



Items 0690-001-0001, 0690-011-0214, 3540-001-0001, 3540-001-1014, 3540-001-3063, 8940-001-0001, and 8940-001-0217, Funding Wildland Fire Protection: Insurance Surcharge and SRA Fee Proposals

June 12, 2008
Page 1

(In Thousands)

Page	Proposal	Governor	Senate	Assembly	LAO Recommendation/Reason
I. Revenue Streams for Governor's Proposed Emergency Response Account					
128	New Surcharge on Insurance Policies	\$77,953 SF	Reject	AAB	(S) Direct beneficiaries of fire protection should pay a portion of the costs, rather than the population as a whole.
32	Loan from Restitution Fund to Emergency Response Account	30,000 loan	Reject	AAB	(S) Unnecessary if the surcharge proposal is not enacted.
II. Uses of Funds From Governor's Proposed Emergency Response Account					
(a) Shift Funding for Existing GF Activities:					
128	CalFire	-\$49,090 GF 49,090 SF	AAB ^a Reject	AAB AAB	(A)+\$49,090 GF (A) - 49,090 SF Use SRA fee instead to achieve GF savings —see III below.
25	OES	-1,890 GF 1,890 SF	Reject Reject	AAB AAB	(S) (S) Insurance surcharge is an inappropriate fund source.
411	Military Department (2009-10)	9,192 SF	Reject	AAB	(S) Defer decision until 2009-10.
(b) Program Expansions					
128	CalFire	\$28,863 SF	Reject	AAB	(S) Additional positions not cost effective.
25	OES	480 SF	Reject	AAB	(S) Costs already paid from existing resources.
412	Military Department	1,335 GF	618 GF	1171 SF	(S) GF is appropriate fund source.
(c) Support for Wildland Firefighting Emergency Response Initiative					
129	CalFire	\$929 SF	Reject	AAB	(S) Unnecessary if expansions are not approved.
25	OES	1,300 SF	Reject	AAB	(S) Unnecessary if the surcharge is not enacted.
III. State Responsibility Area Fire Protection Fund					
129	Shift Funding for Existing GF Activities to New Fee	No Proposal	No Proposal	-\$125,000 GF 125,000 SF	(A) (A) Direct beneficiaries should pay a portion of the cost of these services.

^a The Senate approved a \$49 million GF reduction to CalFire's budget, with no alternative fund source identified to backfill the reduction.