BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3125

Department: California Tahoe Conservancy

How was reduction implemented?

Reduction Summary -- The California Tahoe Conservancy experienced a reduction of 4.0 PY and $144,000 (from Fund 0140, the Environmental License Plate Fund) pursuant to Section 4.10. This involved an analytical and managerial position involved in program delivery, as well as one administrative position and one clerical position providing related support.

What was the actual effect of this reduction?

Affected Program -- The Conservancy has major responsibilities for funding and implementing projects under the State of California's ongoing commitment to the **Environmental Improvement Program (EIP) for the Lake Tahoe Basin**.

The State of California's commitment to the EIP is reflected in various agreements between the States of California and Nevada, the Federal Government, and the Tahoe Regional Planning Agency (TRPA), and in the budgetary priority placed on funding the EIP during the past six fiscal years. The EIP reflects a commitment to capital outlay, local assistance, and programmatic approaches to counter the rapid decline of the resource and public recreation values of the Lake Tahoe Basin. More specifically, the State's commitment to the EIP involves, in large part, a commitment to obtain funding and implementation of capital improvement projects consistent with the EIP adopted by TRPA. The EIP represents a collaborative capital improvement approach toward meeting environmental and public access goals at Lake Tahoe over a 15-year period. In order to be able to implement as many projects as possible during this 15-year period, the EIP is predicated upon the need to commit the necessary funds during the initial ten-year period. Specifically, the EIP identifies projects totaling some $908 million to be undertaken by an array of Federal, State and local government agencies and the private sector over a ten-year period (i.e., the 98-99 through 07-08 fiscal years). The State of California's total share is approximately $275.1 million (of which $207.2 million falls within the responsibilities of the Conservancy over this ten-year period). Total longer-term (i.e., over a 15-year period) capital needs total over $1.2 billion across all implementing sectors; the Conservancy's longer-term responsibilities have been identified at a level of some $338.2 million.

Effect of the Reduction -- Consistent with the State's commitment to the EIP, the Conservancy has received EIP-level capital outlay and local assistance funding since the 98-99 fiscal year totaling $119.1 million (at or near its annual average responsibility of $20.7 million under the EIP). This level of commitment has generated a commensurate Federal commitment. It also received phased support increases over the 99-00 through 01-02 fiscal years to address, in part, the increased workload associated with EIP-level capital funding. These increased resources, for both capital and support purposes, have allowed the Conservancy, over time, to generate considerable momentum, and it is making progress in meeting its EIP responsibilities. We are doing our best to maintain this momentum with existing. Ultimately, however, additional support resources, as well as additional capital funding, will be necessary, over time, to maintain this momentum and fully maintain the State's commitment to the EIP.

Department Director Approval: Dennis T. Machida Date: _____

Agency Secretary Approval: Dan Wallace Date: 3/12/04

Control Section 4.10
Reductions By Program

Org. Code: 3340

Department: California Conservation Corps

How was reduction implemented?

When complete, the 5.79 million dollar reduction will be implemented as follows:

Suspension of Corpsmember Health Benefits

Reduction in the Corpsmember count by 200

Elimination of 59 civil service positions

Closure of two residential facilities (Klamath & Sequoia)

Conversion of the residential program in Pomona to non-residential

FULL IMPLEMENTATION OF THIS PLAN IS ANTICIPATED TO BE COMPLETED BY AUGUST 2004

What was the actual effect of this reduction?

As listed above

Department Director Approval: H. Wes Pratt Date: 3/10/04

Agency Secretary Approval: Dan Wallace Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3360

Department: Energy Resources Conservation and Development Commission/Transportation Energy Division

How was reduction implemented?

1. Associate Automotive Equipment Standards Engineer, New FY 03/04 BCP KATZ Schoolbus Position). Eliminated newly approved position.

2. Office Technician, 600-1139-801. Eliminated filled position, released retired annuitant.

3. Energy Commission Supervisor II, 620-4058-001. Eliminated vacant position.

What was the actual effect of this reduction?

1. Associate Automotive Equipment Standards Engineer, New FY 03/04 BCP KATZ Schoolbus Position.
    - Reduced support to school districts to address technical problems associated with their new school buses. The Energy Commission was the principal liaison between school districts and manufacturers to resolve technical problems for over 600 school buses in earlier phases of the Katz Program.
    - Declined request from Department of General Services to assist in school bus specification development for the next school bus solicitation for the state.
    - Declined request from the National Renewable Energy Laboratories to assist in the development process for new engines for heavy duty vehicles.
    - Reduced outreach effort for new school bus solicitations.

2. Office Technician, 600-1139-801.
    - Reduced critical clerical support for office staff which resulted in delays and difficulty in maintaining quality of written materials in the preparation

of reports, administrative paperwork, and correspondence with other agencies and transportation industry.

3. Energy Commission Supervisor II, 620-4058-001.
   - The office manager has had to absorb the supervisory responsibilities, which:
     1. reduced the effectiveness of his oversight of staff's performance review and feedback, and career development and training.
     2. resulted in mandated reports being delayed and ensuring only minimum necessary report quality.
     3. reduced the likelihood of success of collection and analysis of petroleum fuels and infrastructure data needed to understand the causes of high fuel prices.

Department Director Approval: _____ Date: 3/8/04

Agency Secretary Approval: _____ Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3360

Department: Energy Resources Conservation and Development Commission/Executive

How was reduction implemented?

1. Staff Services Manager I, 130-4800-002. Eliminated vacant position.
2. Staff Counsel, 140-5778-007. Eliminated vacant position.
3. Staff Services Manager I, 130-4800-001. Eliminated vacant position.
4. Office Technician (T), 150-1139-803. Eliminated vacant position.
5. Audio Visual Assistant, 180-2819-003. Eliminated filled position, incumbent retired.

What was the actual effect of this reduction?

1. Staff Services Manager I, 130-4800-002. Reduced ability of the Public Advisor's Office to provide mandated services to the public in energy facility siting cases.
2. Staff Counsel, 140-5778-007. This position supported the variable siting case workload. Its loss reduces the ability to meet siting case workload demands.
3. Staff Services Manager I, 130-4800-001. Reduced ability of the Public Advisor's Office to provide mandated services to the public in energy facility siting cases.
4. Office Technician (T), 150-1139-803. Reduced critical clerical support for the Executive Office and support provided to the Resources Agency.
5. Audio Visual Assistant, 180-2819-003. Eliminated all graphics capability at the Energy Commission. Unable to support the Energy Commission's web site graphic components.

Department Director Approval: _____ Date: 3/8/04

Agency Secretary Approval: _____ Date: 3/12/04

Control Section 4.10
Reductions By Program

Org. Code: 3360

Department: Energy Resources Conservation and Development Commission/Systems Assessment and Facility Siting

How was the reduction implemented?

1. Associate Information Systems Analyst, 210-1470-811. Eliminated vacant position.

2. Energy Analyst, 790-5837-004. Eliminated vacant position.

3. Energy Commission Specialist III, 790-4949-002. Eliminated vacant position.

4. Energy Commission Specialist II, 790-4948-004. Eliminated vacant position.

5. Energy Commission Specialist III, 790-4949-001. Eliminate filled position, incumbent retired.

6. Office Technician (T), 750-1139-803. Eliminated vacant position.

7. Reduction of $500,984 in peak siting workload contract funds.

What was the actual effect of this reduction?

1. Associate Information Systems Analyst, 210-1470-811. Reduced information transfer support extending time required to provide information to the public and local agencies on energy facility siting cases.

2. Energy Analyst, 790-5837-004. This position was located in the Natural Gas Unit, Natural Gas and Special Projects Office and provided support to staff's data gathering and analytical work on issues pertaining to natural gas supply, demand, and infrastructure. The loss of this position eliminated the ability to hire and train new technical staff needed to expand the capabilities of the office in

new and expanding areas of concern, such as short-term modeling and LNG (liquefied natural gas). The Office's data collection efforts are now being conducted by higher paid staff, thus increasing the state's total costs to conduct required work. The state's ability to track the rapid changes in natural gas market issues and prices has been reduced, increasing the risk that California will be unable to take early action to avoid the continued adverse consequences from higher consumer prices.

3. Energy Commission Specialist III, 790-4949-002. This position was located in the Natural Gas and Special Projects Office, Special Projects Unit and provided lead technical direction on critical issues dealing with energy infrastructure. Elimination of the position resulted in the loss of key technical oversight of unit staff, lower productivity, slower turn around time of unit products, and an increased work load for the Office Manager which will further degrade office efficiency and productivity. Additional impacts from the loss of the position will mean the unit will be able to work on fewer research projects, which will degrade the ability to examine key policy issues in the area of natural gas availability and supply, proposed legislation, and the environmental impacts of different energy scenarios/futures.

4. Energy Commission Specialist II, 790-4948-004. This position was located in the Natural Gas Unit, Natural Gas and Special Projects Office. The loss of this position reduced the ability to analyze short-term natural gas issues and to run the natural gas model the Energy Commission uses to predict long-term price trends. This limits the Commission's ability to effectively determine the implications and potential impacts of competing long-term policy options and short term strategies to attain California's long term goals.

5. Energy Commission Specialist III, 790-4949-001. This position was located in the Natural Gas Unit, Natural Gas and Special Projects Office. The loss of this position reduced the ability to analyze the need for additional natural gas and LNG infrastructure and to provide support to the Resources Agency's Natural Gas Working Group. In addition, it limits the ability to prepare special reports on topical issues and to respond in a timely manner to requests for analyses and information from the Governor's Office and the Legislature. Without this technical oversight, the Office has implemented more costly procedures to produce the high quality technical reports the Commission needs to publish in this key area.

6. Office Technician (T), 750-1139-803. This position was located in the Electricity Analysis Office. The loss of this position reduced the ability to provide clerical support to the full Commission in the preparation of key policy reports/documents including the ***Integrated Energy Policy Report*** and various sub-reports such as the ***Electricity and Natural Gas Report***.

7. Peak Siting Workload Contract. The contract was reduced $500,984, by terminating contract employees who had worked at the Commission during the energy crisis' peak siting workload. The loss of this funding resulted in Energy Commission staff assuming work previously performed by contractors. If workload remains near historically high levels, this could result in delays in the review and processing of energy facility siting cases.

Department Director Approval: _____ Date: 3/8/04

Agency Secretary Approval: _____ Date: 3/12/04

Control Section 4.10
Reductions By Program

Org. Code: 3360 –

Department: Energy Resources Conservation and Development Commission/Technology Systems

How was reduction implemented?

Renewable Energy Program (REP)

1. Associate Energy Specialist, 550-4056-023. Eliminated vacant position.

2. Energy Commission Specialist I, 550-4184-003. Eliminated vacant position.

Public Interest Energy Research Program (PIER)

Reduction of $1,495,707 in technical support contract funds.

What was the actual effect of this reduction?

Renewable Energy Program (REP)

1. Associate Energy Specialist, 550-4056-023 –
2. Energy Commission Specialist I, 550-4184-003 –

The REP provides rebates to residential and commercial electricity customers who install photovoltaic generating systems on their rooftops. This program has experienced extraordinary customer growth over the past several years, and rebate requests in 2003 are more than double the number of requests received in 2002. Because no additional staffing resources were provided to accommodate the growth in requests, the elapsed time between receipt of an application and its payout has doubled. The loss of two professional positions has worsened that delay.

Public Interest Energy Research Program (PIER)

Following the deregulation of California's electric services industry in 1996, the utilities eliminated their public interest R&D programs and the Legislature authorized the California Energy Commission to conduct public interest energy research, development, and demonstration which had previously been done by the investor owned utilities. The PIER program conducts State policy driven energy R&D, which provides near term solutions to California's continuing energy problems.

The loss of $1,495,707 in technical support contract funds eliminated contract employees who provided technical expertise to assist with the implementation of the research program. This loss has delayed or eliminated work that could provide lower cost energy efficiency technologies and new, cleaner electricity supplies. This loss also shifted more work to state employees resulting in additional overtime expense. In addition the program must rely on larger programmatic contracts and potentially outsource the administration of portions of the program.

Department Director Approval: _____ Date: 3/8/04

Agency Secretary Approval: _____ Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3360

Department: Energy Resources Conservation and Development Commission/Efficiency

How was reduction implemented?

1. Secretary, 420-1176-002. Eliminated filled position and the incumbent was moved to another position in the Energy Efficiency and Demand Analysis Division.

2. Management Services Technician, 480-5278-001. Eliminated vacant position.

3. Information Systems Technician, 420-1360-001. Eliminated filled position, incumbent retired.

4. Energy Commission Supervisor II, 460-4940-002. Eliminated vacant position.

5. Energy Analyst, 440-5837-007. Eliminated vacant position.

6. Energy Analyst, 460-5837-007. Eliminated vacant position.

7. Energy Commission Specialist II, 460-4936-001. Eliminated vacant position.

8. Associate Energy Specialist, 480-4598-009. Eliminated filled position, incumbent resigned to accept a job outside of state service because of his potential layoff.

What was the actual effect of this reduction?

1. Secretary, 420-1176-002. The work load was divided and given to the remaining secretaries in the Efficiency and Demand Analysis Division, thus increasing their workload and reducing their ability to carry out all work in timely manner.

2. Management Services Technician, 480-5278-001. QFER data acquisition has been reassigned. There has been a reduction in customer service, resulting in longer response time to questions.

3. Information Systems Technician, 420-1360-001. The work has been spread throughout the office and completed in less timely manner.

4. Energy Commission Supervisor II, 460-4940-002. Staff spends less time working with the federal Department of Energy (DOE) to identify potential funding for industrial efficiency projects. Staff is continuing industrial seminars funded by DOE, but has no time to work with potential industrial partners and trade associations, reducing effectiveness in improving efficiency in California industries. Less time is spent working with other state agencies and trade associations to identify opportunities for pursuing energy efficiency in water and wastewater pumping and treatment resulting in fewer agencies coming to the Commission for assistance in efficiency improvements. Staff reporting to the position were transferred to two other supervisors, increasing their work.

5. Energy Analyst, 440-5837-007. This position supported the Commission's Financing Program (loans) and Partnership Program (technical services and outreach) to city, county, special districts and non profit schools and hospitals. The previous incumbent primarily provided outreach/services to non profit schools and hospitals. Eliminating the position substantially reduced such outreach efforts. Staff now has difficulty tracking progress and improving effort of local government energy efficiency technical assistance efforts and monitoring the status of awarded loans that are in repayment. This position supported administration of the Commission's Revenue Bond Program. Elimination of this position required shifting much of the Revenue Bond Program administrative workload internally to the Commission's Administrative Services Division, resulting in less timely and efficient program management.

6. Energy Analyst, 460-5837-007. The Peak Load Reduction Program database was reassigned to another staff person. Additional training was necessary for the staff person to take over the assignment, resulting in difficulties and delays in responding to inquiries.

7. Energy Commission Specialist II, 460-4936-001. Staff ceased its efficiency liaison activities with municipal utilities. Staff no longer has time to leverage municipal utility funds to assist industries and water agencies in pursuing efficiency projects or to encouraging such customers to apply for Commission program assistance. Staff has ceased outreach to industry and agricultural to solicit efficiency demonstration projects for federal NICE# grants. These grants were bringing $1 million to $2 million in federal funding annually to California industries.

