

**STEPHEN P. TEALE CONSOLIDATED DATA CENTER—Continued**

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**Resource Agency  
AIR RESOURCES BOARD**

Items 218-225 from the General  
Fund and four special funds

Budget p. 533

Requested 1976-77 .....	\$31,681,183
Estimated 1975-76.....	21,678,932
Actual 1974-75 .....	16,566,937
Requested increase \$10,002,251 (46.1 percent)	
Total recommended reduction .....	\$462,368

**1976-77 FUNDING BY ITEM AND SOURCE**

Item	Description	Fund	Amount
218	Air Resources Board	General	\$2,127,319
219	Air Resources Board	Motor Vehicle Account	11,161,725
		State Transportation	
220	Air Resources Board	Automotive Repair	1,003,800
221	Air Resources Board	Environmental Protection Program	2,200,000
222	Air Resources Board	Motor Vehicle Acct.	10,787,839
		State Transportation	
223	Air Resources Board	Air Pollution Control	62,500
224	Air Resources Board	General	2,300,000
225	Air Resources Board	Motor Vehicle Acct.	2,038,000
		State Transportation	
			\$31,681,183

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

*Analysis  
page*

1. Mandatory Vehicle Inspection Program (Item 222). Recommend legislation be enacted to transfer mandatory vehicle emission inspection program (Chapter 1154, Statutes of 1973) from the Bureau of Automotive Repair to the Air Resources Board. 389
2. *ARB and Local Air Pollution Control Districts. Reduce Item 218 by \$345,995.* Recommend deletion of funding for 14 positions in the enforcement component until board explains and justifies its objectives and policies for increasing board control over stationary source emissions and superseding certain responsibilities of air pollution control districts. 389
3. Program Budget. Recommend the ARB report to the Joint Legislative Budget Committee by July 1, 1976 on a plan to initiate a program budget for 1977-78. 391

4. *Testing Volatility and Composition of Gasoline. Reduce Item 219 by \$116,373.* 392  
Recommend (1) reduction to delete funds for a gasoline test team and equipment and (2) in place of the test team, the ARB determine the cost of contracting with the Department of Food and Agriculture for the testing.

#### GENERAL PROGRAM STATEMENT

The Air Resources Board (ARB) is responsible for achieving and maintaining satisfactory air quality in California. The board is composed of five part-time members appointed by the Governor. (For the past year only three have been appointed). They serve at his pleasure. The board's staff is under the direction of an executive officer. The administrative functions and most of the board's staff are located in Sacramento. Vehicle testing, vehicular emissions control and laboratory work are located at El Monte.

#### ANALYSIS AND RECOMMENDATIONS

##### Sources of funding

Total ARB expenditures for 1976-77 from all sources are estimated at \$41,632,542 including \$39,660,183 from the state, \$1,217,359 in federal funds and \$755,000 in reimbursements. Of the state total (\$39,660,183), \$31,681,183 is appropriated by these budget items and \$7,979,000 is reappropriated. The reappropriation is a loan from the Motor Vehicle Account, State Transportation Fund made last year for the mandatory vehicle emission inspection program and appears in Section 10.06(rr) of the 1976 Budget Bill.

The General Fund supports expenditures for pollution control not directly related to vehicles. This includes expenditures for general support of the ARB (Item 218, \$2,127,319) and subventions to air pollution control districts (Item 224, \$2,300,000).

The Motor Vehicle Account, State Transportation Fund supports program for vehicular emissions control (Item 219, \$11,161,725), and subventions to air pollution control districts (Item 225, \$2,038,000). The Motor Vehicle Account also funds a loan, (Item 222, \$10,787,839) for the mandatory vehicle emission inspection program and the reappropriation of \$7,979,000 from the current year. The loans are made to the ARB but the funds are used by the Bureau of Automotive Repair (BAR) of the Department of Consumer Affairs.

The California Environmental Protection Fund (Item 221, \$2,200,000) partially supports the board's research program. The amount from this fund is reduced by \$1 million for 1976-77 in order to assist in balancing the budget of the Department of Fish and Game (Item 248). The Air Pollution Control Fund (Item 223, \$62,500) supports the board's work in vapor-recovery systems for vehicle filling operations.

The Automotive Repair Fund (Item 220, \$1,003,800) monies are appropriated to the ARB for a contract with BAR for regulation of licensed smog stations. Federal funds (\$1,217,359) are distributed throughout the board's programs.

**AIR RESOURCES BOARD—Continued****Budget Changes**

The ARB's proposed expenditure of \$41,632,542 is an increase of \$17,767,476 or 74.4 percent over the current year estimate of \$23,865,166. However, \$15,958,000 of this increase results from a shift in implementation of the Mandatory Vehicle Inspection Program from 1975-76 to 1976-77 because of the \$7,979,000 appropriated for the program in 1975 which is to be reappropriated for expenditure this year. If we exclude this factor there is an increase in the budget year over the current year of \$1,809,376 or 7.6 percent. The main components of this increase are:

5 additional positions and operating expenses for reviewing emissions inventory data from local air pollution control districts, reviewing district monitoring work and improving data telemetering .....	\$141,887
4 positions and operating expenses for "no notice" inspections of stationary sources and for in-stack monitoring .....	123,137
6 positions and operating expenses for review of local district approvals of new or modified pollution sources .....	127,571
10 additional positions and operating expenses to develop and evaluate new strategies for control of emissions from energy producing facilities.....	262,461
6 positions and operating expenses to develop and evaluate strategies for control of emissions from other sources .....	149,817
6 positions and operating expenses for an air quality modeling program .....	237,204
21 positions and operating expenses for enforcement of rules and regulations to control vehicle related emissions .....	572,665
Funds to secure vehicles for emission testing.....	120,000

**Transfer of Administrative Services**

Effective September 1, 1975, the ARB's administrative services staff of 33.5 positions was transferred to the Water Resources Control Board. The latter agency now provides administrative services for the Solid Waste Management Board as well. The purpose of the consolidation was presumably to produce savings which could be used to fund the Office of the Secretary for Environmental Quality as proposed in the Governor's Reorganization Plan No. 1 of 1975. The Legislature rejected the plan. To date, no positions have been eliminated as a result of the consolidation and there has been no net change in ARB expenditures for administrative services.

**Status of Mandatory Vehicle Inspection Program**

Chapter 1154, Statutes of 1973, established the mandatory vehicle emission inspection program for Los Angeles, Orange, Riverside, Santa Barbara, San Bernardino and Ventura Counties. The program is carried out by the Bureau of Automotive Repair in the Department of Consumer Affairs, and is funded through loans from the Motor Vehicle Account, State Transportation Fund. The funds are appropriated to the ARB for loan to the BAR. The loans are to be repaid from inspection fees. The act contem-

plated a phased implementation of the program. In the final phase, owners will be required to have their cars tested for excessive emissions upon initial registration or each year on renewal of registration. According to Chapter 1154, the final phase was to begin no later than December 31, 1976.

As we indicated in our Analysis last year, the BAR experienced difficulties meeting the program schedule in Chapter 1154. The program has been delayed about one year. Chapter 170, Statutes of 1975, revised the schedule and the final phase must now begin by December 31, 1977. Because of the delay, most of the \$10,787,839 appropriated for the program last year has not been spent. The budget proposes that the \$7,979,000 be carried over to 1976-77, which with the \$10,787,839 requested for 1976-77, would provide a total of \$18,766,839.

The implementation of the program began in December 1975, with four inspection lanes in Riverside. In this initial phase of the program, no inspection fee is charged and owners are not required to have their cars fixed if they fail to meet the standards prescribed by the ARB.

According to Chapter 170, the program must be extended throughout the six counties by December 31, 1976, for inspection upon transfer of ownership. This will be the second phase of the program. It will require a total of 25 inspection stations and 519 additional positions. In phase II, owners will be required to have their cars repaired if they fail the test. The ARB is currently evaluating the cost-effectiveness of the program in reducing air pollution using results from actual testing at the Riverside inspection station. Implementation of the second phase will not begin until the results of this study are known. This will probably occur in March. If the ARB concludes that the program is not cost-effective or should be modified, it will presumably seek legislation to change it.

#### **Legislation Needed to Shift Program to ARB**

*We recommend that legislation be enacted to transfer the mandatory vehicle emission inspection program (Chapter 1154, Statutes of 1973) from the Bureau of Automotive Repair to the Air Resources Board.*

As indicated above, the Bureau of Automotive Repair (BAR) carries out the mandatory vehicle emission inspection program with funds appropriated to the ARB from the Motor Vehicle Account, State Transportation Fund for loan to the BAR. The BAR was originally designated to carry out the program by default because no other agency was willing to do it. However, it now appears that the program would be better placed in the ARB which is the agency most concerned with the success of the program. Transferring the program should improve management and fix responsibility because only one agency would be involved. We are making a similar recommendation in our analysis of the BAR budget (analysis page 221).

#### **ARB Superseding Certain Functions of Local Air Pollution Control Districts**

*We recommend a reduction of \$295,360 in Item 218 to delete funding for 15 positions in the enforcement component of the ARB budget until the board explains and justifies to the Legislature its objectives and policies for increasing board control over stationary source emissions and superseding certain responsibilities of local air pollution control districts.*

**AIR RESOURCES BOARD—Continued**

The ARB's budget this year reflects much heavier and more direct involvement in the control of emissions from stationary sources and increased supervision and review of the work of air pollution control districts. Stationary sources are essentially all nonvehicular air pollution sources. Direct control of stationary source emissions has in the past been primarily a responsibility of air pollution control districts. Section 39012 of the Health and Safety Code states: "Local and regional authorities have the primary responsibility for the control of air pollution except for the emissions from motor vehicles."

In last year's Analysis we pointed out that the ARB was requesting funds for air monitoring stations, which might be considered responsibilities of air pollution control districts. Last year the ARB also requested and received additional positions to train district personnel in the operation of air monitoring equipment, to review power plant proposals, to improve emissions inventories and to review variances granted by districts. All of these increases indicated a movement of the ARB toward increased involvement in stationary source emissions and into greater supervision or supplementing of the work of the air pollution control districts.

The budget for 1976-77 proposes an even greater shift in this direction. New rules proposed by the ARB require that any source of pollutants which generate more than 15 pounds per hour of air contaminants must secure a permit from the local air pollution control district. If any district fails to adopt the proposed rules, the ARB may force it to do so after a public hearing. Previously a permit was not required unless the source generated more than 100 tons per year of contaminants. The new rules mean that many more sources will be processed. The ARB's budget proposes staff to review every approval by a district whereas the board previously reviewed only selected cases. Six additional positions in the amount of \$127,571 is requested for this review. The board expects to overrule the districts and deny approval of construction in some cases.

The budget requests \$73,076 to finance two positions for a so-called "no notice inspection" of stationary sources. ARB representatives would make unannounced visits to emission sources to inspect their operations and measure their emissions to check whether local districts are not doing an adequate job of controlling emissions.

Also requested is \$50,061 for two positions for an in-stack monitoring program. The ARB has proposed rules requiring businesses to install pollutant monitoring devices in factory stacks and proposes that air pollution control districts adopt these rules. It is probable that some districts will not adopt the ARB's suggested rules for in-stack monitoring devices, and that the ARB will supersede the districts and impose the rules.

The board is also expanding its review of the accuracy of district ambient air quality monitoring operations and of emissions inventory data provided by districts. This will require four positions and \$95,287.

Finally, the ARB is greatly expanding its review of refineries, power plants and other energy producing stationary sources. It can be expected that the ARB will soon impose new and more stringent controls on these facilities.

The board's increased pressure on air pollution control districts for better data and stricter enforcement may be fully justified and necessary. However, it has already begun to create state-local frictions. When the board makes more unannounced inspections of factory stacks and overrules local districts to require industries to install expensive in-stack monitoring devices, greater protests may ensue.

The purpose and objectives of the ARB's increased staffing requests which provide for more direct control of stationary sources and for greater supervision over air pollution control districts should be carefully defined and explained to the Legislature. If the districts are not doing a satisfactory job, then perhaps subvention funds should be withheld until they improve. Other methods than increase of ARB staff may exist to remedy the situation. If a change in functions and state-local relationships is appropriate, such a change should be made clear and state and local expenditures evaluated accordingly. However, the ARB has been requesting various, seemingly unrelated staff increases which in their totality are causing major shifts in responsibility that are not identifiable in the board's budget. We therefore recommend a reduction of \$345,995 for the 14 positions identified above until the board justifies its policies to the Legislature.

#### **Need for Program Budget**

*We recommend that the ARB report to the Joint Legislative Budget Committee by July 1, 1976 on a plan to initiate a program budget for 1977-78.*

The programs of the ARB change rapidly. As mentioned in the discussion under the previous heading, the ARB this year is becoming much more heavily involved in the stationary source emission control. Last year the board began a new program for surveillance of new car dealers, a motorcycle testing program, a program for testing fuel additives and several others. In addition the board in past years initiated but failed to carry out a successful NOx retrofit program. Similarly, the assembly line testing program was poorly conceived and inadequately executed. It has failed to meet its original objective to assure purchasers of new cars that each car met legal emissions standards. The program is now only a tool to enforce new car emission standards through a limited number of tests of production vehicles.

Because of this and other rapid changes, it is important to have a budget document which sets goals for each program and records progress. The ARB's budget does not now provide an adequate plan or an adequate statement of the status of its programs. At best, it shows prices of program changes and staff increases. Shifts in the base of the budget do not show.

An example of confusion that can result is found in this year's budget. The board is requesting 10 positions to evaluate air quality impacts of various energy producing facilities. According to our discussions with the board, such work includes evaluation and development of control strategies for emissions from fossil fuel and geothermal power plants. The board also requests for this year six positions for the development and evaluation of strategies for the control of other emission sources. However, written material from the board states that part of the job of this group will be to

**AIR RESOURCES BOARD—Continued**

develop strategies for the control of geothermal and fossil fuel power plant emissions. According to these statements, both groups will be doing the same thing. If so, they should all be shown in one comprehensive program statement.

Better budgeting procedures are needed. The ARB should adopt a program budget similar to that of the Department of Water Resources. Programs should be broken down into smaller more meaningful program statements which back up the Governor's Budget. Specific goals should be established for programs each year. The status of existing programs should be given. When increases to existing programs are requested, the relationship of the proposed increase to the existing program should be defined. We recommend that the board report to the Joint Legislative Budget Committee by July 1, 1976 on its plan to adopt a program budget for 1977-78.

**Testing Volatility and Composition of Gasoline**

*We recommend that (1) Item 219 be reduced by \$116,373 to delete funds for a gasoline test team and equipment and (2) in place of the test team, the ARB determine the cost of contracting with the Department of Food and Agriculture for the testing.*

The ARB requests an increase of \$116,373 for three additional positions, operating expenses and equipment for testing the composition and volatility of gasoline. Standards for bromine number, sulfur content and volatility of gasoline have been established and the board wants a mobile testing team to travel throughout the state testing gasoline for enforcement of these standards. The board is currently considering a lead standard, and if one is adopted, the testing would include lead.

The Department of Food and Agriculture has approximately 16 inspectors who sample and test gasoline statewide for octane number, gum content, and corrosiveness as well as for volatility and lead. These inspectors send the samples they gather to laboratories in Sacramento and Downey for testing. The ARB should take advantage of this gasoline inspection system, rather than setting up a separate one. Any additional gasoline testing needed by the ARB over that done now done by the Department of Food and Agriculture could be accomplished on a contract basis. We recommend a reduction of \$116,373 in Item 219 to delete funds for the test team and equipment and that the ARB request substitute funding for a contract with the Department of Food and Agriculture for gasoline testing.

## Resources Agency

## STATE SOLID WASTE MANAGEMENT BOARD

Item 226 from the General  
Fund

Budget p. 541

Requested 1976-77 .....	\$905,801
Estimated 1975-76.....	1,356,103
Actual 1974-75 .....	717,290
Requested decrease \$450,302 (33.2 percent)	
Total recommended reduction .....	Pending

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis  
page*

1. County Plans. Recommend legislation be adopted to better define responsibilities and enforcement powers of the Solid Waste Management Board and local agencies and limit program to heavily populated regional areas. 394
2. San Francisco Project. Recommend Legislature direct preparation of a 1976-77 expenditure plan and add control language over expenditure of funds reappropriated by Control Section 10.7, Budget Act of 1975, for the San Francisco Bay Area Solid Waste Management Project. 396

## GENERAL PROGRAM STATEMENT

In 1972 the Legislature enacted the Nejedly-Z'berg-Dills Solid Waste Management and Resources Recovery Act (Chapter 342, Statutes of 1972) to establish a comprehensive solid waste management and resource recovery policy in California.

Primary responsibility for planning and management of solid wastes was assigned to local government which is to prepare county solid waste management plans and implement them.

The Solid Waste Management Board, consisting of seven members, has the responsibility to develop and maintain state policy and establish minimum environmental standards. The board is also responsible for providing technical assistance to the counties in preparation of their plans and for review and approval of county plans. In addition, the board is given responsibility for research and development of new technology for solid waste processing and resource recovery systems and market analyses for recovered materials and forms of energy.

In order to ensure conformance of solid waste management policy with state and federal health and environmental protection requirements, the board is required to review recommendations of the Department of Health, State Water Resources Control Board, and the Air Resources Board.



**STATE SOLID WASTE MANAGEMENT BOARD—Continued****ANALYSIS AND RECOMMENDATIONS**

The board's total proposed expenditures for the budget year is \$2,705,801. This represents an increase of \$1,349,698 or 99 percent over the amount estimated for the current fiscal year. These amounts differ from the requested appropriation of \$905,801 in the Budget Bill because the department shows expenditure of \$1,800,000 which was reappropriated by Control Section 10.7, Budget Act of 1975 for implementation of a solid waste management demonstration project in the San Francisco Bay Area.

**Status of County Solid Waste Management Plans**

*We recommend legislation be adopted which will better define responsibilities of the Solid Waste Management Board and local agencies including enforcement powers and limit the program to heavily populated regional areas rather than statewide.*

Chapter 342 requires that each county submit a solid waste management plan, with the concurrence of affected cities, to the board for approval by January 1, 1976. Specific guidelines established by the board for preparation of the county plans are as follows:

1. Set short-term and long-term objectives.
2. Identify waste types, characteristics and quantities and provide an inventory of collection, processing and disposal facilities.
3. Provide for adequate storage of wastes awaiting collection.
4. Provide for effective waste collection systems.
5. Provide for disposition of wastes giving priority to resource recovery in a manner which protects public health and safety and enhances the environment.
6. Provide for an organization to administer the programs.
7. Demonstrate the economic feasibility of the plan.
8. Provide for implementation of the solid waste management program.

