

March 7, 2013

# Overview of 2013-14 Governor's Budget for Resources

LEGISLATIVE ANALYST'S OFFICE

Presented to:  
Senate Budget Subcommittee No. 2  
On Resources and Environmental Protection  
Hon. Jim Beall, Chair





## Governor's 2013-14 Budget Proposal

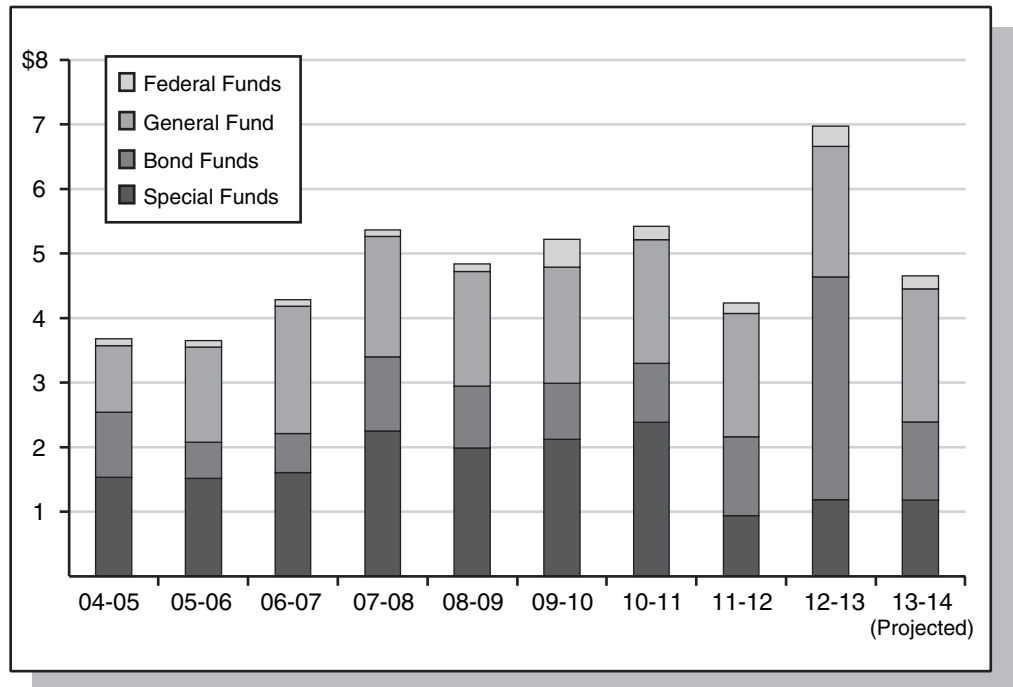
---

- ☑ ***Total Spending Down by 33 Percent.*** The Governor's budget proposes a total of \$4.7 billion in expenditures from various fund sources—the General Fund, various special funds, bond funds, and federal funds—for programs administered by the Natural Resources Agency. This level is a decrease of \$2.3 billion, or 33 percent, below estimated expenditures for the current year. The proposed reduction is almost entirely from bond funds.
  
- ☑ ***Multiple Funding Sources; General Funds Predominate.*** The largest amount of state funding for resources programs in the budget year—\$2.1 billion (or 44 percent)—would come from the General Fund. This reflects a slight increase of \$41 million, or 2 percent, when compared to estimated General Fund expenditures in the current year. The two largest sources of General Fund expenditures are (1) debt-service costs for resources bonds (\$997 million) and (2) expenditures in the Department of Forestry and Fire Protection (CalFire) (\$679 million).
  
- ☑ ***General Fund Spending Growing Slowly.*** The General Fund increase of \$41 million reflects both spending increases and decreases. On the increase side, the budget proposes to add \$105 million to pay for resources-related bond debt-service costs, an increase of 12 percent above current-year estimated expenditures. The budget also proposes an increase of \$28 million for emergency fire suppression and an increase of \$17 million for the Wildlife Conservation Board to meet a portion of the funding requirements of Proposition 117. On the decrease side, the budget includes a General Fund reduction of \$94 million for various activities related to protecting Californians from fires.