8. Associate Energy Specialist, 480-4598-009. The effect of losing this position was the need to reassign a key staff member from building standards to assume much of the work of the previous incumbent involving industrial energy demand. While this reassignment improves our capability to understand industrial energy demand, it leaves a hole in the building standards staff and will hinder the continued efficiency improvements generated by California Building Energy Efficiency Standards. Continued improvement of these Standards is a priority for meeting Commission commitments in the Energy Action Plan, and is recognized as a critical component in mitigating future electricity disruptions due to demand exceeding generation and distribution system supply.

Department Director Approval: _____ Date: 3/8/04

Agency Secretary Approval: _____ Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3360

Department: California Energy Commission/Administrative Services

How was reduction implemented?

1. Associate Budget Analyst, 202-5284-802. Eliminated vacant position.
2. Staff Services Manager I, 212-4800-002. Eliminated vacant position.
3. Office Technician, 206-1139-802. Eliminated vacant position.
4. Accountant I, 212-4117-004. Eliminated vacant position.
5. Reduction of $80,850 in technical support contract funds.

What was the actual effect of this reduction?

1. Associate Budget Analyst, 202-5284-802. This position provided support for the Budget Office and managed the Public Interest Energy Research Audit Program. With the abolishment of the position, Budget support has eroded. This has resulted in delays in reviewing and reporting expenditures to management, less in-depth reviews, and inability to meet internal deadlines. The audit program has experienced severe backlogs due to the loss of the position. The Commission must now rely more heavily on an SCO audit contract to conduct preliminary audit planning and research as well as performing audits. This additional reliance increases contract costs that were formerly performed by the analyst.

2. Staff Services Manager I, 212-4800-002. This position managed the Accounting Office. The loss of the position required a reclassification of a Senior Accounting Officer Supervisor position to an Accounting Manager. The position reclassification cut the number of Accounting Office supervisor positions in half. This has placed the additional burden of having eleven staff reporting directly to the manager as well as absorbing the workload of the abolished supervisor position. The one remaining manager has less time to devote to reviewing reports, troubleshooting reports, and planning accounting office workload and

year-end activities due to the need for day-to-day management of staff and to meet the workload demands associated with the abolished position.

3. Office Technician, 206-1139-802. This position provided support for the Human Resources/Business Services Branch and processed, maintained and tracked Commission wide training and supported the Equal Employment Opportunity function. The workload has been shifted to various professional staff in the Branch or is not being done. This has resulted in inefficiencies and is a poor use of professional staff time.

4. Accountant I, 212-4117-004. This position provided support to the Renewables Emerging Buydown program. Specifically, the position reviewed and processed invoices, scheduled payments with the State Controller, inputted data into the Renewables database, and handled customer inquiries and complaints. Due to the loss of the position, this work is being handled by part-time students and a part-time retired annuitant. Continuity and expertise has been lost when part time, untrained staff have been required to fill in and process the extensive workload. The impact of the abolished Accounting I position has led to workload backlog and greater opportunity for errors in payments and database postings due to the band aid fix of untrained students and a retired annuitant.

5. Reduction of $80,850 in technical support contract funds eliminated one Information Technology contract employee which reduced support for Mac users within the Energy Commission, and slowed the response time to Information Technology Help Desk work orders.

Department Director Approval: _____ Date: 3/8/04

Agency Secretary Approval: _____ Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3360

Department: California Energy Commission/Overtime

How was reduction implemented?

Energy Commission-wide reduction of $130,195 in budget overtime funds.

What was the actual effect of this reduction?

Each Division and Small Office within the Energy Commission was required to reduce their overtime budget, resulting in delays in completion of projects/tasks throughout the Energy Commission.

Department Director Approval: _____ Date: 3/8/04

Agency Secretary Approval: _____ Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3460
Department: Colorado River Board

How was reduction implemented?

With the Section 4.10 reductions, the CRB lost $81,000 and the Senior Hydraulic Engineer position (vacant) associated with it.

What was the actual effect of this reduction?

The CRB's mission, as legislatively mandated, is to protect California's rights and interests in the water and power resources of the Colorado River. The CRB is a small board with 10 full time positions; of these, three are administrative/clerical positions, and the remaining, including engineering positions, perform work in the technical program area.

Due to the Section 4.10 reduction, the CRB has been forced to distribute additional engineering tasks among the existing technical staff. As a result, technical staff is unable to perform the in-depth analysis that has historically been accomplished. This has resulted in an impact to the Board's ability to represent California's interests in discussions and negotiations among the water agencies in California, the other Colorado River basin states, and the federal government.

Department Director Approval: _____ Date: _____

Agency Secretary Approval: Dan Wallace Date: 3/12/04

Control Section 4.10
Reductions By Program

Org. Code: 3480

Department: Conservation

As a result of mandated reductions per Section 4.10 the Department of Conservation reduced spending authority by $1.736 million and eliminated 20.0 positions.

How was reduction implemented?

California Geologic Survey
4.0 positions were abolished and spending authority was reduced by $576,000. The abolished positions are 1.0 Supervising Geologist, 1.0 Engineering Geologist, 1.0 Supervising Librarian, and 1.0 Photographer.

Office of Mine Reclamation
1.0 Supervising Geologist position was abolished and spending authority was reduced by $205,000

Division of Oil, Gas, and Geothermal Resources
5.5 positions were abolished and spending authority was reduced by $91,000. The positions abolished are 1.0 Senior Oil and Gas Engineer, 1.5 Associate Oil and Gas Engineers, 1.0 Senior Environmental Planner, 1.0 Associate Environmental Planner and 1.0 Office Technician.

Division of Land Resource Protection
1.0 Associate Governmental Program Analyst position was abolished and spending authority was reduced by $241,000.

Division of Administration
1.0 Associate Programmer Analyst position and spending authority was reduced by $125,000.

Division of Recycling
7.5 positions were abolished and spending authority was reduced by $623,000. The positions abolished are 1.0 Research Program Specialist II, 1.0 Associate Management Auditor, 2.0 Staff Services Management Auditors, 2.5 Recycling Specialist II, and 1.0 Office Assistant.

What was the actual effect of this reduction?

California Geologic Survey

The Supervising Geologist position for the Minerals Hazards Program (MHP) has been eliminated and the California Geological Survey (CGS) has been unable to replace it. As a result, the MHP has been merged with the Regional Geologic Hazards Program (RGHP). Elimination of this critical position has reduced by one-fifth the CGS management team for making fiscal and strategic decisions. CGS has lost an expert on California's naturally occurring asbestos, mercury, and radon hazards. CGS's ability to form effective partnerships with the many other agencies involved in hazardous minerals has been reduced and our ability to effectively leverage our technical expertise to mitigate hazardous conditions has also been significantly reduced.

Eliminating an Engineering Geologist in the Seismic Hazards Mapping Program (SHMP) has jeopardized public health and safety. Approximately 45% of California's high earthquake risk areas have been zoned under this program. About 200 high-risk incorporated cities remain to be zoned, which have an aggregated population of 9 million and average annual volume of new construction exceeding $13 billion. SHMP delineates zones of required investigation for earthquake hazards. Applications for construction of new buildings within the zones must be accompanied by results of an approved detailed geotechnical hazard investigation, including approved plans to mitigate earthquake hazards identified at the site, prior to permitting by local building departments. This action increases public safety and welfare, and reduces future earthquake losses by promoting more earthquake-resilient construction. The elimination of this position decreases the rate of zoning, and stall continued improvement in the reliability and effectiveness of seismic zoning.

The loss of the Supervising Librarian position has reduced CGS's ability to provide Library and publication sales to the public from five days a week to two days a week from 9:00 A.M. to 4:00 P.M. Without a librarian, CGS no longer has access to interlibrary loan facilities. CGS library is unable to provide library research in a timely manner to DOC/CGS staff, local government, consultants, academia, and public. This severely limits CGS' ability to provide government and the public with earthquake and geologic hazards information so that informed decisions can be made.

The Photographer position performed the principal outreach functions in the CGS, participating in numerous public events, providing information to the general public on California's geology, earthquakes and geologic hazards so that the public could be better informed.

The reduction in funding has eliminated the ability to send out trained engineering geologists after an event. After the San Simon earthquake CGS provided minimal evaluation of ground stability, and after the heavy rains and fires in Southern California CGS had to delay its participation in evaluating slope stability until contract dollars could be arrange to cover staff time and expenses. The public is at risk if ground and slope stability information is not made available.

Office of Mine Reclamation

Control Section 4.10 Reductions impacted OMR across the board. Specifically, by reducing the level of funding and taking one more position from OMR, our ability to protect public health and safety has diminished. This reduction was simply the latest in a series of reductions OMR has experienced since the State first recognized there was a budget shortfall and has exacerbated an already serious problem. OMR was never fully staffed to meet all the responsibilities expected of it through various legislative mandates. Because of this, OMR prioritized its activity putting its resources on only the most egregious problems with mines, those with the most apparent safety issues. Reduction to the program only made this work model less effective. OMR is criticized by both the State Mining and Geology Board and private citizen complaints for not taking more aggressive action toward making abandoned mines safe and enforcing mining laws on all active mines statewide.

Division of Oil, Gas, and Geothermal Resources

Due to the loss of the engineering positions to the Division of Oil, Gas and Geothermal Resources (Division) public health and safety have been jeopardized. Well proposals could receive less than sufficient review, which may result in inadequate construction and possible well failures. There is the increased possibility of casing leakage, subsurface contamination, and uncontrolled fluid flow at the surface, i.e. blowouts. Furthermore, oilfield surveillance and enforcement activities have been reduced, which results in well problems remaining a source of environmental damage or health and safety threats for a longer period. Because of the loss of the environmental planning positions, the Division's timely compliance with the California Environmental Policy Act is threatened, resulting in less-thorough reviews and energy project delays.

Elimination of the Senior Oil and Gas Engineer position was the most problematic loss for Division. This was a high-level supervisory engineering position in the Bakersfield office, the largest oil producing district office in the state. Frequently, this position assumed oversight responsibility for the entire district for the District Deputy. When this position was lost, supervision of the office staff was stretched dangerously thin. Inadequate oversight increases the potential that a critical detail may be overlooked, with a corresponding increase of a serious oilfield accident.

The Associate Oil and Gas Engineer positions were critical positions that were abolished. These are journey-level professional engineering positions that serve as leads for field staff. The primary responsibility includes oversight of well permitting and field surveillance operations. As such, the positions have public health and safety responsibilities to ensure that wells are drilled using proper well construction, blowout equipment and drilling procedures. Without lead engineers, deficiencies don't get corrected, violations occur, and there is the increased possibility of contamination due to oil spills, valve leaks, or tank ruptures.

The Environmental Planner positions and the Office Technician are the Kern County CEQA positions that were supported in a prior-year BCP. The CEQA program was just getting started and these positions were swept before they could be filled. If the CEQA program is not established, new well drilling could stop for lack of permits. If new wells are not drilled, oil production will decrease and gasoline prices will increase because more oil will have to be imported from other sources.

Division of Land Resource Protection

Reduced spending authority for the Division of Land Resource Protection (DLRP) has forced elimination of Department of Finance audits of counties and cities for Williamson Act (WA) subventions and administration. The audits highlighted instances of poor local administration of the WA and resulted in appropriate corrective actions or litigation to be undertaken. The audits also provided the only method to verify county subvention requests, and for the state to collect subventions that were paid on the basis of incorrect submittals. This has a direct affect on the General Fund because subventions are paid from the General Fund.

Funding to carry out the mandates established by SB 649 (Ch. 1019, Statutes of 1999), which tightened the requirements for WA cancellations, has been eliminated. As a result, the DLRP will not be able to perform detailed reviews of information submitted by counties and cities for WA cancellations, resulting in more cancellations done in violation of statute. The result will be a weakening of the WA and an increase in urban sprawl.

Funding has been reduced for legal services, opinions and litigation associated with WA issues. The overall impact will be less enforcement related to WA violations and more abuse of the Act. Reduced levels of oversight and enforcement may negatively affect revenue generated from WA cancellation fees. Any reduction in revenue would directly impact the General Fund because the WA cancellation fees are a revenue source for the General Fund.

Through programs such as Proposition 50 and the federal Farm Bill, state and federal governments increasingly utilize Resource Conservation Districts (RCDs) to deliver on-the-ground conservation projects. Abolishment of an Associate Governmental Program Analyst position has reduced by one third the staff that provides technical assistance and training for locally based RCDs. RCDs are increasingly utilized by the State and federal government to deliver on-the-ground conservation projects, through programs such as Proposition 50 and the federal Farm Bill. The volunteer RCDs rely on DLRP staff to assist them in meeting State requirements for fiscal, permitting, personnel and other issues.

Division of Administration

The eliminated Associate Programmer Analyst position in the Office of Technology Services (OTS) was responsible for application and database maintenance, application

programming and database design, coding, and testing to support the Department of Conservation (DOC) program divisions. This cut has had a significant negative impact on OTS's ability to maintain/develop essential information systems for effective DOC program implementation, as the OTS is/has been understaffed. This action increases the pressure on senior staff to focus on the daily aspects of running a technology support shop instead of striving to achieve greater efficiencies.

Currently, the DOC technology area is at the point that it cannot implement and/or support technical improvements that will make the DOC work processes more effective and efficient. Shortages in the OTS staff area also increases pressure for the DOC program areas to assume some OTS duties that are not within their civil service classification duties, and that they are not trained for. This decreases the likelihood that such 'part time' OTS work will conform to the best industry practice, meet control agency requirements, or meet technology perspectives from a more cost effective, "easy to maintain," and integrated department-wide perspective.

Reduced spending authority has forced elimination of some hardware maintenance contracts. Hardware maintenance contracts enable the DOC to replace an infrastructure component that fails within a reasonable time period (typically one business day). A failure could result in prolonged outages of key components that could cripple the DOC's IT operations, or endanger the systems' security.

Division of Recycling

- Audits and Investigations - 1.0 Staff Services Management Auditor, 1.0 Associate Management Auditor and 1.0 Office Assistant (Typing) were eliminated.

Eliminating the auditor positions reduced the Division's ability to investigate recycling fraud. Elimination of the Office Assistant resulted in investigative time being replaced by time associated with support activities (i.e., case preparation, recycler prepayment inspection listing and coordination of inspection efforts, making travel arrangements, and schedule coordination). The cumulative impact is a potential annual cost to the fund in lost payments, recovery of fraudulent payments and restitution of $1,174,295.

- Administration - 1.0 Research Program Analyst II (Economics) was eliminated.

The elimination of this position reduced the Division's ability to plan, organize, and conduct research of industry and market trends. This research is critical in determining the potential impact to the California Beverage Container Recycling Fund (CBCRF). Eliminating this position has also limited the Division's ability to analyze receipt and disbursement data making recommendations concerning solvency issues, reserve requirements, and reengineering of business processes very difficult.