**County Planning is Failing**

As of January 1, 1976, only 11 counties (Glenn, Humboldt, Lake, Monterey, Nevada, Riverside, San Benito, San Bernardino, San Francisco, Stanislaus and Tulare) have submitted preliminary and final versions of their plans in which the cities have concurred. However, none of these plans have been approved by the board as required before being submitted to the affected county boards of supervisors for final adoption. Of the remaining counties, 38 have submitted only preliminary plans and 10 (El Dorado, Inyo, Kings, Lassen, Mendocino, San Luis Obispo, Santa Barbara, Solano, Tuolumne and Trinity) have not submitted *any* plans. It is doubtful that any plans will obtain final approval and be adopted within the specified 90-day review and approval period ending April 1, 1976.

In preparing these plans, some counties and cities have for the first time been confronted with the complexity of solid waste problems and the difficulty of formulating practical action plans. The uncertainty of local, state and federal funding support for high cost waste processing facilities has also frustrated planning efforts.

Some counties have demonstrated the capability to assess their waste

management problems and to develop alternative solutions and action plans. However, most counties have not demonstrated this capability because of a lack of qualified personnel and/or lack of commitment to the required tasks.

The board judges the progress of county planning efforts to be fair. Much has been learned at all levels about waste management planning. However, it is evident that the county plan portion of the solid waste management program is not working as intended and all indications are that it will not work until some basic deficiencies are resolved and corrected. Some of these deficiencies are: (1) fragmented authority and responsibilities between various governmental agencies and private industry, (2) inadequate regional planning, (3) inadequate and often confusing standards, (4) lagging technology, (5) insufficient financing, (6) lack of enforcement powers.

In order that the solid waste management program will progress in locations of greatest need, we recommend that legislation be enacted which will better define responsibilities of the board and local agencies, including appropriate enforcement powers. It should also limit the program initially to heavily populated regional areas by exempting areas of low populations in order to reduce unnecessary complexity and concentrate on priority problem areas.

#### **Resource Recovery Plan**

The board's enabling legislation directed the preparation of a state plan for resource recovery by its Advisory Council and adoption of the plan by the board by January 1, 1975. The final draft of this plan was completed on January 1, 1975.

After reviewing the board's plan, we reported in our 1975-76 Analysis that the planned resource recovery program was deficient in many areas and was not responsive to statutory directives. As a result, we recommended that the board be directed to revise the program and resubmit it. This recommendation was adopted by the Legislature and included in the Supplementary Report of the Committee on Conference under Item 212. However, no time requirement was set for the board's revised plan.

In response to this recommendation, the board and its staff have been revising the plan. However, the board reports that the plan is not in final form and an approved version may not be available until mid-1976 because the Attorney General has recommended additional public hearings on the program due to substantial revisions. Another major impediment delaying completion of the plan is the failure of local agencies to complete the county solid waste management plans.

A preliminary draft of the revised plan reflects that a comprehensive analysis of all categories of waste and alternative resource recovery systems has been undertaken. This analysis also includes detailed investigations of new technologies and potential markets for recovered materials and energy as well as economic, fiscal and institutional constraints. Considerable progress has been made. However, specific projects and funding requirements have not been set forth which would permit the board to request and support budget appropriations.

**STATE SOLID WASTE MANAGEMENT BOARD—Continued****Southern California Study**

The purpose of this study (\$275,000) is to determine the feasibility of implementing a large scale resource recovery facility at a specific site in southern California. Selection of the final site at San Diego or Colton is planned to be made in February 1976. Completion of the final feasibility study to include selection of a specific resource recovery system and a detailed market analysis is anticipated by September 1976. Based on the assumption that construction of such a facility will be recommended, the board estimates that total engineering and construction costs may be in the range of \$18 million to \$44 million depending upon final site and system selection.

**San Francisco Bay Area Solid Waste Management Project**

*We recommend that the Legislature direct the board to develop a 1976-77 program for the San Francisco Bay Area Solid Waste Management Project and that control language be added to the Budget Bill to limit the board's proposed expenditure of funds appropriated by Control Section 10.7, Budget Act to the amount justified.*

The San Francisco Bay Area is rapidly approaching the time when many existing sanitary landfill areas will reach their capacities and insufficient space for new sites will not be available. In the interest of resolving this problem, \$2.3 million was appropriated by Item 240, Budget Act of 1974 as the state's share of a \$6.9 million waste disposal demonstration project involving state, local and U.S. Environmental Protection Agency (EPA) funds.

This project, known as the Bay-Delta Solid Waste Project, was based upon a proposal made by the Association of Bay Area Governments (ABAG). It involved composting some municipal garbage, transporting it by barge to the Delta and depositing it on Mandeville Island to reinforce deteriorating levees. Subsequent to the state's appropriation for this project, the project did not progress because of a lack of ABAG and federal fund commitments and a general attitude of uncertainty about its feasibility.

Recognizing the continuing need for a solution to the Bay Area's waste disposal problems, the Legislature reappropriated the \$2.3 million by adoption of Control Section 10.7 (Budget Act of 1975) and authorized a state funded study of the solid waste management problem throughout the Bay Area. In making this reappropriation, the Legislature adopted control language in Section 10.7 which restricted expenditures to \$500,000 in the 1975-76 fiscal year for the purpose of the study. The results of the study are currently proposed to be reported by the board to the Governor and the Legislature by July 1, 1976 with recommendations for the highest and best use of the various categories of solid waste generated in the Bay Area.

The specific objectives of the project are:

1. Institute research projects which will determine the economic and technical feasibility and environmental impact of:

- a. Using composted waste for reinforcement of levees and agricultural land reclamation in the Delta.
  - b. Alternative resource recovery systems for recovery of secondary materials and fuel oil or gas for turbine-driven electric generators or other applications.
  - c. Alternative methods for disposal of solid wastes, sewage sludge and hazardous wastes.
2. Investigate existing institutional interrelationships and describe the needed decision making process for a regional solid waste management program.
  3. Determine the social, economic and political factors which will determine solid waste utilization priorities.

The board is proposing to utilize the \$1.8 million remaining under Section 10.7 for implementation of the project during the budget year. The board states that the nature and scope of the implementation project is unknown at this time but will be based upon the results of its study which is to be completed by July 1, 1976.

We have supported this project in our previous analyses because of its critical importance to the Bay Area. The board is making progress on the study. However, the board's proposed expenditure of \$1.8 million during the budget year for implementation of the project is not supported by a detailed project plan which specifies tasks to be performed and associated costs.

We recommend that the Legislature direct the board to submit an expenditure plan for 1976-77 and that control language be adopted which will establish appropriate controls over the expenditures during the budget year. Specifically, this control language should authorize additional expenditures in a manner consistent with Control Section 10.7, Budget Act of 1975.

### Resources Agency

### STATE WATER RESOURCES CONTROL BOARD

Item 227 from the General

Fund	Budget p. 544
Requested 1976-77 .....	\$8,263,423
Estimated 1975-76.....	7,437,473
Actual 1974-75 .....	6,837,556
Requested increase \$825,950 (11.1 percent)	
Total recommended reduction .....	None

### GENERAL PROGRAM STATEMENT

The Legislature, by Chapter 284, Statutes of 1967, established the State Water Resources Control Board. This board was formed in the Resources Agency to combine the water rights function with the water quality and water pollution functions of state government. Through this organization

**STATE WATER RESOURCES CONTROL BOARD—Continued**

al change, the board is charged with the responsibility to consider problems of water pollution and water quality whenever applications for appropriation of water are approved and similarly to consider water rights when waste discharge requirements are set or water quality standards are established. Statutorily, the new board is vested with all of the powers, duties, purposes, responsibilities and jurisdiction of the sections of the Water Code under which permits or licenses to appropriate water are issued, denied or revoked, or under which the state's function pertaining to water pollution and water quality control are exercised. The State Water Resources Control Board includes the nine regional water quality control boards.

In 1970, and again in 1974, the electorate authorized the sale of \$250 million in state general obligation bonds for allocation by the State Water Resources Control Board primarily for grants for the construction of new sewage treatment plants, interceptor and collector lines, and sewage outfalls. The bond proceeds are continuously appropriated to the Water Resources Control Board for grants and loans, as provided by the board.

**ANALYSIS AND RECOMMENDATIONS***We recommend approval.*

The proposed budget totals \$85,576,405 of which \$8,263,423 is from the General Fund. Most of the money is from the State Clean Water Bond Fund totaling \$68,290,169. Of this amount \$65 million is dispersed to local agencies for the construction of wastewater treatment facilities. The balance, \$3,290,169 is spent in several water quality programs such as surveillance and monitoring, water quality control planning, research and technical assistance, and data management. Expenditures from the State's Clean Water Grants Administration Revolving Fund are \$4,823,024 as explained in Item 228. Federal funds totaling \$2,426,089 and allocated throughout the water quality program of the board. The major portion of the federal funds is used to support the issuance of National Pollutant Discharge Elimination System permits and their surveillance, monitoring and enforcement.

The State Water Quality Control Fund is used for loans to local agencies in cases of extreme financial hardship for the construction of facilities for the collection, treatment or export of wastewaters to prevent water pollution. The budget allocates \$535,300 for this purpose to be repaid at an interest rate of 5.3 percent.

Reimbursements in the proposed budget total \$1,238,400. This includes \$703,861 from the Air Resources Board and the Solid Waste Management Board for consolidated administrative services as proposed pursuant to the establishment by the Governor of an Environmental Quality Agency.

Item 227 appropriates \$8,263,423 from the General Fund for an increase of \$825,950. The increase is due primarily to significant program changes to strengthen the water pollution control effort, to accelerate wastewater treatment plant construction and to improve the processing of water rights applications. Other changes involve giving more emphasis to planning and regulation of nonpoint source waste discharges.

**Strengthen Water Pollution Control Effort**

The board is required to regulate waste dischargers. The Porter-Cologne Act of 1970 requires that discharge requirements be issued to all waste dischargers. These requirements usually specify the minimum acceptable quality of the waste discharge, the quality to be maintained in the surface water and the groundwater, a monitoring program to be conducted by the discharger, and a schedule for compliance.

In 1972, Congress passed the Federal Water Pollution Control Act which required National Pollutant Discharge Elimination System (NPDES) permits for surface wastewater dischargers. The Environmental Pollution Agency designated the board to implement the program. The board then expanded the regulatory program assisted by federal funds. During the current year, all dischargers operating prior to the federal act will have been issued NPDES permits. The regulatory program will continue to issue permits and discharge requirements to new dischargers but the workload will decrease. The decrease will be offset by an increased effort to survey and monitor waste dischargers to determine if they are in compliance with their permits or requirements and to implement enforcement actions if they are not. The increase for surveillance, monitoring and enforcement will amount to 8.9 man-years at a cost of \$546,000 for the budget year.

Surveillance and monitoring involves several tasks including among others (1) development of a monitoring network for surface and ground water, (2) inspections of all dischargers, (3) investigation of all complaints and (4) review of self-monitoring reports received from dischargers. If the dischargers do not comply with the requirements or permits, then enforcement measures are taken, such as formal written directions or clean up and abatement and cease-and-desist orders.

**Acceleration of Wastewater Treatment Plant Construction**

The board administers a grant program financed with federal, state and local money designed to help local entities meet the 1977 and 1983 federal standards for wastewater treatment. To meet these standards, the board estimates the local entities will need approximately \$7 billion to finance new facility construction. To date, the federal Environmental Protection Agency has allocated a total of \$1.884 billion to the state.

In 1974-75, the board accelerated the grant program. It learned that construction inflation rates reduced the value of available funds for facility construction. The sooner applications for the proposed projects were processed, the sooner they could be built, resulting in substantial savings. Consequently, in the current year, 75 man-years were added at a cost of \$1,468,000. For the budget year, the board proposes to continue the accelerated effort with an increase of 26 man-years at a cost of \$876,000. The board estimates that this effort will save \$230 million in inflation costs from 1975-76 to 1977-78.

**Eliminate Backlog for Water Rights Applications**

Any person who wants to use water from surface streams, other surface bodies of water or subterranean streams must apply to the board for a permit to appropriate water. Over the past few years a backlog has devel-

**STATE WATER RESOURCES CONTROL BOARD—Continued**

oped because the staff has not increased, although there has been an increased number of application related documents. During this time the attention of the board has been concentrated on the water quality and grant administration programs. The board indicates that there is a backlog of 1,087 documents. These documents include permit applications, requests for extension of time, change orders, and environmental documents.

The proposed budget would add 20.7 man-years at a cost of \$661,400 to eliminate the backlog over a three year period and to prevent a backlog from reoccurring. When the backlog is eliminated, 5.4 man-years will be shifted to other tasks within the water rights division. The increased staff will also be used to eventually reduce the time required to process applications. Currently, there is a two to three year delay.

**Other Changes**

Two other important changes are occurring in the orientation of the board's work, development of a water quality control program for non-point source waste discharge and revising and updating the basin plans.

The water quality program has been involved in regulating point source waste dischargers. Now this effort is stabilizing and attention has been turned to controlling nonpoint source waste dischargers such as agricultural wastes and runoff. The state-of-the-art with nonpoint source waste discharges is in its infancy. Consequently, the board has indicated its effort will be expended in compiling basic data, developing pollution control measures, and researching agricultural waste management and disposal which is one of the most important nonpoint source waste discharges.

The second change results from the completion and approval of the 16 basin water quality plans during the current year. Preparation of the basin plans has represented the board's major planning effort for the past three or four years. Approximately \$9.8 million was spent to prepare the plans from fiscal year 1971-72 through 1974-75 including \$2.1 million in federal and local funding.

For the budget year, the planning effort will start continuous updating and revision of the basin plans. Furthermore, areawide plans using federal funds (Section 208 plans) will be prepared for five locations—San Francisco Bay Area, Lake Tahoe Basin, the Monterey Peninsula, San Diego and Ventura. A sixth plan may be prepared in the Los Angeles area between Ventura and San Diego. These plans will be integrated into and be consistent with the basin plans. The 208 plans are prepared entirely with federal funds.

**Resources Agency**  
**STATE WATER RESOURCES CONTROL BOARD**

Item 228 from the State Clean  
 Water Fund Grants Adminis-  
 tration Revolving Fund

Budget p. 550

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Requested 1976-77 .....	\$4,823,024
Estimated 1975-76.....	3,884,119
Actual 1974-75 .....	183,412
Requested increase \$938,905 (24.2 percent)	
Total recommended reduction .....	None

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**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval.*

Prior to September 1974, the costs to the State Water Resource Control Board for administering applications by local agencies for state and federal sewage treatment grants were funded from the General Fund, the Clean Water Bond Fund and from an Environmental Protection Agency grant to the board. Local agencies made no payment for grant administration.

Chapter 804, Statutes of 1974, provided that local agencies receiving state and federal grants for sewage treatment facilities shall pay a grant administration fee to the State Water Resources Control Board. The fee was made a local cost which is eligible for inclusion in the grant. The purpose of Chapter 804 was to accelerate the processing of grant applications by providing more funds for board staff. Federal and state grant funds had been available before grant applications could be processed for payment. The acceleration of grant processing should permit earlier payment for, and construction of sewage treatment plants. It is hoped thereby to reduce the effects of inflation on the amount of construction which can be undertaken with the fixed amount of grant funds available.

Grant administration fees are placed in the State Clean Water Grants Administration Revolving Fund. Chapter 804 specified that expenditures to be made by the board must be appropriated in Budget Act. This item makes that appropriation. According to the board, the amount requested in the budget is sufficient to meet the program needs in the budget year.



## Resources Agency

## TAHOE REGIONAL PLANNING AGENCY

Item 229 from the General  
Fund

Budget p. 555

Requested 1976-77 .....	\$65,000
Estimated 1975-76.....	30,000
Actual 1974-75 .....	123,334
Requested increase \$35,000 (116.7 percent)	
Total recommended augmentation .....	\$35,000

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis  
page

1. *Support for Tahoe Regional Planning Agency. Augment Item 229 by \$35,000. Restore prior level of state contribution.* 405

## ANALYSIS AND RECOMMENDATIONS

See discussion under California Tahoe Regional Planning Agency (Item 231), page 404.

## Resources Agency

## WATERWAYS MANAGEMENT PLANNING

Item 230 from the General  
Fund

Budget p. 555

Requested 1976-77 .....	\$293,837
Estimated 1975-76.....	309,676
Actual 1974-75 .....	209,832
Requested decrease \$15,839 (5 percent)	
Total recommended reduction .....	None

## GENERAL PROGRAM STATEMENT

The California Protected Waterways Act of 1968 established the policy of the State of California to provide for the protection of those waterways which possess extraordinary scenic, fishery, wildlife, or recreational values.

Subsequently, the Legislature in Chapter 761, Statutes of 1971, directed the Resources Agency to develop detailed management plans for portions of 20 specified waterways on the north coast. In addition to the scenic, wildlife, recreational and free flowing river aspects, the plans were also to include evaluations of flood control, water conservation, streamflow augmentation, water quality improvement, and fishery enhancement. Passage of ACR 32 (1973) and AB 1735 (1975) added three streams.

The California Wild and Scenic Rivers Act of 1972 provided that six

ivers and certain tributaries be preserved in a natural state. The Act directed the Resources Agency to prepare management plans and to administer the plans for the protection of the rivers.

Originally the administration of these two acts was placed with the Waterways Management Planning Unit in the Resources Secretary's Office. In March of 1975, responsibility was transferred to the Department of Fish and Game.

#### **ANALYSIS AND RECOMMENDATIONS**

##### *We recommend approval.*

In the 1975-76 Analysis we noted that the program was not progressing. Supplementary budget language directed the Resources Secretary to prepare a report by December 1, 1975, which would redesign the program, evaluate problems in complying with current law, and propose recommendations for needed changes in the law. The report has been prepared. The new program will use consultants to prepare the river plans instead of staff assigned to the Resources Secretary. Some problems with current laws were noted but no recommendations for legislation were deemed necessary at this time.

