

## 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 \$9.5 billion (\$2.9 billion General Fund) for all programs included in the Agency.

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### EMERGENCY DROUGHT RESPONSE

The State of California has entered into what may prove to be a fifth consecutive year of drought. Major reservoirs are extraordinarily low and many groundwater aquifers are significantly depleted. Drinking water supplies continue to be at risk in some communities, agricultural areas face fallowing of farmland and increased unemployment, and drier conditions have increased the risk of wildfire. The drought has also degraded important wildlife habitats and pushed some of the rarest fish and terrestrial species closer toward extinction.

Since the Governor first declared a state of drought emergency in January 2014, the Administration has worked with the Legislature to appropriate \$3.7 billion to assist drought-impacted communities, provide additional resources for critical water infrastructure projects and respond to drought-related wildlife emergencies. The state has also committed an additional \$292 million General Fund in the current year for emergency response activities associated with catastrophic wildfires, such as higher wildfire

suppression costs and debris removal in impacted communities in Lake and Calaveras counties to enable community rebuilding and economic recovery.

The Budget provides an additional \$323.1 million (\$212.1 million General Fund) on a one-time basis to continue immediate response to the drought (see Figure RES-01). The Budget also reflects an additional \$215 million General Fund for higher anticipated emergency wildfire suppression costs as a result of the drought, including significant tree mortality throughout the state. The Administration will continue to monitor and evaluate statewide drought conditions through the winter months, and will reevaluate these budget year needs in the May Revision.

Figure RES-01  
**Emergency Drought Response**  
 (Dollars in Millions)

<i>Investment Category</i>	<i>Department</i>	<i>Program</i>	<i>Amount</i>
Protecting Water Supplies	Department of Water Resources	Emergency Salinity Barriers in the Delta	\$42.0
	Department of Water Resources	Local Assistance for Small Communities	\$5.0
	Water Board	Water Curtailment	\$5.4
	Water Board	Emergency Drinking Water Projects	\$16.0
Water Conservation	Department of Water Resources	Urban Water Conservation & Save Our Water Campaign	\$15.0
	Energy Commission	Rebates for Appliances	\$30.0
	Energy Commission	Water and Energy Technology Program	\$30.0
	Department of Food and Agriculture	Agricultural Water Conservation	\$20.0
Emergency Response	Department of Forestry and Fire Protection	Enhanced Fire Protection	\$77.4
	Department of Water Resources	Drought Management and Response	\$12.0
	Department of Fish and Wildlife	Protection of Fish and Wildlife	\$17.7
	Department of Social Services	Drought Food Assistance	\$18.4
	Office of Emergency Services	California Disaster Assistance Act	\$22.7
	Office of Emergency Services	State Operations Center	\$4.0
	Department of Community Services and Development	Farmworker Assistance	\$7.5
	<b>Total</b>		

## Significant Adjustments:

- Department of Forestry and Fire Protection (CAL FIRE)—An increase of \$74.5 million General Fund and \$2.9 million State Responsibility Area Fire Prevention Fund to continue firefighter surge capacity, retain seasonal firefighters beyond the normal budgeted fire season, provide additional defensible space inspectors, and enhance air attack capabilities to suppress wildfires during the 2016 fire season.
- Department of Water Resources—An increase of \$64 million General Fund for multiple statewide drought response efforts including:
  - \$42 million for installation and removal of a temporary rock barrier in the Sacramento-San Joaquin Delta to deter salinity encroachment.
  - \$12 million to implement statewide actions, including operation of the drought management operations center, water transfer support and water supply modeling.
  - \$5 million to provide emergency drinking water support for small communities, including addressing private wells.
  - \$5 million to continue Save Our Water, the state’s public education campaign aimed at helping all Californians reduce water use.
- State Water Resources Control Board—An increase of \$5.4 million General Fund and \$16 million Cleanup and Abatement Account to continue enforcement of drought-related water rights and water curtailment actions and provide grants for emergency drinking water projects.
- Department of Fish and Wildlife—An increase of \$15.7 million General Fund and \$2 million Hatchery and Inland Fisheries Fund to continue fish rescue and stressor monitoring, water efficiency projects on department lands, law enforcement activities, and to provide infrastructure to protect salmon. Drought response efforts will include the voluntary drought initiative, which encourages landowners to keep as much water as possible in high-priority spawning streams. The Department also has expedited installation of storage tanks for landowners who would otherwise divert from streams.
- Department of Social Services—An increase of \$18.4 million General Fund to continue the Drought Food Assistance Program, which since 2014 has delivered more than a million boxes of food to communities most impacted by the drought.