- Community Outreach - 0.5 Recycling Specialist II

Eliminating the 0.5 Recycling Specialist reduced the Division's ability to conduct quality control tests on all data, develop methodologies in determining the effectiveness of educational outreach events, produce quarterly RecyCool club Newsletters, establish

sustainable recycling programs and partnerships throughout the state, obtain/coordinate DOR web site updates, and negotiate terms and conditions of event projects.

- Certification Services - 1.0 Staff Services Management Auditor was eliminated.

Eliminating this position has extended the time period before recycling centers receive training in operations, record keeping and reporting requirements (from 12 weeks to 24 weeks after becoming certified and operational in the beverage container recycling program). This increases the chances of finding violations during routine inspection of recycling centers and results in an increased number of complaints from consumers which could have been avoided had the recyclers been trained more expeditiously.

- Market Research – 2.0 Recycling Specialist II positions were eliminated.

The Market Research branch has two sections; Market Expansion, and Market Statistics.

The Market Expansion Section is responsible for scrap value verification to validate data used as the basis for establishing processing payments and fees. Scrap value verifications conducted have been reduced by an estimated 10%. This reduction may impact the accuracy of final payments and fees determined.

The effect of the reductions to the Market Statistics Section has been a reduction in staff time associated with statewide surveys to determine appropriate rates for collected materials. Reducing the number of audits of some survey participants from two per year to one has increased the risk that an entity will taint survey results to increase revenue for commingled material collected.

Department Director Approval: _____ Date: _____

Agency Secretary Approval: _____ Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3540

Department: Forestry and Fire Protection – Sacramento Headquarters

How was reduction implemented?

Reduced Temporary Help funding which allows backfill of firefighter positions while individuals await disability determination, and decreased operating expenses in various categories

What was the actual effect of this reduction?

The reduced level of Disability blanket funding has diminished the department's ability to backfill key positions during disability status determination periods. Statewide committee travel has been scaled back to only the most critical trips. Voluntary relocations will not be funded. Departmental handbooks are no longer being printed. Public service announcements and updates to the CDF website are more infrequent.

Department Director Approval: Andrea E. Tuttle Date: 3/11/04

Agency Secretary Approval: Dan Walters Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3540

Department: Forestry and Fire Protection – Nursery Program

How was reduction implemented?

Reduced temporary help funding at the Magalia and Davis nurseries which grow seedlings for planting out in fire burned areas.

What was the actual effect of this reduction?

This reduction was implemented primarily at Magalia Nursery but there was also no temporary help placed in the Seed Bank at Davis during the cone season (August – October). This loss was further exacerbated by budget cuts affecting the California Conservation Corps -- CCC crews at the Butte Fire Center (next to Magalia) had historically been contracted to do much of the labor for seedlings.

The most significant impact of the reduction was the inability to lift seedlings at Magalia. No bare root seedlings were sold from Magalia, despite the fact that nearly 200,000 of those seedlings were appropriate for Southern California sites impacted by the 2003 fires. Most of those seedlings are being held over for this fall and efforts are being made to secure funding required to lift, grade, and pack those seedlings. Magalia also did not lift, grade, or pack bare root stock that had been committed to timberland owners and private foresters who were planning on use of the seedlings to meet requirements of the Forest Practice Act. Some of those seedlings may be viable this year. However, most of the Coast and Sierra redwood seedlings will be too large to be desirable for outplanting in the normal timber land setting. Magalia estimates that it is holding over 1.5 million seedlings that should have been sold last fall. It is unknown at this time if the too-large seedlings are salvageable for specialized sales or donation(s).

Department Director Approval: Andrea E. Tuttle Date: 3/11/04

Agency Secretary Approval: Don Wellner Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3540

Department: Forestry and Fire Protection – Forest Practice

How was reduction implemented?

Position reductions in the Northern Region primarily in the Coastal area (11 with 3 vacancies). Surplus notices have been sent to affected Foresters.

What was the actual effect of this reduction?

To date, the overall Forest Practice objectives have not been compromised because THP filings have declined over the last few years due to a lagging timber market. Thus, there have been about 150 fewer preharvest inspections this year and active inspections were reduced by about 250. However, future impacts will be significant when THP workload increases.

Department Director Approval: Andrea E. Tuttle Date: 3/11/04

Agency Secretary Approval: Dan Walters Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3540

Department: Forestry and Fire Protection – State Fire Marshal

How was reduction implemented?

Reduced clerical support and diminished ability to conduct fire and life safety inspections of state-owned and state-leased buildings, medical facilities, schools, jails, and social care facilities

What was the actual effect of this reduction?

Clerical duties have shifted to professional staff. The inability to provide timely responses to business interests desiring to open buildings providing health and/or social care services has resulted in increased waiting periods for fire inspections for new licensees and lost opportunities for available facilities to the public. Requests for assistance from local fire and law enforcement agencies have been delayed or not answered, resulting in frustration in conducting business at the local level. Inspections of state-owned and occupied buildings at frequencies that are reasonable to ensure fire and life safety has been jeopardized at a time when resources of local agencies have also been significantly reduced. Those who work and visit public buildings will soon be in jeopardy. Schools and local detention facilities (currently require an annual fire inspection) will either have fewer inspections or not have any at all. Prior to these reductions, there was an average of one Deputy State Fire Marshal for every three to four counties. With these latest reductions, the ratio has increased requiring each to cover more area, which significantly increases the workload and results in a reduction to service level. Plan review services for both new buildings and those being renovated have been significantly reduced. This lessened service level will increase the time period for the overall construction of a building having significant effects on design professionals and owners of new buildings in California.

Department Director Approval: Andrea E. Tuttle Date: 3/1/04

Agency Secretary Approval: Dan Walters Date: 3/12/04

Control Section 4.10
Reductions By Program

Org. Code: 3560

Department: California State Lands Commission
Program 10: Mineral Resources Management Division

How was reduction implemented?

In an effort to avoid layoffs, the reduction was implemented by elimination of positions vacant on 6/30/03, identifying retirements and not filling behind these positions and elimination of new positions from the Oil and Gas Facilities Safety Audit Program. The reduction for this program totaled 8.0 positions; 2.0 Auditor positions, 4.0 Safety Audit Program positions, 1.0 Inspector and 1.0 Engineer.

What was the actual effect of this reduction?

Auditor position reductions have extended the timeline to complete audits and financial reviews of lessees. The extended time it takes for lessee approval delays revenue payments to the State. Many of the financial details that were looked at before are not evaluated now due to lack of staff. Some audits, given current staffing, will never be completed and will likely result in the state receiving less money than it should because of the inability to identify underpaid revenues. Estimates are difficult but as much as $1,000,000 per year may be at stake.

Oil and Gas Facilities Safety Audit Program reductions represented a 40% reduction in staff for the proposed program. The existing staff is unable to conduct safety audits of all the facilities within the five-year cycle recommended by industry representatives. The cycle interval is now projected to take seven to eight years, posing a greater safety risk. Other areas of decline are, the ability to conduct comprehensive verification that noncompliance items have been corrected as per codes and standards, responsiveness to safety concerns triggered by the sale of a company, job required training and development of specialized auditing procedures, response to information requests, status reports and public web site access. This all results in an increased exposure to equipment or procedural failures on offshore facilities with the attendant threats to public health and safety, the environment and uninterrupted revenue flows.

Org. Code: 3560
Department: California State Lands Commission
Program 10: Mineral Resources Management Division

Staff reduction at the Goleta Field Office along with expansion of Ventura and Santa Barbara County processing facilities are straining remaining staff resources to conduct regular safety inspections. Facilities have become more complex, including upgraded and augmented safety systems, resulting in the monthly inspections taking longer to complete. The exiting staff is unable to adequately monitor lessee operations, conduct safety inspections, investigate pollution incidents and verify production sales volumes for royalty revenues. The net effect has been that overtime is regularly charged to complete essential duties, and less essential duties are not performed. This too could lead to increased exposure to equipment or procedural failures with the attendant threats to public health and safety, the environment and uninterrupted revenue flows.

An Associate Mineral Resource Engineer position was eliminated with duties being re-directed to other staff. With proposed legislation review and State Reclamation Board oil and gas lease issuance and management program duties only being performed on a limited basis. Existing staff is re-directed from duties that may result in reduced oil revenues to the State general fund. Such duties include Long Beach Unit net profits lease reviews, a reduction in the number and intensity of mineral audits that ensure the State is properly paid and longer time periods to process northern California gas leases which delay returning a profit (in royalties) to the state. Finally, some internal projects to determine resource potential have been shelved to deal the re-directed workload.

Department Director Approval: Paul D Thayer Date: 3/9/04

Agency Secretary Approval: Dan Walsh Date: 3/12/04

Control Section 4.10
Reductions By Program

Org. Code: 3560

Department: California State Lands Commission
Program 20: Land Management Division

How was reduction implemented?

The reduction was implemented by elimination of positions vacant on 6/30/03 and elimination of some of most recent programs/activities within the division.

Reduction to this program totaled 8.0 positions. Program functions previously reduced have been eliminated including the Lease Compliance Unit and Colorado River Boundary Determination. Program reductions or reallocations include the Land Ownership Document Preservation and Management, Base Closure along with a Reorganization to consolidate management under the Northern California Lakes and Rivers Section and South California area.

What was the actual effect of this reduction?

The Compliance function had been deleted in the early 1990 budget reductions and was re-established by a 2000-01 Budget Change Proposal (BCP). This action will eliminate the function again. There is no longer a Compliance function specifically dedicated to lease compliance and field inspection. Most leases have not nor will receive site visits in the future. There is no dedicated staff designated to ensure the lessee is complying with lease terms, that facilities have been properly constructed, maintained and utilized properly as to the Public Trust. The Commission (CSLC) must now rely upon spot inspections by staff on field assignments for reimbursable work on adjacent parcels or the lessee (operator/owners) to maintain the facility in a safe condition. This could leave the State open to tort liability caused by unsafe conditions on state leased properties or irreparable harm to the environment from unauthorized activities on the leases.

The Military Base Closure program was approved through a 2002-03 BCP to dedicate a position to resolving Sovereign land title issues on existing closing military bases. The elimination of the position resulted reallocation of this workload to existing staff and an extended time frame for resolution of title issues on lands associated with military base closure. The inability of the Commission to respond will defer the economic development of base lands along with delaying positive impacts on local and State economies in terms of increased payrolls, property, sales and income taxes being generated.

Org. Code: 3560
Department: California State Lands Commission
Program 20: Land Management Division

The Colorado River Boundary Determination program was approved through a 2000-01 BCP to work along side Arizona to negotiation each state's boundary line along the Colorado River. There is no longer any staff specifically devoted to protecting the public's interest and resolving these unique boundary issues. This is delaying development along the river along with the attendant positive impacts to local economies. Should the Commission be unable to respond to quiet title litigation specific to these boundary issues, the public (State of California) will lose by default its right to these lands. The elimination of this program has resulted in delays to boundary matters, which affect the efficiency and effectiveness in resolving and protecting the public's lands along the Colorado River and throughout the State.

The Land Ownership Document Preservation and Management Program was approved through a 2000-01 BCP. The current budget reduction affects the CSLC's ability to effectively organize, update and maintain the deteriorating land title and boundary records. Institutional knowledge is being lost as time progresses. As CSLC loses key staff through retirement and attrition, the title and boundary work, that is the basis for the State's ownership of Sovereign and School lands, will not be reliable with the potential for loss of revenues to the State and State Teachers Retirement System, with the potential for trespass by adjoining landowners.

Reorganization of the Land Management Division by consolidating the oversight of its leasing program by eliminating the Manager I position that oversaw the Northern California and Lakes & River Section and placed those responsibilities along with the management responsibilities for the Southern California under a Manager II position. The Division has been able to respond to the changes and has continued to serve the public by meeting timelines associated with its leasing program (Public Streamlining Act, CEQA) and the requirements of the applicants for new projects. However, less time sensitive functions such as processing lease renewals and rent reviews as required in leases are deferred resulting in deferral of revenue to the State.

Department Director Approval: Paul D Thayer Date: 3/12/04

Agency Secretary Approval: Dan Walsh Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3560

Department: California State Lands Commission
Program 30: Executive and Administrative & Information Services

How was reduction implemented?

Total reduction of 6.0 positions in various administrative areas:
CEA Assistant Executive Officer,
Staff Services Manager of Human Resources;
Staff Programmer Analyst of Project Management Office (eliminating function)
Associate Information Systems Analyst of Information Technology
Staff Counsel III from Legal Services
Temporary Help position

What was the actual effect of this reduction?

The loss of the Assistant Executive Officer position will result in a flattening of the organization by removing one level of management. All Division Chiefs now report directly to the Executive Officer. This will result in increased demands on the time of the Executive Officer to devote to everyday operational issues and away from servicing the needs of the Commissioners and other constituents. More reliance is on the program managers to resolve issues at lower levels in the organization. The greatest loss is the coordination of efforts in achieving program objectives among the Commissions varied operational units. This can reduce overall effectiveness of service to the Commission's customers.

The elimination of the management position within Human Resources resulted in the ultimate merging of two divisions and increased level of responsibility to the existing management structure and remaining Division Chief. The net effect to the program to prolong the testing process and recruitment activities.

The Project Management Office staff was eliminated and project management structure is now reliant on contracted support to provide this function as required by the Department of Finance, Information Technology Project Oversight Framework. Future projects will require a contracted position to satisfy the requirements of project risk management.

Within Information Technology Unit, all existing database support is now performed by student temporary help or is contracted out to consulting firms. Additionally, the response time for

Org. Code: 3560
Department: California State Lands Commission
Program 30: Executive and Administrative & Information Services

desktop support and/or equipment or software failures has increased, reducing the effectiveness of the program staff.

The loss of the Staff Counsel III has resulted in redistribution of that workload to the remaining seven attorneys. This will result in reduced litigation support to the Attorney General, extended review time for proposed leases and contracts and reduced support to in providing sound legal advice to management, staff, grantees and Commissioners regarding complex Public Trust issues.

Reduction in temporary help services eliminates backup of employees on extended leave with retired annuitants or students. This reduces the effectiveness of remaining program staff, for they must absorb the workload or wait for employees to return to receive services.

Department Director Approval: Paul D Thayer Date: 3/12/04

Agency Secretary Approval: Don Wallace Date: 3/12/04

Control Section 4.10
Reductions By Program

Org. Code: 3560

Department: California State Lands Commission
Program 40: Marine Facilities Division

How was reduction implemented?

The reduction was implemented by elimination of positions vacant on 6/30/03 and elimination of half of a new position for the Oil Transfer and Transportation Emission and Risk Reduction (OTTR) Act of 2002.

Reduction for this program totaled 4.5 positions; 2.0 Marine Safety Inspectors, 1.5 Marine Safety Specialist (Planning Branch and OTTR), 1.0 clerical support position.

What was the actual effect of this reduction?