The new program appears to have the potential of completing the plans. The first results of the program will be available with the classification of the Wild and Scenic Rivers in March of 1976. The Van Duzen River plan will be completed in May 1976. These two reports will provide a basis for evaluating the program.

#### **Preparation of Management Plans**

The program has established priorities for the preparation of the plans and criteria that will determine which plans will be prepared each year. The first priority will be the Wild and Scenic Rivers because the state has authority to administer as well as to prepare the management plans on these rivers.

The Protected Waterways plans will normally be prepared after the Wild and Scenic River plans. The criteria for selecting which management plans will be prepared each year are as follows: planning underway by other governmental agencies, availability of data, degree of threat to the river, and the willingness of local and federal government agencies to participate in river planning.

This budget item provides \$124,837 for three positions in 1976-77. Consultant contracts totaling \$167,000 will be let for the preparation of management plans on the San Lorenzo, Scott and Trinity Rivers and for revisions on the Smith River Plan. An additional \$12,000 from prior year appropriations will be used to contract with Siskiyou, Humboldt and Trinity Counties to assist the consultants.

The Waterways Management planning staff has estimated that it will cost \$2,205,000 to complete all the management plans now required. The projected date of completion is June 30, 1983, based on a spending level of \$315,000 per year.

**Resources Agency**  
**CALIFORNIA TAHOE REGIONAL PLANNING AGENCY**

Item 231 from the General  
Fund

Budget p. 556

Requested 1976-77 .....	\$220,000
Estimated 1975-76.....	150,000
Actual 1974-75 .....	50,000
Requested increase \$70,000 (46.7 percent)	
Increase to improve level of service \$45,000	
Total recommended reduction .....	\$220,000

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

*Analysis  
page*

1. *Support for California Tahoe Regional Planning Agency. Reduce Item 231 by \$220,000.* 405
2. Alternative to elimination of support. Recommend language be added to Item 231 that the California Tahoe Regional Planning Agency limit its actions to local government concerns and that it discontinue securing legal services from the Attorney General. 405
3. (Under Item 229 is a recommendation to augment state funding to the Tahoe Regional Planning Agency to a total of \$100,000 by adding \$35,000 to the budget request). 405

**GENERAL PROGRAM STATEMENT**

The Tahoe Regional Planning Agency (TRPA) was established by interstate compact. The compact was approved by the California Legislature through Chapter 1589, Statutes of 1967, by the Nevada Legislature and the U.S. Congress. The purpose of the compact was to provide coordinated plans and enforceable regulations to preserve and enhance the environment and resources of the entire Lake Tahoe Basin. An interstate compact takes precedence over state enactments because it represents an agreement between sovereign states and Congress.

The California Tahoe Regional Planning Agency (CTRPA) was established by Chapter 1589, Statutes of 1967, as a backup agency to provide planning and environmental controls over the California side of the Tahoe Basin if the bistate agency were not activated. A series of changes has occurred to CTRPA. The agency was activated on a permanent basis. In addition, by Chapter 1064, Statutes of 1973, the agency membership was revised to provide for greater statewide representation and to provide for state funding of CTRPA's costs. Since that time, CTRPA has existed as a separate agency which administered duplicate controls on the California side of the Basin more stringent than TRPA.

The Resources Secretary indicated to the Legislature in 1974 that the CTRPA would use its 1974-75 budget of \$50,000 to contract for its staff work with TRPA. This was not done and, instead, a separate staff was hired. In addition, on November 11, 1974, the Department of Finance

issued a Section 28 letter which authorized the Attorney General to use \$78,445 from settlement of the Union Oil litigation to provide legal services for CTRPA. Thus, by early 1975 the CTRPA was an operating entity although it had not received express legislative authority to operate as a separately staffed entity.

The Legislative Counsel has stated that CTRPA is not a state agency but is a political subdivision (Government Code Section 67040) functioning within the provisions of Article VI of the bistate compact which provides for political subdivisions (local government) to adopt standards equal to or higher than TRPA. The Legislative Counsel also found that the State of California would not be held liable for any damages awarded against CTRPA in any inverse condemnation action. Although the state supports CTRPA financially, it is nevertheless not responsible for CTRPA's actions.

In past years the Legislature contributed voluntarily approximately \$100,000 per year to assist the TRPA with its work. Nevada contributed one-half that amount. Large sums of federal funds were also made available. In the Budget Act of 1975 the California Legislature reduced the funding for TRPA from \$100,000 to \$30,000 and augmented the funding for CTRPA from \$50,000 to \$150,000.

When this change was made there was concern expressed in the Legislature that the TRPA was not doing an adequate job of protecting Lake Tahoe and that the CTRPA was doing a better job. However, the Legislature did not wish to indicate that it was withdrawing support from the TRPA. There was general agreement that TRPA provided the long-term basis for protecting Lake Tahoe.

Therefore the Budget Act contained the following language in Item 212:

"The 1975 Budget Act shifts certain funding to the California Tahoe Regional Planning Agency which previously had been made available to the Tahoe Regional Planning Agency. In making this shift it is not the intent of the California State Legislature to displace the Tahoe Regional Planning Agency with the California Tahoe Regional Planning Agency but rather to support the most effective agency under current circumstances. The Legislature will support the Tahoe Regional Planning Agency when it becomes an effective bistate agency."

The result of the action on the Budget Act of 1975 was to provide a minimum level of funding for both TRPA and CTRPA for the current year while allowing more time to study developments and determine an appropriate course of state action with respect to each agency.

#### **ANALYSIS AND RECOMMENDATIONS**

1. *We recommend that support for the California Tahoe Regional Planning Agency in Item 231 be eliminated in the amount of \$220,000.*

2. *As an alternative, we recommend that language be added to Item 231 that the California Tahoe Regional Planning Agency limit its actions to local government concerns and that it discontinue securing legal services from the Attorney General.*

3. *In addition, we recommend an augmentation of \$35,000 to provide a total of \$100,000 in Item 229 for the Tahoe Regional Planning Agency and*

**CALIFORNIA TAHOE REGIONAL PLANNING AGENCY—Continued**

*thus restore the previous funding level.*

This office has reviewed the complex and confusing issues presented by the existence of both a bistate agency and a California local government agency seeking to plan for, and regulate growth in the Tahoe Basin. There is general agreement that only TRPA can in the long-term work with Nevada and the federal government to protect the Tahoe Basin. However, it is also contended that TRPA is not doing an adequate job and that CTRPA should in the short-term enforce controls on the California side of the lake stricter than TRPA enforces on the basin as a whole (including both the California and Nevada portions of the lake).

Our review indicates that:

1. The TRPA is strongly supported by Nevada, accepted as necessary by cities and most counties in the basin, and financially supported by federal government grants pursuant to federal concurrence in the bistate compact. The CTRPA is supported by certain California environmentalists, persons holding an objection to the growth of gaming in Nevada, and by some second-home owners at Lake Tahoe who desire to limit growth in the Tahoe Basin. Local government strongly objects to CTRPA.

2. Many persons do not understand that TRPA is a bistate agency responsible to neither California, Nevada or the federal government but responsible to its governing body as a whole. There is virtually no understanding that CTRPA is not a state agency but is a local government with certain powers greater than state agencies and the cities and counties in the Tahoe Basin. The CTRPA is responsible to its governing board, consisting of three local government representatives, three statewide representatives and a seventh member selected by the six. The seventh member appears to have the deciding vote in many of the decisions made by the governing board.

3. The TRPA currently contracts for its legal services. The CTRPA has been appropriated \$75,000 in state funds to finance a contract with the California Attorney General for legal services. If the State of California should become involved in litigation in which it is in an adversary position against CTRPA, the Attorney General would be in a compromised position and unable to represent the state.

4. It has appeared in the past that CTRPA was subject to the control of the Legislature through the appropriation process. However, CTRPA has been funded by money administratively allocated from the Union Oil settlement and more recently by grants from Caltrans for transportation planning. It is, in fact, not controlled by the appropriations made to it by the Legislature.

5. TRPA has a qualified, professional staff of 15 which is sufficient for its functions. CTRPA has a small, semi-professional staff of 7 which is not skilled in several areas of its work and which will have difficulty performing all of its functions adequately. Nevertheless, the executive officer of the CTRPA is receiving the same salary as most California department directors.

6. Much of the controversy between the two agencies centers around transportation planning. The federal Department of Transportation is

funding transportation planning by TRPA and does not recognize the transportation planning done by CTRPA. However, Caltrans is funding transportation planning by CTRPA as part of Caltrans' statewide transportation plan. The controversy over transportation planning has produced confusion, duplication and frustration, particularly in Nevada.

7. The issue in transportation planning is the section of U.S. 50 between Myers and Stateline. The California Highway Commission shows as its adopted route improvements to the existing route and a bypass at Stateline connecting to a Nevada bypass at Stateline. TRPA's plans include the same bypass. The California Secretary for Business and Transportation has stated that California will not construct this project because of lack of funds. The supporters of CTRPA point to its authority in Government Code Section 67103 to disapprove of this proposed construction. This disapproval is viewed as a means of persuading Nevada to limit gaming growth because gaming is considered to attract people and growth to Stateline which deteriorates the environment. Thus a local agency of California government is presumed to be needed to prevent a state agency of California government from constructing a project which the highest responsible state official indicates will not be constructed.

8. Both the TRPA and the CTRPA have plans for short-term use of bus facilities and other means of providing transportation in the Tahoe Basin to reduce reliance on the individual automobile. CTRPA has developed a long-term transportation plan which it claims would substitute additional buses and other public facilities for automobiles. This plan would require organization of either a local or state agency to implement it. If a local agency were established, TRPA could disapprove its plan as not being in conformity with TRPA's plan. Consequently the local agency could not operate and in addition no federal funds would be available. However, assuming that the CTRPA transportation plan were implemented and did provide good public access to the gaming establishments at Stateline by means other than automobiles, it would eliminate the hope of CTRPA supporters to use limited vehicular access to Stateline as leverage against gaming growth in Nevada. In this confused situation, Douglas County, Nevada has filed suit contending, as does the U.S. Department of Transportation, that the bistate compact gives the transportation planning responsibility exclusively to TRPA.

9. Other important differences exist between TRPA and CTRPA with respect to air quality and water quality matters.

10. The most important differences between TRPA and CTRPA have been on matters of approach, intent, and plan contents, frequently as imputed by third parties, rather than on specific regulatory actions. To date, the only regulatory action of CTRPA is the adoption of a land use ordinance. CTRPA adopted in October 1975 a land use ordinance patterned after that developed by TRPA except that it provides for about 20,000 fewer people in the basin principally by more stringently restricting development of certain existing lots and the subdivision of land. To date the CTRPA ordinance has not been tested by any significant development permit applications or by court actions. TRPA has been successful in defending several court actions which have been brought to trial. We can

**CALIFORNIA TAHOE REGIONAL PLANNING AGENCY—Continued**

express no judgment on the outcome of any court tests of the somewhat more stringent CTRPA ordinance.

11. The regulatory philosophy of TRPA is to control development at Lake Tahoe. The philosophy of CTRPA is difficult to determine because it is variously represented by its actions or its supporters. It appears to be to limit rather than control development at Tahoe, and if necessary, to reduce public access under certain circumstances. California has never enunciated a policy of reduced public access with respect to Lake Tahoe and it is therefore uncertain whether CTRPA is executing any clearly established state policy, a local policy, or unofficial views.

12. Originally the three California state representatives on the TRPA governing board also served on the CTRPA governing board. Recently, two new Governor's appointments were made to the CTRPA governing board. Now only the designee of the California Resources Secretary serves on both governing boards and is fully aware of the duplication of effort and problems between the two agencies. However, the designee has not established a record of efforts to resolve the complex differences between the two agencies.

13. There are dual majority and other voting requirements in the bistate compact that must be followed by the TRPA governing board until changed. These requirements are generally recognized as being unsatisfactory. However, the present voting pattern of CTRPA is also unsatisfactory in that the three local government representatives to CTRPA are generally in a minority and oppose many of the present CTRPA policies. Considering that CTRPA must work closely with local governments if it is to be successful and particularly if it is to enforce its ordinances through local government, CTRPA is not at present in a position to implement effectively its policies. CTRPA is proposing to establish one enforcement position in its 1976-77 budget. This position and the development review capability of the present CTRPA staff are entirely inadequate if CTRPA is to give a more detailed review to California developments than TRPA has in the past with its larger, more experienced staff. A breakdown in project review might occur now that CTRPA has adopted its land use ordinance and will in the future be reviewing projects for permits before TRPA.

14. Good government requires a limit on the number of reviews and approvals which for any reason are imposed on its citizens. If the objective at Lake Tahoe is to limit development and public use, such a policy should be determined and officially established in a simple control process so that property owners and other interests can adjust their actions to public policy. It is of questionable fairness to impose such a policy by excessive controls and reviews.

15. Although it is generally agreed that the long-term regulation of Lake Tahoe should be through TRPA, this will not occur as long as CTRPA exercises more control, increases its staff, and becomes more involved as an intermediary between California state and local government on the one hand and TRPA, Nevada and the federal government on the other hand.

16. Certain problems which California has with TRPA such as the content and form of its budget need to be made specific and corrective action taken.

In view of all the foregoing considerations, we recommend that further activities by CTRPA be terminated by eliminating its funding contained in Item 231 and that California turn its attention to working more successfully with TRPA and Nevada. If the above recommendation is not satisfactory, we recommend as an alternative (1) that language be added to Item 231 declaring that the Legislature expects CTRPA to limit its actions and policies to matters of local government concern, and (2) that language be added to Item 231 requiring that CTRPA secure legal services from sources other than the Attorney General. Finally, we recommend that Item 229 be augmented by \$35,000 to restore the previous level of funding for TRPA.

### Resources Agency CALIFORNIA CONSERVATION CORPS

Item 232 from the General  
Fund

Budget p. 558

Requested 1976-77 .....	\$9,330,000
Estimated 1975-76.....	None
Total recommended reduction .....	Pending

#### SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis  
page*

1. New Youth Public Service Program. Defer recommendation until program and expenditure details are available. 409

#### ANALYSIS AND RECOMMENDATIONS

*We defer recommendation.*

This item appropriates \$9,330,000 from the General Fund to the Resources Agency to support a new youth public service program, the California Conservation Corps. The budget indicates that two existing programs, the Youth Conservation Corps in the Department of Parks and Recreation and the Ecology Corps in the Department of Conservation, are to be terminated. Funds which supported the two programs in the amount of \$4.9 million will be redirected and augmented by \$5 million for a new program total of approximately \$10 million.

We defer recommendation until programs and expenditure details are available.



## Resources Agency

## ENVIRONMENTAL PROTECTION PROGRAM

Item 233 from the California  
Environmental Protection  
Program Fund

Budget p. 559

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Requested 1976-77 .....	\$400,000
Estimated 1975-76.....	None
Actual 1974-75 .....	73,646
Requested increase \$400,000	
Total recommended reduction .....	None

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## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis  
page

1. Appropriation Revision. Recommend appropriations be made to line departments rather than to Resources Agency. 410

## GENERAL PROGRAM STATEMENT

Chapter 779, Statutes of 1970, established the California Environmental Protection Program to preserve and protect California's environment.

The law also created the California Environmental Protection Program Fund to receive the revenue from the sale of personalized license plates. There is a continuous appropriation from the fund to the Department of Motor Vehicles of an amount equal to the cost incurred in administering the sale of the plates. The balance of the fund is available for program expenditures after appropriation by the Legislature.

The Secretaries of the Resources and Business and Transportation Agencies are responsible for the development of the program and determination of priorities.

## ANALYSIS AND RECOMMENDATIONS

## Fund Status

On June 30, 1975, the surplus in the California Environmental Protection Program Fund was \$2,790,167. Revenues are estimated to be \$3,058,800 in the current year and \$3,413,700 in the budget year. The surplus at the end of the budget year is estimated to be \$91,583.

The budget indicates estimated expenditures from the California Environmental Protection Program Fund in 1976-77 will be \$4,564,245. Most of these expenditures will be from appropriations made by the Legislature in other items in the Budget Bill directly to the state departments that will execute the projects or programs.

## Appropriation Revision

*We recommend that the lump sum appropriation in Item 233 to the Resources Agency be made directly to line departments.*

This item requests \$400,000 for the Resources Agency to contract with its constituent Departments of Parks and Recreation, Conservation, Fish and Game, and Water Resources for the development of environmental

education projects, materials, and interpretive displays. The material will be made available to all schools and the displays will be used in state parks and other areas. These projects do not require intensive coordination or supervision from the Secretary's office. Appropriations should be made to the line departments that are responsible for the projects. This would eliminate the preparation and administration of contracts for projects which was attempted in prior years and did not work satisfactorily.

### Resources Agency

## ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

Item 234 from the State Energy  
Resources Conservation and  
Development Account in the  
General Fund

Budget p. 561

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Requested 1976-77 .....	\$13,623,755
Estimated 1975-76.....	10,752,312
Actual 1974-75 .....	1,129,942
Requested increase \$2,871,443 (26.7 percent)	
Total recommended reduction .....	\$505,409

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### SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis  
page

1. Electronic Data Processing. Withhold recommendation on \$456,871 for electronic data processing pending review of program. 413
2. *Power Plant Facilities Siting. Reduce Item 234 by \$150,000.* Recommend deletion of funding for evaluation of air and water pollution models. 414
3. Contracted services. Recommend Budget Act language be added to require the commission to report on its contract awards every two months. 414
4. Research and Development. Withhold recommendation on the commission's \$5,977,957 request for research and development pending formulation of the research program for 1976-77. 415
5. *Administration. Reduce Item 234 by \$53,632.* Recommend deletion of funds for two proposed positions for the Program Assessments Office. 416
6. *Office of Governmental Affairs. Reduce Item 234 by \$18,267.* Recommend deletion of funds for contract with Washington D.C. liaison and for additional out-of-state travel. 417
7. *Library. Reduce Item 234 by \$58,137.* Recommend deletion of five proposed positions for the commission library. 417
8. General Counsel. Recommend deletion of two proposed hearing officers, one clerical position and temporary help. Recommend an offsetting appropriation of \$80,000 for hear- 417

**STATE ENERGY RESOURCES CONSERVATION & DEVELOPMENT—Continued**

ing services and limiting budget language.

