



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Items 3125-001-0001, 3125-001-0262, 3125-001-6029 and Reimbursements, Support, and Addition of Items 3125-101-6029, and 3125-101-6031, Local Assistance, Item 3125-301-6029 and Reimbursements, Capital Outlay, California Tahoe Conservancy

Environmental Improvement Program (EIP) Support—Proposition 40 and 50

It is requested that Item 3125-001-6029 be increased by \$248,000 from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40), Item 3125-001-0262 be increased by \$18,000 from the Habitat Conservation Fund, reimbursements be increased by \$27,000, and Item 3125-001-0001 be amended to reflect this change to establish 6.0 positions for technical support necessary to continue the State's commitment to the EIP for the Lake Tahoe Basin.

EIP Local Assistance—Proposition 40 and 50

It is requested that Item 3125-101-6029 be added in the amount of \$3.0 million from Proposition 40 and Item 3125-101-6031 be added in the amount of \$9.0 million from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Proposition 50) to fund grant programs associated with the State's \$20.7 million commitment to the EIP for the Lake Tahoe Basin. Suggested Budget Bill language is attached (see Attachment 1).

Environmentally Sensitive Acquisitions—Proposition 40

It is requested that Item 3125-301-6029 be added in the amount of \$1.5 million from Proposition 40 to acquire environmentally sensitive lands that are at risk from development, consistent with the goals of the multi-agency EIP for the Lake Tahoe Basin. Suggested Budget Bill language is attached (see Attachment 2).

Stream Environment Zones / Watershed Restoration—Proposition 40

It is requested that Item 3125-301-6029 be added in the amount of \$3,487,000 from Proposition 40 and \$226,000 in reimbursements to restore degraded Stream Environment Zones and watersheds consistent with the goals of the multi-agency EIP for the Lake Tahoe Basin (see Attachment 2).

APR 1 2004

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Public Access and Recreation—Proposition 40

It is requested that Item 3125-301-6029 be added in the amount of \$1,223,000 from Proposition 40 to enhance public access to lakeshore facilities and construct recreational facilities consistent with the goals of the multi-agency EIP for the Lake Tahoe Basin (see Attachment 2).

Wildlife Enhancement Program—Proposition 40

It is requested that Item 3125-301-6029 be added in the amount of \$712,000 from Proposition 40 to enhance and restore wildlife habitats consistent with the goals of the multi-agency EIP for the Lake Tahoe Basin (see Attachment 2).

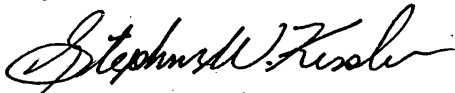
The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at (916) 324-0043.

DONNA ARDUIN

Director

By:



for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Mike Chrisman, Secretary, Resources Agency
Mr. Don Wallace, Assistant Secretary, Resources Agency
Mr. Dennis Machida, Executive Officer, California Tahoe Conservancy

ATTACHMENT 1

Add the following items:

3125-101-6029—For local assistance, California Tahoe Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....3,000,000

Schedule:

(1) 10-Tahoe Conservancy.....3,000,000

Provisions:

1. The acquisition of real property or interests with funds appropriated in this item is not subject to the Property Acquisition Law when the value is \$250,000 or less, and, therefore, is not subject to approval by the State Public Works Board.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance. Expenditure of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from review of the State Public Works Board.
3. This appropriation shall be available for expenditure until June 30, 2007.

3125-101-6031—For local assistance, California Tahoe Conservancy, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....9,000,000

Schedule:

(1) 10-Tahoe Conservancy.....9,000,000

Provisions:

1. The acquisition of real property or interests with funds appropriated in this item is not subject to the Property Acquisition Law when the value is \$250,000 or less, and, therefore, is not subject to approval by the State Public Works Board.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance. Expenditure of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from review of the State Public Works Board.
3. This appropriation shall be available for expenditure until June 30, 2007.

ATTACHMENT 2

Add the following item:

3125-301-6029—For local assistance, California Tahoe Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....6,922,000

Schedule:

(1) 50.30.005- for land acquisitions pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.....1,500,000

(2) 50.30.002- for land acquisition and site improvements for public access and recreation pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.....1,223,000

(3) 50.30.003- for land acquisition and site improvements for wildlife enhancement pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.....712,000

(4) 50.30.004- for land acquisition and site improvements for stream environment zones and watershed restorations pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.....3,713,000

(5) Reimbursements.....-226,000

Provision(s):

1. The acquisition of real property or interests with funds appropriated in this item is not subject to the Property Acquisition Law when the value is \$250,000 or less, and, therefore, is not subject to approval by the State Public Works Board.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from review of the State Public Works Board.
3. This appropriation shall be available for expenditure until June 30, 2007.



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APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Item 3340-001-0001 and Addition of Items 3340-001-0005 and 3340-001-6029, Support, and 3340-101-0005 and 3340-101-6029, Local Assistance, California Conservation Corps

Resource Conservation Projects (RCP) Support—Propositions 12 and 40

It is requested that Items 3340-001-0005 and 3340-001-6029 be added in the amounts of \$633,000 and \$1,224,000 respectively and that Item 3340-001-0001 be revised to reflect the changes to provide funding for resource conservation projects, such as parks restoration and trails construction. The requested amounts are consistent with the approved 5-year expenditure plans for both Propositions 12 and 40.

RCP Local Assistance—Propositions 12 and 40

It is requested that Items 3340-101-0005 and 3340-101-6029 be added in the amounts of \$2,550,000 and \$4,003,000 respectively to provide grants to local conservation corps for resource conservation projects, such as parks restoration and trails construction. The requested amounts are consistent with the approved 5-year plans for both Propositions 12 and 40.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN
Director
By:

for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: On following page

APR 1 2004

-2-

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Don Wallace, Assistant Secretary-Fiscal, Resources Agency
Mr. Wes Pratt, Director, California Conservation Corps
Ms. Patti Keating, Chief, Deputy Director, California Conservation Corps
Mr. Greg Edwards, Chief Administrative Services Division, California Conservation Corps



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Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Item 3340-301-0001, Capital Outlay, California Conservation Corps

It is requested that Item 3340-301-0001 be decreased by \$29,000 to reflect the deletion of the preliminary plans phase of the Sierra Placer Municipal Sewer Connection project. Based on a completed budget package, the estimated cost of this project has increased significantly. The deferral of this project will allow additional time to review alternatives and to determine the most appropriate long-term solution for this facility.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Michael Carter, Principal Program Budget Analyst, at 916-947-4807.

DONNA ARDUIN

Director

By:

for MICHAEL C. GENEST
Chief Deputy Director

Attachment

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Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
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Mr. Greg Edwards, Chief Administrative Services Division, California Conservation Corps



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Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Items 3360-001-0382 and 3360-001-0465, Support, Energy
Resources Conservation and Development Commission**

It is requested that Item 3360-001-0382 be increased by \$190,000 and 2.0 positions to support the California Renewable Portfolio Standard (RPS) and that Item 3360-001-0465 be amended to reflect this change. Chapter 516, Statutes of 2002, established the RPS to require retail electricity sellers to gradually increase their renewable energy portfolios to meet a statewide goal of 20 percent by December 31, 2017. These resources will be used to certify eligible renewable resources for participation in the RPS. In addition, the resources will be used to develop an accounting tracking system to verify that retail electricity sellers are compliant with the RPS.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Robert Schladales, Principal Program Budget Analyst, at 916-324-0043.

