

Department of Water Resources—LAO Recommended Proposition 84/1E Flood Management Alternative

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(In Thousands)

| Page | Item | Proposal | Governor | Senate | Assembly | LAO | Comment on LAO Alternative |
|------|---|--|--|-----------------------------|------------------------|--|--|
| 155 | 3860-001-6051 and 6052 (Proposition 84 and 1E bond funds) | Flood Management (state operations) | \$87,800 Note: includes \$5,000 of continuously appropriated Proposition 84 bond funds | — (shift to policy bill) | AAB | AAB + TBL ^a | TBL/BBL working group to evaluate legislation proposed by (S) and various TBL/BBL proposed by (A). Recommend (A) funding level as this supports ongoing programs that have existing legislative direction. |
| 156 | 3860-001-6052 (Proposition 1E bond funds) | Flood Management (state operations)— Central Valley Flood Management Plan | \$9,500 Note: includes \$2,000 of continuously appropriated Proposition 84 bond funds | (not heard) | AAB | (S) | Recommend (S) funding level as workload to support Governor's proposed augmentation has not been justified. |
| 155 | 3860-101-6051 and 6052 (Proposition 84 and 1E bond funds) | Flood Management (local assistance) | \$371,759 Note: includes \$28,500 of continuously appropriated Proposition 84 bond funds | (shift to policy bill) | \$471,759 +TBL +BBL | AAB +TBL ^a +BBL ^a | TBL/BBL working group Recommend Governor's funding level as this supports ongoing programs that have existing legislative policy direction. |
| | | Totals | \$469,059 | _ | \$569,059 | \$459,559 | |

a LAO recommends a conference TBL and BBL working group to harmonize various language and legislation proposed by both (S) and (A) in a consolidated, comprehensive manner to provide legislative policy direction for flood appropriations.

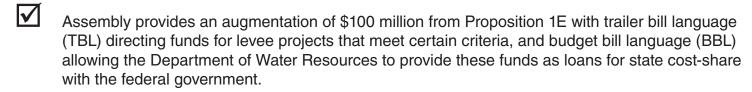


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Major Issues in Conference:



Senate rejects all Proposition 1E and Proposition 84 bond funded proposals and moves funding of these to a policy bill (potentially SBX2 1, Perata).

Recommend a Working Group Consider the Following BBL and TBL:

- As with the Senate, provide parameters for the department to move forward with local assistance and capital outlay, but with TBL providing:
 - Legislative direction on project funding eligibility and
 - Other policy direction, including regarding actions to reduce the state's liability in light of the *Paterno* decision, and the Legislature's priority for such actions.
- As with the Assembly, provide parameters for expenditure of funds that have multiple benefits, including benefits for flood control, improving the stability of the Delta levee system, and reducing land subsidence.