Inspector position reductions decreased the field presence at high-risk facilities and operations. The loss has led to frequent inability to cover all of the seven day per week shifts deemed effective at preventing marine water pollution and providing seaport security. When compared to 2003, the number of oil transfers and transfer events have increased, however field inspections have been reduced by 10%, and in 2003 there was an increase in the number of marine terminal oil spills. The Commission's goal is to achieve 25% coverage of such events. We have attained 22% but this slipped to 20% in 2002/03 and down to 18% in 2003/04. The increase in spills may be a result of the lower level of inspection presence.

Marine Special Specialist reductions diminished the level of marine safety expertise and leadership in the Division headquarters' planning, regulations and research branch. A key element in the enabling legislation, "the assurance of the best achievable protection," is being seriously threatened by accumulating staff reductions. Development of regulations has been delayed, review of existing regulations postponed and quality of background development for existing and future programs decreased. The search and research for new and updated best achievable protection technology has been reduced.

Org. Code: 3560
Department: California State Lands Commission
Program 40: Marine Facilities Division

Reduced administrative support for a busy division headquarters staff of thirty-five, has resulted in less timely customer service and response and higher salaried staff are being re-directed to complete administrative duties.

Department Director Approval: Paul D Thayer Date: 3/9/04

Agency Secretary Approval: [illegible] Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3600

Department: Fish and Game (DFG)

How was reduction implemented?

Based on discussions between Senior management and staff, each of the seven Regions and three operating Divisions in DFG reduced program delivery in all programs, focusing on first activities which could be reduced without impacting authorized positions while maintaing critical service levels. DFG management then included in the Reduction Plan all vacant positions. DFG was able to implement the reduction without any layoff of permanent staff in the current fiscal year.

DFG was required to permanently reduce program activities by $7.2 million with a loss of 149 positions.

What was the actual effect of this reduction?

Significant permanent across-the-board reductions are having numerous impacts.

The Marine Life Protection Act implementation was halted, preventing completion by the date mandated by the Legislature. The Enforcement Program has been reduced to the point where effective protection of the State's natural resources is no longer possible. The most significant of these is loss of coverage. There are vast parts of the State that have little if any warden patrol.

Fisheries and Wildlife management activities are no longer adequate to properly manage these resources and service the constituents who dependent upon them for their livelihoods and recreational opportunities. The Inland Fisheries program manages the State's inland fisheries resources. The reductions have crippled monitoring of some of the State's most critical fisheries, including trout, steelhead, black bass, and salmon. These reductions will not only degrade recreational opportunities, but also jeopardize threatened and endangered fish, amphibians, and reptiles. This will cause a decline in revenues to the Department through license sales, further impacting these programs dependent upon these funds.

Threatened and Endangered species recovery efforts have been crippled to the point where protection and recovery are at risk. The management of Department lands, both ecological reserves and wildlife areas, has been reduced to a level that will prevent achieving plan objectives and increase State liability. The reductions will eliminate recreational opportunities at many of the State's lands and severely degrade management of critical wetlands. The Department will also not be able to keep its facilities compliant with ADA and public health and safety standards.

The Department's hatchery system will has and will continue to significantly reduce its production of trout, steelhead and salmon, impacting local economies and recreational opportunities throughout the state.

Customer service has been severely eroded, including the inability to sell fishing and hunting licenses at several Department facilities, further impacting revenues.

Timber Harvest Review program reductions will mean an eight to nine percent reduction in the number of plans reviewed at all for those areas and a 25 to 30 percent reduction in intensive reviews of plans for those areas. The reduction will also impose a 25% reduction in species, habitat and ecosystem evaluations in the forest ecosystem of the Sierra Nevada.

IT reductions have prevented developing marine fish-count data used for species management forecasting and for GIS projects in resource assessment.

Field data collection to determine the level of reproduction for various anadromous fish stocks (salmon, steelhead, and striped bass) will be scaled back as will data collection on the timing and magnitude of the out-migration of these species.

CalFed reductions have impacted the ability to fulfill the applicable permitting and regulatory requirements associated with CALFED projects, and its loss will reduce the promptness with which these requirements will be met.

Department Director Approval: Gene Kenwick for OK Date: 3-12-04

Agency Secretary Approval: Dan Walsh Date: 3/15/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3640

Department: Wildlife Conservation Board

How was reduction implemented?

Historically, WCB's General Fund (GF) monies have been used to support 3 positions in both our Acquisition and Development programs. Control Section 4.10 reduced WCB's GF support appropriation by 15% (-$48,150). This reduction necessitated shifting these personal services obligations to other appropriated fund sources (special funds and bond funds).

What was the actual effect of this reduction?

Since existing personal services obligations were shifted to other appropriated fund sources, the net effect was less new hires to carry out the Board's bond funded programs. It was initially though that by not adding additional staff, the Board's estimates in completing program delivery in 5 years could be significantly delayed. This is not the case. WCB will be able to carry out the program delivery, as planned. To our credit and that of our partners (locals and non-profit entities), we are doing more with fewer staff. Our partners play a critical role in WCB's ability to accomplish more with minimal staff.

Department Director Approval: _____ Date: 3/11/04

Agency Secretary Approval: _____ Date: 3/12/04

Control Section 4.10
Reductions By Program

Org. Code: 3680

Department: Boating and Waterways

How was reduction implemented?

Eight vacant positions were eliminated, plus a reduction in our overtime and temporary help allocations.

What was the actual effect of this reduction?

By Program:

Boating Facilities Division

One position (CEA I) was the department's "second-in-charge" (deputy director), who also was the Division Chief of the Boating Facilities Division. The duties of this position were reassigned to two existing employees at a decreased salary level.

One position was an Associate Civil Engineer in the Boating Facilities Division. This position designed and implemented up to three minor capital outlay projects annually. Capital Outlay projects typically include the construction of boat launching facilities and other boating access facilities on State-controlled lands. Due to the loss of this position, there have been delays in the department's capital outlay boating facility construction project program.

One position was a Staff Services Manager II, who performed planning functions in the Boating Facilities Division. The reduction reduced the expertise and management of the fiscal and economic functions for the department's various loan and grant programs for the development of small craft harbors and boat launching facilities.

One position was an Aquatic Pest Control Specialist in the department's Aquatic Weed Control Program, which controls water hyacinth and Egeria densa, two nonnative plants in the Sacramento-San Joaquin Delta. With the loss of the position, there has been a decrease in the reduction of these two plants, thus allowing for a degradation to recreation, agricultural irrigation, navigation and water conveyance in the delta.

Boating Operations Division

One position was an Associate Governmental Program Analyst working on boating law enforcement. The department is presently not as proactive in broadening the scope of

knowledge of judges, district attorneys, and the law enforcement community about enforcing statutory penalties for persons who have been convicted under California boating law.

One position was a Staff Services Analyst in the Yacht and Ship Brokers Licensing Program. With elimination, the investigation and disposition of consumer complaints against vessel brokers and salespersons have been delayed considerably and the number of field inspections of brokerage offices and records was reduced.

Executive and Administrative Services

One position was an Associate Budget Analyst in the Administrative Services Division. Some duties have not been performed and some tasks have been assigned to analytical staff to perform outside their normal duties at a more expensive overtime rate.

One position was a Graphic Designer II, who designed and revised the department's 50 boating safety publications. Funds for needed design work will need to be redirected from other sources such as printing of the pamphlets, thus reducing efforts to reduce the number of boating accidents, injuries and fatalities.

The reduction in the Temporary Help Fund and the Overtime Fund reduced the use of student interns and retired annuitants used for needed day-to-day activities and resulted in a substantial reduction in paid overtime.

Department Director Approval: Raymond Tsunyoshi Date: 2/19/04

Agency Secretary Approval: Dan Wallen Date: 2/18/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3720

Department: California Coastal Commission Program 10: Coastal Management Program

The majority of the Commission's staff and core activities and responsibilities to implement the Coastal Act of 1976 are in Program 10. Program 10 includes Coastal Development Regulation, Local Coastal Programs, Planning and Support Studies, Legal Services, the Federal Coastal Zone Management Program, Enforcement and Compliance, Water Quality, Coastal Access Program, Coastal Resource Information Center and Public Education.

How was reduction implemented?

Pursuant to Control Section 4.10 of the 2003 Budget Act, the Coastal Commission was required to reduce its general fund budget by $1.58 million for fiscal year 03-04 and thereafter. A total of 26.2 positions were eliminated. Since Program 10 is the Commission's largest program, the majority of the staff reductions come from this program. The Commission has implemented this reduction by eliminating positions that were required to be left vacant due to the ongoing hiring freeze. A total of 15.2 permanent and 6 temporary help positions have been lost in Program 10.

What was the actual effect of this reduction?

The actual effect of losing 15.2 permanent and 6 temporary help positions in Program 10 has been devastating to the Commission's core work. The positions lost were at all levels from senior management (Career Executive Assignment CEA I) to entry-level coastal program analysts and in most Program 10 areas of responsibility. The elimination of 6 temporary help positions resulted in the loss of limited term staff that are carrying out federal grant programs. If grant tasks can't be done, federal funds to the state will be lost. The result of the loss of the 15.2 permanent positions is an ever-increasing backlog of permit applications, LCP amendments, appeals and significant delays to applicants and increased build-up of overtime/compensating time off.

Delays in reviews of permits and LCP amendments have caused and will cause economic impacts to the state by long delays of construction projects that are consistent with the Coastal Act. Loss of enforcement positions has resulted in the violation backlog

increasing with significant damage to coastal resources, and increased litigation costs due to violations and development occurring without permits. The loss of staff to work on Local Coastal Programs and permits is resulting in significantly reduced co-ordination with local governments resulting in greater delays and costs to local governments.

Department Director Approval: Sam H. Hauser, Chief Deputy Date: 3/9/04

Agency Secretary Approval: Dan Walsh Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3720

Department: California Coastal Commission Program 20: Coastal Energy Program

The Coastal Commission's Coastal Energy Program carries out the majority of the Commission's work on offshore and onshore energy and oil and gas activities including coastal permits, LCPs, federal consistency, aquaculture activities, desalination projects, oil spill prevention and response, liquefied natural gas (LNG) projects, and the review of power plants.

How was reduction implemented?

Pursuant to Control Section 4.10 of the 2003 Budget Act, the Coastal Commission was required to reduce its general fund budget by $1.58 million for fiscal year 03-04 and thereafter. A total of 26.2 positions were eliminated. Two of these positions came from Program 20, the Commission's Coastal Energy Program. The Commission has implemented this reduction by eliminating positions that were required to be held vacant due to the ongoing hiring freeze.

What was the actual effect of this reduction?

The actual effect of eliminating two positions from the Energy Program is that there is a large increase in workload for the remaining two staff resulting in increased build-up of overtime/compensating time off and an increased backlog of delayed reviews. The loss of the two positions is resulting in increased delays in energy and ocean resource permits and planning and may result in projects being deemed approved without Coastal Commission review. Loss of the two positions eliminates or significantly reduces review of power plants/Outer Continental Shelf lease sales and offshore and onshore oil and gas projects, massive liquefied natural gas (LNG) projects, desalination facilities and other energy facilities. Significant impacts to coastal resources due to lack of adequate review of large energy projects will occur.

Department Director Approval: [signature], Chief Deputy Date: 3/9/04

Agency Secretary Approval: [signature] Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3720

Department: California Coastal Commission Program 30: Administration and Support

The Coastal Commission's Administration and Support Activities Program provides administration, budgeting, accounting, personnel, and computer services for the entire Coastal Commission.

How was reduction implemented?

Pursuant to Control Section 4.10 of the 2003 Budget Act, the Coastal Commission was required to reduce its general fund budget by $1.58 million for fiscal year 03-04 and thereafter. A total of 26.2 positions were eliminated. Three key positions were eliminated from Administration and Support. These positions include the manager of the Commission's entire information technology system, the Commission's budget analyst and the administrative assistant that carried out key responsibilities for the members of the Coastal Commission and the Commission's senior management. The Commission has implemented this reduction by eliminating positions that were required to be left vacant due to the ongoing hiring freeze.

What was the actual effect of this reduction?

The actual effect of this reduction to Program 30 was the loss of three key positions.

The loss of the budget analyst results in key budget documents not being completed and/or that work must be done by management. Loss of this position has made it extremely difficult to meet all Department of Finance and Legislative Analyst's Office deadlines and requests for information on budget issues and it is impossible to do detailed budget tracking. In addition, it has caused serious negative impacts on other administrative functions such as procurement, contracting and operational systems as the manager's time must devoted to critical budget tasks.

The administrative assistant provided complex administrative and project support for Commissioners and senior management. Loss of this position requires top management to do lower level work instead of required management tasks. Responses to the Administration "Week Ahead", and other requests are not being done. There will be slow or no response to public and agency inquiries for information.

Loss of the computer system manager position significantly reduces the safety and dependability of the Commissioner's computer system. There have been significant computer system failures because of the lack of adequate, trained staff. A fully operational, dependable computer system is even more critical with the severe staff shortage. Computer breakdowns make it even harder for the overburdened remaining staff to complete key work assignments. Deferred maintenance to the network has caused and will cause significant future computer problems. There is now an increased need to use expensive consultant services on an emergency basis.

Department Director Approval: Susan Hansel, Chief Deputy Date: 3/9/04

Agency Secretary Approval: [signature] Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3760

Department: State Coastal Conservancy

How was reduction implemented?

As a result of the prior State hiring freeze, the Coastal Conservancy was unable to fill three positions in its Administrative unit, including Accounting Officer, Accounting Technician and front desk Word Processing Technician positions. These positions were eliminated in the Section 4.10 reduction plan. Because the positions were vacant, no lay-offs were required.

What was the actual effect of this reduction?

Losing two positions within the Accounting section has had serious detrimental effects, both on the agency's financial security and on the other accounting staff. These positions represented one-third of the total Accounting staff at the Coastal Conservancy, including the first-line supervisor, at a time of rapidly increasing agency workload resulting from the passage of several park bond acts. Because of the high level of duties that has been performed by the Accounting Officer, the Section 4.10 reduction has placed an enormous strain on the Sr. Accounting Officer as lower-level staff are not able to take on most of the duties of the lost position. To ensure that the day-to-day work of the Accounting section is maintained at current levels, various quality-improvement projects have become backlogged. Staffing shortages has resulted in delays in the preparation of various expenditure/vendor reports in accordance with administrative deadlines, and other non-essential functions have been similarly affected.

The other Administrative position lost, a Word Processing Technician who served as a front desk receptionist in addition to being one of only two primary agency typists, performed a variety of word processing functions including but not limited to assisting in the preparation of contracts and responses innumerable external reporting requirements. Loss of this position has required the Executive Officer's secretary and the agency procurement technician to serve in these capacities, pulling each of them away from their otherwise full-time duties.

The long-term staff shortages within the Accounting section and the Clerical section have resulted in workload backlogs and have threatened a "burnout" of the remaining staff. Of the four remaining Accounting staff, three have requested month-long vacations in sequence, leaving all daily duties to then be shared among three staff members (one-half of the original staff). The potential for increased procedural errors in this vital section is obvious but unavoidable at this staffing level.