9. *General Counsel. Reduce Item 234 by \$160,392. Recommend deletion of four proposed positions and temporary help for commission's legal office.* 418
10. *Executive Office. Reduce Item 234 by \$64,981. Recommend deletion of two proposed positions for executive office.* 418

**GENERAL PROGRAM STATEMENT**

The State Energy Resources Conservation and Development Commission became operative on January 7, 1975. The five-member, full-time commission is responsible for certification of power plant sites, for forecasting energy supplies and demands, and for carrying out a program of research and development in energy supply, consumption, conservation, and power plant siting technology.

The commission is located in Sacramento and has 285 authorized positions.

**ANALYSIS AND RECOMMENDATIONS****Sources of Funding**

The commission's total expenditures for 1976-77 are estimated at \$24,555,289. Of this total \$13,623,755 is to be from the Energy Resources Conservation and Development Special Account in the General Fund. This special account is funded by a surcharge on electricity as determined by the Board of Equalization based on the size of the commission's budget. The surcharge is currently one-tenth of one mil per kilowatt hour. Revenues from the surcharge are estimated at \$13,931,917 for 1976-77.

The remainder of the commission's budget, \$10,931,534 is to be from federal grants. All but \$518,766 of this total is for research and development. To date the commission has no written assurance of federal grants. According to the budget, the commission received no federal funds in 1974-75 and none are budgeted for 1975-76.

**Budget Changes**

The commissions support request for 1976-77 of \$13,623,755 is an increase of \$2,871,443 or 26.7 percent over the current year. Increases in state expenditures are largely in four areas:

Full year funding of positions authorized in the 1975 Budget Act but funded only part of 1975-76 .....	\$2,267,448
Consultant contracts (other than for research and development) .....	359,000
Additional staff for Conservation Division .....	69,253
Additional administrative positions and operating expenses .....	443,977
Decreases in state expenditures are in three areas:	
Electronic data processing (EDP) .....	\$43,129
Research and development contracts .....	775,000
Emergency Planning .....	26,423

Two of the decreases listed above are somewhat deceiving because they

reflect only decreases in state expenditures, not program reductions. Although state funds for EDP decrease by \$43,129 in the budget year, the commission is hoping to receive \$418,266 in federal funds for EDP for a total EDP expenditure of \$875,137. Similarly, the state funding for research and development contracts is reduced by \$775,000 but the commission is hoping for \$8,850,000 in additional federal funds for research and development contracts. Both of these totals represent substantial program increases over 1975-76.

#### **Public Utilities Commission Conservation Program Funded from Special Account**

The budget proposes that \$122,040 from the Energy Resources Conservation and Development Special Account in the General Fund be allocated to the Public Utilities Commission (PUC). The money would be used to fund five additional PUC positions to "measure and improve the effectiveness of utility programs designed to assist customers in the more efficient use of energy in existing buildings and by existing appliances."

#### **ENERGY RESOURCES CONSERVATION AND DEVELOPMENT**

The objectives of the Energy Resources Conservation and Development element are to forecast energy demands and supplies, promote energy conservation, consider permits for power plant siting, develop plans for energy shortages and to insure an adequate electrical energy supply. The element contains the Energy Assessments, Energy Facilities Siting and Conservation divisions and the Emergency Planning Office, with a total of 154 authorized positions.

The Office of Governmental Affairs and Public Information, Education and Library Offices appear in the budget in this element, but they more properly belong in the administration element and are discussed there in this analysis.

#### **Federally Funded Positions for Conservation Division**

The commission requests two additional positions plus temporary help in its Conservation Division to develop energy conservation information in a coordinated effort with the Public Information Office. The total cost of these positions would be \$83,000 but the commission is requesting only \$20,750 in state funds for them. The remaining \$62,250 is to come from the federal government. We assume that if the federal funds are not forthcoming, the two positions will not be added.

#### **Electronic Data Processing**

*We withhold recommendation on the commission's request for \$456,871 for electronic data processing personnel and computer time costs pending review of the program.*

The commission requests \$456,871 in state funds for electronic data processing (EDP) for the budget year. Most of the EDP work is for the Energy Resources Development and Conservation element. Although the request is a decrease from the \$500,000 budgeted last year, the commission hopes to receive an additional \$418,266 in federal funds. The commission proposes three new EDP positions in addition to the six it now has, and

**STATE ENERGY RESOURCES CONSERVATION & DEVELOPMENT—Continued**

has planned several expensive EDP projects. Most of these projects will come under Section 4 of the Budget Act and therefore must be supported by a detailed feasibility study/implementation plan. Such plans have not been completed for the budgeted projects. We should review these plans when completed, the current and requested staffing levels, and the possible effects of the unavailability of federal funding. We therefore defer recommendation of the commission's request for \$456,871 for data processing.

**Eliminate Funds for Pollution Models**

*We recommend a reduction of \$150,000 to delete funds for evaluation of air and water pollution models.*

The commission requests \$150,000 for contracts for the evaluation of air and water pollution models. Written material from the commission states that the main objectives of the study will be to evaluate existing power-plant plume and water effluent discharge models for use in the power plant siting process.

The Air Resources Board (ARB) is the state agency with responsibility for air pollution control and has used plume models for years. The ARB should define the need for any evaluation of existing plume models and if such an evaluation is warranted, should perform it, either with its own staff or by contract. The Energy Commission should rely on the ARB to evaluate air quality impacts of proposed powerplants.

Similarly, the Water Resources Control Board has worked with water dilution models for years and is aware of the most recent developments. It should perform any needed work on water effluent discharge models. The Energy Commission should rely on the board to evaluate the water quality impacts of proposed power plants. We therefore recommend a reduction of \$150,000 from Item 234 to delete funds for the model evaluations.

**RESEARCH AND DEVELOPMENT**

The objective of the Research and Development element is to make new and useful energy systems and technologies available to the state. The program is carried out by the Research and Development Division, which has 29 authorized positions.

**Reports on Contracts Still Needed**

*We recommend that Budget Act language be added to Item 234 to require the commission to continue to report to the Legislature on its contract awards every two months.*

Last year, the Legislature added language to the Budget Act requiring the commission to report to the Legislature every two months on the contracts let in the preceding two months and proposed to be let in the following two months. Most of the important contracts are for research and development. The budget indicated that this reporting is necessary because of the importance of the commission's work and the lack of precedents.

The disposition of the \$4,675,000 appropriated to the commission last

year for research contracts is not clear. Some of the money may be used to pay employee salaries, some for contract purposes other than those specified, and some probably will not be spent. It appears at this time that many of the projects specified will not be accomplished. In view of this record, we recommend budget language to continue the reports to the Legislature. Specifically, we recommend that the following language be added to Item 234: "provided that because of the importance of the commission's work and the lack of precedents, the commission shall submit a progress report to the Legislature every two months starting July 1, 1976, in which it lists contracts awarded in the preceding two months and the contracts proposed to be awarded in the following two months; provided further, that upon the request of any policy or fiscal committee of the Legislature having jurisdiction over the subject of the contract, the contract shall not be awarded until 30 days after the first request received by the commission for a contract delay."

#### **No Information on 1976-77 Research Projects**

*We withhold recommendation on the commission's request for \$5,977,957 for research and development pending formulation of the research program for 1976-77.*

The commission requests \$5,977,957 for state funded research and development in 1976-77. As indicated earlier, the commission is hoping to receive an additional \$10,412,768 in federal funds, bringing its total research budget to \$16,390,725. The budget narrative indicates that a description of the research projects planned for the budget year will be submitted separately, but we have not received it. We therefore lack descriptions of specific research projects, what they will cost, and when they will be completed.

In addition, the disposition of the \$4,675,000 appropriated to the commission for the current year research projects is not clear. Until we receive more information on the commission's research and development plan for 1976-77 and the details on the expenditure of its current year research funds, we defer recommendation on this program.

However, some points about the commission's plans for 1976-77 should be mentioned. First, material we have received from the commission appears to indicate that 19 additional research positions which do not show in the budget will be funded with \$575,521 in state funds. Presumably these positions will be requested when the individual research projects are submitted. Secondly, an additional 55 research positions are to be funded with \$1,562,768 in federal money. These positions do not appear in the budget either. Presumably there will be a request for 74 new positions which has not been received yet.

The commission would use 19 of the new positions to monitor federal energy research at the national level so that the commission would be able to influence the federal research projects and modify them to be more useful to California. The commission is having sufficient trouble with its own research program and does not need to become involved in federal projects. Thirty-six of the 74 positions would be used to monitor research contracts entered into by the commission and 15 would be used for in-

**STATE ENERGY RESOURCES CONSERVATION & DEVELOPMENT—Continued**

house research projects. We will not be able to determine the need for such monitoring and in-house positions until the commission submits its research project descriptions.

**ADMINISTRATION**

The objective of the administration element is to provide management direction and administrative support to the line programs. The administration element contains the Commissioner's Office, the Executive Officer, legal counsel, Program Assessments Office, the Administrative Advisor's Office, plus personnel, fiscal and management services functions. It has 69 authorized positions. The Public Information, Education and Library functions, and the Governmental Affairs Office, although appearing in the budget with the line divisions of Conservation, Facilities Siting and Energy Assessments, are programs that more properly belong with administration. Including these programs brings the administrative total to 77. Of the 31 additional positions requested by the commission this year, 22 are administrative or overhead positions.

**Federally Funded Positions in Public Information Office**

The commission requests two additional positions in its Public Information Office. This office now has three authorized positions, assisted by temporary help. The new positions would be used to develop a program for dissemination of technical information on energy conservation and other energy topics. The cost of the two positions would be \$51,000 annually, but the commission is asking for only \$12,750 in state funds. Like the two positions in the Conservation Division discussed earlier, the remainder of the funding (\$38,250) is to be provided by the federal government. We assume that the positions will not be added unless the federal funds are forthcoming.

**Delete Funds for Program Assessment Staff**

*We recommend that \$53,632 be deleted for two proposed positions for the Program Assessment Office.*

The commission requests an increase of two positions for its Program Assessments Office. The main duties of this office are to review the work of other groups within the commission, and to consider what the commission should do in the future. In the budget last year, the commission requested eight positions for this office. The Legislature reduced this request to four positions, which are assisted by temporary help.

The office has spent much of its time assisting in the organization of the line divisions and reviewing their work plans. The line divisions have lagged behind the rest of the commission in staffing, but they will be fully staffed in 1976-77. The whole commission will have had at least a year of operating experience, and problems associated with the start of the commission which occupied the Program Assessments Office this year should diminish. In addition to the staff of the Program Assessment Office, the commission has several management analysts who can work on organizational studies.

We believe that the current staffing level of the Program Assessments

Office is adequate and recommend deletion of funds for the two proposed new positions.

**Delete Funds for Washington D.C. Liaison**

*We recommend a reduction of \$18,267 for a proposed contract with a Washington D.C. consulting firm for federal liaison and for additional out-of-state travel funds for the Office of Governmental Affairs.*

The commission requests an increase of \$3,267 in out-of-state travel and an increase of \$15,000 for a contract with a Washington D.C. consulting firm for federal liaison for its Office of Governmental Affairs.

The Department of Finance has recently reactivated its office in Washington for liaison with the federal government. The Energy Commission should utilize the Finance office.

The increase of \$3,267 for out-of-state travel should be deleted. Even without this amount, the commission has \$52,011 budgeted for out-of-state travel for 1976-77. That amount will fund at least 52 one week trips to Washington. According to material received from the commission it will include an additional \$98,120 in out-of-state travel in its research package. The state funded portion of this amount will be determined when the project package is submitted.

**Delete Library Positions**

*We recommend a reduction of \$58,137 to delete five proposed positions in the commission's library.*

The commission is statutorily authorized to serve as a central repository within state government for the collection, storage and retrieval of energy information. It proposes an increase of six positions for its library at a cost of \$69,764. The library currently has two full time positions assisted by one and a one-half temporary positions. The requested increase would bring the total permanent library staff to eight.

Compared to the staffing of other libraries in state government, the commission's request is not justified. The Resources Agency library with approximately 8,000 volumes and 50,000 technical reports and serving a large number of departments, has six positions. The Caltrans library in Sacramento, also with six positions, has about 5,000 volumes and at least 25,000 technical reports. The Energy Commission library is just getting started and probably has no more than one-third as much literature as either of the above libraries. In view of these facts, we recommend that the commission's six proposed positions be reduced to one. This will allow for a staff of three permanent positions assisted by temporary help as required.

**Delete Funds for Hearing Officers**

*We recommend (1) deletion of \$79,682 plus staff benefits and operating expenses for two hearing officer positions, one clerical position and associated temporary help for the General Counsel's Office and (2) an offsetting appropriation of \$80,000 for hearing services with language limiting its use.*

The commission requests \$79,682 plus staff benefits and operating expenses, for two hearing officers and one clerical position and temporary



**STATE ENERGY RESOURCES CONSERVATION & DEVELOPMENT—Continued**

help in its General Counsel's office.

The commission was intended to be a deliberative body, with five members bringing their expertise in various fields to make decisions upon proposals for regulations, sites for power plants, energy forecasts and other energy related questions. Substituting a hearing officer for the five commissioners weakens the hearing process in a way that the Legislature did not intend. Moreover, the hearing schedule of the commission has not been overloaded with testimony from outside groups. Much of the commission's meeting time so far has been devoted to internal affairs of the commission itself.

The commission requested positions for hearing officers last year's budget. The Legislature deleted these positions but appropriated \$80,000 to the commission for hearing officer services to be provided by the Office of Administrative Procedure in the Department of General Services. It also added budget language limiting their use. The commission has not used such hearing services to date. We recommend that the Legislature take the same action this year. Specifically, we recommend the two hearing officer positions, one clerical position and temporary help requested by the commission be deleted and that \$80,000 again be appropriated for hearing services. We recommend that the following language be added to Item 234: "provided that \$80,000 for services of the Office of Administrative Procedure shall be used only for hearings on matters and materials indirectly related to the responsibilities and duties of the commissioners and not for hearings related to their primary statutory purposes." This is the same language that was included in the Budget Act last year.

**Delete Positions for Additional Legal Staff**

*We recommend a reduction of \$160,392 to delete three additional attorney positions, one clerical position, and temporary help for the commission's legal office.*

The commission now has a legal staff of three, with two clerical positions. It requests an increase of \$160,392 for three additional attorney positions, a legal stenographer, temporary help, and the upgrading of the General Counsel position from CEA III to CEA V.

The commission requested six positions in its budget request last year, but the Legislature reduced this to three. The three staff counsel positions requested would increase the commission's full time legal staff to six. In addition, the commission is requesting four half-time legal intern positions (temporary help).

The commission has been utilizing the services of the Attorney General for extra legal workload. The Attorney General's office indicates that it has been able to handle all of the commission's requests and that the work is not putting a strain on its resources. Although Chapter 1155, Statutes of 1975, authorized the commission to employ legal counsel, nothing in that act precludes the Attorney General's office from continuing to serve the commission as it has in the past. Moreover the extensive hearings on adopting of regulations and facilities sitings which the commission cited last year as a reason for a large legal staff have not materialized. In view

of these facts, we recommend a reduction of \$160,392 to delete additional funds upgrading of the CEA III general counsel to CEA V, the added staff attorneys, clerical and part time help.

#### **Delete Positions for Executive Office**

*We recommend a reduction of \$64,981 to delete funds for two staff positions in the executive office.*

The commission requests an increase of two positions, a senior economist and an energy resources specialist for its executive office, mostly to assist the "executive council". The executive council consists of the Executive Director and the five division chiefs. The meetings of "executive council" are really top management staff meetings commonplace in all state agencies. Staff positions should not be provided this ad hoc group.

In addition, these proposed positions would add to the large number of administrative and overhead positions. Thirty percent of the commission's positions are already in this category. We recommend a reduction of \$64,981 to delete funds for the two proposed staff positions.

### **Resources Agency ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION (Special Reserve Account)**

Item 235 from the State Energy  
Resources Conservation and  
Development Account in the  
General Fund

Budget p. 565

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Requested 1976-77 .....	\$282,125
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#### **SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

*Analysis  
page*

- |   |     |
|---|-----|
| 1. Special Reserve Account. Withhold recommendation pending review of the need for a reserve account. | 419 |
|---|-----|

#### **ANALYSIS AND RECOMMENDATIONS**

*We defer recommendation pending review of the need for a special reserve account.*

A reserve account within the Energy Resources Conservation and Development Special Account was created by Item 217.1 of the Budget Act of 1975 upon our recommendation. The purpose of the reserve account was to retain revenue from the electricity surcharge in excess of the commission's budgeted expenditures in order to meet cash flow needs of the account.

Cash flow problems may be caused by the fact that revenues are received on a quarterly basis and that there may be a shortage of money to finance work at the beginning of a new fiscal year. In addition, some experience with the mechanism for setting the surcharge rate was needed which would indicate whether or not a change in the law pertaining to the surcharge is needed. Since the enactment of the 1975 budget, no further

**ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION**  
**(Special Reserve Account)—Continued**

study of the need for such a reserve fund or of the restrictions upon its use has been made. We defer recommendation on Item 235 pending such a review.

**Resources Agency**

**CALIFORNIA-NEVADA INTERSTATE COMPACT COMMISSION**

Item 236 from the General  
Fund

Budget p. 568

Requested 1976-77 .....	\$11,985
Estimated 1975-76.....	27,500
Actual 1974-75 .....	19,691
Requested decrease \$15,515 (56.4 percent)	
Total recommended reduction .....	None

**GENERAL PROGRAM STATEMENT**

The seven-member California-Nevada Interstate Compact Commission was created in 1955 to cooperate with a similar commission representing Nevada in formulating an interstate compact on the distribution of waters from Lake Tahoe and the Truckee, Carson and Walker Rivers.

The principal purpose of the compact was to avoid lengthy and costly water rights litigation. The present version of the compact was adopted by California in 1970 and Nevada in 1971.

In order to become effective, the compact must be ratified by Congress. In 1971, legislation was introduced in Congress for this purpose, but the commission has been unable to obtain committee hearings on the ratification. This is apparently because of the opposition of the U. S. Department of the Interior which cannot resolve its own internal water use conflicts and prefers to have them resolved in court. In addition, the U. S. Department of Justice opposes the compact because it might compromise federal litigation of Truckee River water rights in Nevada. It now appears that the compact will not be ratified.

**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval.*

The commission will terminate on January 1, 1977 pursuant to Chapter 301, Statutes of 1974. We recommend approval based on the understanding that this budget request is for six months and that further activity will then cease.