- Department of Community Services and Development—An increase of \$7.5 million General Fund to provide emergency assistance to unemployed farmworkers, including housing, utility and job training assistance.
- Office of Emergency Services—An increase of \$26.7 million General Fund to continue to provide local communities with technical guidance and disaster recovery support related to the drought, distribution of bottled water, and response and recovery training and credentialing program for local agencies.

The Budget also includes \$90 million of Cap and Trade funding for the Department of Food and Agriculture, the Department of Water Resources, and the Energy Commission for multiple water conservation projects that save energy and reduce GHG emissions. For additional detail, see the Environmental Protection Chapter.

## CALIFORNIA WATER ACTION PLAN

Released in January 2014, the California Water Action Plan provides a blueprint for California to build more reliable and resilient water systems and restore important ecosystems.

Many of the emergency drought response actions executed during the previous four years further the 10 actions of the California Water Action Plan (see Figure RES-02), including making conservation a way of

life, increasing regional self-reliance in water supplies, and improving flood protection. The state’s emergency drought response is strategically guided by accelerating several of the key actions in the California Water Action Plan that will provide long-term benefits for the state.

In November 2014, the voters approved the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), which provides \$7.5 billion in general obligation bonds for water storage, water quality, flood protection, and watershed protection and

Figure RES-02

- Water Action Plan**  
**Reliability, Restoration and Resilience**
- 1 Make conservation a way of life
  - 2 Increase regional self-reliance and integrated water management
  - 3 Achieve the co-equal goals for the Delta
  - 4 Protect and restore important ecosystems
  - 5 Manage and prepare for dry periods
  - 6 Expand water storage capacity and improve groundwater management
  - 7 Provide safe water for all communities
  - 8 Increase flood protection
  - 9 Increase operational and regulatory efficiency
  - 10 Identify sustainable and integrated financing opportunities

restoration projects. Proposition 1 includes funding specifically intended to achieve the three overarching goals described in the Plan: restoration, resilience, and reliability.

Significant Adjustments:

- **State Obligations**—An increase of \$385 million Proposition 1 funds for multiple agencies to support projects that meet the state’s commitments under the Klamath Agreements (\$250 million), the Central Valley Project Improvement Act (\$90 million), and the San Joaquin River Settlements (\$45 million).
- **Flood Protection**—An increase of \$100 million General Fund for the Department of Water Resources to enhance flood protection in the Central Valley by repairing levees. This is part of the deferred maintenance proposal in the Statewide Issues Chapter.
- **Salton Sea Restoration**—An increase of \$80 million Proposition 1 for the Department of Water Resources to design and implement projects that expand habitat and suppress dust at the Salton Sea, a critical resting stop for migratory birds.
- **Wetlands Restoration**—An increase of \$60 million Greenhouse Gas Reduction Fund for the Department of Fish and Wildlife to implement wetland restoration projects that provide carbon sequestration benefits, including habitat restoration projects within the California EcoRestore program to support the long-term health of the Delta’s native fish and wildlife species.
- **Update of the Delta Plan and Investment in Delta Science**—An increase of \$3.6 million General Fund for the Delta Stewardship Council to support independent science through the Delta Science Program and to update the Delta Plan and regulations to address flood management, ecosystem restoration, and water supply reliability.
- **Manage and Prepare for Dry Periods**—An increase of \$3 million General Fund for the Department of Water Resources to identify water delivery operational improvements in extreme conditions and evaluate long-term climate change impacts on statewide water supplies.
- **Groundwater Management**—An increase of \$2.5 million General Fund for the Department of Water Resources to update data and fix safety hazards at 15 monitoring sites that are part of the National Hydrography Dataset, an important federal surface water mapping system.
- **Investment Strategy**—An increase of \$1.2 million General Fund for the Department of Water Resources to strengthen coordination and performance evaluation across

state and regional agencies and develop a long-term investment and financing strategy for the Water Action Plan.

