

RESOURCES

Resources Agency programs protect and restore California's natural resources for current and future generations. The state's diverse natural attributes include stunning coastlines and lakes, spectacular forests, vast fish and wildlife habitats, rich farmlands, and extensive mineral resources. Agency programs also protect the public by suppressing wildfires, constructing flood control levees, and permitting safe power plants. These programs not only contribute to the state's unique quality of life, they are critical to sustaining a vibrant economy.

The proposed budget was constructed first by computing the workload budget funding level. From the workload budget, adjustments are made to reflect specific policy adjustments and reductions, including budget-balancing reductions.

With these adjustments, the Governor's Budget provides approximately \$13.1 billion and 17,020.9 positions to protect and manage California's natural resources in 2008-09.

Change Table RES-01 illustrates the significant changes to the Resources Agency's budget. More notable funding changes are described below.

Change Table RES-01
Resources Agency — Changes by Broad Categories

	2007-08			2008-09		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
2007 Budget Act	\$1,674,007	\$11,517,427	16,557.0	\$1,595,121	\$10,230,692	16,557.0
Workload Adjustments						
Alternative and Renewable Fuel and Vehicle Technology Program (AB 118)	—	—	—	—	100,891	5.7
California Energy Resources Scheduling (CERS) Adjustments	—	-53,297	—	—	-264,805	—
E-Fund Deficiency	136,000	—	—	—	—	—
Proposition 1E	—	—	—	—	323,100	11.3
Proposition 84	—	—	2.8	—	785,381	78.8
Updated Expenditure Estimates - Beverage Container Recycling Funds	—	96,633	—	—	194,814	—
Carryovers/Reappropriations: Resources Bond Funds	—	265,612	—	—	-72,435	—
Employee Compensation/Retirement	10,766	27,959	—	13,023	31,117	—
One-Time Cost Reductions	—	-1,187	—	-66,544	-878,486	-20.0
Full-Year Cost of New Programs	—	198	2.8	2,261	23,969	101.3
Other Workload Adjustments	4,147	395,716	17.7	157,027	-118,463	72.6
Infrastructure Adjustment	-16,435	757,965	—	39,247	979,427	—
Totals, Workload Adjustments	\$134,478	\$1,489,599	23.3	\$145,014	\$1,104,510	249.7
Policy Adjustments						
Wildland Firefighting Initiative	—	—	—	—	33,113	387.6
Other Policy Adjustments	—	12,611	—	5,475	-3,791	123.1
Totals, Policy Adjustments	\$0	\$12,611	—	\$5,475	\$29,322	510.7
Total Adjustments	\$134,478	\$1,502,210	23.3	\$150,489	\$1,133,832	760.4
Budget Prior to Reductions	\$1,808,485	\$13,019,637	16,580.3	\$1,745,610	\$11,364,524	17,317.4
Budget-Balancing Reductions^{1/}	-\$4,204	\$0	—	-\$89,271	\$44,200	-296.5
Governor's Budget	\$1,804,281	\$13,019,637	16,580.3	\$1,656,339	\$11,408,724	17,020.9

^{1/} These dollars and PYs are included in the General Government agency; therefore, not included in each agency's totals in the applicable Summary Schedules.

* Dollars in Thousands

PROPOSED WORKLOAD BUDGET

The major workload adjustments for 2008-09 include the following:

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

E Fund Deficiency—The Budget reflects a current year increase of \$136 million General Fund to reflect the Department of Forestry and Fire Protection's (CAL FIRE's) emergency fire suppression expenditures during the October 2007 Southern California wildfires.

VARIOUS RESOURCES DEPARTMENTS

One-Time Cost Reductions—The Budget reflects reductions related to numerous expiring one-time bond fund appropriations for Resources Agency departments.

PROPOSED BUDGET-BALANCING REDUCTIONS

Total budget-balancing reductions for the Resources Agency amount to \$4.2 million in 2007-08 and \$89.3 million and 296.5 positions in 2008-09. These reductions assume necessary statutory changes will be enacted by March 1, 2008.

Programs exempted from reductions include Paterno judgment payments, Colorado River Quantification Settlement Agreement projects, lease payments securing lease revenue bonds, and CAL FIRE's emergency fire suppression expenditures.

The major reductions in 2008-09 are described below:

CALIFORNIA CONSERVATION CORPS

- \$1.2 million in 2007-08 and \$3.8 million and 5.7 positions in 2008-09 for the Corps' Training and Work Program. This reduction will eliminate 75 of 1,310 existing corpsmember slots.

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

- \$44.7 million and 361 positions for CAL FIRE's Fire Protection Program. This reduction will be offset by replacing the General Fund support for 20 one-engine fire

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stations, 11 conservation camps, and 1 helitack base with funding from the Insurance Fund. Additional revenues to the Insurance Fund to cover this fund shift will be generated by implementing a surcharge on commercial and residential property insurance policies.