## Resources Agency

## DEPARTMENT OF CONSERVATION

Items 237-243 from the General  
Fund and special funds

Budget p. 570

Requested 1976-77 .....	\$77,289,098
Estimated 1975-76.....	82,663,621
Actual 1974-75 .....	78,921,822
Requested decrease \$5,374,523 (6.5 percent)	
Total recommended reduction .....	\$208,500

## 1976-77 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount
237	Department of Conservation, Primary funding source	General	\$71,320,305
238	Temporary Disability Retirement Program	General	280,000
239	Emergency fire suppression	General	5,000,000
240	State share of California Institute of Technology seismograph network	State Highway Account	11,400
		State Transportation	
241	State share of California Institute of Technology seismograph network	California water	11,400
242	Division of Forestry	Professional Forester Registration	42,415
243	Division of Mines and Geology	Strong-Motion Instrumentation Program	623,578
			<u>\$77,289,098</u>

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis  
page

1. Ecology Corps Program (Item 237). Withhold recommendation on Item 237 until details of the integration of the Ecology Corps program into the California Conservation Corps become available. 427
2. Disability—Retirement Program. Withhold recommendation on the Division of Forestry's request for \$280,000 (Item 238) for a rehabilitation-disability blanket for its fire suppression employees. 427
3. Emergency Fund. Recommend (1) the Legislature direct the Division of Forestry to restrict the persons who may authorize actions which will result in Emergency Fund expenditures to the level of Ranger I and higher supervisory classes, (2) the Legislature withhold approval of Item 239 until the division furnishes the Legislature with the written instructions on Emergency Fund actions to be included in its new Fire Control Handbook, (3) the Department of Finance, after consultation with the Division of Forestry, recommend to the Legislature by April 1, 1976 427

## DEPARTMENT OF CONSERVATION—Continued

which Emergency Fund expenditures and amounts thereof should be included in the Division of Forestry support budget, and (4) the Division of Forestry report to the Legislature by December 1 of each year on its Emergency Fund expenditures in the previous fire season.

4. Fire Protection of Federal Lands (Item 237). 429  
Recommend the Division of Forestry's contracts for protecting federal lands belonging to the Bureau of Land Management and the Bureau of Indian Affairs should be revised to compensate the state at a rate which reflects the cost of such protection. Also recommend the division determine ownership and request federal compensation for federal lands which the division protects but for which receives no compensation because the responsible federal agencies have not been identified.
5. *Resource Conservation Commission. Reduce Item 237 by \$64,500.* Recommend deletion of funds for commission staff. 430
6. Geologic Data. Recommend the Division of Mines and Geology provide the Legislature with a written summary on a quarterly basis beginning October 1, 1976, giving the starting date, current status and planned completion date of all publications in preparation. 431
7. Fault Mapping Program (Item 237). Recommend the Legislature direct the Division of Mines and Geology to map in its special studies zones program only those faults which are hazardous to public safety, and to concentrate its efforts on faults in populated areas of the state. 432
8. *Idle Oil Wells and Oil Sumps. Reduce Item 237 by \$52,000 plus staff benefits and operating expenses.* Recommend deletion of funding for four petroleum technical assistant positions. 434
9. Well Abandonment Program (Item 237). Withhold recommendation of \$500,000 for proposed well abandonment program. 434
10. *Administration. Reduce Item 237 by \$92,000 plus staff benefits.* Recommend deletion of funding for nine proposed positions. 435

## GENERAL PROGRAM STATEMENT

The Department of Conservation is responsible for the protection and development of certain wildland, mineral, and soil resources in the state. The department includes the Divisions of Forestry, Mines and Geology, and Oil and Gas. The staff at the department level provides management and service functions for the three divisions.

The Division of Forestry provides fire-protection services for the state responsibility, privately owned wildlands of the state and for local responsibility areas of the state pursuant to contracts with local government. It

also administers the Forest Practice Act.

The Division of Mines and Geology develops and publishes geologic information about the terrain, mineral resources, and possible geologic hazards such as landslides, active faults and subsidence. The division also conducts a strong-motion instrumentation program to measure the large-scale, destructive ground motion of earthquakes.

The Division of Oil and Gas regulates the drilling of oil, gas and geothermal wells.

Policies for the administration of the Divisions of Forestry and Mines and Geology are established by the Board of Forestry and the State Mining and Geology Board, respectively, whose members are appointed by the Governor.

## ANALYSIS AND RECOMMENDATIONS

### Funding Sources

Table 1 indicates the annual expenditures from all sources by the department for a five-year period. Total state controlled departmental expenditures will be over \$112 million in 1976-77. This year, for the first time, funds for emergency fire suppression and detection have been included as a separate item in the Budget Bill. The amount requested for 1976-77 is \$5 million. Most of the department's expenditures will be financed by the General Fund and by reimbursements. The reimbursements of nearly \$27 million are mostly for local fire control services performed by the Division of Forestry, subsistence payments by division employees, services to other agencies by conservation camps and services to the timber industry in administering the Forest Practice Act.

The federal funds are mostly payments for state fire protection of public domain land.

The Schedule C funds are for local fire protection services and related purchases made by counties or fire districts as directed by a local Division of Forestry fire control officer.

Chapter 1049, Statutes of 1975, abolished the Petroleum and Gas Fund and the Subsidence Abatement Fund. The revenues from fees paid by oil, gas and geothermal steam producers, are now placed in the General Fund.

### Budget Changes

The total appropriation request of \$77,289,098 is \$5,374,523 or 6.5 percent less than estimated expenditures of \$82,663,621 in the current year. The following factors have substantially reduced the request.

- |   |             |
|---|-------------|
| 1. Transfer of Ecology Corps to the California Conservation Corps under the Resources Agency .....  | \$4,179,858 |
| 2. Estimated Emergency Fund expenditures in the current year that do not appear in the budget year .....  | 1,800,000   |
| 3. Increased reimbursements in the budget year to administer the Forest Practice Act .....  | 250,000     |
| 4. Termination of temporary supplemental fire protection in five northern counties added because of heavy snow damage to trees and brush in 1974..... | 435,000     |

**Table 1**  
**Department of Conservation—Support Expenditures**

<i>Source of Funding</i>	<i>1972-73</i>	<i>1973-74</i>	<i>1974-75</i>	<i>1975-76<sup>a</sup></i>	<i>1976-77<sup>a</sup></i>
General Fund (includes Emergency Fund allocations for fire suppression as shown in parentheses) .....	\$51,077,639	\$58,724,957	\$76,352,558	\$79,628,843	\$76,600,305
	(3,122,630)	(4,481,525)	(5,645,427)	(6,800,000)	(5,000,000)
Petroleum and Gas Fund.....	1,464,275	1,686,215	1,881,080	2,227,214	—
Petroleum and Gas Fund—geothermal resources account.....	16,579	18,186	19,979	20,841	—
Subsidence Abatement Fund .....	139,180	141,605	174,156	176,759	—
Strong-Motion Instrumentation Program Fund .....	172,637	488,473	432,853	545,141	623,578
Professional Forester Registration Fund .....	—	49,569	38,396	42,023	42,415
California Water Fund .....	—	11,400	11,400	11,400	11,400
State Transportation—State Highway Account .....	—	11,400	11,400	11,400	11,400
Total state funds .....	\$52,870,310	\$61,131,805	\$78,921,822	\$82,663,621	\$77,289,098
Federal funds .....	1,475,410	2,783,738	1,771,039	1,736,219	1,226,674
Other expenditures—reimbursed .....	14,555,686	17,541,333	21,726,156	25,455,888	26,991,440
Total budget expenditures.....	\$68,901,406	\$81,456,876	\$102,419,017	\$109,855,728	\$105,507,212
Schedule C funds <sup>b</sup> .....	4,485,601	5,577,859	5,874,113	7,126,695	7,126,695
Total state-controlled expenditures .....	\$73,387,007	\$87,034,735	\$108,293,130	\$116,982,423	\$112,633,907

<sup>a</sup> Estimated

<sup>b</sup> Estimated local funds expended for local fire protection services as directed by the Division of Forestry

5. Increase for workers compensation in the current year but not in budget year..... 508,000

If the budget is placed on the same basis as the current year, there is an increase of \$1,798,335 or 2.2 percent in expenditures.

The budget this year contains several funding increases for continuing programs. The major increases are:

1. Facilities improvements to meet Cal-OSHA requirements ..... \$100,000
2. Well abandonment program in Division of Oil and Gas ..... 500,000
3. Mapping program for Division of Forestry ..... 120,000
4. Temporary disability retirement program ..... 280,000
5. Staff for Resource Conservation Commission ..... 64,500

There are savings of \$807,158 in the Watershed and Fire Protection Program resulting from the elimination of the second truck at five fire stations having two engines, closing of a fire lookout, reductions in seasonal cook positions and increased reimbursements.

#### WATERSHED AND FIRE PROTECTION

The objective of the Watershed and Fire Protection Program is to protect the private and state-owned watershed lands from fire, insects, disease and misuse by man. Total program expenditures in the budget year are estimated to be \$98,814,045 compared to estimated expenditures in the current year of \$103,889,501.

The program elements and budgeted expenditures in 1976-77 are as follows:

1. Fire protection, state responsibility lands ..... \$64,718,892
2. Fire protection, local government contract ..... 21,091,420
3. Resource management ..... 5,283,043
4. Civil defense and other emergencies ..... 122,760
5. Open-space subvention and environmental impact ..... 159,000
6. Resource Conservation Commission ..... 64,500
7. Administration ..... 7,374,430

The fire protection state responsibility element is divided into the following components for 1975-76 with expenditures estimated as follows:

- |                          |              |
|--------------------------|--------------|
| Fire control .....       | \$55,151,496 |
| Fire prevention .....    | 4,212,726    |
| Conservation Camps ..... | 5,354,670    |

The fire protection, state responsibility element is budgeted for the largest expenditure of all activities in the Department of Conservation. It includes nearly all of the field organization of the Division of Forestry, which directly protects about 28 million acres of mostly private land.

#### Reductions in Fire Protection Budget

The Department of Finance has been conducting a study of the Division of Forestry's fire protection program for over a year. The study has not been published but the Department of Finance, after discussion with the Department of Conservation, has implemented some of the study recommendations in this budget. The resulting reductions are as follows:



**DEPARTMENT OF CONSERVATION—Continued**

Equipment savings resulting from elimination of second truck at five fire stations having two engines.....	\$235,000
Increased reimbursements from local governments for state services .....	202,000
Increased payments from the Bureau of Land Management for protection of federal lands .....	100,000
Reduction in seasonal cooks.....	270,158
Total.....	\$807,158

**Fair Labor Standards Act**

The 1974 amendments to the federal Fair Labor Standards Act (FLSA) extended minimum wage provisions effective May 1, 1974 and overtime provisions effective January 1, 1975, to certain state employees. California and other states and cities have joined in a suit to test the constitutionality of the 1974 FLSA amendments, contending that the legislation is a federal preemption of the states' sovereign authority to regulate the working conditions of their own employees. On December 31, 1974, the Chief Justice of the United States Supreme Court stayed the enforcement of the 1974 amendments pending the outcome of the suit.

The 1974 amendments affected the department's budget in two principal ways (1) the wages of seasonal firefighters and ecology corpsmen had to meet the minimum wage of \$1.90 per hour as of May 1, 1974 and (2) certain classes of permanent fire suppression employees had to be paid overtime for all work over 240 hours in a 28-day period as of January 1, 1975.

*Ecology Corpsmen.* Although the stay granted by the Chief Justice affected all the provisions of the 1974 amendments, the legal challenge is only upon those provisions concerning fire and police employees. Therefore ecology corpsmen have continued to receive the minimum wage.

*Seasonal Firefighters.* In 1974, the Division of Forestry cut seasonal firefighters' duty week to 60 hours rather than pay overtime under FLSA. In order to maintain fire coverage, the number of seasonal firefighters was nearly doubled. The cost of this increase was approximately \$3,400,000 for the 1974 fire season.

As a result of the stay ordered by the Chief Justice, the Division of Forestry revised the duty week of seasonal firefighters back to 120 hours for the 1975 fire season, resulting in a large savings over 1974.

*Permanent Employees.* For several years permanent fire suppression employees assigned to state responsibility programs have had an 84 hour duty week during the fire season and a 40-hour workweek during the rest of the year. They receive 15 percent additional salary during the fire season. The 1974 amendments to the FLSA required that employees in the classes of fire captain, fire apparatus engineer and fire crew supervisor be paid overtime for any work over 240 hours in a 28-day period beginning January 1, 1975. The hours are reduced to 232 in 1976 and to 216 in 1977. The Division of Forestry estimated in 1974 that these provisions would cause cost increases for overtime of at least 14 percent in 1975, with further increases in 1976 and 1977.

Because of the stay of enforcement of the 1974 amendments, the division has not had to pay the increased overtime costs. The division's 1976-77 budget presumes no change in this situation and no reduction in the duty week of seasonal firefighters. If the Supreme Court's decision is against the states, the division would incur substantial increased costs for employee salaries.

#### **Ecology Corps Transferred**

*We withhold recommendation on Item 237 until details of the integration of the Ecology Corps program into the California Conservation Corps become available.*

The budget indicates that the Ecology Corps and the Youth Conservation Corps, in the Department of Parks and Recreation, will be combined into the California Conservation Corps under the Resources Agency. The Division of Forestry will continue to be provided with the firefighting services of some corps personnel during the fire season. Division personnel now supervising ecology corpsmen will continue in that function and the division will be reimbursed for their services by the agency. Other details of the California Conservation Corps program are very sketchy at this time but they may have important fiscal impacts on the department. Until this information becomes available, we defer recommendation on the department's General Fund request.

#### **Rehabilitation-Disability Blanket**

*We withhold recommendation on the Division of Forestry's request for \$280,000 (Item 238) for a rehabilitation-disability blanket for its fire suppression employees.*

The Division of Forestry requests an additional \$280,000 this year for a rehabilitation-disability blanket for its employees. According to the division, some employees in fire protection work become physically or mentally disabled on the job each year. Until they are rehired, retrained or given medical clearance to return to duty, the division must pay their salaries plus the salaries of new employees to take their places. The result is that the division must pay two salaries for about 18 positions each year.

The division has over 2,000 positions in fire protection and it would seem that resources could be shifted to meet these temporary situations when they occur. For about six months of the year (the nonfire season), most division fire suppression employees are underutilized. There should be no difficulty in covering for disabled employees during this period. We have not had an opportunity to review thoroughly this proposal and we therefore defer recommendation on the request.

#### **Emergency Fund Expenditures**

*We recommend that (1) the Legislature direct the Division of Forestry to restrict the persons who may authorize Emergency Fund expenditures to the level of Ranger I and higher supervisory classes, (2) the Legislature withhold approval of Item 239 until the division furnishes the Legislature with the written instructions on Emergency Fund actions to be included in its new Fire Control Handbook, (3) the Department of Finance, after consultation with the Division of Forestry, recommend to the Legislature*

**DEPARTMENT OF CONSERVATION—Continued**

*by April 1, 1976 which Emergency Fund expenditures and amounts thereof should be included in the Division of Forestry support budget, and (4) the Division of Forestry report to the Legislature by December 1 of each year on its Emergency Fund expenditures in the previous fire season.*

In our 1975-76 Analysis, we made three recommendations to control the rapidly rising Emergency Fund expenditures of the Division of Forestry. In budget hearings, the division agreed to make a report on such expenditures in lieu of our control recommendations. The Conference Committee recommended that the Division of Forestry report to the Legislature by November 1, 1975 on ways to improve the control of Emergency Fund expenditures and indicate the amount of such expenditures which should be included in the division's support budget. The division has submitted a report entitled "Fire Emergency Fund Expenditures" dated November 20, 1975.

The report indicates that a clear-cut description of policy guiding the use of the Emergency Fund will be included in a new Fire Control Handbook, which will be carried on all fire engines and by all field administrators. The lack of such instructions has been a problem, and this proposal is an improvement. In order to insure that the instructions will be completed in time for the 1976 fire season, and in order to provide time for review, approval of Item 239 should be withheld until the division furnishes these materials to the Legislature.

A deficiency of the report is that it fails to define adequate measures to control Emergency Fund expenditures. As we stated in the Analysis last year, authority to use the Emergency Fund is too decentralized. Practically anyone in a division fire suppression position above the lowest permanent class (truck driver) may exercise such authority. The report does not recommend a change in this policy. We think that authorization to make such expenditures should be moved up the chain of command.

We therefore recommend that the Legislature direct the division to restrict the persons authorized to take fire suppression actions which may result in Emergency Fund expenditures to the level of Ranger I and above (or their designee).

The division's report concludes that emergency overtime costs for regular fire control employees should be transferred to the support budget, rather than being paid from the Emergency Fund. We agree that overtime is a predictable expense and that it should be recognized as a continuing cost. Probably at least \$200,000 should be included in the support budget for it. Subsistence expenses of at least \$180,000 per year have been paid from the Emergency Fund for the last eight years. Some level of emergency subsistence should be budgeted. In addition, at least \$500,000 should be included for retardants. Initial air attack costs are in the support budget but there are no funds budgeted for retardants. The Department of Finance, after consultation with the Department of Conservation, should recommend to the Legislature by April 1, 1976 which Emergency Fund expenditures and amounts thereof are to be included in the Division of Forestry support budget.

The Division of Forestry lacks statistics on the number and characteris-

tics of fires for which Emergency Funds are spent. Without such information, proper fiscal control is difficult. We therefore recommend that the division report to the Legislature by December 1 each year on all Emergency Fund expenditures. In the case of fires, the report should include a breakdown of expenditures, the total number of fires for which such expenditures are authorized and the number of fires in each size category as defined in the division's annual publication "Wildfire Activity Statistics."

#### Fire Protection of Federal Lands (Item 237)

*We recommend that the Division of Forestry's contracts for protecting federal lands belonging to the Bureau of Land Management and the Bureau of Indian Affairs should be revised to compensate the state at a rate which reflects the cost of such protection.*

*We also recommend that the division determine ownership and request federal compensation for federal lands which the division protects but receives no compensation because the responsible federal agencies have not been identified.*

The federal government contracts with the Division of Forestry for the protection of federal lands. The contracting federal agencies are the Bureau of Land Management, the U.S. Forest Service, the Bureau of Reclamation and the Bureau of Indian Affairs. These federal contracts differ in their terms. The Bureau of Land Management paid a presuppression (standby) cost of \$823,000 in 1974-75 plus an actual suppression cost of \$666,623. The Bureau of Indian Affairs pays only actual suppression costs and no standby costs. The following table shows the number of acres protected for federal agencies and the amount each paid the division for such protection.