Since the establishment of the Governor’s drought task force in December of 2013, the state has made significant progress in a number of key water policy areas. California has adopted historic groundwater legislation, improved the groundwater adjudication process, enacted legislation that authorizes the consolidation of drinking water systems, and, with the help of the voters, enacted a \$7.5 billion water bond.

Even with these achievements, the last four years of drought conditions have exposed the weaknesses of the state’s water system and the laws that govern it. As the state adapts to the future challenges of reduced Sierra snowpack and other changes to California’s hydrology associated with climate change, it will be necessary to gain more flexibility in a water system that is increasingly constrained, both physically and legally. The state must focus limited resources on projects that leverage and maximize multiple benefits, and integrate the state’s water systems with regional and local supplies. New water storage and conveyance systems must work together with water recycling and conservation to support economic growth in an environmentally sustainable way. Furthermore, the state must create more flexibility to get water where it is needed —on farms, in communities, and in streams to support people and the biodiversity on which they depend. The state must also improve the ability to transfer water and help support the integration of surface water and groundwater use to lessen conflicts between human, economic and environmental demands for water.

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### **DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

CAL FIRE provides resources management and wildland fire protection services covering over 31 million acres. It operates 235 fire stations and, on average, responds to over 5,600 wildfires annually. CAL FIRE also staffs local fire departments through reimbursement agreements with local governments. In six counties, CAL FIRE contracts with county agencies to provide fire protection and prevention services on their behalf. The Budget includes \$2.1 billion (\$1.3 billion General Fund) and 6,955 positions for CAL FIRE.

Significant Adjustments:

- Healthy Forests—An increase of \$150 million Greenhouse Gas Reduction Fund to reduce wildfire risk and improve the carbon sequestration potential of

California's forests. For additional information, see the Cap and Trade Expenditure Plan section of the Environmental Protection Chapter.

- Fire Protection Operational Enhancements—An increase of \$24.6 million (\$24 million General Fund) to improve the efficiency and effectiveness of CAL FIRE's emergency response capabilities, including:
  - \$17 million General Fund and 95.9 positions to increase staffing levels in CAL FIRE's 21 Emergency Command Centers, along with the two regional and Sacramento Command Centers, to address the increased volume of emergency calls during periods of historic increased fire activity.
  - \$7.6 million (\$7 million General Fund) and 12.8 positions to acquire, install, and support Automated Vehicle Location and Mobile Data Computer devices in all CAL FIRE emergency response equipment. This capability will allow CAL FIRE to more efficiently and accurately locate equipment and resources while in transit, improve the ability to respond with the closest available resources, improve firefighter safety and reduce the negative impact from wildfires.
- Professional Standards Program—An increase of \$4.4 million (\$4.1 million General Fund) and 14 positions to establish a dedicated unit responsible for implementing a comprehensive program addressing personnel investigations and adverse actions. Several incidents in recent years have demonstrated the need to strengthen CAL FIRE's ability to address department-wide personnel issues. A centralized unit will improve the quality of investigation and written adverse actions through dedicated, trained investigators, and provide centralized oversight resulting in coordination and consistency in adverse actions, penalties, and investigative materials.
- Fire Safety, Flame Retardants, and Building Insulation—An increase of \$125,000 Building Standards Administration Special Revolving Fund to continue the research and implementation work to determine if flame retardants may be eliminated from building insulation materials without a negative impact to occupant and building fire safety. This request is part of the Administration's ongoing commitment to reduce and eliminate, where possible, the exposure to harmful flame retardant chemicals and to sustainable or "green" buildings, as detailed in Executive Order B-18-12.