DONNA ARDUIN
Director
By:

for MICHAEL C. GENEST
Chief Deputy Director

Attachment

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-2-

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
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Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
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Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
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Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. William J. Keese, Chair, Energy Commission
Mr. Robert L. Therkelsen, Executive Director, Energy Commission
Mr. Mark Hutchison, Manager, Fiscal Services Branch, Energy Commission
Mr. Randy Roesser, Budget Officer, Energy Commission



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Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Item 3480-001-0001, Support and Addition of
Items 3480-001-3025, 3480-001-6031, 3480-101-6029, and 3480-101-6031, Support and
Local Assistance, Department of Conservation**

Proposition 50—CALFED Watershed Program

It is requested that Item 3480-001-6031 be added in the amount of \$225,000, Item 3480-001-0001 be amended to reflect this change, and Item 3480-101-6031 be added in the amount of \$3.0 million. This request will provide additional Proposition 50 funds for the CALFED Watershed Program, which provides financial and technical assistance to local agencies for regional watershed assessments and restoration projects (see Attachment A for suggested Budget Bill language).

Proposition 40—California Farmland Conservancy Program

It is requested that Item 3480-101-6029 be added in the amount of \$12.0 million to provide additional Proposition 40 funds for the Farmland Conservancy Program. This program provides grants to local governments and non-profit land trusts for the acquisition of agricultural conservation easements. Conservation easements permanently remove the development rights, and therefore development pressure, from agricultural lands (see Attachment B for suggested Budget Bill language).

Surface Mining and Reclamation Act (SMARA) Program Staffing

It is requested that Item 3480-001-0001 be amended to reflect the reestablishment of 6.0 positions. The SMARA Program mitigates the adverse environmental impacts of surface mining and ensures that surface mines are reclaimed to a usable condition. This request would reestablish 6.0 positions that were eliminated under recent vacant position reductions for SMARA enforcement activities. These positions will be funded within existing resources from the Mine Reclamation Account.

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Abandoned Mine Remediation

It is requested that Item 3480-001-3025 be added in the amount of \$180,000 and that Item 3480-001-0001 be amended to reflect this change. This request will begin the implementation of Chapter 794, Statutes of 2003 (SB 649), which established a fee on gold and silver mined within the state to fund the remediation of abandoned mines. Since the beginning of the Gold Rush, tens of thousands of mines have been operated in California. Many of these mines have been abandoned and now pose significant public health, safety, and environmental risks.


The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN

Director

By:


for MICHAEL C. GENEST
Chief Deputy Director

Attachment

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Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Don Wallace, Assistant Secretary, Resources Agency
Mr. Darryl Young, Director, Department of Conservation
Mr. Tom Gibbs, Budget Officer, Department of Conservation

Attachment A

Add the following Budget Bill language to Item 3480-101-6031:

Provisions:

- 1. The funds appropriated in this item shall be available for expenditure through fiscal year 2006-07.**

Attachment B

Add the following Budget Bill language to Item 3480-101-6029:

Provisions:

- 1. The funds appropriated in this item shall be available for expenditure through fiscal year 2006-07.**



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Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment of Budget Bill Items 3540-001-0001, and Addition of Items 3540-001-0928, 3540-001-0940, 3540-001-6029, and 3540-001-6031, Support, and 3540-101-0005, Local Assistance, Department of Forestry and Fire Protection

Urban Forestry

It is requested that Item 3540-101-0005 be added in the amount of \$1,175,000. These funds from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund, (Proposition 12) will go to the Urban Forestry Grants Program, which provides grants to cities, counties, districts and non-profit organizations in urban areas in order to increase tree planting and encourage improved tree management practices.

Forest Management

It is requested that Items 3540-001-0928 and 3540-001-0940 be added in the amount of \$850,000 and \$3,498,000 respectively and that Item 3540-001-0001 be amended to reflect these changes. These funds from the Forest Resources Improvement Fund and the Bosco Keene Renewable Resources Investment Fund respectively will fund forest management activities, including state demonstration forest stewardship, State Nurseries, and the California Forest Improvement Program.

Sierra Nevada Forest Land and Fuels Management

It is requested that Item 3540-001-6029 be added in the amount of \$7,481,000 and 14 positions and that Item 3540-001-0001 be amended to reflect these changes. These funds from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Proposition 40) will be used to provide grants to public agencies and nonprofit organizations for planning, permitting, administrative costs and implementation of forest land and fuels management projects in the Sierra Nevada region.

CALFED Watershed Program

It is requested that Item 3540-001-6031 be added in the amount of \$240,000 and that Item 3540-001-0001 be amended to reflect these changes. These funds from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Proposition 50) will be used to provide detailed vegetation data by watershed through use of geographic information systems (GIS) and to develop the California Watershed Assessment Manual as part of the CALFED Watershed Program.

APR 1 2004

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The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN

Director

By:



for MICHAEL C. GENEST
Chief Deputy Director

Attachment

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Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Mike Chrisman, Secretary, Resources Agency
Mr. Don Wallace, Assistant Secretary, Resources Agency
Ms. Andrea Tuttle, Director, Department of Forestry and Fire Protection
Ms. Cindy Shamrock, Deputy Director, Department of Forestry and Fire Protection



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Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Items 3540-301-0001 and 3540-301-0660, and Addition of
Item 3540-301-0890, Capital Outlay, Department of Forestry and Fire Protection**

It is requested that Item 3540-301-0001 be decreased by a total of \$750,000 to reflect a fund shift from General Fund Item 3540-301-0001 to the Public Buildings Construction Fund (Lease Revenue Bonds) for the following five projects:

1. Decrease \$175,000 for Acquisition, for the Stevens Creek Forest Fire Station: Replace Facility project.
2. Decrease \$175,000 for Acquisition, for the Pacheco Forest Fire Station: Replace Facility project.
3. Decrease \$175,000 for Acquisition, for the Warner Springs Forest Fire Station: Replace Facility project.
4. Decrease \$175,000 for Acquisition, for the Nipomo Forest Fire Station: Replace Facility project.
5. Decrease \$50,000 for Acquisition, for the Dew Drop Forest Fire Station: Replace Facility project.

It is requested that Item 3540-301-0660 be increased by a total of \$5,976,000 to reflect the following:

1. Increase Item 3540-301-0660 by a total of \$750,000 to reflect a fund shift from General Fund to the Public Buildings Construction Fund for Acquisition of the five projects listed above.
2. Increase Item 3540-301-0660 by \$551,000 for Working Drawings (\$18,000) and Construction (\$533,000) for the Ukiah Forest Fire Station: Replace Facilities project. This increase is based on cost standards derived from bids recently received on other similar projects.