Despite the fact that department directors were able to determine which positions were to be eliminated, there were no good or better choices to be made. Because of the small size of the Conservancy's administrative staff, most functions are managed by only one analyst or one analyst and one technician. Only in the Accounting and Clerical sections were there sufficient staff to eliminate positions and yet keep a viable level of staff to support essential functions on even a temporary basis. Nevertheless, the Conservancy considers the loss of these positions to have taken a considerable negative toll on the department's overall administrative functioning, and it is hoped that some relief will be forthcoming.

Department Director Approval: _____ Date: 3/11/04

Agency Secretary Approval: _____ Date: 3/18/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3760

Department: State Coastal Conservancy

How was reduction implemented?

Coastal Resource Enhancement program positions were vacant and could not be filled due to the prior hiring freeze. Because positions were vacant, no lay-offs were required.

What was the actual effect of this reduction?

The Coastal Conservancy has lost the program manager for one of its largest programs – the South Coast Region covering five coastal counties. In order to facilitate program management and staff supervision for this geographic region, it was necessary to reassign another senior staff member to take over the supervisory function in addition to the full project work-load already managed by that person.

Additionally, a CPDA II position was eliminated leaving, between the two lost positions, approximately 20+ projects to be reassigned to other staff with already full workloads.

The elimination of these positions, at a time when project workloads were already high and new appropriations brought with them additional project responsibilities, made it very difficult on the remaining staff. Project managers handle their numerous projects (approximately 12-18 per staff person) by working them through various stages of activity while others are at less active periods. When there are too many projects, however, it is not possible to properly manage them and keep them moving toward implementation, given the numerous stakeholders, resource issues, funding requirements, and various peculiarities of each project that must be taken into consideration.

The Coastal Conservancy's staffing situation has been further exacerbated by the continuing hiring freeze which has prevented the department from filling other positions with identified SROA or other list eligibles. This has increased the workload of current project staff and slowed project progress in some cases.

All program managers and project managers are at workload capacities beyond reasonable measure – management is evaluating workloads to insure that quality of project development and implementation is not sacrificed by the overburdening of staff

to maintain all projects. It may become necessary to "back burner" projects until such time that staff can attend to them as necessary, given that state funds, natural resources and state credibility are all at stake with all Conservancy projects.

Loss of these essential positions has impacted the Conservancy's ability both in terms of managing current workloads as well as in being able to take on new projects. Once again, loss of program manager and project manager positions at a time when project workloads are high with many projects in various stages of completion has been very detrimental to the agency's ability to manage current and new workloads, despite reassignments and redistribution of projects.

Department Director Approval: _____ Date: 3/11/04

Agency Secretary Approval: _____ Date: 3/18/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3760

Department: State Coastal Conservancy

How was reduction implemented?

Coastal Resource Development program positions were vacant and could not be filled due to hiring freeze. Because positions were vacant, no lay-offs were required.

What was the actual effect of this reduction?

Two CPDA IIs were eliminated leaving approximately 25-30 projects to be reassigned to other staff with already full workloads.

The elimination of any positions in a time when current projects are at various stages of completion and new appropriations provide funding for new project opportunities is very difficult upon remaining staff. Project managers handle their numerous projects (approximately 12-18 per staff person) by working them through periods of activity while others are at less active stages. When there are too many projects, however, it is not possible to properly manage them and keep them moving toward implementation, given the numerous stakeholders, resource issues, funding requirements, and various peculiarities and demands of each project that must be taken into consideration.

The Coastal Conservancy's staffing situation has been further exacerbated by the continuing hiring freeze which has prevented the department from filling other positions with identified SROA eligibles or list eligibles. This has increased the workload of current project staff and slowed project progress in some cases.

All program managers and project managers are at workload capacities beyond reasonable measure – management is evaluating workloads to insure that quality of project development and implementation is not sacrificed by the overburdening of staff to maintain all projects. It may become necessary to "back burner" projects until such time that staff can attend to them as necessary, given that state funds, natural resources and state credibility are all at stake with all Conservancy projects.

Loss of these essential positions has impacted the Conservancy's ability both in terms of managing current workloads as well as in being able to take on new projects. Once again, loss of program manager and project manager positions at a time when project

workloads are high with many projects in various stages of completion has been very detrimental to the agency's ability to manage current and new workloads, despite reassignments and redistribution of projects.

Department Director Approval: _____ Date: 3/16/04

Agency Secretary Approval: _____ Date: 3/18/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3780

Department: Native American Heritage Commission

How was reduction implemented?

Funding and staffing provided to review cultural burial sites was reduced by $84,000 and one Environment Scientist position.

What was the actual effect of this reduction?

A backlog of time-sensitive environmental documents for review by the Commission. In order for the Commission to propose mitigation measures relating to Native American cultural resources, human remains, and sacred sites, a review of the environmental documents must be completed. This review also provides for early identification and consultation which usually results in a better planned project and less disruption of places of importance to Indian people. The backlog jeopardizes the cultural sites, due to Commission's inability to review all documents within the timelines for every project.

Department Director Approval: _____ Date: 3/4/04

Agency Secretary Approval: Don Wallace Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3790

Department: Parks and Recreation

How was reduction implemented?

The Department of Parks and Recreation did not have any reduction pursuant to Section 4.10.

What was the actual effect of this reduction?

Department Director Approval: Becky Brown for Ruth Coleman Date: 3/9/04

Agency Secretary Approval: Dan Wallace Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3810

Department: Santa Monica Mountains Conservancy

How was reduction implemented?

Personnel reductions:
Of the 6 authorized full time Conservancy staff positions, two positions were reduced to 5/8 time, thus effecting a 12% reduction in personnel. The Conservancy Project Analyst III and Executive Assistant I positions were reduced in time base.

What was the actual effect of this reduction?

Reduced personnel time available to the agency requires outside-local agency assistance to perform critical agency duties pursuant to the Santa Monica Mountains Conservancy Act. Public information requests are delayed. Follow up with interested landowners for donations and acquisitions would be delayed resulting in lost opportunities for bargain sales or donations. Preparation of resource management plans has been deferred indefinitely. Trails, park improvements, easements, and acquisition designs and analysis have been delayed or deferred. Document backup and archiving of all agency historic materials has been deferred indefinitely. Ability to respond quickly to State information needs, drills, surveys is diminished.

Department Director Approval: _____ Date: __3/10/04__

Agency Secretary Approval: _____ Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3820

Department: San Francisco Bay Conservation and Development Commission

How was reduction implemented?

After losing 10 of the 49 staff positions BCDC had in FY 01-02, the Commission developed a budget reduction plan in August 2003 that further cut BCDC's budget and staff as follows:

1. Reduced the Commission's $4,240,000 FY 03-04 budget by a total of $523,426 by making the following reductions:

   General Fund, $517,834;

   Bay Fill Clean-up and Abatement Fund, $2,435; and

   Reimbursements, $5,592

2. Eliminated the following seven staff positions:

   1.0 Office Technician in the regulatory and dredging sections;

   1.0 Coastal Program Analyst I in the regulatory and dredging sections;

   1.0 Coastal Program Analyst II in the permit section;

   1.0 Coastal Program Analyst II in the enforcement section;

   1.0 Coastal Program Analyst II in the planning section;

   1.0 Bay Development Design Analyst in the regulatory section; and

   1.0 Jr. Staff Services Analyst in the administrative services section

These reductions were implemented by eliminating or deferring discretionary expenditures; revising the Commission's work program to eliminate or postpone projects and activities; leaving vacant positions unfilled; and initiating a staff lay-off plan. All the affected staff positions were vacated by the end of 2003.

The impact of these cuts has been profound and all functions of the Commission have suffered, as explained in detail below.

What was the actual effect of this reduction?

Permit Processing. State law requires that BCDC process permit applications within 90 days. Failure to do so results in the issuance of the permit without conditions. As a result of budget and staff reductions, the time required to process BCDC permits has increased, permit applicants have been delayed, the quality of the application analysis has deteriorated and permits are being issued without all of the provisions needed to protect Bay resources. Specifically:

- More than half of the twice-monthly Commission meetings—at which public hearings are held and permit decisions made—are being canceled to reduce BCDC's costs, forcing applicants to wait weeks for Commission consideration and action on their applications.
- The number of staff available to handle permit work has been reduced 35% from 8.4 PY in FY-02-03 to 5.5 PY in FY 03-04.

Technical Services. BCDC relies on technical and professional expertise in engineering, biology, landscape architecture, urban design and other specialties to adequately fulfill the requirements of state law. Budget reductions have resulted in the elimination of a variety of staff positions possessing these skills. As a result, the quality of analysis and service provided by BCDC has been compromised. Specifically:

- Using federal funding, the Commission developed a computerized permit tracking system to improve the timeliness and quality of permit application analysis. However, a lack of staff to input past permit data into the system is preventing this investment from yielding any return.
- The loss of a Bay Development Design Analyst position has resulted in a backlog of items on the Commission's Design Review Board agenda, which is delaying applicants and project review schedules. In addition, the loss of this position has diminished the number of enforcement related site visits, and reduced the number of site visits during and immediately following project construction, which offer and earlier opportunity to identify and correct potential problems.
- In the 1990s, when General Fund support to pay for BCDC's sole staff engineer was eliminated, the Commission turned to Caltrans for financial assistance. Caltrans agreed to provide funding for the position so that BCDC would have the engineering expertise needed to properly evaluate Caltrans permit applications. When the incumbent in the position resigned, to mitigate the FY 03-04 budget cuts, the Commission assigned other staff to handle Caltrans work, using the financial support provided by Caltrans. As a result, the Commission no longer has any financial support or staff position for the engineering expertise needed to address seismic safety, shoreline erosion and flooding issues, and no technical support for BCDC's Engineering Criteria Review Board.
- The completion of revised public access guidelines, which will better protect wildlife and their habitats from the impacts of public access, has been delayed eight months.
- The development of a program to replace outdated public access signs and expand the signage program to better direct the public to shoreline access areas has been delayed by six months.
- The development of a website which provides the public with information about Bay shoreline access opportunities has been delayed by six months.

Law Enforcement. Violators of the law are going undetected and fewer of those who are discovered are being prosecuted. The Commission-initiated program to systematically review permits and inspect sites for compliance with the permit's terms and conditions has been

adversely impacted. For example, although the Commission established the review of habitat mitigation and restoration sites as a high priority, this work is not occurring. Other specific impacts include:

- The number of staff available to handle enforcement work has been reduced 38% from 4.5 PY in FY-02-03 to 2.8 PY in FY 03-04. As a result, 29 fewer cases are being investigated each year and 57 of the 150 open investigations are languishing.
- The loss of a Bay Development Design Analyst position has diminished the number of enforcement related site visits, and reduced the number of site visits during and immediately following project construction, which offer and earlier opportunity to identify and correct potential problems.

Dredging. Over a decade ago, BCDC joined four other state and federal agencies to develop a Long Term Management Strategy (LTMS) for Bay dredging and disposal to resolve bitter controversies over in-Bay disposal that were strangling the Bay Area's maritime facilities and imperiling its multi-billion dollar contribution to the economy. The underlying objective of the LTMS is to re-use dredged material as a valuable resource rather than continue to dump it in the Bay as a waste. The LTMS has won national awards and received international accolades. To expedite the review of dredging projects, the LTMS partners have created a combined office that uses a single application form. Budget cuts have decimated the LTMS, delayed critical dredging projects needed to maintain the Bay Area's maritime economy, sparked renewed controversy when insufficient staff resources hobbled program implementation and also slowed the development of innovative projects that use dredged material to restore lost wetlands. Continuation of these problems could cause the LTMS coalition to collapse with a resultant loss of its economic and environmental benefits. Specifically:

- The number of staff available to handle dredging work has been reduced 92% from 4.9 PY in FY-02-03 to 0.4 PY in FY 03-04, a level insufficient to handle dredging permit processing, planning and coordination of the LTMS program, and implementation of alternative disposal options.
- The dredging section has no clerical support; consequently professional staff must handle clerical responsibilities, such as document preparation, reproduction and filing.

Planning. State law requires BCDC to base its permit decisions on the consistency of permit applications with the policies of the award-winning *San Francisco Bay Plan*. This Plan must be continually updated to ensure that its policies are based on the most current scientific research on Bay resources and address contemporary issues of concern to the Bay Area's society. Budget reductions have dramatically slowed the update of the Plan, resulting in permits being issued that are not based on the solid scientific foundation needed to advance Bay protection. Specifically:

- The number of staff available to handle planning work has been reduced 38% from 8.0 PY in FY-02-03 to 5.0 PY in FY 03-04.
- Even though BCDC played a pivotal role in assessing the probable impacts of new runways at San Francisco International Airport—a project which would require the largest Bay amount of fill proposed in half a century—the Commission had to eliminate all allocation of resources for continued airport planning in FY 03-04.
- The completion of a special area plan for San Francisco's Fisherman's Wharf has been delayed by six months.
- The allocation of 1.0 PY annually to keep the *San Francisco Bay Area Seaport Plan* up-to-date ended in FY 03-04. Over time this will result in either an inadequate allocation of waterfront area to meet state and regional maritime needs to reserving too much area for port facilities, area that could be put to use for other economically productive purposes.

- The update of the Bay Plan water-related industry, transportation and recreation policies have been postponed for at least a year.
- A public trust needs study needed as a legal underpinning for the reauthorization of houseboat marinas in the Bay has had to be postponed for two years.
- The planning section has no clerical support; consequently profession staff must handle clerical responsibilities, such as document preparation, reproduction and filing.

Administrative Services. The mission of this section, "providing support services in a responsible, systematic and sustainable manner to ensure compliance with State regulations" is being compromised because BCDC cannot comply with the State-mandated business services, contracting, personnel and other administrative procedures intended to protect taxpayer funds. Specifically:

- Although state law mandates that State offices must be open from 8 to 5, a lack of clerical staff to cover the receptionist desk and answer telephones has forced BCDC to curtail the hours its office is open to the public to 9 to noon and 1 to 5, resulting in inconvenience to the public.
- Important administrative responsibilities are either not being accomplished at all or completed after established deadlines including the completion of surveys on the need for bilingual services, the use of vehicles for State business, forms used to carry out Commission responsibilities and other control agency drills.
- The elimination of temporary help has forced permanent staff to handle the workload for Commission meeting coordination, Commissioner document tracking and emergency supply coordination, at the expense of other mandated responsibilities.
- The Commission was recently awarded over $ 1 million in federal funds that must be provided to other agencies and organizations to implement the Bay Trail Project, assist in regional smart growth planning, develop facilities for the new San Francisco Bay National Estuarine Research Reserve, and implement the San Francisco Bay Area Wetlands Restoration Program. If these federal funds are not expended within prescribed timeframes, they must be refunded and the program enhancements will not be realized. In addition, BCDC permittees have provided the Commission with over $2 million for mitigation projects. Administering these funds requires the development and execution of several interagency agreements and external contracts, all which require cumbersome approvals by multiple state control agencies. This has tripled the Commission's contract workload at the same time that budget and staff cuts have resulted in the elimination of BCDC's contract manager. The combination of increased workload and reduced staff resources has critically hampered BCDC's ability to administer these programs.
- Although the Commission was in the process of developing a plan to manage over 35 years of permit, enforcement, planning, dredging and administrative records, the elimination of the Commission's records management program brought this effort to a halt.