**HELICOPTER REPLACEMENT**

CAL FIRE currently operates 12 federal military surplus Vietnam-era helicopters to fulfill its wildland fire protection mission. These aircraft are aging, and the cost to maintain the fleet is increasing as parts are harder to find and more expensive to acquire. Furthermore, these helicopters do not meet CAL FIRE’s current needs. CAL FIRE has been working with the Department of General Services to complete a competitive procurement to replace these aircraft. With the current procurement schedule, the Administration anticipates a spring budget proposal for the acquisition of new helicopters.

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**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. The Budget includes \$589 million (\$117.5 million General Fund) and 3,547 positions for the Department.

**CONTINUED STRENGTHENING OF STATE PARK SYSTEM**

The Administration is continuing to take actions that strengthen the state parks system, improve visitors’ experiences, and make the services provided by the state parks system more relevant to a broader and more diverse group of people. Last year, the Administration established a transformation team to develop and lead the Department in executing structural and sustainable reforms. This effort focuses on the budget, maximizing partnerships, improving internal practices, setting up a structure for more innovative revenue generation opportunities, developing an outside support entity, and better identifying programs for broader populations and diverse communities. A number of initiatives have been developed and implemented, consistent with the recommendations of the Parks Forward Commission. This independent commission performed an assessment of the financial, cultural, and operational challenges facing State Parks.

Significant Achievements:

- New Path to Park Leadership—In May 2015, the Department secured the approval of the State Personnel Board for a new civil service classification which now allows individuals from broad professional backgrounds, including those outside of state government, to compete to serve as top leaders throughout the state

parks system. Previously, only peace officers could serve in these positions. Now, nearly 25 percent of the top Parks leaders in the field will be serving in this new classification by March 2016.

- **Modernizing Fee Collection and Technology in the Parks System**—Last year, the Department installed technology allowing visitors to use credit and debit cards at more state parks. Visitors can now pay for parking fees using smartphones. The Department has also been exploring more robust technology that will serve as the new statewide parks reservation system and anticipates awarding a contract to a vendor by spring 2016.
- **Enhancing Information on the Parks System**—Last year, the Department began providing panoramic images of trails in state parks over the internet. Through this ongoing effort, images are available for over half of the state parks. This includes all state parks along the California coast, trails throughout the system, and at the entire Bodie State Historic Park. The increased information allows visitors to view state park trails in advance of a trip and allows those with limited mobility to experience trails. The Department also expanded its Parks Online Resources for Teachers and Students (PORTS) program to now include the immigration station at Angel Island State Park. This long-distance learning program utilizes video conferencing to connect Parks interpretive staff at nine state parks to K-12 classrooms throughout the state, serving over 40,000 students annually including schools in underserved communities. Through the program, children learn about topics such as immigration, climate change, and the importance of protecting natural resources.
- **New Budget Tool and Organization Structure**—Two essential initiatives of the transformation team’s efforts are completing a Service-Based Budgeting tool and recommending an update to the organization structure. These two initiatives complement each other and will articulate the services that can be provided at various funding levels and how the Department will best deliver those services. With philanthropic funds, the Department secured the assistance of a consulting group to help develop these initiatives.

The Budget includes several proposals that build on these existing efforts.

Significant Adjustments:

- **Off-Highway Vehicle Loan Repayment and Fuel Tax Transfer**—A repayment of \$112 million of General Fund loans made from the Off-Highway Vehicle (OHV)

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Trust Fund and a one-time transfer of \$31 million of existing fuel tax revenues, currently deposited into the OHV Fund, to the State Parks and Recreation Fund. This proposal supports the Administration's commitment to pay down debt while maintaining existing service levels across the entire state parks system, including the OHV Program. The transformation team will continue to identify improvements for the Department's long-term fiscal viability.

- **Deferred Maintenance**—An increase of \$60 million General Fund for high-priority deferred maintenance projects in the state parks system. This is part of the deferred maintenance proposal in the Statewide Issues Chapter.
- **Outreach to Urban Communities**—An increase of \$690,000 State Park Protection Fund and 3 positions for a two-year pilot project to implement a community liaison project within the two largest urban population centers in the state, Los Angeles and the Bay Area. These liaisons will work with community-based organizations and nonprofit groups to create culturally relevant interpretive and environmental programs. The Department also is working to secure philanthropic support to augment the resources for this project and initiate efforts in the current year.

