

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 4, 2009
POSITION: Oppose

BILL NUMBER: SB 51
AUTHOR: D. Ducheny

BILL SUMMARY: Salton Sea Restoration Council

In 2003, the state and several Southern California water agencies signed the Quantification Settlement Agreement (QSA), which specifies Colorado River allotments to the parties and provides for mitigation of environmental impacts to the Salton Sea. Existing law specifies the Natural Resources Agency as the lead agency for Salton Sea restoration efforts until a new governance structure is established. This bill would establish the Salton Sea Restoration Council (Council) to implement the 'Preferred Alternative' for Salton Sea restoration, and secondarily to implement other projects intended to improve water quality, restore the ecosystem, improve air quality, and preserve Native American cultural values.

FISCAL SUMMARY

Proposition 84 provides \$47 million for transfer to the Salton Sea Restoration Fund (SSRF) to fund restoration projects, and \$29.4 million of these funds have already been appropriated. The SSRF also receives contributions from local water agencies; however, these agencies have only provided \$167,000 in 2007-08 and \$172,000 in 2008-09 to the SSRF. The Preferred Alternative for Salton Sea restoration released by the Secretary for Natural Resources in May 2007 is estimated to cost \$9 billion over 75 years. The Department of Water Resources estimates costs of \$509 million to implement Period I of the Preferred Alternative. The 'No Action' alternative requires air quality and endangered species mitigation work to meet the state's minimum obligations under the QSA and would cost an estimated \$900 million over 75 years. The bill does not include a long-term funding plan for Salton Sea restoration efforts.

The Department of Fish and Game estimates costs of \$514,000 SSRF to fund five positions to provide staff support to the Council.

COMMENTS

Finance is opposed to this bill because it would be premature to begin implementation of the Preferred Alternative until a long-term funding plan to pay for future Salton Sea restoration efforts has been developed.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)								Fund Code	
	SO	(Dollars in Thousands)								
	LA	CO	PROP	FC	2008-2009	FC	2009-2010	FC		2010-2011
3600/Dept FishGam	SO	No			-----	See Fiscal Summary	-----			8018
3860/Water Res	SO	No			-----	See Fiscal Summary	-----			8018
<u>Fund Code</u>	<u>Title</u>									
8018	Salton Sea Restoration Fund									

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 _____

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