

NATURAL RESOURCES

The Natural Resources Agency consists of 26 departments, boards, commissions and conservancies responsible for administering programs to conserve, restore, and enhance the natural, historical, and cultural resources of California. The Governor's Budget includes \$6.7 billion (\$3.8 billion General Fund, \$1.8 billion special funds, and \$1.1 billion bond funds) for programs included in this Agency.

The Agency's departments are on the frontlines of battling wildfires, navigating droughts and floods, and preparing for sea-level rise. They are also managing the transition beyond fossil fuels and helping California achieve its clean energy goals.

The Administration's resilience-oriented initiatives in this area include the draft Water Resilience Portfolio and investments to help address sea-level rise and protect high fire-risk communities, and are detailed in the Infrastructure and Climate Resilience chapters.

MODERNIZING AND IMPROVING BIODIVERSITY PROTECTION

The Budget advances core priorities in modernization, biodiversity, and regulatory efficiencies to protect and preserve California's natural resources.

Specifically, the Department of Fish and Wildlife, which serves as a trustee for California's natural resources, has worked with stakeholders on a statutorily mandated service-based budget analysis. Preliminary results, developed over the last year, have

identified gaps in specified levels of service. Although this is an initial analysis, the Budget helps address this gap through one-time General Fund investments, a permanent extension of limited-term funding that expires in 2020-21, and a shift of \$18.9 million General Fund ongoing from the Habitat Conservation Fund to strategically supplement the Department's biodiversity conservation program. This shift enables the Department to prioritize funding for the most pressing conservation priorities facing the state.

In addition, the Department of Fish and Wildlife will continue to refine the data and analyze and prioritize options to address identified constraints and challenges. This includes, but is not limited to, analyzing statutory, regulatory or policy adjustments that drive service level expectations; identifying streamlining opportunities to improve efficiency and effectiveness of resources; and identifying programmatic areas where redeployed resources could better align with identified needs.

California is a global biodiversity hotspot, with more types of plants and animals than almost any other state. However, this natural abundance is increasingly under threat from climate change. The Administration is advancing initiatives to better protect plants and animals before they become endangered.

MODERNIZING OPERATIONS

The Budget includes several one-time investments to transfer and modernize the state's biodiversity protection efforts, including:

- Light Detection and Ranging (LiDAR) and Remote Sensing—\$80 million General Fund to the Agency to collect and make publicly available high-quality airborne LiDAR data for the entire state, which will better inform resource management decisions across a variety of sectors, including forest management, vegetation treatment, infrastructure project planning, and hazard assessments for floods, fires, tsunamis, and landslides.
- Air Support to Protect Natural Resources—\$6 million General Fund to the Department of Fish and Wildlife to purchase a fixed wing aircraft to monitor species populations, identify declines that could lead to drastic effects on commercial and recreational fisheries, and patrol impacts to species.
- Wetlands Management—\$7.5 million General Fund to the Department of Fish and Wildlife to modernize water conveyance systems to better manage wetlands, buffer

against future climate scenarios, maximize benefits to wildlife, and reduce staff maintenance costs.

- Hatchery Operations—\$6.5 million General Fund to the Department of Fish and Wildlife to modernize hatchery facilities that build resilience against environmental stressors, provide greater operational reliability, and improve fish survival.

STABILIZING AND EXPANDING OPERATIONS

The Budget includes a permanent extension of \$30 million General Fund for the Department of Fish and Wildlife currently set to expire in 2020-21. These funds are necessary to support critical functions including conservation efforts, increased participation in hunting and fishing, connecting more Californians to the outdoors, and enhanced services to the public. The Budget also includes \$2.2 million ongoing General Fund and eight new positions to better care for more than one million acres of wildlife areas and ecological reserves owned and managed by the Department. Staff will develop culturally relevant biodiversity education programs involving communities that live near these areas to facilitate understanding of climate change risks and the importance of maintaining biodiversity. Finally, the Budget includes \$12.7 million ongoing General Fund and 34 positions to the Department to increase capacity to better protect species under threat of extinction.

CUTTING GREEN TAPE

Climate change and other unprecedented environmental changes demand improved approaches to protecting and stewarding California's natural places. Fortunately, promising opportunities exist to increase the pace and scale of environmental restoration and stewardship to benefit both nature and people.

California has established itself as a global leader in implementing solutions to many of the most intractable environmental problems. The Administration is advancing the Cutting Green Tape effort to enable environmentally beneficial work across the state more quickly, simply, and cost effectively.

The Cutting Green Tape approach brings together regulatory agency staff, local governments, environmental conservation groups, and a range of other stakeholders and experts from across the state to improve permitting and funding efficiencies for ecological restoration and stewardship projects.

The Budget includes \$4 million in ongoing General Fund and 16 positions for the Department of Fish and Wildlife to increase the scale and pace of restoration work, and incorporate efficiencies into grant programs. The Department will form a restoration permitting team to provide early project consultation, hold permitting workshops, and incorporate the use of existing programmatic permitting options.

DEPARTMENT OF PARKS AND RECREATION—PARKS FOR ALL

Many Californians lack access to parks, open spaces, and natural and cultural amenities. The Administration is advancing initiatives to expand access to state parks and open spaces and invest in cultural resources to share their value with the public and protect them for future generations.