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## DEPARTMENT OF CONSERVATION

The Department of Conservation administers programs responsible for the sustainable management and development of the state's land, energy, and mineral resources. The Department's programs preserve agricultural and open space land, evaluate geology and seismology, and regulate mineral, oil, and gas development activities. The Budget includes \$112.8 million (\$3.3 million General Fund) and 503 positions for the Department.

### OIL AND GAS REGULATION

The Division of Oil, Gas & Geothermal Resources was established 100 years ago to regulate oil and gas industry practices. Today, the Division oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells.

About 35 percent of the oil used in California comes from the oil and gas reservoirs in the state. These resources are produced through more than 80,000 active oil and gas wells owned and operated by more than 450 operators and companies. Most of the production comes from the San Joaquin Valley, but operators also produce oil and gas in coastal areas such as the Los Angeles Basin, Ventura, Santa Barbara, and around Santa Maria.

Over the past few years, the Administration has identified changes needed to improve the policies, practices, and regulations administered by the Division. In October 2015, the Department published a Renewal Plan for Oil and Gas Regulation to guide Division reforms over the next two years and accelerate the progress underway since 2012, with the overarching goal of building a regulatory program that emphasizes the safe development of oil, natural gas, and geothermal resources through sound engineering practices that protect the environment, prevent pollution, provide public safety and utilize up-to-date information management systems.

Over the past several years, the Department has added more than 100 regulatory positions to address compliance with permitting requirements, underground injection control, and significant statutory changes, such as Chapter 313, Statutes of 2014 (SB 4), which increase regulation of well stimulation.

Significant Adjustments:

- Oil and Gas Training Program—An increase of \$1.3 million Oil, Gas, and Geothermal Administrative Fund and 2 positions to develop and implement a comprehensive training program for regulatory staff.
- Pipeline Inspections—An increase of \$1.4 million Oil, Gas, and Geothermal Administrative Fund and 10 positions to enable the Department to test sensitive gas pipelines on a more periodic basis and accurately map pipelines to identify potential threats.

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## CALIFORNIA CONSERVATION CORPS

Governor Brown established the California Conservation Corps in 1976 to provide young women and men the opportunity to be trained to work on conservation projects and respond to natural disasters. The Corps builds trails, plants trees, and implements clean energy and water conservation projects.

Among other accomplishments in 2015, the Corps added two water conservation corpsmembers to each of its Energy Corps crews to provide water efficiency assessments in addition to energy audits. In anticipation of potential floods this winter, all corpsmembers have been trained in flood-fighting techniques. The Corps also provided more than half a million hours of fire response and support throughout the 2015 fire season.

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After the reductions sustained during the recession, many of the Corps' residential programs were closed. The Corps continues to renew its focus on residential programs started in 2015 and will open a new residential center in Butte County in the upcoming year.

### Significant Adjustments:

- Energy Corps—An increase of \$15 million Cap and Trade funds for the Energy Corps Program. This funding will support 10 crews and approximately 100 corpsmembers to conduct energy audits and install energy efficiency and water conservation upgrades in public buildings over the next several years.
- Forest Health Improvement Projects—CAL FIRE will partner with the Corps on forest health projects targeting the highest fire risk areas of the state. These months-long projects necessitate establishing tent camps near the project areas. Funding is provided in the CAL FIRE budget and approximately \$5 million of work will be allocated to the Corps as projects are identified.
- Butte Fire Center—An increase of \$2.6 million General Fund to allow the Corps, in partnership with CAL FIRE, to open a residential center in the Magalia Conservation Camp with three fire crews totaling 47 corpsmembers.
- Site Evaluation – An increase of \$400,000 General Fund to initiate a site selection process for residential centers in Pomona, Napa, and Ukiah. This future residential expansion will allow the Corps to transition from non-residential facilities in Napa and Pomona to facilities giving corpsmembers the opportunity to live on site.
- Auburn Center – An increase of \$19.7 million General Fund to construct a kitchen, multi-purpose room and dorm replacement at the Corps' Auburn Center.