Department Director Approval: _____ Date: 9 March 2004

Agency Secretary Approval: Dan Walsh Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3825

Department: **San Gabriel and Lower Los Angeles Rivers and Mountains Conservacy**

How was reduction implemented?

The reduction was implemented by reducing the Conservancy Project Analyst II position to half time.

What was the actual effect of this reduction?

Due to the agency's relatively small size in PY's (4 Total); a half position reduction poses dramatic workload impacts to the remaining staff. This position is charged with contracts and fiscal administration therefore many of these tasks will have to be absorbed by project management staff and the Executive Officer.

Department Director Approval: Brenda V Faustinos Date: 3/11/04

Agency Secretary Approval: Dan Walsh Date: 3/16/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3830

Department: San Joaquin River Conservancy

How was reduction implemented?

The reduction amount from the Environmental License Plate Fund for the San Joaquin River Conservancy, Program 10 was $2,291. The Conservancy is only authorized 2 permanent positions from this fund source. In accordance with the approved reduction plan submitted last fall, this reduction was implemented by savings in operating expenses.

What was the actual effect of this reduction?

The Conservancy has carefully monitored its operating expense purchases in order to achieve the required reduction.

Department Director Approval: Becky Brown for Melinda Marks Date: 3/9/04

Agency Secretary Approval: Dan Walters Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3835

Department: Baldwin Hills Conservancy

How was reduction implemented?

The reduction amount from the Environmental License Plate Fund for the Baldwin Hills Conservancy, Program 10 was $2,336. The Conservancy is only authorized 2 permanent positions from this fund source. In accordance with the approved reduction plan submitted last fall, this reduction was implemented by savings in operating expenses.

What was the actual effect of this reduction?

The Conservancy has carefully monitored its operating expense purchases in order to achieve the required reduction.

Department Director Approval: Becky Brown for David McNeill Date: 3/9/04

Agency Secretary Approval: [signature] Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3840

Department: Delta Protection Commission

How was reduction implemented?

Reduction of $18,000 and .5 of a position from temporary help services. The funding reduction came from the Commission's only two funding sources, $10,000 from the Harbors and Watercraft Revolving Fund and $8,000 from the Environmental License Plate Fund.

What was the actual effect of this reduction?

The Commission no longer has the services of a retired annuitant who assisted with planning and legislative research and staff work. In addition, the other all program implementation is constrained by limitations on expenditures in areas that support staff activities, such as travel and mailings to the Commission, the general public, and interested parties.

Department Director Approval: _____ Date: _____

Agency Secretary Approval: _____ Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3850

Department: Coachella Valley Mountains Conservancy

How was reduction implemented?

The reduction amount from the Environmental License Plate Fund for the Coachella Valley Mountains Conservancy, Program 10 was $3,322. The Conservancy is only authorized 2 permanent positions from this fund source. In accordance with the approved reduction plan submitted last fall, this reduction was implemented by savings in operating expenses.

What was the actual effect of this reduction?

The Conservancy has carefully monitored its operating expense purchases in order to achieve the required reduction.

Department Director Approval: Becky Brown for Bill Havert Date: 3/9/04

Agency Secretary Approval: Dan Walters Date: 3/12/04

Control Section 4.10
Reductions By Program

Org. Code: 3860

Department: Water Resources

CALFED Related Programs

How was reduction implemented?

Twenty-three positions were abolished from various CALFED Programs as part of the ordered elimination of vacant positions. Positions affected were those that were held vacant to meet staffing reduction requirements.

What was the actual effect of this reduction?

CALFED Storage Program

The Storage Program is responsible for conducting planning and feasibility studies on five surface storage projects identified in the CALFED Record of Decision to meet CALFED Program objectives. The Surface Storage Investigation Branch lost six full-time positions out of 25 positions that supported activities and planning efforts on surface storage investigations for the CALFED Storage Program. The impact is delays in completing engineering and environmental studies, which results in schedule delays.

CALFED Ecosystem Restoration Program – Fish Passage Improvement

The Fish Passage Improvement Program is an element of the Ecosystem Restoration Program within the California Bay-Delta Program. Working with stakeholders and other agencies, we identify and evaluate opportunities to modify or remove instream structures that impede migration and spawning of anadromous fish species within the Central Valley and Bay Area of California. This program lost two out of 11 full-time positions. The impacts are termination of two projects, reduction in staff involvement in remaining projects, and schedule delays.

CALFED Conjunctive Water Management Program

The Conjunctive Water Management Branch is responsible for implementation of programs to improve groundwater management throughout the State and improve water supply reliability through development and implementation of conjunctive use projects. The Conjunctive Water Management Branch lost one full-time position out of eight positions that supported activities to implement the groundwater storage objectives of the CALFED ROD. The loss of a key supervisory position limits the effectiveness of the branch in working with local agency partners to develop and implement conjunctive use. There will also be a loss of expertise and knowledge with respect to specific regions in the State (Sacramento Valley, San Joaquin Valley, coastal, and southern California), as one person's attentions are spread over a wider geographic area.

CALFED Levee Program

The goal of the CALFED Levee Program is to provide long-term protection for multiple Delta resources by maintaining and improving the integrity of the extensive Delta Levee system. Since 2000, the CALFED Levees Program has lost 14 permanent full-time positions, including this latest reduction of five approved permanent full-time positions. These reductions have resulted in delays in implementing segments of the CALFED Levee Program including development of projects to stabilize levees on critical Delta islands, development of a Suisun Marsh Levee Program, and serious delays in contracting actions. Affected contracts include subsidence reversal work and an analysis of risks associated with catastrophic levee failure. The loss of positions has had a cumulative impact on the ability of the program to perform all the activities needed. Examples are as follows:

- Significant reduction of the Program's ability to conduct economic studies that will determine the capability of levee maintaining agencies to cost-share the large-scale levee stability projects needed throughout the Delta to fully implement base level protection.
- Delayed completion of a study to determine the benefits derived from reuse of dredged material under the current regulatory environment.

Environmental Water Account Program

The reduction of five approved permanent full-time positions in the EWA Program has compelled EWA to carry out its various functions with severely limited personnel resources, resulting in adverse impacts on EWA program activities. The affected activities include the following:

- Pursuit of leads/new sources of water for EWA assets
- Acquisition of assets to compensate for current year delivery cuts
- Asset-acquisition negotiations with willing sellers
- Planning for future long-term EWA operation and asset acquisition
- Planning for and obtaining funds for EWA operations beyond 2004
- Preparation of short-term and long-term water acquisition contracts
- Systematic tracking of EWA water and power resources

Fish Facilities Program

This unit is responsible for implementing California Bay-Delta Authority fish passage and facility projects. The reduction of one position has resulted in delays in existing projects and reduced oversight of consultant contracts. The program focuses on environmental concerns in the North and South Delta and provides information for improvements to water diversions. Projects underway and scheduled are consistent with the CALFED Record of Decision. This reduction has resulted in making work assignments to meet the most critical needs of the Fish Facility Section, causing all work in this section to fall behind schedule.

Water Use Efficiency

DWR's OWUE is the primary State agency for implementation of the CALFED Water Use Efficiency Program. The local grant program operated through OWUE with Proposition 13 and Proposition 50 funds is an essential element to meet the California Bay Delta Authority water conservation goals.

The reduction resulted in the discontinuance of funding for contracts with the Agricultural Water Management Council and the California Urban Water Conservation Council that support the State's water conservation activities. These councils will need to reduce their technical assistance activities or find other sources of funding.

Technical assistance and participation in statewide conservation and drainage reduction efforts have been reduced taking longer to evaluate Urban and Agricultural Water Management Plans, to research grant-related information, to develop, review and process grant applications; and to provide technical assistance to stakeholders.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: 3/25/04

Control Section 4.10
Reductions By Program

Org. Code: 3860

Department: Water Resources/Flood Management

How was reduction implemented?

Five permanent full-time positions and $661,000 in General funding were abolished from various branches of the Division of Flood Management as part of the ordered elimination of vacant positions. Because the Department chose to eliminate vacancies as they accrued through attrition some high priority activities were impacted. The cumulative series of cuts due to elimination of vacant positions, attrition and redirection of staff, and reductions in funding since FY 00-01 has caused the Division staff and funding to be reallocated to the extent feasible to best meet priorities for emergency response, flood project maintenance, project construction, and floodplain management programs. However, many of the recommendations of the Governor's Flood Emergency Action Team for improvements in flood management, made after the great flood of 1997, can not be implemented, and operational resources available for critical public safety functions are now at or below 1997 levels. It should also be noted, however, that extensive capital investments in the Central Valley flood control infrastructure have been made since 1997 to repair and enhance critical levees and control structures. Further Federal, State, and local investments are necessary to complete authorized projects.

What was the actual effect of this reduction?

Flood Operations Program: The reduction of one position reduces support for the California Data Exchange Center System including loss of some stream flow measurement data and/or calibration, contributing to less accurate runoff and flood forecasts. Reduce field technician hours for servicing remote data collection sites impedes DFM's ability to conduct emergency site visits, thus potentially impacting system reliability. Reduce coverage of service repair agreement with Hewlett-Packard to business day response versus 24/7. Diminishes ability of CDEC to handle increased CDEC website usage especially during high water and flood emergency conditions. This position was one of three added to the program in a Budget Change Proposal directed by the 1997 Governor's Flood Emergency Action Team.

Hydrology Program: The reduction of one position reduced field maintenance for CDEC system and IT training on new technologies related to application development and system administration. Reduces support for the California Data Exchange Center System including loss of some stream flow measurement data and/or calibration, contributing to less accurate runoff and flood forecasts. Reduced field technician hours for servicing remote data collection sites and impedes DFM's ability to conduct emergency site visits, thus potentially impacting system reliability. Reduced coverage of service repair agreement with Hewlett-Packard to business day response versus 24/7. Diminishes ability of CDEC to handle increased CDEC website usage especially during high water and flood emergency conditions.

State's Floodplain Mapping Program: The reduction of three positions has resulted in the elimination of contracting with the U.S. Army Corps of Engineers and the Natural Resources Conservation Service for cost-shared development of new "Awareness" Floodplain Maps and for updates of the National Insurance Rate Maps. Federal funds for mapping are not available for mapping studies unless there is a State cost share. California may substantially miss participation in the 5 year National Floodplain Mapping initiative, which provides an 80 percent federal cost share.

General Fund Reductions: The reduction of General Funds to the Division has resulted in the following:

- The reduction was implemented by reducing equipment purchasing, maintenance, and repair, as well as employee training. This can occur for a short period without a significant impact, but will become problematic over time. Along with the freeze on contracted work, this has impacted some of our basic functions such as repair and maintenance of office equipment. For instance, one photocopier is now nonfunctional and the remaining copiers are bearing a greater load.
- A reduction in engineering support for The Reclamation Board, including development of the annual update of the Five-Year Capital Outlay Plan. Plan development usually takes three months. So far, it has already taken four months and another two months can be anticipated. Project planning staff is spread so thin that there is an increased the risk that problems may not be detected and corrected during the planning process. The actual effect of the reduction was the loss of staff support in the districts working on the program.
- A reduction of 3.3 PYs from the Subventions program in staff in the Division of Planning and Local Assistance districts working on processing claims for authorized flood control projects. The effect of this reduction is that claims processing is severely curtailed, thereby increasing the state's arrearage by approximately $30 to $40 million each year. Local agencies not receiving reimbursements for their claims may be required to reduce or delay their flood control efforts, thereby placing affected communities at greater risk of damage and loss of property or life when the next severe weather event occurs.
- The reduction in funded overtime hours has not had an immediate impact on operations. There has not been a need for high-water patrols in the Sacramento area during the current flood season. However, about three weeks of patrols, drainage pumping, and debris removal was required due to high water in the Sutter Yard area of responsibility.

Department Director Approval: _____ Date: 3/27/04

for
Agency Secretary Approval: _____ Date: 3/25/04

Attachment I

Control Section 4.10
Reductions By Program

Org. Code: 3860

Department: **Water Resources - Division of Safety of Dams**

How was reduction implemented?

The Safety of Dams program is responsible for supervision of the safety of nonfederal dams located throughout the State. In 2000, the Division of Safety of Dams had 75 permanent full-time positions. Cumulative reductions have resulted in a loss of 10 positions, including this latest reduction of an additional four permanent full-time positions and $517,000 in General Funds.

What was the actual effect of this reduction?

Reductions have resulted in the elimination of the independent reviews of surveillance data by the Design Engineering Branch. This responsibility was shifted to another part of the program resulting in less detailed reviews.

Re-evaluation studies of existing lower consequence dams have been backlogged, and potentially unsafe conditions or defects may not be identified.

The above impacts will increase the likelihood of dam failure on lower hazard structures and may result in loss of life and/or property.

The 19% position reduction over the past three years has not caused the program to lose sight of its regulatory mandate; therefore, priority has continually focused on:

- Inspection of existing dams
- Design review of new dams, and alterations and repairs of existing dams
- Construction inspection of new dams
- Re-evaluation of major dams with the high consequence of failure

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: 3/25/04

Control Section 4.10
Reductions By Program

Org. Code: 3860

Department: Water Resources

State Water Project

How was reduction implemented?

One hundred fourteen positions were abolished from various State Water Project Divisions as part of the ordered staffing reductions. Because the Department chose to eliminate vacancies as they accrued through attrition some high priority activities were impacted. Priorities were then evaluated statewide and to the extent possible, resources were redirected to the most critical needs of the State Water Project.

What was the actual effect of this reduction?

Operations and Maintenance

In 2000, the Division of O&M had 1,026 permanent full-time positions, and cumulative reductions have resulted in a loss of 140 positions, including this latest reduction of an additional 65 permanent full-time positions. These reductions were made by eliminating vacant positions in various field divisions and headquarters organizational units throughout the SWP.

These reductions resulted in making temporary work reassignments to meet the most critical needs of the SWP. This, in some cases, required increased travel time and expenses for personnel redirected to the locations of critical maintenance needs and in many cases results in increased overtime, for already over-burdened employees, necessary to provide the minimum staffing requirements for public and employee safety. The increased workload on remaining employees is resulting in a systemic erosion of employee morale. These position reductions coupled with hiring freezes have also negatively impacted our apprenticeship program, which provides future benefits by having a pool of developed journey worker employees to meet program needs in the longer term. It takes four to five years to progress through the program.

By delaying, deferring, or canceling generally lower priority preventative maintenance of SWP equipment and facilities, and directing resources primarily to breakdown maintenance, the risk of in-service equipment failures increases. These staffing reductions have resulted in the SWP assuming this higher operational risk. That no catastrophic failures have occurred so far only means the deferred maintenance has not yet caught up to the equipment's operational runtime. Ultimately, when equipment and facilities are out of service at unscheduled key times, DWR's ability to meet contractual requirements to deliver water, generate power, and contain costs is diminished.