The Budget proposes \$65.1 million to advance the Parks for All initiative, which builds upon the Department of Parks and Recreation’s recent foundational reforms to expand the park system and improve access to its many parks. Major components for the Parks for All initiative included in the Budget are:

- Establishing a New State Park—\$20 million General Fund to create a new state park. The Department will design a vision for the new park that is inclusive and supports equitable access for all Californians. The Department will work with various philanthropic, conservation, and park interest groups to secure a property and design the vision and operations for the new park.
- Acquiring Lands to Expand Parks—\$4.6 million bond funds to acquire inholding properties that expand existing state parks and provide other co-benefits such as protecting biodiversity.
- Improving Facilities in Urban Areas—\$8.7 million Proposition 68 funds to expand access to state parks in urban areas and make other improvements to parks that serve disadvantaged communities. Significant investments include:
 - Candlestick Point—\$2.6 million for design of the park build out.
 - Old Sacramento—\$583,000 to start the design of new riverfront improvements.
 - Improvements to Non-Profit Operated Parks—\$4.9 million for special repair and deferred maintenance projects.
 - Future Capital Outlay Project Scoping—\$650,000 to study the cost, schedule, and scope of future capital outlay projects.

- Improving Access for Underserved Populations—\$20 million General Fund to establish the Outdoor Equity Grants Program under Chapter 675, Statutes of 2019 (AB 209) to enable underserved and at-risk populations to participate in outdoor environmental educational experiences at state parks.
- Enhancing Access Programming—\$11.8 million to expand both technological and physical access to parks, as well as culturally inclusive enhancements to park programming and interpretive exhibits. Significant investments include:
 - Natural, Interpretive, and Cultural Project Programs—\$8.3 million Proposition 68 funds for the Natural Project Program to conserve and restore native plants and animals within State Parks (\$3.2 million), the Interpretive Project Program to develop new exhibits intended to bring parks to life and improve the visitor experience (\$2.6 million), and the Cultural Project Program to preserve history as it relates to State Parks (\$2.5 million).
 - Colonel Allensworth State Historic Park—\$572,000 Proposition 68 funds to begin design of a new visitor center building, exhibits, and associated site improvements in this underserved region.
 - K-12 Access Expansion—\$2.9 million Environmental License Plate Fund to expand access programs for K-12 students and teachers in low income and underserved communities.
- Eliminate Cost as Barriers for Low Income Individuals—To increase participation in a program that provides free day-use entry, the Department will partner with state and county social and public health programs to increase use of the low-income pass program.

MAINTAINING FISCAL STABILITY FOR BOATING PROGRAMS

The primary fund that supports boating-related activities, the Harbors and Watercraft Revolving Fund, has become structurally imbalanced over the course of several years. The Administration will explore options including, but not limited to, revenue increases and program expenditure reductions to best support the continuation of boating programs. The Administration will put forward a proposal later this year.

STRENGTHENING PARTNERSHIPS WITH TRIBES AND COMMUNITIES

Tribal communities have effectively stewarded California’s natural resources since before the state’s inception. The Administration recognizes this leadership and is interested in strengthening collaboration with California Native American tribes to better manage natural resources as well as working with communities directly impacted by natural resources management decisions.

To advance these priorities, the Budget proposes funding to support the establishment of the Truth and Healing Council and increase the Agency’s capacity to work with tribal nations and community-based organizations to further strengthen the Agency’s environmental justice program. Expanding this capacity will advance the Administration’s commitment to new partnerships with tribes and achieving environmental justice.

Other significant adjustments:

- Truth and Healing Council—\$450,000 annually through 2023-24 and \$225,000 in 2024-25 from the Environmental License Plate Fund to the Native American Heritage Commission to support the establishment of the Truth and Healing Council as identified in the Governor’s Executive Order N-15-19.
- Environmental Justice—\$360,000 ongoing from the Environmental License Plate Fund to the Agency to establish the positions of Assistant Secretary for Environmental Justice and Assistant Secretary for Tribal Affairs to support and expand the Agency’s effort to institutionalize environmental justice and tribal consultation practices into its program planning, development and implementation.

DEPARTMENT OF CONSERVATION—OIL AND GAS OVERSIGHT

California is the nation’s leader in reducing reliance on fossil fuels, limiting greenhouse gas emissions, and transitioning to a low-carbon economy. This transition includes strengthening oversight of oil and gas extraction to better protect people and the environment in a manner that facilitates a thoughtful economic transition.

Over the last year, the Administration has refocused the statutory mission of the division overseeing these activities, now called the California Geologic Energy Management Division (CalGEM), to prioritize protecting human health, safeguarding the environment, and advancing the state’s climate and energy goals. The Administration also

commissioned a first-ever study on how the state should manage the decline of oil supply as it moves to decarbonize the state's economy, and funded workforce investments to enable economic transition away from dependence on fossil fuels. These recent actions build upon progress made in recent years to strengthen CalGEM's regulations, professionalize its workforce, and more actively enforce the law.

Along with these improvements, the Budget includes additional resources for increased regulatory oversight, enforcement, and bonding level evaluations. The Budget includes \$24.3 million special fund and 128 new positions, phased in over three fiscal years, to strengthen field enforcement of existing laws and regulations, validate adequate bonding levels for operators to limit state financial liability, and improve public transparency of CalGEM's regulatory activities.

