

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 10, 2007
POSITION: Oppose

BILL NUMBER: SB 187
AUTHOR: D. Ducheny

BILL SUMMARY: Salton Sea Restoration

Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, provides \$47 million for Salton Sea restoration activities. This bill would provide that these funds, once deposited into the Salton Sea Restoration Fund (SSRF), shall be continuously appropriated for restoration projects identified for completion within the first five years of the Salton Sea Preferred Alternative implementation plan.

FISCAL SUMMARY

Proposition 84 provides \$47 million for Salton Sea restoration projects, and this bill would stipulate that Proposition 84 funds deposited into the SSRF shall be continuously appropriated for projects consistent with the Preferred Alternative. Existing law specifies the Department of Fish and Game as the administering agency for the SSRF.

We note that providing a continuous appropriation reduces budget oversight of Salton Sea restoration activities because funding would not be subject to review during the annual budget process.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the March 20, 2007 version include the following significant amendment which does change our position:

- Proposition 84 funds deposited into the SSRF would be continuously appropriated for Salton Sea restoration projects consistent with the Preferred Alternative.

COMMENTS

Finance opposes this bill because providing a continuous appropriation for Salton Sea restoration projects would reduce necessary program oversight provided in the annual budget process, which is designed to ensure that state funds are spent in a cost-effective manner on the highest priority activities.

Chapter 611, Statutes of 2003, (SB 277) created the SSRF to finance restoration activities, and stated legislative intent that the state restore the Salton Sea ecosystem in a manner consistent with the study required by Chapter 612, Statutes of 2003, (SB 317). SB 317 required the Secretary for Resources, in consultation with the Department of Fish and Game and other entities, to perform a study to develop a Preferred Alternative for the restoration of the Salton Sea ecosystem. The Preferred Alternative was released in May 2007, which identified a \$9 billion cost over the next 75 years.

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Analyst/Principal (0634) M. Almy	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

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SB 187

Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year)			Fund Code
				2007-2008	2008-2009	2009-2010	
3600/Dept FishGam	SO	No		----- See Fiscal Summary -----			6051
<u>Fund Code</u>	<u>Title</u>						
6051	SafeDrinkWtr,WtrQual/Sup,FldCtrl,RvrCstl						