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3. Increase Item 3540-301-0660 by \$834,000 for Construction, for the Hemet-Ryan Air Attack Base: Relocate Facility project. This project has been delayed for almost two years due to problematic property rights negotiations with various entities of the federal government and the March Joint Powers Redevelopment Agency (MJPRA). The estimate for this project has been revised to reflect current construction costs.
4. Increase Item 3540-301-0660 by a total of \$3,062,000 for Acquisition (\$2,120,000), Working Drawings (\$607,000) and Construction (\$335,000), for the South Operations Area Headquarters: Relocate Facility project. This joint-use facility project was to be constructed on land provided by the United States Forest Service (USFS). Due to the inability to secure the necessary property rights on the USFS site, it is necessary to acquire an approximate 12-acre site. The additional working drawing funds are needed to site-adapt the nearly complete working drawings to the new site. The increase in construction funds reflects an estimated increase in construction costs for this project. Because the USFS had originally agreed to provide land in lieu of paying their share of construction costs, an increase in Federal Trust Fund authority is also being requested to allow the USFS to pay for their share of the project.
5. Increase Item 3540-301-0660 by a total of \$779,000 for Preliminary Plans (\$24,000), Working Drawings (\$102,000), and Construction (\$653,000), for the Bautista Conservation Camp: Replace Modular Buildings project. The increase in funding is requested to construct new water storage facilities on the State-owned project site. Currently, aged water storage facilities that service this project are on an adjacent USFS parcel that is secured with a short-term lease that may not be renewed. The construction of water storage facilities on-site will help ensure continued operation of this facility.

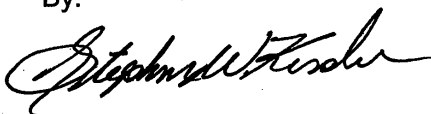
Add item 3540-301-0890 for a total of \$1,709,000 to reflect increased federal reimbursements for the South Operations Area Headquarters: Relocate Facility project as noted above. This reimbursement amount is consistent with the construction costs associated USFS's percentage of designed shared use of the facility.

If you have any questions or need additional information regarding this matter, please call Michael Carter, Principal Program Budget Analyst, at 916-947-4807.

DONNA ARDUIN

Director

By:



MICHAEL C. GENEST

Chief Deputy Director

for

Attachment

cc: On following page

APR 1 2004

-3-

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
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Ms. Andrea Tuttle, Director, Department of Forestry and Fire Protection
Mr. Jim Wright, Deputy Director, Department of Forestry and Fire Protection



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Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Item 3560-001-0001 and Reimbursements, Support, State
Lands Commission**

Increase in Environmental Report Review Workload

It is requested that Item 3560-001-0001 be amended to increase Reimbursements from two Liquefied Natural Gas (LNG) companies by \$101,000 and one Environmental Scientist position to review land leases for subsea pipelines through State waters associated with the construction of LNG facilities off Ventura and Santa Barbara counties.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN
Director
By:

for MICHAEL C. GENEST
Chief Deputy Director

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cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Don Wallace, Assistant Secretary-Fiscal, Resources Agency
Mr. Paul Thayer, Executive Officer, State Lands Commission
Mr. Dave Brown, Chief of Administration, State Lands Commission



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment of Budget Bill Items 3600-001-0001, 3600-001-6029, 3600-001-6031, and Reimbursements, Support, Department of Fish and Game

Fisheries Restoration Grants Program

It is requested that Item 3600-001-6029 be increased by \$7.0 million and that Item 3600-001-0001 be amended to reflect this change. These funds from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Proposition 40) will go to the Fisheries Restoration Grants Program, which provides grants to tribes, non-profit organizations, public agencies and private entities for fisheries restoration projects in California.

CALFED Ecosystem Restoration Program

It is requested that Item 3600-001-6031 be increased by \$72,303,000 and 8.0 positions. These funds from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) will go to the Ecosystem Restoration Program, which provides grants for ecosystem restoration projects within the Bay-Delta Ecosystem. It is also requested that Item 3600-001-0001 be reduced by \$72,000 and that Reimbursements be reduced by \$306,000. These reductions reflect a shift in funding to Proposition 50 from General Fund and reimbursements for 8.0 existing positions within the Ecosystem Restoration Program.

Joint Communication Services

It is requested that 7.0 positions be transferred from the Department of Fish and Game (DFG) to the Department of Parks and Recreation's Central Communications Center (CENCOM) for emergency communications and dispatch. Funding would still be provided by DFG as a reimbursement to Parks. This proposal would allow DFG to gain 24-hour communications coverage within existing resources, which will help ensure warden safety and timely responses to oil spills.

The effect of my requested action is reflected on the attachment.

APR 1 2004

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If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN

Director

By:



MICHAEL C. GENEST

for Chief Deputy Director

Attachment

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
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Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Mike Chrisman, Secretary, Resources Agency
Mr. Don Wallace, Assistant Secretary, Resources Agency
Mr. Ryan Broddrick, Director, Department of Fish and Game
Mr. Renee Renwick, Acting Deputy Director, Department of Fish and Game



DEPARTMENT OF
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ARNOLD SCHWARZENEGGER, GOVERNOR

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APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Addition of Budget Bill Items 3640-301-6031, 3640-302-6029, and Reimbursements,
Capital Outlay, Wildlife Conservation Board**

Colorado River Regulatory Program—Proposition 50

It is requested that Item 3640-301-6031 be added in the amount of \$13,250,000 for the acquisition, protection and restoration of land and water resources along the Lower Colorado River. This action is requested to meet state obligations for regulatory requirements related to California's allocation from the Colorado River and the provisions of Proposition 50 (see Attachment 1).

San Joaquin River Conservancy—Proposition 40

It is requested that Item 3640-302-6029 be added in the amount of \$11.0 million for acquisitions and development of the San Joaquin River Parkway. This request also includes an increase of \$1.0 million in Reimbursement authority to receive funds from local nonprofit organizations involved with development of the parkway (see Attachment 1).

The effects of my requested action are reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN

Director

By:

for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Mike Chrisman, Secretary, Resources Agency
Mr. Don Wallace, Assistant Secretary, Resources Agency
Mr. Al Wright, Executive Director, Wildlife Conservation Board
Ms. Roxanne Woodward, Budget Officer, Wildlife Conservation Board

ATTACHMENT 1

Add the following Budget Bill Item:

3640-301-6031—For capital outlay, Wildlife Conservation Board, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....13,250,000

Schedule:

- (1) 80.10.440-Colorado River Acquisition, Protection and Restoration Program.....13,250,000

Provisions:

1. The funds in this item are provided in accordance with the Wildlife Conservation Act of 1947 and, therefore, are not subject to review by the State Public Works Board.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance until June 30, 2007.

Add the following Budget Bill Item:

3640-302-6029—For capital outlay, Wildlife Conservation Board, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Fund.....11,000,000

Schedule:

- (1) 80.10.603.000-San Joaquin River Conservancy—
Project and acquisition.....12,000,000
(2) Reimbursements.....-1,000,000

Provisions:

1. The funds in this item are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, are not subject to review by the State Public Works Board.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance through fiscal year 2006-07.
3. The funds appropriated in this item shall be allocated to the San Joaquin River Conservancy for purposes consistent with the Conservancy's mission.



**DEPARTMENT OF
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ARNOLD SCHWARZENEGGER, GOVERNOR
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APR - 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Items 3680-001-0516 and 3680-001-0890, Support, and Items 3680-101-0516 and 3680-101-0890, Local Assistance, Department of Boating and Waterways

Increase Federal Expenditure Authority, Support

It is requested that Item 3680-001-0890 be increased by \$240,000 and Item 3680-001-0516 be amended to reflect this change to provide funding for the federal Clean Vessel Act Grant program. The Clean Vessel Act program provides grants for public outreach and education programs.

Increase Federal Expenditure Authority, Local Assistance

It is requested that Item 3680-101-0890 be increased by \$90,000 and Item 3680-101-0516 be amended to reflect this change to provide funding for the federal Clean Vessel Act Grant program for pump-out equipment grants to private and public marina operators.