**Table 2**  
**Summary of Compensation to Division of Forestry for**  
**Protection of Federal Lands 1974-75**

Agency	Acres Protected	Amount Paid Division of Forestry	Amount Paid Per Acre
Bureau of Indian Affairs .....	261,103	\$174,999 <sup>a</sup>	\$0.67
Bureau of Land Management .....	1,849,296	1,489,623	\$0.80
Bureau of Reclamation .....	24,189	37,734	\$1.56
Forest Service .....	785,817	—0— <sup>b</sup>	—

<sup>a</sup> The Bureau of Indian Affairs pays only the actual fire suppression costs incurred by the Division of Forestry. It pays no standby costs.

<sup>b</sup> The Division of Forestry is repaid for protection of U.S. Forest Service lands by U.S.F.S. protection of an equal amount of state responsibility land.

The \$1.56 per acre paid by the Bureau of Reclamation is the result of a calculation made in 1974 by the Division of Forestry of its costs for protecting that agency's land. A new calculation, which will undoubtedly reflect higher costs, will be made this year for the Bureau of Reclamation contract.

In a letter dated October 21, 1969, from the State Forester to the Department of the Interior, the State Forester stated that in 1968-69 the cost to the division of protecting 1,983,000 acres of Bureau of Land Management (BLM) land was \$2,464,101 or \$1.24 per acre. As shown in Table 2, the

**DEPARTMENT OF CONSERVATION—Continued**

number of acres of BLM land protected by the division has declined slightly. But the average cost per acre of \$1.24 from the division's 1968-69 statistics is 44 cents per acre more than the average rate of 80 cents paid by BLM in 1974-75. If we were to adjust the \$1.24 per acre figure for inflation since 1969, it would probably be equivalent to at least \$1.70 today.

As noted earlier, the budget includes an increased reimbursement of \$100,000 from BLM for fire protection. The \$100,000 is inadequate because it would only increase the average payment per acre to about 86 cents per acre, based on the figures in Table 2. The contracts for protection of BLM and Bureau of Indian Affairs land should be adjusted to provide the true cost to the Division of Forestry at a flat rate per acre. This would probably result in a charge of at least \$1.70 per acre and in an increased reimbursement of at least \$1,900,000.

**Forest Practice Act Partially Unfunded**

The budget includes 85.4 man years of effort and \$2,119,623 to administer the Forest Practice Act of 1973. The program is budgeted at the same level as current year expenditures. The budget proposes that the Forest Practice Act program be funded primarily from the General Fund, with a \$500,000 reimbursement from the forest products industries (approximately 25 percent of the program cost).

In each of the last two years, the cost of administering the Forest Practice Act of 1973 has been budgeted as a reimbursement. The law mandates the Board of Forestry to require a reasonable filing fee for permits to engage in timber operations. The board was asked by the administration to raise the fees to provide the revenue. The board did raise the fees in 1974 but only enough to provide a slight increase in revenue, from \$41,000 up to \$78,000 annually. The board has consistently refused to raise the fees to provide revenue above this level. As a result, the Legislature approved a \$1,350,000 augmentation to the budget for 1974-75 and a \$2,018,841 augmentation for 1975-76. The Governor later reduced the 1975-76 augmentation to \$1,768,841. The Division of Forestry has not reduced its program level to adjust for the reduced funding and, according to the budget, will support legislation for a deficiency appropriation of \$250,000 in the 1976 session.

In view of the Board of Forestry's inaction on timber operators permit fees, it seems unlikely that these fees will be raised unless the board membership is changed. Even if the board did raise the fees, the increase would not apply until 1977. The board has already established fees for calendar year 1976 (which includes the first half of 1976-77) and the Division of Forestry is now issuing permits based on those fees.

**Eliminate Funds for Resource Conservation Commission Staff**

*We recommend a reduction of \$64,500 from Item 237 to delete funds for two new positions to assist the Resource Conservation Commission.*

Included in the budget for 1976-77 is \$64,500 for two staff positions to assist the Resource Conservation Commission. The commission (formerly the State Soil Conservation Committee) was created in 1938 to promote the formation of soil conservation districts, and to assist them with their

plans and proposals relating to soil conservation activities. In 1955 the Division of Soil Conservation (now Resource Conservation) was created, taking over many of the responsibilities of the commission. Currently, the legally prescribed duties of the commission are to study and report on the problem of soil conservation in California and to aid and encourage soil conservation activities. It may grant money to soil (resource) conservation districts.

The Resource Conservation Division was abolished by the Director of Conservation in 1973. Planning assistance to local agencies for small watershed projects under Public Law 566 had been a major function of the division. Plans for projects were piling up with little prospect of actual construction for many years. Since 1973, there has been little change in this situation. The U.S. Soil Conservation Service has informed us that there is still a backlog of state prepared plans. After the backlog is depleted, additional plans could be prepared by the U.S. Soil Conservation Service. The Resource Conservation Commission still exists, but its funding is minimal and both Governor Reagan and Governor Brown have declined to make new appointments as the terms of commission members expire.

Providing staff to the commission is unjustified because the commission itself is not needed. We recommend deletion of the \$64,500 and the two proposed positions.

#### **GEOLOGIC HAZARDS AND MINERAL RESOURCES CONSERVATION**

The objective of the geologic hazards and mineral resources conservation program is to identify and delineate geologic hazards through geologic investigations and to identify and assist in the use of mineral resources. The program is performed by the Division of Mines and Geology, which has 109 authorized positions.

Total expenditures in the budget year are estimated to be \$3,673,545 compared to estimated current year expenditures of \$3,500,561.

#### **Division Publications Lag**

*We recommend that the Division of Mines and Geology provide the Legislature a written summary on a quarterly basis for the two-year period beginning October 1, 1976 and ending October 1, 1978, giving the starting date, current status and planned completion date of all publications in preparation.*

The Division of Mines and Geology publishes a wide variety of reports, maps and bulletins each year. Included in these are special studies zone maps, geologic reports, and reports on major earthquakes. It is important that information contained in these publications be disseminated as quickly as possible while maintaining a high standard of reliability. Unfortunately there have been long delays in the completion of many geologic reports in the last few years.

Two recent reports illustrate this problem. Bulletin 196, titled "San Fernando, California Earthquake of 9 February 1971," is a comprehensive report containing articles by many authors on various aspects of the earthquake. The report was published in March 1975. The time lag of over four years in providing needed information to the public on this important seismic event was excessive. Almost two years were spent in the division's

**DEPARTMENT OF CONSERVATION—Continued**

review and editing of the articles.

The publication titled "A Review of the Geology and Earthquake History of the Newport-Inglewood Fault," published in January 1975, is another example of excessive delay. An inside page of the report states that it was based on work completed in 1972. The division indicates that it was "on the shelf" for much of the time between 1972 and 1975.

According to the division, there are other publications in progress which were begun years ago. One common reason for delay is that years are spent in editing and review. This situation should be improved. We recommend that the Legislature require the division to establish a system for monitoring the preparation of publications. The system should include a written summary issued on a quarterly basis giving the starting date, current status and planned completion date of all publications in progress. When completion dates are not met, an explanation should be given, and a new completion date set. The summary should be provided to the Legislature for a period of two years beginning October 1, 1976. The summary should not include routine publications such as "California Geology" and the "Report of the State Geologist."

**Fault Mapping Program**

*We recommend that the Legislature direct the Division of Mines and Geology to include in its special studies zones program the mapping of only those faults which are hazardous to public safety, and to concentrate on faults in populated areas of the state.*

Chapter 1354, Statutes of 1972, requires the State Geologist to delineate and map special studies zones to encompass as a minimum the traces of the San Andreas, Calaveras, Hayward and San Jacinto Faults and such other faults he may deem a hazard to structures.

The stated purpose of the law is "to provide for the adoption and administration of zoning laws, ordinances, rules and regulations by cities and counties as well as to implement such general plan as may be in effect in any city or county. The Legislature declares that the provisions of this chapter are intended to provide policies and criteria to assist cities, counties, and state agencies in the exercise of their responsibility to provide for the public safety in hazardous fault zones."

Work on the four faults mentioned in the law was completed in 1974. The division has continued to map faults, but a significant part of the effort has involved areas in which there is little habitation. There is no priority need to map areas of the Quail Mountains, Leach Lake or Avawatz Pass (all in desolate areas of the Mojave Desert) to facilitate preparing zoning ordinances or general plans. Yet in 1975, about one-third of the division's fault mapping efforts involved these and other remote and nearly uninhabited areas. Meanwhile, some known faults in much more heavily populated areas such as the Raymond Hill Fault near Pasadena and San Moreno and the Sierra Madre Fault from Cucamonga to San Fernando have gone unmapped.

A seismic safety element was required in local general plans by September 1974. As a result, Los Angeles County and a group of cities in the San

Gabriel Valley have now mapped the Sierra Madre and Raymond Hill Faults. Pasadena has also mapped the Raymond Hill Fault. It is unfortunate that the division has not devoted more effort to these and other faults in populated areas.

The Legislature requested, in supplemental report language last year, that the division report by December 1, 1975, on its plan for the special studies zones program. The plan has been published, and should improve the program substantially. The most heavily populated sections of the state are given priority under this plan. Most of Ventura County, the northwest part of Los Angeles County and the southern part of Santa Barbara County would be mapped by October 1977. Southern Los Angeles County would be mapped by October 1978. One deficiency of the report is the delay until 1981 of any work in the Oroville area, which was hit by an earthquake last summer. However, since our receipt of the report, the division has told us that it plans to map the Oroville area later this year. Also, the plan does not insure that desolate areas will not be mapped. A section designated for priority mapping may contain large urban areas surrounded by relatively unhabitated land. It is important that the division concentrate on population centers. Some areas, such as those in the remote locations of the Mojave Desert, do not need to be mapped at all.

We recommend that the Legislature direct the division to map only those faults in areas hazardous to public safety, and that it concentrate its efforts in populated areas of the state.

#### **New Surface Mining Law**

The State Mining and Geology Board establishes policy for the Division of Mines and Geology. Chapter 1131, Statutes of 1975, decreased the number of board members from 11 to 9 and established more specific membership qualifications. It creates a Geologic Hazards Technical Advisory Committee to advise the board and permits the formation of district technical advisory committees. The law allows the new board to appoint an executive officer and to employ clerical assistance. The state geologist is required to classify lands by the extent of their mineral deposits. The law also establishes requirements for reclamation of surface-mined lands.

During legislative hearings, the division estimated that the law would cause an increased cost of \$180,000 annually. No additional funding is included in the budget for this legislation.

#### **OIL, GAS AND GEOTHERMAL PROTECTION**

The Oil, Gas and Geothermal Protection program is performed by the Division of Oil and Gas, which until this year has been a special fund agency. The division supervises the drilling, operation, maintenance and abandonment of oil, gas and geothermal wells throughout the state and the repressuring operations for the abatement of land subsidence in the Wilmington area. The division has 99 authorized positions.

Chapter 1049, Statutes of 1975, abolished the Petroleum and Gas Fund and the Subsidence Abatement Fund and placed their revenues in the General Fund. Fees charged operators of oil, gas and geothermal wells, plus funds received from reimbursements and the sale of publications offset the division's expenditures from the General Fund. Budget year



**DEPARTMENT OF CONSERVATION—Continued**

expenditures are estimated at \$3,019,622 compared to \$2,455,666 in the current year.

**Additional Oil and Gas Fees Needed**

Chapter 1049, Statutes of 1975, abolished the Petroleum and Gas Fund and the Subsidence Abatement Fund, making the division a General Fund agency. However, fees charged oil and gas well operators are still to be set at levels which, when combined with reimbursements and the sale of division publications, will offset expenditures.

The revenue from all sources for division programs in 1976-77 is estimated to be \$3,019,622, which is an amount equal to the division's budgeted expenditures. However, the division will have additional expenditures for salary increases as proposed by the Governor. The department should establish fees to be charged oil and gas well operators which will be sufficient to pay for the division's salary increases.

**Eliminate Technical Assistant Positions**

*We recommend a reduction of \$52,000 plus staff benefits and related operating expenses from Item 237 to delete funds for four petroleum technical assistant positions.*

The division's 1974-75 budget included \$65,480 to develop and conduct a two-year program to catalog idle oil and gas wells and to implement a program of screening or filling oil sumps designated by the Department of Fish and Game as hazardous to wildlife. The funds were to support four petroleum technical assistants plus operating expenses. The two years will have elapsed by July 1, 1976, and therefore these funds should be deleted from the budget because there is no reason given for their continuance.

**Well Abandonment Program**

*We withhold recommendation on the division's request for \$500,000 in Item 237 for an oil and gas well abandonment program until adequate information is provided.*

The division requests \$500,000 to establish an oil and gas well abandonment program. Abandonment is the process of plugging and capping oil and gas wells to insure against the leakage of fluids or gases. Abandonment procedures are regulated by the division, but the law does not require an operator to abandon a well after cessation of production unless ordered to do so by the Oil and Gas Supervisor. According to the division, there are many wells in California which require proper abandonment but for which liability cannot be determined or whose owners are insolvent.

The division's program is largely undefined and the amount requested is arbitrary. A more complete explanation of the organization and operation of this program should be provided. In addition, the statutory authority of the division to perform rather than supervise abandonment procedures on wells is questionable.

### ADMINISTRATION

Administration provides executive management, policy direction, fiscal and personnel services, public information, and training and safety programs to the department. The administration program has 282 authorized positions. It is budgeted at \$8,086,151 for 1976-77.

#### Eliminate Improperly Funded Positions

*We recommend that \$92,000 (Item 237) plus staff benefits for six proposed positions for the department's Personnel Office, two proposed positions for its Management Services Office and one proposed fire crew supervisor position in the Ecology Corps program be eliminated because the positions are not properly funded and the need for them is doubtful.*

The department's budget proposes the addition of six positions to its Personnel Office and two positions to its Management Services Office. First, these positions are to be funded by increasing salary savings by approximately \$74,000. This is poor budgeting practice. If there are excess salary savings, this means that some existing positions are not needed as budgeted. Funding for new positions should be recognized and budgeted rather than being secured from overbudgeted programs.

Second, the need for these positions is questionable. The reduction seasonal firefighters caused by the court challenge to the 1974 amendments to the federal Fair Labor Standards Act should have the effect of reducing personnel transactions. The effect on personnel transactions of the transfer of the Ecology Corps to the California Conservation Corps under the Resources Agency will be to reduce transactions, unless the department continues the activity under a reimbursement.

Third, the departmental consolidation of 1974, in which the Division of Forestry's fiscal and personnel positions were transferred to the department was justified partly by an increase in efficiency in administrative services. No positions have been eliminated as a result of the consolidation. Finally, the department's contract with the Solid Waste Management Board to do that agency's fiscal and personnel work was terminated in July 1975. This reduction in workload should have freed existing staff equal to the reduction in funding from the board.

The Fire Crew Supervisor position proposed for the Calaveras Ecology Center, although not part of Administration, is included here because it is to be funded by increasing salary savings. The amount involved is approximately \$18,000. The transfer of the Ecology Corps to the Resources Agency creates uncertainties about staffing levels in Ecology centers and may cause a reduction in positions.

**Resources Agency  
STATE LANDS DIVISION**

Item 244 from the General  
Fund

Budget p. 584

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Requested 1976-77 .....	\$3,983,712
Estimated 1975-76.....	3,638,531
Actual 1974-75 .....	2,893,836
Requested increase \$345,181 (9.5 percent)	
Increase to improve level of service \$210,000	
Total recommended reduction .....	None

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**GENERAL PROGRAM STATEMENT**

The State Lands Division in the Resources Agency provides staff support directly to the independent State Lands Commission. The commission is composed of the Lieutenant Governor, the State Controller, and the Director of Finance.

The commission is responsible for the management of state school lands, tide and submerged land, swamp and overflow land and the beds of navigable rivers. It administers tidelands trusts granted by the Legislature. The commission is authorized to sell state school land and to provide for the extraction of minerals and oil and gas from state lands. It also conducts a program to locate the boundaries of tide and submerged lands owned by the state and to maintain records showing the location of state-owned land.

The division is headquartered in Sacramento with an office in Long Beach. It has approximately 220 employees.

**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval.*

The Governor's Budget proposes total expenditures of \$5,586,638 for the support of the State Lands Division in 1976-77, which is an increase of \$129,429. The expenditures are financed by a General Fund appropriation of \$3,983,712, reimbursements of \$1,576,926 from Long Beach Tidelands oil revenue and miscellaneous reimbursements of \$26,000. The General Fund appropriation is \$345,181 higher than the current year. Most of that increase is due to the following:

1. \$65,000 for merit salary adjustments and changes in established positions.
2. \$65,000 to provide a total of \$325,000 in the budget year to continue the ungranted tidelands inventory and boundary mapping program authorized by Chapter 706, Statutes of 1975.
3. \$210,000 for the National Ocean Survey to obtain tidal measurements along the coastline for purposes of tideland boundary determinations pursuant to Chapter 706.

### LAND MANAGEMENT

The proposed funding for the elements of the land management program is shown in Table 1.

**Table 1**  
**Land Management Program Expenditures 1976-77**

Extractive development	
State leases .....	\$1,244,945
Long Beach operations .....	1,576,926
Other land operations .....	2,764,767
Total .....	\$5,586,638

The extractive development (state leases) element is made up of leasing and development activities of state-owned oil and gas, geothermal and mineral resources. The Long Beach operations unit reviews the economics of Long Beach oil and gas development and production operations to maximize state revenue. This activity is funded as a reimbursement from Long Beach oil revenue.

The other land operations element includes ownership determination, nonextractive leasing and the inventory and general management of state lands.

#### Estimated Commission Revenues

The Governor's Budget estimates total state revenues from State Lands Commission sources at \$109,736,000 in 1975-76 and \$92,050,500 in 1976-77. Most of the revenue is derived from the sale of oil. Estimates are based on a price of \$4.21 per barrel for nonexempt oil which was the ceiling price under the Emergency Petroleum Allocation Act of 1973 (PL 93-159) and more recently under regulations of the Federal Energy Administration (FEA).