Additionally, at the San Luis facilities we share the cost burden with the federal government, so by deferring work we also defer the federal cost share applicable to that work and potentially create higher future cost of operations not only to the State but also for the federal government.

Division of Engineering

In 2000, the Division of Engineering including the Division of Land and Right of Way had 325 permanent full-time positions, and cumulative reductions have resulted in a loss of 55 positions, including this latest reduction of 34 permanent full-time positions.

These reductions have resulted in a number of impacts, including:

- delays to construction contract processing and project schedules;
- potential compromise of quality control inspection of fabricated equipment and contracting out for supplemental inspection services traditionally performed in-house;
- inadequate clerical support staff necessitating use of higher-cost technical staff to perform clerical functions;
- inadequate supervision of engineering design work;
- delay or deferment of anticipated engineering work and contracting out for supplemental engineering services traditionally performed in-house;
- inability to evaluate landslides occurring adjacent to SWP facilities and delayed completion of geology work; and
- potential compromise of surveying, contract administration, and construction inspection of current and future construction projects and contracting out for supplemental construction inspection services traditionally performed in-house.

Bay-Delta Office

Bay Delta was reduced by 11 permanent full-time positions as a result of this vacancy reduction drill. Reduction of these positions has reduced computer modeling support and delayed studies for many critical programs, including: South Delta Improvements Program, Integrated Storage Investigations, North Delta Flood Control Improvements, Through-Delta Facility/Delta Cross Channel Reoperation, and Drinking Water Quality.

Additionally, computer model maintenance has been significantly affected. This significant problem could cripple modeling support in the near future. Three examples are:

- **Implementation of a new ANN**

  Stakeholders have a strong interest in improving the salinity/flow relationships that the ANN provides to CALSIM II. Loss of the vacant positions has resulted in a year delay of the project.

- **Recalibration of DSM2**

  Additional flow and salinity data has been recently collected over the last few years. Using this data in a recalibration would improve DSM2's performance. Of particular concern is the data that was collected around Franks Tract. Without a recalibration, DSM2 could not adequately evaluate the effects of reconfiguring Franks Tract.

- **Support of the Particle Tracking Module**

  The section lost staff that supported the computer code for the Particle Tracking Module. There is a 3 – 6 month learning curve for this model. Current staff is overburdened with other projects and cannot devote the time to learn the model and provide support for bugs and minor code changes in support of studies.

Division of Environmental Services

In 2002, the Division of Environmental Services had 121 permanent full-time positions, and cumulative reductions have resulted in a loss of 14 positions, including this latest reduction of three permanent full-time positions. These reductions were made by eliminating vacant positions in various organizational units and programs within the Division.

Feather River Study Program

The reduction of two positions in this program has caused delays in the development of information in a timely fashion. This program develops fishery information for the lower Feather River in response to federal endangered species biological opinions. The program also collects critical information on Feather River salmon and steelhead populations for use in the Federal Energy Regulatory Commissions relicensing of the Oroville Project (FERC Project 2100).

These reductions resulted in making work reassignments to meet the most critical needs of the Division. This has increased the workload for already over-burdened employees. As a result, less time is available to collect and analyze Feather River fishery data, and the Branch Chief has had to reduce time spent in developing and reviewing documents needed to obtain a new 30-50 year FERC license to operate the Oroville Facilities.

Environmental Compliance and Evaluation Branch

The reduction of one position in this branch has caused delays in the Department's ability to provide critical Endangered Species Act compliance surveys and documentation or permit acquisition. Other delays to the branch activities including some deadlines for regulatory compliance activities; maintenance requiring environmental clearances or permits from State and federal regulatory agencies; and construction projects.

State Water Project Analysis Office

In 2000, the State Water Project Analysis Office had 73 permanent full-time positions, and cumulative reductions have resulted in the loss of five positions, including this latest reduction of one additional permanent full-time position. These reductions were made by eliminating vacant positions in the Power Contracts and Water Contracts branches.

The reductions resulted in the reassignment or transfer of staff to meet the most critical needs of the SWP. Due to reduced staffing, development of water contracts and allocation schedules are being delayed. Staff has been transferred into SWPAO from other Divisions to help address staffing needs.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: 3/25/04

Control Section 4.10
Reductions By Program

Org. Code: 3860

Department: Water Resources

Water Management Programs

How was the reduction implemented?

Twenty-six positions were abolished from various Water Management Program activities as part of the ordered staffing reductions. Because the Department chose to eliminate vacancies as they occurred through attrition some high priority activities were impacted. Priorities are being evaluated statewide and, to the extent possible, resources are being redirected to the most critical needs of the Water Management Programs.

What was the actual effect of this reduction?

Division of Local Assistance

The mission of the Division of Planning and Local Assistance is to manage California's water resources in cooperation with local, State, and federal agencies and all public interests by collecting and analyzing accurate data; by planning for the best future water management actions; and by providing responsive technical and financial assistance.

In 2000, the Division of Planning and Local Assistance had 427 permanent full-time positions, and cumulative reductions have resulted in a loss of 80 positions, including this latest reduction of an additional 23 permanent full-time positions. These reductions were made by eliminating vacant positions in various district and headquarters organizational units throughout the Division.

Statewide Water Planning Program

This program focuses on the development and evaluation of California's long-range water resources planning activities, including preparation and publication of the California Water Plan Update (DWR Bulletin 160) every five years as mandated by the California Water Code (Section 10004). The Water Plan Update process includes the collection, evaluation and summary of both current and projected water supply and water use information for agricultural, environmental, and urban purposes in all hydrologic regions of the State; and provides guidance and recommendations for future statewide water planning.

This program lost three full-time positions out of 31 positions and $366,000 in General Funding. The loss of positions resulted in staff shortages and delays in the compilation of water use information for years 1998, 2000 and 2001, which is presented in the current version of the Water Plan Update 2003. The loss of funding has resulted in: (1) reduction in the number of public Advisory Committee meetings and workshops on California Water Plan issues; (2) reduction in existing contract services for Water Plan advisory committee facilitation, to assist in developing consensus on water issues; (3) elimination of program travel to present Water Plan information to water stakeholder interests groups and the public; and (4) no funding available for

the printing of the Public Review draft of the Water Plan Update for review and comment per Water Code requirements.

Land Use and Water Use Program

The Land Use and Water Use Program component directly supports the statewide planning activity mandated by Section 10004(b)(1) of the Water Code, i.e., updating the California Water Plan every five years. This program lost one full-time position out of nine positions and $58,521 in General Funding. This cut has reduced land use and water use data support for statewide, legislatively mandated, long-range planning to assess and guide the management of California's water resources. The staff loss has reduced digitizing and quality control/ quality assurance processing for incoming digital land use surveys. Annually, the Department can only initiate land use surveys for fewer than six of the fifty-six counties. Since the unit is small and highly specialized, this loss has dramatically reduced our ability to convert to more efficient satellite imagery to improve the aerial coverage and accuracy of annual land use surveys, and increase the accuracy of land use estimates between surveys. The position loss and budget cut has also diminished the Department's ability to fill data gaps in fundamental land use and water use data sets needed for updating the California Water Plan.

Drought Panel Recommendations Program

The program was instituted to develop and implement technical and financial assistance efforts to reduce the impacts of water shortages, as recommended by the Drought Panel appointed by the Governor. Four primary areas were to be addressed: 1) financial assistance in the form of grants provided to local agencies for groundwater management activities as provided in Water Code Section 10795, 2) financial assistance provided to agencies developing integrated water management plans, 3) technical assistance provided to private domestic well owners and small water system operators, and 4) improve DWR's groundwater monitoring networks to provide for better estimates of groundwater in storage. The efforts to assist local agencies, small water systems and private well owners in advance of a drought would reduce drought impacts on local agencies and small communities and will result in less response actions needed during droughts.

The financial assistance efforts of $930,000 (#1 and #2) were shifted to Proposition 50 funding. Staff work to implement grant programs will be a part of the five percent program delivery costs. Direct technical support by staff to agencies developing integrated water management plans was ceased. Technical assistance to private well owners and small water systems and improvements in monitoring networks will continue as the needed improvements also meet specific objectives of other funded programs, such as CALFED groundwater storage.

Integrated Regional Water Management Program

The loss of four full-time BCP positions has resulted in a 6-9 month delay in beginning to implement the Integrated Regional Water Management Program, since staff must be shifted as other programs pass key milestones. The loss of positions will also result in ongoing delay in implementation, including program development, contracting, and other program related activities. The result will be delays of a year or more in providing funding for projects that improve water supply reliability and water quality.

Four positions requested for implementation of the Integrated Regional Water Management program, Proposition 50, Chapter 8, were cut. The IRWM program will be implemented by staff currently working on other grant programs as workloads reduce in Proposition 13 funded programs.

Central California Water Management Program

The program was reduced by one full-time position out of 10 positions and $53,297 in General Funding. We have curtailed our commitment to provide environmental permitting, planning, fieldwork and data analysis for surface and ground water studies in support of other State and local agencies. We have eliminated cataloging zooplankton samples in support of the Oroville Relicensing program. This task has fallen back on the responsible unit within DWR. We have reduced the number of watershed organizations we participate in. We have reduced our frequency of water quality monitoring and maintenance for some of our stations in the Delta from weekly to monthly.

San Joaquin Water Management Program

Because of the reduction in staff, support of the San Joaquin River "real-time" water quality-monitoring program has been dropped. The Watershed Management Section is borrowing staff from another section to perform DWR Watershed Program and San Joaquin River Management Program activities. Engineering and technical assistance to local watershed management groups have been reduced to high priority needs only. DWR Watershed Program educational and public outreach efforts have also been reduced due to limited staff availability. SJRMP activities have continued on an as needed basis.

Northern California Water Management Program

In 2000, the Northern District had 89 permanent full-time positions, and cumulative reductions have resulted in a loss of nine positions, including this latest reduction of an additional three permanent full-time positions. These reductions were made by eliminating recently vacated positions in various organizational units.

- **Watermaster Service Section**.

  This reduction eliminated guidance on all Watermaster activities; a decrease in supervision over the distribution of water in 13 watermaster service areas; associated surface hydrologic data collection, analysis, and compilation; arbitrating disputes among water users; preparing correspondence; consulting with attorneys to solve disputes; and supervising the construction of diversion, control, and measuring structures. Additionally, the impact is a cutback of supervision and services associated with the federal, State, and local government agencies' actions to prevent the "taking" of a listed species and direct response to watermaster problems.

- **Water Management Branch**.

  This reduction decreases the direction and guidance on Branch activities including supervision of water resources management investigations; local assistance; collection and flood management coordination; synchronization with other departmental units and federal water agencies; and a decrease in service to local agencies on water matters.

- **Flood Management Section**.

  The reduction of this position resulted in greatly reduced participation in the Federal Emergency Management Agency's Community Assistance Program and default of the MOU between DWR and FEMA. In addition, Northern District staff will be unable to fulfill FEMA related Public Record Act requests.

Southern California Water Management Program

The SCWM Program lost three full-time positions out of 41 positions and $163,015 in General Funding. These reductions eliminated the Department's ability to provide technical input to Colorado River water supply issues, including ramifications of implementing various aspects of California's Colorado River Water Use Plan (California Plan), and Salton Sea. The reductions decreased the Department representation at related meetings with federal, State, and local agencies, preparation of contracts, agreements, and memorandums needed to provide State financial assistance for the furtherance of the California Plan.

These reductions resulted in making temporary work assignments to meet the most critical needs of the SCWMO. The increased workload on the remaining employees is resulting in systemic erosion on employee moral.

Water Use Efficiency

In 2002, the Office of Water Use Efficiency had 33 permanent full-time positions, and cumulative reductions have resulted in a loss of seven positions, including this latest reduction of an additional three positions. These reductions were made by eliminating vacant positions.

The major impacts of the reductions are significant delays in the issuance of local grants; delayed maintenance of the CIMIS (California Irrigation Management Information System) program; the inability to meet California Bay Delta Program's Water Use Efficiency program goals required for a balanced implementation of the program; and a reduction in technical assistance programs.

The CIMIS network is used widely to schedule irrigation by agriculture, golf courses, homeowners associations, landscape professionals, research institutes, and others. The CIMIS website was visited over 70,000 times during 2002. It is already difficult to maintain the 120 weather stations and insure quality control of the data with existing, already reduced, staffing levels.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: 3/25/04

Control Section 4.10
Reductions By Program

Org. Code: 3860

Department: Department of Water Resources

California Energy Resources Scheduling

How was reduction implemented?

Department of Finance waved the elimination of five vacant positions. Therefore, consultant services costs were reduced by $353,221.

What was the actual effect of this reduction?

CERS has met its mission of stabilizing electrical prices and ensuring adequate supplies of electricity, natural gas, and transportation fuels. Meeting the mission required the use of highly technical, specialized personnel. Since the State was not previously in the business of purchasing electrical power or natural gas in the quantities that it was mandated to purchase, it had to acquire the proper staff to perform these tasks. In that effort, the State hired numerous consultants and personal service contractors with specific expertise and experience necessary to ensure success.

Under AB1X, the department's authority to purchase electricity expired on December 31, 2002. The investor-owned utilities subsequently resumed the responsibility for purchasing power for their customers. In addition, the utilities are responsible for dispatching and scheduling energy from DWR's long-term contracts, as ordered by the California Public Utilities Commission. Although the Department continues to have both the legal and financial responsibility for the long-term contracts and administering the $11.2 billion power supply revenue bond program, it has managed to identify opportunities to reduce its reliance on outside consultants by both permanently reducing the number of consultants and by reducing the number of hours worked by the remaining consultants.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: 3/22/04

Control Section 4.10
Reductions By Program

Org. Code: 3860
Department: Water Resources

OVERHEAD DIVISIONS

Executive Division

The Executive Division guides the Department toward its goals in the most efficient and effective manner, consistent with public concerns, administrative policies, and the principals of good management; and in the planning and implementation of future water management and development in California. The Executive Division includes: Office of the Director, Internal Audit Office, Information Security, Enterprise Business and Strategic Planning Office (formerly Program Analysis and Support Office), Colorado River and Salton Sea Office, Executive Manager Power Systems, Emergency Preparedness Manager, Legislation, Special Representative Washington D.C., Office of the Chief Counsel, Office of Water Education, Equal Opportunity and Management Investigations Office, the Reclamation Board, California Water Commission, San Joaquin Valley Drainage Implementation Program, Water Transfers Office and the California Energy Resources Scheduling.

How was reduction implemented?

In 2000, the Executive Division had 141.9 permanent full-time positions, and cumulative reductions have resulted in a loss of 29 positions, including the latest reduction of 6 positions. These reductions were achieved by eliminating accumulated vacant positions in various offices throughout the Division.

What was the actual effect of this reduction?

The loss of management and support positions within the Executive Office has resulted in the following:

Internal Audits Office: The reduction of three positions has directly impacted the Office's ability to direct, analyze, and support their daily operational needs in all audits activities including internal audits of financial records, information technology controls, and external examinations.
Executive Office: The reduction of one position in this office has negatively impacted the executive management team in receiving advice and consultation on a variety of executive level assignments. This position reports directly to the Deputy Director responsible for Safety of Dams, Flood Management, Planning and Local Assistance Divisions, Water Use Efficiency, and the Water Transfers Office.
Program Analysis and Support Office: The reduction of the CEA position in this office has resulted in making temporary work assignment to meet the most critical needs of the Office.