Reduce Capital Outlay Support Costs

It is requested that Item 3680-001-0516 be amended by reducing the schedule for the Less funding by capital outlay by \$180,000 to reflect a decrease in state operations costs associated with specific capital outlay projects.

Add Provisional Language to Transfer Funding from Capital Outlay Projects to State Operations

It is requested that language be added to Item 3680-001-0516 to authorize the Department to transfer funding from capital outlay projects to state operations. This is consistent with provisional language in the Department of Parks and Recreation budget and provides needed flexibility for administration of capital outlay projects. Suggested Budget Bill language is attached (Attachment 1).

Reallocation of Funds Between Projects, Local Assistance

It is requested that Item 3680-101-0516 be amended to reflect the reallocation of funds between proposed local assistance projects, Long Beach Alamitos Bay Basin, Long Beach Downtown Marinas, and Long Beach Alamitos Bay Basins 2 and 3. This reallocation would allow the Long Beach Downtown Marinas project to meet the requirements of the Americans with Disabilities Act.

APR - 1 2004

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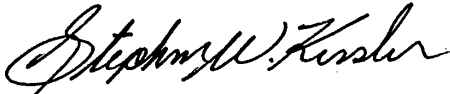
The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN

Director

By:



for

MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Don Wallace, Assistant Secretary-Fiscal, Resources Agency
Mr. Raynor Tsuneyoshi, Director, Department of Boating and Waterways
Mr. David Johnson, Acting Deputy Director, Department of Boating and Waterways
Ms. Debra DeVerter, Chief-Administration Services, Department of Boating and Waterways

ATTACHMENT 1

Add the following provision to Item 3680-001-0516:

2. Of the funds appropriated by this act from the General Fund, special funds, or bond funds to the Department of Boating and Waterways for local assistance or capital outlay, upon approval of the Department of Finance, the department may allocate an amount not to exceed 1.5 percent of each project's allocation to provide for the department's costs to administer the projects.



**DEPARTMENT OF
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ARNOLD SCHWARZENEGGER, GOVERNOR

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APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Items 3720-001-0001 and 3720-001-0371, Support, and
Item 3720-101-0371, Local Assistance, California Coastal Commission**

**Coastal Marine Public Education Program Support—Fund Shift from the General Fund to
the California Beach and Coastal Enhancement Account**

It is requested that Item 3720-001-0001 be decreased by \$163,000 and Item 3720-001-0371 be increased by \$163,000 to reflect a fund shift from the General Fund to the California Beach and Coastal Enhancement Account (Whale Tail Fund) for the Coastal Marine Public Education Program to reflect the more appropriate funding source for program administration.

Coastal Marine Public Education Program Local Assistance

It is requested that Item 3720-101-0371 be increased by \$430,000 to provide grants to organizations that educate the public on conservation and wise use of coastal and ocean resources. Following discussions between the California Coastal Conservancy (Conservancy) and the California Coastal Commission (Commission), it was determined that the number of educational programs provided by the Commission significantly exceeded available funding. The Conservancy proposed to redirect \$300,000 from the California Coastal Conservancy's Public Access Program funding to the Commission to facilitate this effort.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN

Director

By:

for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: On following page

APR 1 2004

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Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Don Wallace, Assistance Secretary-Fiscal, Resources Agency
Mr. Paul Thayer, Executive Director, State Lands Commission
Mr. Dave Brown, Chief of Administration, State Lands Commission



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APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Items 3760-001-0565, 3760-001-6029, and 3760-001-6031,
Support, and Items 3760-301-0005, 3760-301-0371, 3760-301-6029, and 3760-301-6031,
Capital Outlay, State Coastal Conservancy**

Accounting and Audit Support—Proposition 40 and 50

It is requested that Item 3760-001-6029 be increased by \$70,000 and Item 3760-001-6031 be increased by \$70,000 for 2.0 positions to provide accounting and auditing support and that Item 3760-001-0565 be amended to reflect the changes. These positions will allow the Conservancy to prepare the numerous reports necessary for internal audits and work with the Department of Finance on mandatory grant audits.

Office Move and Rent Increase

It is requested that Item 3760-001-0565 be increased by \$260,000 to allow the Conservancy to move its Headquarters office to a larger available space within their existing leased building in Oakland. Of this amount, \$160,000 would be used for increased rent associated with an increased rate and additional square footage. The balance of \$100,000 would be used for one-time moving costs. The Conservancy currently occupies 13,100 square feet of leased space. Although reductions over the past two years have reduced staff, current staffing needs justify 15,800 square feet.

Public Access Program

It is requested that Item 3760-301-0371 be decreased by \$300,000 from the California Beach and Coastal Enhancement Account. Following discussions between the Conservancy and the California Coastal Commission, it was determined that the number of educational programs provided by the Commission significantly exceeded available funding. The Conservancy is proposing this reduction to facilitate this effort. A complimentary request will increase funding at the California Coastal Commission for its Coastal Education Program.

Conservancy Programs— Proposition 40

It is requested that Item 3760-301-6029 be increased by \$20.0 million from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Proposition 40) to pursue acquisition and development projects. As in previous budgets, suggested Budget Bill language will allow the use of these funds for either capital outlay projects or local assistance grants through June 30, 2007.

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San Francisco Bay Conservancy Program—Proposition 40

It is requested that Item 3760-301-6029 be increased by \$6.4 million from Proposition 40 for projects funded through the San Francisco Bay Conservancy Program. As in previous budgets, suggested Budget Bill language will allow the use of these funds for either capital outlay projects or local assistance grants through June 30, 2007.

Watershed Programs—Proposition 50

It is requested that Item 3760-301-6031 be increased by \$32.2 million from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Proposition 50) for the acquisition, protection and restoration of coastal watersheds. As in previous budgets, suggested Budget Bill language will allow the use of these funds for either capital outlay projects or local assistance grants through June 30, 2007.

Central Coast Projects and the California Coastal Trail—Proposition 12

It is requested that Item 3760-301-0005 be increased in the amount of \$10.0 million from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Proposition 12) for coastal projects in Santa Cruz, Monterey, San Luis Obispo and Santa Barbara counties. Of this amount, \$3.5 million would be dedicated to development of the California Coastal Trail. As in previous budgets, suggested Budget Bill language will allow the use of these funds for either capital outlay projects or local assistance grants through June 30, 2007.

The effect of my requested action is reflected on the attachments.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN

Director

By:



for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Mike Chrisman, Secretary, Resources Agency
Mr. Don Wallace, Assistant Secretary, Resources Agency
Mr. William Ahern, Executive Director, State Coastal Conservancy
Mr. Neal Fishman, Program Manager, State Coastal Conservancy

APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Items 3790-001-0001, 3790-001-6029, and 3790-001-6031, and Reimbursements, Support, and Addition of Items 3790-101-6029, Local Assistance, and 3790-490, Reappropriation, Department of Parks and Recreation

2003 Disaster Relief for the San Simeon Earthquake and San Diego Fires—Proposition 40

It is requested that Item 3790-001-6029 be increased by \$6,791,000 to rebuild facilities and repair damages associated with the Southern California Fires and San Simeon Earthquake of 2003. These funds will be used as a 3:1 match for federal disaster relief funds provided by the Federal Emergency Management Agency (FEMA) through the Office of Emergency Services (OES). Reimbursements will be increased by \$20,373,000 to receive these funds and Item 3790-001-0001 be amended to reflect these changes.