#### Possible Increase in Oil Revenues

There is a possibility of an increase in state oil revenues during calendar year 1976 due to two factors. First, federal oil price ceilings are now based on the Energy Policy and Conservation Act of 1975 (PL 94-163). In general the composite price of exempt and nonexempt oil will be rolled back initially, but then over a 40-month period will be allowed to increase generally until price controls are removed. The state may lose revenue initially from a decline in the price for exempt oil but gain added revenue from an increase in the price for nonexempt oil. Accurate revenue estimates based on the new law can be made when the FEA rules are established in February or March.

Second, in most areas of the United States, the ceiling price for nonexempt crude oil is \$5.25 per barrel. However, the FEA has established a ceiling price of \$4.21 for California's nonexempt oil based on a gravity differential. The State Lands Commission has appealed this ruling as discriminatory. If the state wins the appeal some increase may be granted in the base price.

## SEISMIC SAFETY COMMISSION

Item 245 from the General  
Fund

Budget p. 589

Requested 1976-77 .....	\$143,037
Estimated 1975-76.....	143,037
Requested increase, None	
Total recommended reduction .....	\$59,599

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis  
page

1. *Reduce Item 245 by \$59,599.* Recommend elimination of funding for commission beyond its present statutory life. 438

## GENERAL PROGRAM STATEMENT

Chapter 1413, Statutes of 1974, created the Seismic Safety Commission effective January 1, 1975. The 15 members of the commission were not appointed until May 27, 1975, and no commission meetings were held until July. The commission staff began work on August 1.

The commission has a broad range of responsibilities in earthquake hazard reduction, including setting goals and priorities, reviewing reconstruction after earthquakes, gathering and disseminating information, encouraging research and helping to coordinate seismic safety activities at all levels of government. The Strong Motion Instrumentation Board, established to coordinate the installation of ground accelerometers, and the Building Safety Board, concerned with the seismic safety of hospitals, report annually to the commission. The commission is located in Sacramento and has a staff of five, including its executive director.

Chapter 1413 provided for the repeal of its provisions after the 61st day after the adjournment of the 1975-76 legislative session. Unless legislation to extend the life of the commission is passed sooner, the commission will expire in February 1977.

## ANALYSIS AND RECOMMENDATIONS

*We recommend a reduction of \$59,599 in Item 245 and elimination of funding for the commission beyond its present statutory life (February 1977).*

The state currently has several organizations involved in Seismic Safety. Chapter 1131, Statutes of 1975, states that the Mining and Geology Board shall "represent the state's interest in the development of . . . information pertaining to earthquake and other geologic hazards. . . . The board shall provide for a public information program on matters involving . . . earthquakes and other geologic hazards." These duties overlap with those of the commission. The same act also created a Geologic Hazards Technical Advisory Committee to assist the Mining and Geology Board. The new board may appoint an executive director and he may appoint a staff.

The Division of Mines and Geology, under the State Geologist, conducts research and gathers and disseminates information on earthquakes. The Strong Motion Instrumentation Board advises the Mining and Geology

Board on the best locations for ground accelerometers, and the Building Safety Board reviews the seismic safety of hospitals. The Seismic Safety Commission, with an executive director and his staff adds to this list of organizations. The accomplishments of the commission so far have consisted of the initiation of several policy studies. The Mining and Geology Board could assume all of its functions. We therefore recommend the elimination of funds for the commission beyond February 1977, which is the limit of its present statutory life.

**Resources Agency**  
**DEPARTMENT OF FISH AND GAME**  
**(Including Marine Research Committee)**

Items 246-254 from the General  
Fund and Special Funds

Budget p. 591

Requested 1976-77 .....	\$29,641,252
Estimated 1975-76.....	28,793,049
Actual 1974-75 .....	24,412,560
Requested increase \$848,203 (2.9 percent)	
Total recommended reduction .....	\$1,500,000

**1976-77 FUNDING BY ITEM AND SOURCE**

Item	Description	Fund	Amount
246	Nongame species and environmental protection programs	General	\$1,000,000
247	Nongame species and environmental protection programs	General	500,000
248	Nongame species and environmental protection programs	Environmental Protection Program	1,000,000
249	Primary funding source	Fish and Game Preservation	26,471,617
250	Crab research and management	Fish and Game Preservation	10,000
251	Marine Research Committee	Fish and Game Preservation	169,935
252	Duck Stamp Account—Migratory waterfowl projects	Fish and Game Preservation	238,600
253	Training Account—Employee education or training	Fish and Game Preservation	233,600
254	Native Species Conservation and Enhancement Account	Fish and Game Preservation	17,500
			<u>\$29,641,252</u>

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

*Analysis  
page*

1. *General Fund Support for Nongame Species and Environmental Protection Programs. Reduce Item 247 by \$500,000.* Recommend deletion of item to reduce the department's General Fund support to current year level.

444

**DEPARTMENT OF FISH AND GAME**  
(Including Marine Research Committee)—Continued

2. *Environmental Protection Program Fund. Reduce Item 444 248 by \$1 million.* Recommend deletion of item to reduce the department's support from non Fish and Game Preservation Fund sources to current year level.

**GENERAL PROGRAM STATEMENT**

The Department of Fish and Game administers programs and enforces laws pertaining to the fish and wildlife resources of the state.

The State Constitution (Article 4, Section 20) establishes the Fish and Game Commission of five members appointed by the Governor. The commission sets policies to guide the department in its activities and regulates the taking of fish and game under delegation of legislative authority pursuant to the Constitution. In general, the Legislature has granted authority to the commission to regulate the sport taking of fish and game and has reserved for itself the authority to regulate commercial taking of fish and game.

The department is headquartered in Sacramento and has approximately 1,400 employees located throughout the state. Field operations are supervised from regional offices in Redding, Sacramento, Yountville (Napa County), Fresno, and Long Beach.

**ANALYSIS AND RECOMMENDATIONS**

Table 1 shows the funding sources and expenditures for the department's support activities for a five-year period.

An explanation of the funding sources for this budget follows:

1. *Fish and Game Preservation Fund.* The department is primarily a special fund agency which operates through its Fish and Game Preservation Fund. This fund secures its revenues from the sale of hunting and fishing licenses and stamps, court fines and commercial fish taxes, grants of federal funds, and reimbursements received from other governmental agencies. About 20 percent of the support programs are financed by federal funds or reimbursements from other agencies of government such as the Department of Water Resources.
2. *Duck Stamp Account.* This account was created by Chapter 1582, Statutes of 1970, which requires any person who hunts for ducks and geese to purchase a state duck stamp for a fee of \$1.
3. *Training Account.* This account was established by Chapter 1333, Statutes of 1971, which levies a penalty assessment of \$5 for every \$20 fine imposed and collected by a court for any violation of the Fish and Game Code.
4. *Crab Research and Management.* Chapter 416, Statutes of 1974, levies an additional privilege tax of \$0.0185 on each pound of crab taken.
5. *Native Species Conservation and Enhancement Account.* Chapter 898, Statutes of 1974, established this account to receive donations for the support of nongame species conservation and enhancement programs.
6. *General Fund.* This fund finances nongame species programs and provides the major source of support for the environmental services pro-

**Table 1**  
**Department of Fish and Game**  
**Support Expenditures by Funding Source**

<i>Source of Funding</i>	<i>1972-73</i>	<i>1973-74</i>	<i>1974-75</i>	<i>1975-76<sup>a</sup></i>	<i>1976-77<sup>a</sup></i>
Fish and Game Preservation Fund					
Department Support .....	\$19,519,060	\$22,114,232	\$23,066,679	\$27,097,091	\$26,471,617
Marine Research Committee Account .....	140,676	113,788	124,579	175,500	169,935
Duck Stamp Account .....	—	86,629	102,000	274,500	238,600
Training Account .....	—	77,424	96,603	204,300	233,600
Crab Research and Management .....	—	—	—	30,000	30,000
Native Species Conservation and Enhancement .....	—	—	—	—	17,500
General Fund .....	—	—	959,278	1,000,000	1,500,000
California Environmental Protection Program Fund .....	—	—	88,342	11,658	1,000,000
Federal Funds .....	4,257,773	4,197,554	6,132,104	5,708,510	6,056,194
Totals as shown in Governor's Budget .....	\$23,917,509	\$26,589,627	\$30,569,585	\$34,501,559	\$35,717,446
Expenditures funded through reimbursements .....	1,595,798	1,844,935	2,226,585	2,306,609	2,147,436
Total of all expenditures .....	\$25,513,307	\$28,434,562	\$32,796,170	\$36,808,168	\$37,864,882

<sup>a</sup> Estimated.



**DEPARTMENT OF FISH AND GAME**  
**(Including Marine Research Committee)—Continued**

gram in 1976-77.

7. *California Environmental Protection Program Fund.* This fund derives revenue from the sale of environmental license plates. In 1976-77 part of the revenues in this fund will be used to support nongame species programs.

8. *Federal Funds.* These funds totaling \$6,056,194 include \$1,689,798 for reimbursements and \$4,366,396 for cooperative programs. These programs are based on four federal acts with federal funding sources as follows:

- a. Federal Aid in Wildlife Restoration Act (Public Law 75-415), known as the Pittman-Robertson Act. Excise tax on sporting arms and ammunition and on pistols and revolvers, \$2,576,619.
- b. Federal Aid in Fish Restoration Act (Public Law 81-681), known as the Dingell-Johnson Act. Excise tax on sport fishing equipment, \$1,016,175.
- c. Commercial Fisheries Research and Development Act (Public Law 88-309), known as the Bartlett Act. Federal General Fund, \$218,752.
- d. Anadromous Fisheries Act (Public Law 89-304). Federal General Fund, \$554,850.

**Funding Changes**

The total support request for the Department of Fish and Game, contained in Items 246-254 is \$29,641,252. This request is \$848,203 or 2.9 percent over estimated current year expenditures of \$28,793,049. Although the total request increases, Table 1 indicates that the department support request from the Fish and Game Preservation Fund declines from current year expenditures by approximately \$625,000. The amount of this decline plus the \$848,000 increase in the total support request is financed by an increase of \$500,000 in General Fund support and by a first-time appropriation in Item 248 of \$1 million from the Environmental Protection Program Fund for protection and management of nongame species.

For the current year, the Legislature appropriated \$1 million from the General Fund "... solely for the support of existing programs devoted to nongame species management and protection." For 1976-77, the General Fund request in Items 246 and 247 is \$1,500,000 for nongame programs, and in addition, for the major portion of the costs for the Environmental Services program. The language of Item 247 and the Governor's Budget both indicate that the additional General Fund support of \$500,000 is derived from tidelands oil revenue in place of allocating the same revenue to support the Sea Grant program as provided by Public Resources Code Section 6217(d).

**Budget Changes**

The budget continues the existing level of service. The budget proposes to establish 40 new positions and delete 29.4 other positions for a net increase of 10.6 positions throughout the department. The budget narrative indicates that \$200,000 and nine man-years of staff have been added to evaluate the effectiveness and adequacy of the department's environ-

mental review procedures.

#### STATUS OF FISH AND GAME PRESERVATION FUND

On July 1, 1975, the accumulated surplus in the Fish and Game Preservation Fund was \$4,783,194. The fund surplus at the end of the budget year is estimated to be \$4,653,522. However, the department's budget does not include an amount for the Governor's proposed 1976-77 salary increase and employee benefits. The department estimates the salary increase will cost about \$1.2 million in the budget year. Assuming the salary increase will cost \$1.2 million, the surplus in the Fish and Game Preservation Fund at the end of the budget year will be \$3,453,522. That amount is about the minimum operating surplus which the department must have available to meet its cash-flow needs without borrowing.

#### Inadequate Revenue

For the third consecutive year the department's budget as submitted indicates expenditures in excess of revenue to the Fish and Game Preservation Fund. The 1976-77 budget estimates fund revenue of \$27,667,310 and total support expenditures of \$29,641,252 which is a gap of \$1,973,942. The Governor's salary increase proposal, which is estimated to cost \$1.2 million, increases the budget year revenue gap to \$3,171,442. The revenue gap is financed by appropriations of \$2,500,000 from other state funds and by use of some surplus from the Fish and Game Preservation Fund.

Last year the department's budget as submitted to the Legislature provided for 29 new permanent, state funded positions. We would ordinarily have recommended approval of the positions. However, considering the difficult financial status of the Fish and Game Preservation Fund last year and the small prospect that the department would have revenue to finance the positions in future years, we recommended that the positions be deleted for fiscal reasons.

The Legislature did not adopt our recommendation. Instead, the Legislature appropriated and the Governor approved \$1 million from the General Fund to finance the nongame programs. That action solved the department's fiscal problem last year.

Another million dollars from the General Fund is not enough to solve the problem for 1976-77. Even though the budget essentially proposes no added level of service, increasing costs and declining sales of hunting licenses require additional support from sources other than the Fish and Game Preservation Fund to maintain the existing level of service. Accordingly, "outside" funding of \$2,500,000 is requested in Items 246-248.

The budget indicates that the \$1 million from the Environmental Protection Program Fund will finance the nongame programs and the \$1.5 million from the General Fund will finance the major share of Environmental Services program costs and some nongame program costs. However, the Budget Bill language in Items 246-248 is almost identical and appropriates the total amount of \$2.5 million for nongame species management and environmental protection. The fact that the General Fund and Environmental Protection Program Fund appropriations are directed towards certain designated and nongame program areas should not obscure the fact that the developing pattern is for these two funding sources to

**DEPARTMENT OF FISH AND GAME**  
**(Including Marine Research Committee)—Continued**

finance the increasing costs throughout the department.

**ENVIRONMENTAL SERVICES**

The objective of the Environmental Services program is to protect fish and wildlife from projects and activities affecting the land, water and water quality. The budget estimates 93.6 man-years of effort and expenditures of \$2,785,974 for this program in the budget year compared to 91.2 man-years and \$2,628,013 in the current year.

The department reviews plans for federal, state and local land and water projects and performs activities to maintain water quality for fish and wildlife. It investigates pollution problems, enforces some pollution control laws, gathers water quality data and conducts research on specific problems.

The budget narrative states that \$200,000 and nine man-years of staff are proposed for the budget year to evaluate the effectiveness and adequacy of the department's environmental review procedures. The department indicates the evaluation will be directed primarily at the review of state and federal environmental impact and assessment reports and at U.S. Army Corps of Engineers permits.

**Reduce Non Fish and Game Preservation Fund Support to Current Year Level**

*We recommend that Item 247 which appropriates \$500,000 from the General Fund, and Item 248 which appropriates \$1 million from the Environmental Protection Program Fund, be deleted to reduce the department's level of support from non Fish and Game Preservation Fund sources to the current year amount of \$1 million and to prevent any duplicating or unnecessary water quality activities.*

For many years the Department of Fish and Game has expended its own funds on its own volition to conduct substantial programs pertaining to research and collection of basic water quality data and enforcement activities concerning water pollution control requirements. The department was a leader in alerting the public to water quality problems. The stated purpose of its current water quality activities is to maintain habitat for fish and wildlife. However, confronted with increasing costs and a continued decline in sales of hunting licenses, the department proposes to use the General Fund rather than its own fund to finance the major share of the Environmental Service program costs in 1976-77. The department's request for General Fund support of its Environmental Services program would require the General Fund to finance work which is the primary responsibility of the State Water Resources Control Board. The board is also supported by the General Fund.

In recent years the State Water Resources Control Board and the nine regional water quality control boards have extended and improved their programs in behalf of the general public to protect the state's water quality and to prevent pollution. The board exercises the state's function pertaining to water pollution and water quality control. For 1976-77, Item 227 requests \$8,263,423 from the General Fund, which along with fees and federal funds, supports the state and regional boards. In view of the pri-

mary role of the State Water Resources Control Board to protect the general public with respect to water quality and pollution control, the need for the Department of Fish and Game as a special fund agency to receive General Fund money for water quality is questionable.

For many years there have been elements of duplication between the Department of Water Resources (DWR), the State Water Resources Control Board (SWRCB) and the Department of Fish and Game in water quality activities and in monitoring the quality of state waters. Last year we recommended, and the Legislature directed, the Resources Secretary to coordinate the water quality work of DWR and the SWRCB. The review by these two agencies to coordinate their studies and handling of data showed major areas for improvement. A somewhat similar although lesser problem has existed between DWR, the SWRCB and the Department of Fish and Game. Consequently, the Department of Fish and Game should be added to the Secretary's coordination effort in order to be certain that there is a sound reason for the Department of Fish and Game to be involved in water quality activities.

To prevent duplicating or unnecessary water quality activities from being financed with General Fund money, we recommend that the level of support from non Fish and Game Preservation Fund revenues be reduced to the current year level of \$1 million. Accordingly, the Item 247 appropriation of \$500,000 from the General Fund and the Item 248 appropriation of \$1 million from the Environmental Protection Program Fund should be deleted. The result of such a reduction would be to require the department to conduct its fishing and hunting, as well as environmental, programs within the revenues they produce and to scale them back accordingly.

#### **MARKET CRAB INVESTIGATION**

Item 250 requests \$10,000 from the additional privilege tax on crab to continue the department's investigation of factors responsible for the population decline of the market crab. The study is to be completed by September 1979.

#### **MARINE RESEARCH COMMITTEE**

The Marine Research Committee (Item 251) consists of nine members appointed by the Governor. The law requires that most of the members represent the commercial fishing industry. Support for the committee comes from a privilege tax of \$1 per ton of sardines, Pacific and jack mackerel, squid, herring and anchovies taken by commercial fishermen. In effect, the industry taxes itself under government auspices to conduct programs desired by the industry.

The committee enters into contracts for research services with such agencies as the National Marine Fisheries Service, Scripps Institution of Oceanography, California Academy of Sciences, Hopkins Marine Station and the Department of Fish and Game.

Item 251 requests \$169,935, a decrease of \$5,565 from the current year. The money will continue studies in the populations and movements of fish and their habitat and food.

**DEPARTMENT OF FISH AND GAME**  
(Including Marine Research Committee)—Continued

**DUCK STAMP PROJECTS**

The funds derived from duck stamp fees are allocated by the Fish and Game Commission primarily for preservation of waterfowl habitat in Canada. At least 80 percent of the funds must be spent in Canada to preserve waterfowl habitat and the balance may be spent in California or other parts of the Pacific Flyway. The department requests \$238,600 in Item 252 from the Duck Stamp Account which is \$35,900 less than the current year.