Equal Opportunity and Management Investigations Office: The reduction of the lead investigator responsible for handling complex investigations and coordinating the investigative/technical work of other EOMI staff has resulted in making temporary work assignments to less experienced staff to meet the most critical needs of the Office

Division of Fiscal Services

The Division of Fiscal Services provides financial budgetary and accounting support activities necessary to carry out the Department's goals and objectives.

How was reduction implemented?

At its peak, the Division of Fiscal Services has 104 permanent full-time positions. Cumulative reductions have resulted in a loss of 10 positions, including this latest reduction of an additional six permanent full-time positions.

What was the actual effect of this reduction?

Safe Drinking Water Office: The reduction of one position has resulted in the loss of a position to execute Proposition 50, Chapter 6, subparts b and c. This loss has resulted in delays in executing the program and has resulted in making temporary work assignments to meet the most critical needs of the Proposition 50 program activities.

Payables Office: The reduction of two positions has caused the priority to be solely production (payment of Vendors) and not address the analytics. The Office is unable to perform a complete analysis on the liabilities of the Department consequently reducing the financial burden of the Department's programs.

Financial Reporting and Analysis Office: The reduction of two positions included the elimination of the Office Chief position, which has forced the Deputy Comptroller to assume the responsibilities of managing this office. This has reduced the FRAO ability to respond or implement solutions to managerial reporting requirements of the Department, to address accounting issues that are critical for an SAP Enterprise System upgrade, and to respond to the reporting needs of the State Water Contractors and various audit groups. The elimination of staff has also made it difficult to implement solutions to problems identified as audit findings. This includes timeliness of financial reports, adequate training of accounting staff, and frequency of reconciliations and other closing activities and allocation of staff resources to address accounting priorities.

Fiscal Oversight and Support Office: The reduction of one position has made it more difficult to manage and administer billions of dollars in General Obligation Bonds. This Office acts as fiscal agent for several other Departments for proposition bond funds. In an area that has historically already been understaffed, further reductions have compromised our ability to accurately project cash flows, track program funds, and avoid arbitrage payments for not using funds within specified periods. This reduction resulted in making temporary work assignments to meet the most critical needs of the Office.

Division of Management Services

The Division of Management Services provides a broad range of administrative services to the Department. These include personnel, labor relations, training, contracts, procurement, printing

production, facilities management and records management. Staff also conducts management and organizational studies, and manages the Department's vehicle fleet. Management Services keeps the executive team informed on significant management and employment trends and serves as liaison with various state control agencies such as the Department of Personnel Administration, State Personnel Board, State Controllers Office, and Department of General Services on issues such as employment and organizational structure, contracts and purchasing, leased space and information technology.

How was reduction implemented?

In 2000, the Division of Management Services had 225.6 permanent full-time positions, and cumulative reductions have resulted in a loss of 42.1 positions, including this latest reduction of 27 positions. The 27 reductions below were achieved by eliminating accumulated vacant positions in various offices throughout the Division.

What was the actual effect of this reduction?

The loss of positions with the Division of Management Services has resulted in the following:

Mobile Equipment Office: The reduction of nine positions has caused an increased liability due to insufficient mobile equipment maintenance and increased costs for overtime and outsourcing maintenance; delays in contracting for mobile equipment services, paying invoices for services and shifting business services activities to the mobile equipment shops.
Records Management Office: The reduction of five positions in this Office has caused a decrease in internal/external mail delivery service from two deliveries per day to one delivery per day; a reduction in the days of operation of the Publications and Paperwork Management Unit; the closure and consolidation of file stations and a backlog of work in various file stations causing delays in responding to subpoenas and public records requests.
Facilities Management: The reduction of one position in this Unit has caused delays in acquiring new office space, in renewal of leases and in completing modifications to leased space.
Management Analysis Office: The reduction of two positions in this Office has resulted in delays in the review and recommendations of organization, management or related policy changes; delays in development and assistance in the revisions to Department policies and procedures.
Contract Services Office: The reduction of two positions in this Office has resulted in the loss of office support requiring analysts to perform office support activities causing delays in processing contracts and initiating work, in assisting others in writing scope of work, and training staff in contracting rules and requirements.
Purchasing Office: The reduction of two positions in this Office has resulted in the delay of processing the receipt of new equipment and supplies by the Department's central warehouse, reduction in deliveries to satellite offices in the Sacramento region, and a reduction in the hours of operation of two supply rooms.
Personnel Office: The reduction of four positions in this Office has required increasing the supervisory/training workload of the Manager of the section and the workload of the tenured Personnel Specialists who are called on to assist in the training and oversight of work of less experienced staff.
Labor Relations Office: The reduction of one position has resulted in making temporary work assignments to meet the most critical need of the office
Executive Services Unit: The reduction of one position has reduced office support for Executive Services delivering packages and responding timely to requests by the Deputies, Director, and Resources Agency.

Division of Technology Services

The Division of Technology Services supports the Department's extensive and complex technology environment by providing support for a variety of information technology applications to solve engineering, management, and fiscal problems. The Division also serves as the focus for technical expertise with the Department for matters relating to information systems activities, communications infrastructure, and interdisciplinary project management.

How was reduction implemented?

In 2003, the Division of Technology Services had 135 permanent full-time positions, and cumulative reductions have resulted in a loss of 14 positions, representing 11 percent of all positions in DTS at the time. Positions affected were those that were held vacant to meet the staffing reduction requirements.

What was the actual effect of this reduction?

To the greatest extent possible, DTS has attempted to offset the operational losses of the abolished positions, which impacted nearly every function in DTS, by reassigning personnel and reappraising Division priorities. This included reassigning staff in the Local Area Network and Administrative functions to cover the highest priority assignments. There have been no major system failures, but the risk of such failure has clearly increased, since all functions are stretched more thinly. These areas require people with specialized skills that cannot be filled through internal reassignment within DTS.

Network and Communications Support Office: The reduction of four positions leaves DWR networks vulnerable to attacks or system failures simply because of the unavailability of qualified staff to monitor and maintain systems.

SAP Functional Services Branch: The reduction of three positions has resulted in a shortage in the SAP environment. Because of this shortage, DWR runs a higher risk of suffering a catastrophic failure of its accounting, HR, and business systems. Currently, the following SAP modules have NO staff supporting them: Assets Management (AM), Controlling (CO), and Project Systems (PS). Overall, except for heavily used Human Resources (HR), all modules have no more than one person assigned, thereby elevating risk from future personnel losses.

Office of Water Education

The Office of Water Education's Graphic Services Branch provides professional quality graphics, photographic and communications support services to support DWR program objectives. The branch is involved in both external and internal projects and activities that serve to educate and inform the public, media, water organizations, legislators, schools and employees about DWR's program objectives and related water issues.

How was reduction implemented?

The Graphic Services Branch staff was reduced by three positions. The positions were being held vacant to meet staffing reduction requirements.

What was the actual effect of this reduction?

The reduction of three positions has resulted in reduced cost and work efficiency. These reductions resulted in making work assignment changes to meet the most critical needs of the branch. The increased workload on remaining employees is resulting in systemic erosion on employee moral.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: 3/25/04

Control Section 4.10
Reductions by Program

Org. Code: 3870

Department: California Bay-Delta Authority

How was reduction implemented?

The California Bay-Delta Authority (Bay-Delta Authority) General Fund reduction for FY 2003-04 consisted of the elimination of 13 positions and $1,888,500. The 13 positions included 3 positions which were abolished by Government Code 12439, 8 vacant positions, and 2 filled positions with less than 30 months of service. The total reduction in personnel services was $574,184. A further reduction of $1,314,316 was taken in contract services.

The Bay-Delta Authority Administrative Branch lost eight positions including 5 positions for clerical support for the Ecosystem Restoration Program, Human Resources, IT, Business Services and Records Management, the Department receptionist; 2 Information Technology positions; and senior analytical support for Policy & Finance. The Water Management and Regional Coordination Branch lost engineering and technical support for the Watershed, Storage, Water Use Efficiency, and Drinking Water Quality Programs. The Ecosystem Restoration Program lost a Sr. Environmental Scientist position to provide technical support for the program.

The reduction in contract services was spread over all the Bay-Delta Authority Program Elements providing oversight and coordination of CALFED Bay-Delta Program activities. The impacts of these reductions follow.

What was the actual effect of this reduction?

Introduction

For the first time in decades, State and Federal agencies are working collaboratively to solve California's tough water and environmental problems. The CALFED Bay-Delta Program (Program) has been the forum for this progress. Before CALFED, individual agencies worked independently, often with conflicting mandates, unable to make progress on complex issues. The Bay-Delta Authority is the new State agency with the responsibility for integration, coordination, and balanced implementation. The Bay-

Delta Authority has responsibility for activities that cross program and agency boundaries. Communication of information, a regional approach that focuses on an active involvement of diverse stakeholders and the public, allow the implementing agencies to continue to make progress on all aspects of the Program. Over the last 3 years the CALFED/ Bay-Delta Authority general fund budget has been reduced by over 40%. While it is not easy to describe the exact consequences of the most recent cuts, these reductions are making it extremely difficult for the Bay-Delta Authority to continue to be effective in solving California's water and environmental problems.

General Effects

Reductions in funds and personnel have generally slowed the Bay-Delta Authority's ability to keep the public up-to-date on Program activities, increased the time needed to award grants to local and regional agencies and associations, and pushed back the implementation of activities crucial to ensuring the Program goes forward in a balanced manner. Reductions have also had a sizable toll on remaining staff, due in part to an inability to get the work done and in part to the extensive amount of work that needs to be done. Bay-Delta Authority staff have always prided themselves on being able to push the envelope and move forward more quickly than expected. The limits placed on the Bay-Delta Authority by the funding and personnel reductions have served to slow Program implementation and, along with it, dampen the satisfaction received by staff in doing a job well.

Specific Effects

Communication

The Bay-Delta Authority was founded on the principle of bringing greater transparency and public involvement and accountability to the decision-making process. Funding and personnel reductions have impacted public and stakeholder involvement in the Program by decreasing the Bay-Delta Authority's ability to:

- conduct sufficient public meetings, including regional meetings, to share and coordinate information;
- provide meeting materials, reports, and other documents in a timely fashion; and
- respond to public inquiries in a timely manner.

This has had the effect of reducing transparency and public input into decisions.

Implementing a commitment set forth in the Record of Decision, the Bay-Delta Authority is committed to working with tribal governments and Environmental Justice (EJ) communities and populations to ensure that their issues are addressed at both a programmatic and project level. Funding and personnel reductions have diminished the Bay-Delta Authority's ability to involve tribes and EJ communities and populations. This has led to development of activities that may have consequences to tribal trust resources and EJ communities and populations. Inadequate involvement is in direct conflict with the President's April 29, 1994, Memorandum directing agencies to actively engage tribes in projects and plans impacting tribal lands and both the State and Federal

mandates directing agencies to actively seek the involvement of EJ populations and communities throughout the development of plans and projects.

Program Implementation

The Bay-Delta Authority, in association with State and Federal agencies, has allocated hundreds of millions of dollars in grants for local projects in areas such as groundwater management, water recycling, ecosystem restoration, and water-use efficiency. The process for awarding grants is labor and time intensive including: preparation and distribution of solicitation packages; review and scoring of proposals, and award of grants. Funding and personnel reductions have extended the time it takes to make the awards and get the grant dollars into the hands of the regional and local agencies.

The State and Federal agencies participating in the Program are investing in collaborative regional projects that provide local benefits while helping achieve overall Program objectives and commitments. The Bay-Delta Authority has regional coordinator staff that act as liaisons between regional groups and the Bay-Delta Authority, attending meetings of local governments and stakeholder groups within the region; and representing the local governments and stakeholder groups at meetings of the Bay-Delta Authority, State/Federal agencies, and the Bay-Delta Public Advisory Committee. Funding and personnel reductions have prevented the Bay-Delta Authority from having a full complement of regional coordinators, thereby, diminishing regional outreach and involvement.

Integration among the different parts of the Program is one of the major commitments of the Bay-Delta Authority and the Bay-Delta Public Advisory Committee. For example, the Delta Implementation Plan is being updated and streamlined to better address issues raised by Delta interests and to meet the needs of the Bay-Delta implementing agencies. In addition, an effort is underway to systematically address Delta integration and science issues and to implement a Delta outreach strategy. Funding and personnel reductions have diminished the Bay-Delta Authority's ability to integrate the different parts of the Program which has adversely impacted progress towards restoring ecosystem health, water supply reliability, and water quality improvements.

There are a number of important related Delta actions being proposed by Federal and State agencies. Each of the activities has critical milestones and is inter-connected with one or more of the others. The Bay-Delta Authority is overseeing the integration of these activities. To ensure that these actions proceed in a balanced manner, there is a significant need for close coordination among CALFED agencies. During this time, it will be important to have accurate communication of information, timelines, and potential issues, as well as skills to collaboratively resolve differences. Funding and personnel reductions have limited efforts to integrate these activities, thereby, extending the time it will take to bring about meaningful change in State and Federal water operations and increasing the likelihood of litigation being filed against the State.

The Water Use Efficiency Program supports local water conservation and recycling projects that can contribute to the Bay-Delta solution. To assure the public of high water use efficiency, the implementing agencies are investing in scientifically-based performance measures including quantifiable objectives for agriculture. The Bay-Delta Authority is working to establish appropriate water measurement and urban water conservation certification. Funding and personnel reductions have reduced the Bay-Delta Authority's ability to develop the performance measures, water measurement and certification; thereby, slowing progress toward meeting the goals of the Water Use Efficiency Program and implementing the overall Program in a balanced manner. The ability to go forward with new or expanded surface storage projects and improve the reliability of water for millions of Californians is closely tied to a successful Water Use Efficiency Program.

Through the Drinking Water Quality Program, CALFED agencies are investing in projects to improve water quality from the source to the tap. Funding and personnel reductions have adversely impacted the Drinking Water Program's progress toward meeting several of the Record of Decision goals and implementing the overall Program in a balanced manner. Water quality improvements will benefit 22 million Californians whose drinking water comes from the Bay-Delta watershed.

Administration

As a way to ensure accountability and assess progress, the Bay-Delta Authority developed a database to track the hundreds of grant funded projects. Funding and personnel reductions have slowed the Bay-Delta Authority's ability to maintain and update the database and the public's ability to keep current with ongoing activities.

Success of the Program is dependent upon effective and efficient administrative practices which allow projects to move ahead and yield results quickly. Funding and personnel reductions have diminished the Bay-Delta Authority's ability to maintain flexibility and efficiency in its administrative and business practices, resulting in delays in issuing contracts and bringing the skilled and experienced staff on board to meet Program needs.

Department Director Approval: _____ Date: 3/12/04

Agency Secretary Approval: _____ Date: 3/12/04