These recent disasters caused severe damage to a number of parks, including destruction of 30,000 acres of woodlands, camping facilities, picnic sites, comfort stations, and kiosk entrance stations. Cuyamaca Rancho State Park and Silverwood Lake Recreational Area remain closed due to damage to several historic structures, state offices and employee housing. Hearst San Simeon State Historical Monument (Hearst Castle), La Purisima State Historic Park, Pismo State Beach and Morro Bay State Park suffered significant damage in the San Simeon Earthquake in December 2003.

Bond Administration—Proposition 40 and 50

It is requested that Item 3790-001-6029 be increased by \$1.5 million, Item 3790-001-6031 be increased by \$68,000 and Item 3790-001-0001 be amended to reflect these changes to fund 4.5 audit and accounting positions, develop the Proposition 50 public website and complete natural resource stewardship projects. Department of Parks and Recreation (Parks) currently has responsibility for tracking Proposition 40 projects and operating a related website. The Resources Agency has requested Parks also design the public website for Proposition 50. This proposal would shift \$68,000 from the Resources Agency to Parks for design and implementation work through 2008-09.

In addition, Proposition 40 states that specific priority is to be given to restoration projects, including natural resource stewardship projects that promote the long term health of parks, such as revegetation, controlling the spread of non-native plants, and restoring wildlife habitat. Emphasis will be given to stabilizing dunes, bluffs, and other areas where excessive erosion threaten natural features of parks and must be controlled.

APR 1 2004

-2-

Joint Communications Services between Parks and the Department of Fish and Game

It is requested that Reimbursements be increased by \$417,000 and Item 3790-001-0001 be amended to reflect this change and that 7.0 positions be transferred from the Department of Fish and Game (DFG) to Parks' Central Communications Center (CENCOM) for emergency communications and dispatch. Parks currently provides limited communications and dispatch services to DFG. This proposal would allow DFG to gain 24-hour communications coverage within existing resources. These shared efficiencies will help ensure warden safety and timely responses to oil spills.

Local Assistance Programs—Proposition 40

It is requested that Item 3790-101-6029 be added in the amount of \$78,413,000 to provide funding for various grant programs as identified in the Prop 40 appropriation plan, including the Roberti-Z'berg-Harris Grant Program, the State Urban Park and Healthy Communities Act, and the California Youth Soccer and Recreational Development Program. These are existing grant programs that will not result in additional support costs beyond the baseline appropriation. Suggested Budget Bill language is attached (see Attachment 1).

Extension of Liquidation Period for Local Assistance Grants—Proposition 40

It is requested that Item 3790-490 be established to reappropriate \$172.9 million from Item 3790-101-6029, Budget Act of 2002, for the purposes of extending the liquidation period for this item to June 30, 2010. The 2002 Budget Act appropriated funding for the Urban Park Grant Program and the Murray-Hayden Competitive Grants Program. Proposition 40 allows these grant programs to have extended liquidation periods, which must be specified in the budget act pursuant to Public Resources Code Section 5096.624(d). This extension is in accordance with past bond appropriation practices approved by the Legislature and the performance period that has been included as part of the grant contracts. Suggested Budget Bill language is attached (see Attachment 1).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at (916) 324-0043.

DONNA ARDUIN

Director

By:



for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: On following page

APR 1 2004

-3-

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Mike Chrisman, Secretary, Resources Agency
Mr. Don Wallace, Assistant Secretary, Resources Agency
Ms. Ruth Coleman, Director, Department of Parks and Recreation
Ms. Rebecca Brown, Budget Officer, Department of Parks and Recreation

Add the following Budget Bill Items:

3790-101-6029—*For local assistance, Department of Parks and Recreation, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Fund, to be available for expenditure through fiscal year 2006-07.....*78,413,000

Schedule:

(1) **80.25-Recreational Grants.....**78,413,000

(1) *Roberti-Z'Berg-Harris.....*(31,739,000)

(2) *California Youth Soccer and Rec. Dev. Program.....*(23,337,000)

(3) *State Urban Parks and Healthy Communities Act...* (23,337,000)

Provisions:

1. *Disbursements in liquidation of encumbrance shall be made before or during five years following the last day the appropriation is available for encumbrance.*

3790-490—*Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2010.*

6029—*California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Fund*

(1) *Item 3790-101-6029(1)(a), Budget Act of 2002 (Ch. 379, Stats. 2002), Urban Park Grants*

(2) *Item 3790-101-6029(1)(b), Budget Act of 2002 (Ch. 379, Stats. 2002), Murray-Hayden Competitive Grants*



**DEPARTMENT OF
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OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Items 3790-301-0005, 3790-301-6029 and Reimbursements,
Capital Outlay, Department of Parks and Recreation**

It is requested that Item 3790-301-0005 (Proposition 12 Bonds) be increased by \$20,128,000 and Reimbursements by \$287,000 to reflect the addition of the following bond funded projects that were deferred until the spring to allow the administration additional time to re-examine various bond expenditure plans:

1. Increase by a total of \$1,233,000 for Working Drawings (\$187,000) and Construction (\$1,046,000) for the Malibu State Park: Restore Sepulveda Adobe project.
2. Increase by a total of \$1,667,000 for Construction (\$1,665,000) and Equipment (\$2,000), for the Chino Hills State Park: Visitor Center project.
3. Increase by \$4,536,000 for Construction, for the Crystal Cove State Park: El Morro Mobile home Park Conversion Project. This increase includes \$287,000 in reimbursements.
4. Increase by \$345,000 for the Statewide: Volunteer Enhancement Program—Minor projects.
5. Increase by \$150,000 for the Statewide: Budget Development—Study program
6. Increase by 12,484,000 for Construction, for the Angel Island State Park: Immigration Station Area Restoration project.

It is requested that Item 3790-301-6029 (Proposition 40 Bonds) be increased by \$26,578,000 and Reimbursements \$8,541,000 to reflect the addition of the following bond funded projects that were deferred until the spring to allow the administration additional time to re-examine various bond expenditure plans:

1. Increase by a total of \$11,626,000 for Working Drawings (\$483,000) and Construction (\$11,143,000), for the Railroad Technology Museum: Rehabilitate Facilities Plan. This increase also includes \$5.0 million in reimbursements.
2. Increase by \$404,000 for Preliminary Plans, for the Malibu Creek State Park: Rehabilitate Day use Facilities at Tapia project.
3. Increase by \$192,000 for Working Drawings, for the Chino Hills State Park: Entrance Road and Facilities project.

