference in the Off-Highway Vehicle Trust Fund between the State Controller's Office's records and the Governor's Budget was due to timing of when the balances were reported. The Department of Finance has conducted reconciliation for the Off-Highway Vehicle Trust Fund and estimated a \$59 million balance at the end of the current fiscal year. The Budget includes a \$5 million augmentation in local assistance grants, which will bring grants up to \$26 million, the level before budget reductions in recent years. A larger augmentation is not sustainable due to a declining fund balance.

The Administration has been working with stakeholders to develop a sustainable funding model for the parks system. The 2012 Budget Act proposed the creation of an Enterprise Fund, designed to foster and reward entrepreneurial and revenue-generating activities in the park system. Additional efforts to develop new revenues and balance available resources with expenditures are continuing.

Significant Adjustments:

Boating-Parks Merger—Pursuant to Governor's Reorganization Plan No. 2, the Budget reflects the merger of the Department of Boating and Waterways into the Department of Parks and Recreation. Effective July 1, 2013, Boating and Waterways will become a new

division within Parks. The merger will result in permanent savings of \$1.1 million and a reduction of seven positions.

Americans with Disabilities Act—An increase of \$3.7 million from Proposition 12 and Proposition 84 funds to fund additional projects to meet the requirements of the federal consent decree resulting from *Tucker v. California Department of Parks and Recreation*. The decree requires Parks to remove physical and programmatic barriers to provide equal access to people with disabilities in accordance with the ADA.

DEPARTMENT OF WATER RESOURCES

The Department of Water Resources protects, conserves, develops, and manages California’s water. The Department evaluates existing water resources, forecasts water needs, and explores potential solutions to meet 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 efficient use.

The Budget includes \$3.6 billion (\$97.4 million General Fund) and 3,495.7 positions for support of the Department.

Significant Adjustment:

- Lake Perris Dam—An increase of \$11.3 million Proposition 84 funds for the Perris Dam rehabilitation project. Proposition 84 provides \$54 million for recreation, fish and wildlife enhancement costs associated with the State Water Project.

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

The Energy Resources Conservation and Development Commission is responsible for ensuring a reliable supply of energy to meet state needs while protecting public health, safety, and the environment.

The Budget includes \$485.7 million and 662.1 positions for support of the Commission.

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Significant Adjustment:

- Electricity Program Investment Charge Program—The Budget includes an increase of \$192.2 million Electric Program Investment Charge funds and 58.5 positions to implement the program. The program is intended to support cost-effective energy efficiency and conservation activities, renewable energy resources, and public interest research and development within the operating area of the investor-owned utilities.