- \$3.0 million and 20.9 positions for CALFIRE's Resource Management Program. This reduction will reduce funding for fuel treatment activities and the review of timber harvest plans.

DEPARTMENT OF FISH AND GAME

- \$1.4 million in 2007-08 and \$3.6 million and 20.9 positions in 2008-09 for Fish and Game's Biodiversity Conservation Program. This reduction will reduce funding for habitat restoration projects and the review of timber harvest plans.
- \$2.6 million for Fish and Game's Enforcement Program. This reduction will eliminate 38 fish and game warden positions out of 370 existing enforcement positions. These wardens are responsible for enforcing fish and game laws, inspecting vessels for quagga mussels, and protecting sensitive populations of marine species.

DEPARTMENT OF PARKS AND RECREATION

- \$1.0 million in 2007-08 and \$13.3 million and 129.2 positions in 2008-09 for the Department of Parks and Recreation's (Park's) state park system. This reduction will close 48 state parks out of 278 existing parks and reduce seasonal lifeguards at state beaches in Orange, San Diego, and Santa Cruz Counties by a minimum of 50 percent.

DEPARTMENT OF WATER RESOURCES

- \$5.4 million for the DWR's Flood Management Program. This reduction will be partially offset because Proposition 1E and Proposition 84 funds are available for erosion repair, sediment removal, and Delta levee projects.

OTHER SPECIAL SESSION ISSUES

The Governor has called a Special Session of the Legislature to immediately address the budget and cash shortfall. Included in the Special Session is a proposal to revert \$30 million General Fund for deferred maintenance at state parks. Parks is currently spending \$75 million on deferred maintenance projects. These funds were originally appropriated in the Budget Act of 2006 and were made available for expenditure until June 30, 2012. A portion of the funds have not yet been spent. Consequently, Parks will disencumber and revert a total of \$30 million as a budget-balancing current-year reduction. Proposition 84 provides \$400 million for various state park improvements, and this reversion will be backfilled with a \$30 million augmentation from these Proposition 84 funds.

PROGRAM ENHANCEMENTS AND OTHER BUDGET ADJUSTMENTS

Despite the need for significant General Fund reductions to ensure a balanced budget, the Governor's Budget includes the following major program enhancements to protect the natural resources of the state.

IMPROVING FIRE PROTECTION

The 2007 fire season was one of the worst on record. The October 2007 Southern California wildfires burned 517,267 acres, destroyed 3,204 structures, and resulted in 10 deaths and 139 injuries. The total cost of fire suppression efforts for the Southern California wildfires is estimated at \$139.4 million.

To prevent catastrophic fires from occurring in the future, the Budget proposes \$33.1 million Insurance Fund and 387.6 positions to enhance CAL FIRE's fire protection capabilities, including:

- \$28.9 million and 1,100 seasonal firefighters to staff all 336 state fire engines with full four-member crews during peak and transition fire seasons. The current standard is a three-member crew per engine. The additional firefighters will increase fire-fighting effectiveness by improving deployment, reducing fatigue, and accelerating equipment movement.
- \$4.2 million and 3.8 positions to install GPS tracking on key pieces of equipment, such as fire engines and aircraft, linked to computer-aided dispatching. GPS permits real-time monitoring of equipment position and movement and enables instant dispatching and faster redeployment of resources.

Additionally, the Budget proposes a multi-year expenditure plan to enable CAL FIRE to purchase eleven new, all-weather, 24-hour firefighting helicopters over the next six years. These new helicopters will replace CAL FIRE's existing fleet of Vietnam-era helicopters, which are restricted to daytime and

mild weather conditions. These helicopters will improve CAL FIRE's ability to effectively respond to wildland fires, as well as other disasters such as earthquakes and floods.

These CAL FIRE proposals are components of a comprehensive Wildland Firefighting Initiative. For additional information, see the Wildland Firefighting Initiative discussion in the Legislative, Judicial, and Executive Chapter.

The Budget also includes \$3 million General Fund and 28.5 park ranger positions to improve the detection and prevention of fires in state parks. According to several documented reports, the November 2007 Malibu fire appears to have started in Malibu Creek State Park. Additional park ranger patrols will reduce the risk of catastrophic fires starting in fire prone state parks.

ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM

The Budget includes \$100.9 million Alternative and Renewable Fuel and Vehicle Technology Fund and 5.7 positions for the California Energy Commission to prepare guidelines and provide grants, loans, and other appropriate measures to public agencies, public-private partnerships, and other entities to develop alternative fuels and related technologies, including electricity, ethanol, renewable diesel, natural gas, hydrogen, and biomethane, among others. The development of these fuels and technologies will help reduce California's dependence on petroleum-based fuels.

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