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4. Increase by \$1,054,000 for Construction, for the Chino Hills State Park: Coal Canyon Wildlife Corridor Restoration project.
5. Increase by a total of \$3,736,000 for Working Drawings (\$212,000), Construction (\$3,444,000), and Equipment (\$80,000), for the Huntington State Beach: Expand Lifeguard Headquarters and Training Facility project.
6. Increase by a total of \$574,000 for Preliminary Plans (\$236,000) and Working Drawings (\$338,000), for the Topanga State Park: Public Use Improvements project.
7. Increase by a total of \$1,121,000 for Construction (\$1,095,000) and Equipment (\$26,000), for the Doheny State Beach: New Lifeguard Headquarters project.
8. Increase by a total of \$824,000 for Construction (\$799,000) and Equipment (\$25,000), for the Lake Perris State Recreation Area: Replace Lifeguard Headquarters project.
9. Increase by \$2,647,000 for Statewide: Minor Projects.
10. Increase by \$521,000 for Preliminary Plans, for the Shasta State Historic Park: Southside Ruins Stabilization project.
11. Increase by \$1,939,000 for Construction, for the MacKerricher State Park: Rehabilitate Historic Pudding Creek Trestle project.
12. Increase by a total of \$5,927,000 for Working Drawings (\$971,000), Construction (\$4,856,000) and Equipment (\$100,000), for the Donner Memorial State Park: New Visitor Center/Museum project. This increase also includes \$3,041,000 in reimbursements.
13. Increase by a total of \$3,653,000 for Working Drawings (\$245,000), Construction (\$3,309,000), and Equipment (\$99,000), for the Calaveras Big Trees State Park: New Visitor Center project. This increase also includes \$500,000 in reimbursements.
14. Increase by a total of \$901,000 for Study (\$355,000) and partial Construction (\$546,000), for the Plumas-Eureka State Park: Historic Stamp Mill Preservation project.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Michael Carter, Principal Program Budget Analyst, at 916-947-4807.

DONNA ARDUIN

Director

By:



MICHAEL C. GENEST

Chief Deputy Director

Attachment

cc: On following page

APR 1 2004

-3-

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Don Wallace, Assistant Secretary-Fiscal, Resources Agency
Ms. Ruth Coleman, Director, Department of Parks and Recreation
Ms. Becky Brown, Budget Officer, Department of Parks and Recreation



**DEPARTMENT OF
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OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Addition of Budget Bill Items 3825-301-6029 and 3825-301-6031, Capital Outlay, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy

It is requested that Item 3825-301-6029 be added in the amount of \$6.2 million and Item 3825-301-6031 be added in the amount of \$6.2 million to provide funding for capital outlay and local assistance grants consistent with the Proposition 40 and 50 appropriation plans and the master plan of the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (Conservancy). The Conservancy will use these appropriations for acquisition and development of parkway and open space lands within the San Gabriel River watershed, the lower Los Angeles River watershed, and San Gabriel Mountains.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN
Director
By:

for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: On following page

APR 1 2004

-2-

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Mike Chrisman, Secretary, Resources Agency
Mr. Don Wallace, Assistant Secretary, Resources Agency
Ms. Belinda Faustinos, Executive Director, San Gabriel and Lower Los Angeles Rivers
and Mountains Conservancy

ATTACHMENT 1

Add the following Budget Bill Items:

3825-301-6029—*For capital outlay, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Fund.....6,200,000*

Provision(s):

- 1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance through fiscal year 2006-07.*

3825-301-6031—*For capital outlay, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund.....6,200,000*

Provision(s):

- 1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance through fiscal year 2006-07.*



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APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Addition of Budget Bill Item 3835-301-6029, Capital Outlay, Baldwin Hills Conservancy

It is requested that Item 3835-301-6029 be added in the amount of \$7,200,000 to provide funding for capital outlay and local assistance grants consistent with the Proposition 40 appropriation plans and the master plan of the Baldwin Hills Conservancy (Conservancy). The Conservancy will use this appropriation for acquisition, restoration and development of open space and public lands within the Baldwin Hills area of Culver City.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN
Director
By:

for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: On following page

APR 1 2004

-2-

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Mike Chrisman, Secretary, Resources Agency
Mr. Don Wallace, Assistant Secretary, Resources Agency
Mr. David McNeil, Executive Director, Baldwin Hills Conservancy
Ms. Rebecca Brown, Budget Officer, Department of Parks and Recreation

ATTACHMENT 1

Add the following Budget Bill Item:

3835-301-6029—*For capital outlay, Baldwin Hills Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Fund.....7,200,000*

Schedule:

(1) 20.00.000.000-Capital Outlay Acquisition and Improvement Program.....7,200,000

Provisions:

1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance through fiscal year 2006-07.



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APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Addition of Budget Bill Items 3850-301-0005 and 3850-301-6029, Capital Outlay, Coachella Valley Mountains Conservancy

It is requested that Item 3850-301-0005 be added in the amount of \$686,000 and Item 3850-301-6029 be added in the amount of \$2,871,000 to provide funding for capital outlay and local assistance grants consistent with the Proposition 12 and 40 appropriation plans and the master plan of the Coachella Valley Mountains Conservancy (Conservancy). The Conservancy will use these appropriations for acquisition, protection and development of lands within the Coachella Valley, as well as the mountains surrounding the region.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN

Director

By:

for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: On following page

APR 1 2004

-2-

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Mike Chrisman, Secretary, Resources Agency
Mr. Don Wallace, Assistant Secretary, Resources Agency
Mr. William Havert, Executive Director, Coachella Valley Mountains Conservancy
Ms. Rebecca Brown, Budget Officer, Department of Parks and Recreation

ATTACHMENT 1

Add the following Budget Bill Items:

3850-301-0005—For capital outlay, Coachella Valley Mountains Conservancy, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....689,000

Schedule:

(1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs689,000

Provisions:

1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance through fiscal year 2006-07.

3850-301-6029—For capital outlay, Coachella Valley Mountains Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Fund.....2,871,000

Schedule:

(1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs.....2,871,000

Provisions:

1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance through fiscal year 2006-07.



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Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to and Addition of Various Budget Bill Items, Support, Local Assistance, and
Capital Outlay, Department of Water Resources**

Proposition 13 Proposals

It is requested that Item 3860-001-6001 be increased by \$248,000, Item 3860-001-6011 be added in the amount of \$4,750,000, and that Item 3860-001-0001 be amended to reflect this change. It is also requested that Item 3860-101-6006 be added in the amount of \$3,742,000, Item 3860-101-6010 be added in the amount of \$16,855,000, and Item 3860-101-6025 be added in the amount of \$77,336,000. This request will provide additional Proposition 13 funding for the following programs:

- Groundwater Storage Grant Program: \$77,336,000
- Yuba-Feather Flood Protection Program: \$16,855,000
- Arroyo Pasajero Flood Control Program: \$4,750,000
- Flood Control Subventions: \$3,742,000
- Proposition 13 Fiscal Coordination: \$248,000

Proposition 204—Local Water Projects

It is requested that Item 3860-101-0543 be added in the amount of \$3,289,000 for local water projects. Proposition 204, approved by the voters in 1996, provides \$25.0 million for local projects. Eligible projects include conveyance facilities, pumping facilities, groundwater projects, fish and wildlife mitigation or enhancement projects, and feasibility studies for dams and reservoirs. This request will provide additional funding for these water projects.

CALFED Bay-Delta Program

It is requested that Item 3860-001-6026 be increased by \$9,901,000, Item 3860-001-6031 be increased by \$1,250,000, Item 3860-001-0001 be amended to reflect this change, and that Item 3860-101-6031 be added in the amount of \$19.0 million. This request will provide additional bond funding for the following CALFED programs:

- Conveyance Program—Delta Cross Channel: \$8,800,000 (Proposition 13)
- Conveyance Program—Clifton Court Fish Screens: \$1,101,000 (Proposition 13)
- Ecosystem Restoration Program: \$1,000,000 (Proposition 50)
- Watershed Grant Program: \$19,250,000 (Proposition 50)

(See Attachment A for suggested Budget Bill language.)