## Resources Expenditures

*(In Billions)*





## Major Resources Budget Summary— Selected Funding Sources

*(Dollars in Millions)*

Department	Actual 2011-12	Estimated 2012-13	Proposed 2013-14	Change From 2012-13	
				Amount	Percent
<b>Water Resources</b>					
General Fund	\$89.6	\$98.6	\$97.4	-\$1.2	-1.2%
State Water Project funds	1,074.0	1,231.9	1,295.9	64.0	5.2
Bond funds	623.7	1,973.3	1,072.3	-901.0	-45.7
Electric Power Fund	5,177.5	1,007.4	973.9	-33.5	-3.3
Other funds	89.7	148.0	139.2	-8.8	-6.0
<b>Totals</b>	<b>\$7,054.6</b>	<b>\$4,459.2</b>	<b>\$3,578.7</b>	<b>-\$880.5</b>	<b>-19.7%</b>
<b>Forestry and Fire Protection (CalFire)</b>					
General Fund	\$651.0	\$772.3	\$678.7	-\$93.6	-12.1%
Other funds	383.5	468.6	580.3	111.7	23.8
<b>Totals</b>	<b>\$1,034.5</b>	<b>\$1,240.9</b>	<b>\$1,259.0</b>	<b>\$18.1</b>	<b>1.5%</b>
<b>Parks and Recreation</b>					
General Fund	\$121.2	\$110.6	\$114.6	\$4.0	3.6%
Parks and Recreation Fund	136.0	148.1	130.3	-17.9	-12.1
Bond funds	273.2	311.9	79.3	-232.6	-74.6
Other funds	146.1	267.8	252.1	-15.7	-5.8
<b>Totals</b>	<b>\$676.5</b>	<b>\$838.5</b>	<b>\$576.3</b>	<b>-\$62.2</b>	<b>-31.3%</b>
<b>Fish and Wildlife</b>					
General Fund	\$61.1	\$61.1	\$62.7	\$1.6	2.7%
Fish and Game Fund	97.7	113.1	110.1	-3.1	-2.7
Bond funds	28.2	99.2	20.2	-78.9	-79.6
Other funds	168.9	210.6	173.3	-37.3	-17.7
<b>Totals</b>	<b>\$356.0</b>	<b>\$483.9</b>	<b>\$366.3</b>	<b>-\$117.6</b>	<b>-24.3%</b>
<b>Resources Secretary</b>					
Bond Funds	\$97.2	\$66.4	—	-\$66.4	—
Other Funds	10.5	24.6	\$22.1	-2.5	-10.2%
<b>Totals</b>	<b>\$107.7</b>	<b>\$91.1</b>	<b>\$22.1</b>	<b>-\$68.9</b>	<b>-75.7%</b>



## Major Resources Proposals

---

- Integrated Regional Water Management (IRWM) Grant Funding.*** The Governor's budget for 2013-14 proposes \$480 million in bond funds (mostly Proposition 84) to the Department of Water Resources (DWR) for the IRWM program, which provides grant funding to local groups for projects that deliver multiple benefits, such as water supply and flood control.
- Flood Control Expenditures.*** The budget proposes \$236 million, mainly in Proposition 1E funds, to support state operations and capital outlay projects to improve the state's flood control system. Major expenditures include \$77 million for levee improvements near Yuba City and \$41 million for modifications to Folsom Dam.
- Proposition 117.*** The Governor's budget for 2013-14 proposes to increase General Fund spending by \$21 million to help meet the requirements for funding Propositions 117, which requires the state to provide \$30 million annually for 30 years to acquire, enhance, or restore specified types of lands for wildlife or open space.
- Perris Dam Remediation.*** In 2005, DWR lowered the water level at Lake Perris—which provides water and recreation opportunities to parts of urban Southern California—because of seismic concerns. The Governor's budget for 2013-14 proposes \$11.3 million in Proposition 84 funds to support a portion of the final design costs to remediate the dam and return the lake to its previous level. The total cost of the project is estimated to be about \$290 million of which the state share is \$90 million.
- Timber Harvest Regulation.*** The budget proposes an augmentation of \$6.6 million from the Timber Regulation and Forest Restoration Fund and 49.3 three-year limited term positions for timber harvest plan (THP) regulation. The proposed positions and funding would be allocated across the four departments responsible for reviewing THPs, as well as to the Natural Resources Agency.



## Major Resources Proposals

---

*(Continued)*



***State Responsibility Area (SRA) Fund Expenditures.*** The Governor's budget proposes \$11.2 million from the SRA Fire Fund to support 65.1 positions at CalFire that would perform fire severity, treatment, education, prevention, and planning activities and implement the provisions of Chapter 311, Statutes of 2012 (SB 1241, Kehoe) and \$513,000 to support six contracts with local agencies for fire prevention and protection activities. The budget also includes \$1.7 million from the SRA Fire Fund and permanent position authority for the ten positions initially provided in 2011-12 for the civil cost recovery program.