Bond Funding for Water Supply and Conservation Projects

It is requested that Item 3860-001-6026 be increased by \$15,404,000, Item 3860-001-6031 be increased by \$50,101,000, and that Item 3860-001-0001 be amended to reflect this change. It is also requested that Item 3860-101-0744 be added in the amount of \$1.6 million, Item 3860-101-0790 be added in the amount of \$8,974,000, Item 3860-101-6023 be added in the amount of \$26,282,000, and Item 3860-101-6031 be added in the amount of \$23,517,000. This request will provide additional bond funding for the following programs:

- CALFED Environmental Water Account: \$31,768,000 (Proposition 50)
- CALFED Levee Program: \$19,873,000 (Proposition 50)
- CALFED Storage Program: \$13,639,000 (Proposition 50)
- Drought Panel Recommendations: \$6,400,000 (Proposition 50)
- CALFED Conveyance Program: \$15,404,000 (Proposition 13)
- Water Conservation Projects: \$36,856,000 (Propositions 13, 44, and 81)
- Other Water Projects: \$1,938,000 (Proposition 50)

Reappropriation of Bond Funds

It is requested that Item 3860-491 be added to reappropriate the following appropriations from the Budget Act of 2003:

- Item 3860-101-0544: \$2,240,000 (Proposition 204)
- Item 3860-101-6007: \$4,575,000 (Reimbursements)
- Item 3860-001-6026: \$7,060,000 (Proposition 13)
- Item 3860-001-6031: \$130,034,000 (Proposition 50)
- Item 3860-101-6031: \$81,230,000 (Proposition 50)

Propositions 204, 13, and 50 bond funds provide significant funding for various water projects. Bond funds appropriated in the 2003 Budget Act will not be committed to specific projects by the end of the current fiscal year due to various delays, such as the development of program guidelines for Proposition 50 grants. This request will provide additional time to commit funds to these projects (see Attachment B).

Extension of Liquidation Period

It is requested that Item 3860-492 be added to extend the liquidation period for the following appropriations:

- Item 3860-001-0001, Budget Act of 2001
- Item 3860-301-0001, Budget Act of 1999
- Item 3860-101-0543, Budget Act of 2001
- Item 3860-101-0544, Budget Act of 2001
- Item 3860-001-6003, Budget Act of 2000
- Item 3860-101-6007, Budget Act of 2001
- Item 3860-101-6010, Budget Act of 2001
- Item 3860-001-6023, Budget Act of 2001
- Item 3860-101-6023, Budget Act of 2001
- Item 3860-101-6025, Budget Act of 2001
- Item 3860-001-6026, Budget Act of 2001
- Item 3860-101-6027, Budget Act of 2001

A number of projects funded from the General Fund, Proposition 204, and Proposition 13 will not be complete until after the liquidation period has expired. These projects have been delayed for a variety of reasons, such as delays in obtaining environmental permits. This request will provide additional time to complete the projects (see Attachment C).

Capital Outlay Reappropriations—Flood Control Projects

It is requested that Item 3860-490 be added to reappropriate funding for the following projects:

- | | |
|---|------------------------------|
| • Sacramento Riverbank Protection Project: | \$900,000 (General Fund) |
| • Merced County Streams, Castle Dam Unit: | \$30,000 (General Fund) |
| • Lower Sacramento Area Levee Reconstruction Project: | \$50,000 (General Fund) |
| • Tehama Section 205 Flood Control Project: | \$750,000 (General Fund) |
| | \$682,000 (Reimbursements) |
| • Folsom Dam Modifications Project | \$15,400,000 (General Fund) |
| | \$7,350,000 (Reimbursements) |

(See Attachment D)

State Maintenance Areas

It is requested that Item 3860-001-0001 be amended to increase Reimbursements by \$321,000 to maintain flood control levees for local agencies. Existing law requires the Department of Water Resources (DWR) to assume responsibility for the maintenance of levees outside the Central Valley at the request of local agencies. San Luis Obispo County recently passed a resolution to transfer their flood control maintenance responsibilities to the State. This request will provide additional Reimbursement authority to collect payments from local counties for levee maintenance services.

Trailer bill language is also requested to reduce the State's liability risks. The bill will give DWR discretion as to whether or not to form a maintenance area outside the Central Valley and authorize the department to fully recover all costs related to establishing a new state maintenance area, including the cost of liability insurance, legal fees, and judgments, through local county assessments.

Watermaster Services

It is requested that Item 3860-001-0001 be amended to increase Reimbursements by \$1,562,000 to fully fund the Watermaster Program from user fees. The Watermaster Services Program allocates water to users based on legal water rights established by court orders. Existing law specifies that the Watermaster Program be funded 50 percent by the State and 50 percent through fees from landowners receiving Watermaster services. The Governor's Budget proposes to eliminate \$713,000 General Fund for the program. To backfill this reduction, this proposal will fully fund the Watermaster program from fees. The request includes trailer bill language to make the necessary statutory changes.

Dam Safety Program

It is requested that Item 3860-001-3057 be increased by \$431,000 and that Item 3860-001-0001 be amended to reflect this change. The Dam Safety Program inspects and evaluates the structural integrity of dams throughout the state. This request would backfill recent General Fund budget reductions with funding from the Dam Safety Fund.

Williams Settlement

It is requested that Item 3860-001-0001 be amended to increase Reimbursements by \$489,000 for costs associated with the Williams Settlement. In 2002, a number of energy companies entered into legal settlements with the Attorney General to avoid litigation for alleged electricity market wrongdoings. The Williams agreement identified a number of specific projects to be funded with settlement funds, including \$19.9 million for the installation of power generation units. DWR has been involved in the development of two projects located in San Francisco and Kings River that were funded from Williams Settlement funds. This request would authorize DWR to be reimbursed for development costs incurred for these projects.

Salton Sea Restoration Studies

It is requested that Item 3860-001-0001 be amended to increase Reimbursements by \$7.2 million for habitat restoration studies for the Salton Sea. The Colorado River Quantification Settlement Agreement provides for a water transfer to San Diego that will result in less agricultural drainage into the Salton Sea, which could threaten wildlife habitat. Proposition 50 provides \$50.0 million to the Wildlife Conservation Board (WCB) to address the environmental issues related to the Salton Sea. The WCB and DWR entered into an interagency agreement to transfer these funds to DWR for Salton Sea restoration studies.

APR 1 2004

-5-

Flood Protection Corridor Program—Technical Correction

It is requested that Item 3860-001-6005 be increased by \$222,000, Item 3860-001-0001 be amended to reflect this change, and that Item 3860-495 be added to revert \$1,080,000 from Item 3860-101-6005, Budget Act of 2003. The 2003 Budget Act inadvertently over allocated the Flood Protection Corridor Program by \$1,080,000. This request will make a technical correction to restore DWR's administrative support budget to its original funding level and revert excess 2003-04 funding to ensure that the Proposition 13 Flood Protection Corridor Subaccount will not be oversubscribed (see Attachment E).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN

Director

By:



for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Honorable Mike Chrisman, Secretary, Resources Agency
Mr. Don Wallace, Assistant Secretary, Resources Agency
Mr. Lester Snow, Director, Department of Water Resources
Ms. Marilyn Evans-Jones, Acting Chief, Budget Office, Department of Water Resources

APR 1 2004

Attachment A

Add the following Budget Bill language to Item 3860-101-6031:

3860-101-6031—For local assistance, Department of Water Resources, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....42,517,000

Provisions:

1. Of the amount appropriated in this item, \$19,000,000 shall be provided for the CALFED Watershed Program and shall be available for liquidation through June 30, 2008.

APR 1 2004

Attachment B

Item 3860-491—Reappropriation, Department of Water Resources. The balance of the appropriations provided in the following citations are reappropriated for purposes provided for in that appropriation and shall be available for expenditure until June 30, 2006:

0544-Sacramento Valley Water Management and Habitat Protection Subaccount

Item 3860-101-0544, Budget Act of 2003 (Ch. 157, Stats. 2003)

6007-Urban Stream Restoration Subaccount

Item 3860-101-6007, Budget Act of 2003 (Ch. 157, Stats. 2003)

6026-Bay-Delta Multipurpose Water Management Subaccount

Item 3860-001-6026, Budget Act of 2003 (Ch. 157, Stats. 2003); (\$7,060,000) for purposes of the CALFED Conveyance and Science Programs.

6031-Water Security, Clean Drinking Water, Coastal and Beach Protection Fund

Item 3860-001-6031, Budget Act of 2003 (Ch. 157, Stats. 2003) for the following purposes:

CALFED Storage: \$10,744,000

CALFED Conveyance: \$100,000

Water Supply Reliability: \$72,360,000

CALFED Water Use Efficiency: \$34,240,000

Pilot Projects: \$11,450,000

CALFED Watershed Management: \$1,000,000

CALFED Ecosystem: \$140,000

Item 3860-101-6031, Budget Act of 2003 (Ch. 157, Stats. 2003) for the following purposes:

Drought Panel Program: \$6,400,000

Desalination Program: \$25,000,000

Integrated Water Management: \$49,830,000

APR 1 2004

Attachment C

3860-492—Extension of liquidation period, Department of Water Resources. Notwithstanding any other provision of law, funds appropriated in the following citations shall be available for liquidation until June 30, 2006:

0001-General Fund

Item 3860-001-0001, Budget Act of 2001 (Ch. 106, Stats. 2001); (\$50,000) for purposes of Northern California Water Management activities.

Item 3860-301-0001, Budget Act of 1999 (Ch. 50, Stats. 1999)

(4) 30.95.205-Sutter County Bridge Replacement

0543-Local Projects Subaccount

Item 3860-101-0543, Budget Act of 2001 (Ch. 106, Stats. 2001)

0544-Sacramento Valley Water Management and Habitat Protection Subaccount

Item 3860-101-0544, Budget Act of 2001 (Ch. 106, Stats. 2001)

6003-Floodplain Mapping Subaccount

Item 3860-001-6003, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3860-491, Budget Act of 2001 (Ch. 106, Stats. 2001)

6007-Urban Stream Restoration Subaccount

Item 3860-101-6007, Budget Act of 2001 (Ch. 106, Stats. 2001)

6010-Yuba Feather Flood Protection Subaccount

Item 3860-101-6010, Budget Act of 2001 (Ch. 106, Stats. 2001)

6023-Water Conservation Account

Item 3860-001-6023, Budget Act of 2001 (Ch. 106, Stats. 2001)

Item 3860-101-6023, Budget Act of 2001 (Ch. 106, Stats. 2001)

6025-Conjunctive Use Subaccount

Item 3860-101-6025, Budget Act of 2001 (Ch. 106, Stats. 2001)

6026-Bay-Delta Multipurpose Water Management Subaccount

Item 3860-001-6026, Budget Act of 2001 (Ch. 106, Stats. 2001)

6027-Interim Water Supply and Water Quality Infrastructure and Management Subaccount

Item 3860-101-6027, Budget Act of 2001 (Ch. 106, Stats. 2001)

APR 1 2004

Attachment D

Item 3860-490—Reappropriation, Department of Water Resources. The balance of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations:

0001—General Fund

Item 3860-301-0001, Budget Act of 2001 (Ch. 106, Stats. 2001)

(1) 30.95.010-Sacramento Riverbank Protection Project

(1.5) 30.95.030.201-Merced County Streams, Castle Dam Unit—Construction

(2.5) 30.95.215.201-Lower Sacramento Area Levee Reconstruction Project

(4.5) 30.95.295.201-Tehama Section 205 Flood Control Project—Construction

(11) 30.95.311-Folsom Dam Modifications Project

APR 1 2004

Attachment E

3860-495—Reversion, Department of Water Resources. As of June 30, 2004, the sum of \$1,080,000 from Item 3860-101-6005, Budget Act of 2003 (Ch. 157, Stats. 2003), shall revert to the Flood Protection Corridor Subaccount.



**DEPARTMENT OF
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APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Items 3870-001-0001 and 3870-001-6031, and Addition of
Item 3870-490, Support, California Bay-Delta Authority**

Propositions 50 and 204 Reappropriation

It is requested that Item 3870-490 be added to reappropriate the following appropriations from the 2003 Budget Act:

- Item 3870-001-0546—CALFED Ecosystem Restoration Program
- Item 3870-001-6031—CALFED Science and Conveyance Programs

Proposition 50 and Proposition 204 bond funds provide significant funding for various CALFED programs. Bond funds appropriated in the 2003 Budget Act will not be committed to specific projects by the end of the current fiscal year due to various delays, such as extensive negotiations for an ecosystem restoration acquisition project. This request will provide additional time to commit funds to these projects.
(See Attachment A)

CALFED Proposition 50 Funding

It is requested that Item 3870-001-6031 be increased by \$21,736,000 and that Item 3870-001-0001 be amended to reflect this change. This request will provide additional Proposition 50 funding for the following CALFED programs:

- Science: \$12,768,000
- Ecosystem: \$5,217,000
- Watershed: \$3,751,000

(See Attachment B for suggested Budget Bill language.)

The effect of my requested action is reflected on the attachment.

APR 1 2004

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If you have any questions or need additional information regarding this matter, please call Patrick Kemp, Principal Program Budget Analyst, at 324-0043.

DONNA ARDUIN

Director

By:



for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Byron D. Sher, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Fran Pavley, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Mr. Patrick Wright, Executive Director, California Bay-Delta Authority
Ms. Wendy Halverson-Martin, Chief Deputy Director, California Bay-Delta Authority
Ms. Kate Hansel, Assistant Director, Policy and Finance, California Bay-Delta Authority
Ms. Millie Simmons, Budget Analyst, California Bay-Delta Authority

Attachment A

Item 3870-490—Reappropriation, California Bay-Delta Authority. The balance of the appropriations provided in the following citations are reappropriated for purposes provided in that appropriation and shall be available for expenditure until June 30, 2006:

0546-Bay-Delta Ecosystem Restoration Account

(1) Item 3870-001-0546, Budget Act of 2003 (Ch. 157, Stats. 2003)

6031-Water Security, Clean Drinking Water, Coastal and Beach Protection Fund

(1) Item 3860-001-6031, Budget Act of 2003 (Ch. 157, Stats. 2003); \$12,593,000 for purposes of the CALFED Science and Conveyance Programs.

Attachment B

Add the following Budget Bill language to Item 3870-001-6031:

Provisions:

- 1. The funds appropriated in this item shall be available for expenditure until June 30, 2006.**