The department has budgeted three Canadian projects proposed by Ducks Unlimited and two California projects as follows:

<i>Location</i>	<i>Project</i>	<i>Cost</i>
Canadian Projects		
Pitt Polder Marsh, British Columbia .....	Construction of habitat	\$95,000
148 Mile Ranch, British Columbia .....	Construction of habitat	45,000
Namaka Lake, Alberta .....	Construction of habitat	<u>90,000</u>
Total Canadian Projects .....		\$230,000
California Projects		
Quaking Aspen Wetlands, Modoc National Forest .....	Construction of habitat	\$5,000
Emigrant Springs .....	Nesting islands	<u>3,600</u>
Total California Projects .....		<u>\$8,600</u>
Grand Total .....		\$238,600

**TRAINING PROGRAM**

Penalty assessments imposed on fines for Fish and Game Code violations are deposited in the Fish and Game Preservation Fund in a special account for the education and training of Department of Fish and Game employees.

Item 253 requests \$233,600 which is an increase of \$33,800 over the current year. The increased expenditure provides for an expansion of the Peace Officers' Standards and Training program for departmental employees and the purchase of equipment.

The department should consider revising the law to permit these revenues to be used for *any* departmental purpose.

**NATIVE SPECIES CONSERVATION AND ENHANCEMENT**

Item 254 requests \$17,500 from the Native Species Conservation and Enhancement Account for the support of nongame species programs. Expenditures of \$4,000 in Law Enforcement and \$13,500 in Wildlife Programs are budgeted in 1976-77. The budget estimates actual and projected revenues through the budget year totaling \$28,345 deposited in the account.

The department indicates it has spent \$14,646 to promote donations to the account.

**Department of Fish and Game  
WILDLIFE CONSERVATION BOARD**

Item 255 from the Wildlife Restoration Fund

Budget p. 607

Requested 1976-77 .....	\$215,000
Estimated 1975-76.....	210,188
Actual 1974-75 .....	159,160
Requested increase \$4,812 (2.3 percent)	
Total recommended reduction .....	None

**GENERAL PROGRAM STATEMENT**

The Wildlife Conservation Board consists of the President of the Fish and Game Commission, the Director of the Department of Fish and Game, and the Director of Finance. Three Members of the Assembly and three Members of the Senate act as an advisory group. The board has a staff of seven. The board's function is (1) to acquire areas to sustain wildlife and provide recreation and (2) to furnish public access to lands or waters for fishing and hunting.

The board's program is supported by the annual diversion of \$750,000 of horserace license revenues to the Wildlife Restoration Fund. Without this diversion, the money would go to the General Fund. Projects authorized for acquisition and construction by the board from the \$750,000 are not subject to Budget Bill appropriation. The board also receives funds from several recreational bond issues and the Bagley Conservation Fund.

**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval.*

This item requests \$215,000 from the Wildlife Restoration Fund to support the board's staff. The amount continues the existing level of service.

## Resources Agency

## DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT

Items 256-261 from the General  
Fund and the Harbors and  
Watercraft Revolving Fund

Budget p. 612

Requested 1976-77 .....	\$15,628,325
Estimated 1975-76.....	12,667,224
Actual 1974-75 .....	7,294,165
Requested increase \$2,961,101 (23.3 percent)	
Increase to improve level of service \$46,683	
Total recommended reduction .....	\$2,719,184

## 1976-77 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount
256	Beach Erosion Control Program	General	\$195,805
257	Support of department	Harbors and Watercraft Re- volving	1,899,520
258	Loans to local agencies for planning and harbor development	Harbors and Watercraft Re- volving	10,450,000
259	Grants to local agencies for development of boat launching facilities	Harbors and Watercraft Re- volving	1,883,000
260	Subvention to counties for boating safety and law enforcement programs	Harbors and Watercraft Re- volving	1,200,000
261	For payment of deficiencies in appro- priations	Harbors and Watercraft Re- volving	(100,000)
			<u>\$15,628,325</u>

*Analysis  
page*

## SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

1. Fund Balances. Recommend department be required to submit an analysis of balances in the Harbors and Watercraft Revolving Fund and the Surplus Money Investment Fund with a list of needed environmental and boating facility projects and estimated costs to the fiscal committees prior to April 15, 1976. 450
2. Beach Erosion Control Program. Recommend Secretary of the Resources Agency be directed to review beach erosion control and associated shoreline management and submit report to legislative fiscal committees prior to April 15, 1976. 452
3. *Boating Facility Program. Reduce Item 257 by \$37,530.* Recommend reduction of two proposed positions in the boating facility program. 453
4. Stacked Boat Dry Storage. Recommend department be required to investigate possibility of including a stacked boat dry storage project in its boating facility program and report to the fiscal committees prior to April 15, 1976. 453
5. Benecia, Humboldt Bay, Richmond and Long Beach Marinas. Recommend approval with supplementary report language stating that appropriations for these marinas should not be interpreted as legislative approval of the 455

- projects from an environmental or coastal conservation standpoint.
6. *Foster City Marina. Reduce Item 258 by \$500,000. Recommend deletion of the department's request for this project because additional funds are unneeded during the budget year.* 455
  7. *Port San Luis Harbor. Reduce Item 258 by \$2 million. Recommend deletion of the department's request for this harbor project because funds are unneeded during the budget year.* 456
  8. *Park Moabi Launching Facility. Reduce Item 259 by \$153,000. Recommend deletion of the department's request for this project because a final EIR has not been completed.* 456
  9. *Boating Safety Program. Reduce Item 257 by \$28,654. Recommend deletion of one boating administrator and one clerical position in the department's request for its white-water safety program.* 458

#### GENERAL PROGRAM STATEMENT

The objectives of the Department of Navigation and Ocean Development have been organized into three major programs:

1. Boating Facilities—to develop and improve boating facilities throughout the state.

2. Boating Safety and Enforcement—to promote boating safety, obtain uniformity in enforcement of boating laws, protect the public from fraudulent acts by yacht and ship brokers and safeguard passengers on for-hire vessels.

3. Beach Erosion Control—to protect and preserve the state's beaches, shoreline, and coastal harbors.

In order to implement the above programs, the department is organized into two major divisions plus general management: (1) the Boating Facilities Division which administers the boating facilities and beach erosion control programs; (2) the Boating Operations Division which administers the boating safety, boating law enforcement, and yacht and ship brokers licensing programs; and (3) general management which provides executive direction and administrative support services. During the budget year the department proposes operation of a headquarters facility in Sacramento with approximately 66 staff members.

The Navigation and Ocean Development commission, consisting of seven members, serves in an advisory capacity to the department.

#### ANALYSIS AND RECOMMENDATIONS

The total proposed departmental expenditure for the budget year is \$15,958,352. This represents an increase of \$2,824,839 or 21 percent over the amount estimated for the current fiscal year. The budget year total expenditures differ from the requested appropriation of \$15,628,325 in the Budget Bill because the department estimates that it will receive \$250,000 from federal funds for support of its boating facilities, safety and law enforcement programs and \$80,000 from the Recreation and Wildlife Enhancement Fund (Item 406).



**DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT—Continued**

Total proposed expenditures are shown in Table 1 which summarizes actual, estimated and proposed expenditures by program for a three-year period. These expenditure figures give an impression of more program activity and progress than is actually occurring in comparison to the observations and recommendations made in the body of this analysis.

**Table 1**  
**Summary of Program Expenditures**

<i>Program</i>	<i>Actual 1974-75</i>	<i>Estimated 1975-76</i>	<i>Proposed 1976-77</i>	<i>Increase over 1975-76</i>	<i>Percent Increases</i>
Beach erosion control (Item 256)	\$193,438	\$379,233	\$195,805	\$(-) 183,428	\$(-) 48%
Boating facilities (Items 257-259) .....	6,102,945	11,071,627	13,582,327	2,510,700	27
Boating safety and enforcement (Items 257 and 260) ....	1,157,485	1,682,626	2,180,193	497,566	30
Administration distributed .....	(206,856)	(238,963)	(247,040)	8,077	3
Totals .....	\$7,453,868	\$13,133,486	\$15,958,325	\$2,824,839	21%

**Growth in Fund Balances**

*We recommend that the department be directed to submit (1) an analysis of balances in the Harbors and Watercraft Revolving Fund and the Surplus Money Investment Fund, and (2) a priority list of needed environmental and boating facility projects with estimated costs to the fiscal committees prior to April 15, 1976.*

**Harbor and Watercraft Revolving Fund.** During the last five years the department estimated modest year-end unappropriated balances in the Harbors and Watercraft Revolving Fund. However, when reporting the actual balances in subsequent budgets, the department expenditure estimates have been shown to be consistently and substantially overstated. A comparison of the estimated with actual year-end balances is shown in Table 2.

**Table 2**  
**Harbors and Watercraft Revolving Fund**

	<i>Unappropriated Ending Balance (Millions)</i>				
	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>1974-75</i>	<i>1975-76</i>
Estimated .....	\$0.3	\$0.5	\$0.0	\$2.1	\$1.0
Actual .....	1.5	4.5	4.4	10.6	—

**Surplus Money Investment Fund.** During the same five-year period the department reported a dramatic growth in interest received from the Surplus Money Investment Fund which serves as an investment account for surplus monies in the Harbors and Watercraft Fund. This fund includes both unencumbered balances and encumbered funds assigned to local agency loan and grant contracts which have not been disbursed. The surplus or inactive balances in the Surplus Money Investment Fund during the period are shown in Table 3.

**Table 3**  
**Surplus Money Investment Fund**

	<i>Ending Balance (Millions)</i>				
	1971-72	1972-73	1973-74	1974-75	1975-76
Encumbered (but not disbursed) ..	—	—	16	17	—
Unencumbered .....	—	—	4	9 <sup>a</sup>	—
Total surplus and inactive balance	\$12	\$15	\$20	\$26	\$30 <sup>b</sup>

<sup>a</sup> Includes \$5 million of reversions.

<sup>b</sup> Estimated balance on June 30, 1976.

#### **Resources in Excess of Needs**

The continued increase of balances in the Harbors and Watercraft Revolving Fund as shown in Table Nos. 2 and 3 indicates that the department is having difficulty in implementing its programs and that the available resources greatly exceed actual needs. One reason for the steady growth in balances in the Surplus Money Investment Fund is that local agency loan projects are either stalled (i.e., Pillar Point Marina at Half Moon Bay) or are proceeding very slowly because of various problems.

*Report on Funds and Projects Needed.* In order to determine more precisely the availability of surplus balances which may be used for appropriation to new priority projects, we recommend that the department be required to submit a detailed project progress and fiscal status report to the fiscal committees prior to April 15, 1976. This report should give consideration to possible reversion of funds for projects which have been stalled for some time.

Because of the apparent availability of substantial surplus monies to fund additional appropriations, the department should also include in its report a priority listing of needed boating facility and safety and environmental projects with estimated costs for consideration by the fiscal committees.

Should it be determined that total resources in the Harbors and Watercraft Revolving Fund are clearly in excess of the needs of the department's boating oriented programs, the use of surplus funds for other related programs such as the beach erosion control program should be considered by the Legislature. The beach erosion control program which is now supported by the General Fund, may be a justifiable application for surplus funds in the Harbors and Watercraft Revolving Fund because some of the most severe beach erosion problems are sometimes the result of harbor and marina developments.

#### **BEACH EROSION CONTROL (Item 256)**

The general objectives of the department's beach erosion control program are to: (1) perform individual investigations and participate in joint studies of beach erosion problems with the U.S. Army Corps of Engineers and the U.S. Geological Survey, and (2) prepare plans and co-sponsor the construction of federally authorized beach erosion control projects through a local assistance program.

Although the erosion control projects are usually constructed by the U.S. Army Corps of Engineers with federal and state matching funds, some independent studies and projects are performed by the department and local agencies with no federal assistance.

**DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT—Continued**

The department's request from the General Fund for the budget year totals \$195,805 (3 man-years), a decrease of \$183,428 or 48 percent under the current year. This reduction is the result of no new local assistance projects being budgeted for the next year.

**Agency Review and Plan Needed**

*We recommend that the Legislature direct the Secretary of the Resources Agency to review the responsibility and authority assignments for beach erosion control and associated shoreline management within the agency and submit a progress report and program plan for beach erosion control to the fiscal committees prior to April 15, 1976.*

Beach erosion has been recognized as a serious problem along California's 1,000 miles of coastline. Although the state's beaches have always been subject to erosion by wind and waves, the natural replenishment of beach sands with sediments from our rivers and streams has been dramatically reduced in recent years by harbor developments, sand mining and dam and flood control projects. In particular, shoreline development of harbors and piers has interrupted the movement of sand along the coastline in many areas.

*Limited Progress.* Since being assigned primary responsibility for management of the state's beach erosion control program in 1969, the department has continued prior cooperative efforts with local and federal agencies in the study of beach erosion processes, wave climates, and changes in beach profiles. In these studies, the department has more recently been assisted by the Scripps Institution of Oceanography of the University of California. Much has been learned about erosion processes in recent years. However, only to a limited extent have erosion control projects been undertaken at critical locations such as Imperial Beach and Sunset Cliffs in San Diego County and Newport Beach in Orange County. Because of this limited progress and the lack of a clear state function or responsibility, the program appears to be losing its momentum.

*Assignment of Responsibility.* As an added concern the present assignment of beach erosion responsibilities to the department does not appear to be consistent with related assignments in the Resources Agency. The State Lands Division has primary authority over state tidelands, submerged lands, navigable river beds, and extractive development of mineral resources (including sand) on state lands.

Transfer of the beach erosion control program to the State Lands Division may improve the alignment of program responsibilities and broaden the basis for coordination between state, local and federal agencies.

*Recommended Report.* To this end, we recommend that the Legislature direct the Secretary of the Resources Agency to review the responsibility and assignments for beach erosion and coastal land management within the agency and submit a report on this matter to the fiscal committees by April 15, 1976. Included in this report should also be a detailed analysis of beach erosion control program progress, a discussion of remaining problems and a statement of what the state should do to resolve these problems.

**BOATING FACILITIES (Items 257-259)**

The objective of the boating facilities program is to develop boating facilities in areas of demonstrated need throughout California. To accomplish this objective, the department provides planning support to local agencies and financial assistance in the form of loans for small craft harbors and grants for boat launching facilities. The department also administers capital outlay development of boating facilities principally at state park units and State Water Project reservoirs. In addition, the department reviews and approves marina concession agreements which contribute to the repayment of loans made to local agencies.

The department's request for this program from the Harbors and Watercraft Revolving Fund for the budget year amounts to \$13,502,327 (24 man years) an increase of \$2,430,700 or 22 percent over the current year.

**Request for Boating Facility Positions**

*We recommend a reduction of \$37,530 for two proposed additional positions in the boating facility division because the positions are not justified by additional workload (Item 257).*

Two additional boating facility manager positions are proposed by the department, one in the local agency grant element and one in the loan element. Although the workload in the loan element is planned to increase during the budget year, the workload in the grant element is planned to be reduced. A transfer of existing staff from the grant element to the loan element will provide for the department's needs in this area without an increase in staff.

**Stacked Boat Dry Storage Project Needed**

*We recommend that the department be required to investigate the possibility of including a stacked boat dry storage project in its boating facility program during the budget year and report to the fiscal committees prior to April 15, 1976.*

Because of concerns over environmental damage resulting from construction of marinas along our coastline and increasing public demands for additional boating facilities, the California Coastal Zone Conservation Commission has recently stressed the need for development of alternatives to wet storage of recreational boats.

**Consultant Report.** In recognition of the success of large scale, stacked boat dry storage facilities in Florida and elsewhere, the department and the Navigation and Ocean Development Commission have conducted a series of workshops on this matter. A consultant has been retained to study the market demand, technical problems and financial feasibility of stacked dry storage.

In a report to the department entitled *Development Feasibility of Stacked Boat Dry Storage*, dated August 1975, the consultant reported that stacked dry storage systems are proven to be technically effective and financially feasible for storage of boats in the size range of 16 to 25 feet. With respect to market demand, he reported that approximately 37 percent (185,000) of the state's 500,000 registered boats are in the above size range and could be accommodated by dry stacked storage. In San Diego, Orange and Los Angeles Counties alone, he estimated that about 5,000

**DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT—Continued**

existing berthing spaces could be freed of small powerboats making room for sailboats requiring wet storage if stacked dry storage facilities were constructed.

In concluding his comprehensive report, the consultant recommended that the department include stacked dry storage projects in its boating facilities program. In making this recommendation, he stressed that the impact of dry storage facilities on the marine environment is significantly less than that of wet storage marinas.

*No Project in Budget.* Although its consultant has recommended initiation of stacked dry storage projects in San Diego, Orange, Los Angeles, Ventura, Santa Cruz, and San Francisco Counties, the department has not included such a project in its boating facility program for the budget year.

*Report Needed.* Because it appears that stacked dry storage facilities would provide a means for accommodating new recreational boating facilities, maximizing the use of existing facilities and reducing the impact of boating on the coastal environment, we recommend that the Legislature direct the department to investigate aggressively the possibility of budgeting a pilot project in the next year, and to report on the possibilities to the fiscal committees by April 15, 1976.

*Possible Locations for Pilot Projects.* In performing its investigation, we suggest that the department specifically review potential project sites at Long Beach and San Francisco. Long Beach has expressed interest in sponsoring such a project and San Francisco has two unoccupied piers at Fort Mason having large warehouse buildings which could accommodate 400-600 boats. The San Francisco piers have been surplus by the U.S. Army and are now under the jurisdiction of the Golden Gate National

**Table 4**  
**1976-77 Harbor Development Loans**

<i>Project Sponsor</i>	<i>Number of Boat Ships</i>	<i>Rest Rooms</i>	<i>Sewage Pumpout</i>	<i>Parking</i>	<i>Loan Amount</i>
1. Benicia Marina—Solano County .....	309	Yes	Yes	Yes	\$500,000
2. Foster City Marina—San Mateo County .....	457	Yes	Yes	Yes	500,000
3. Humboldt Bay Harbor Marina— Humboldt County .....	214	Yes	Yes	Yes	1,000,000
4. Oyster Point Marina expansion—San Mateo County .....	317	Yes	Yes	Yes	2,000,000
5. Pittsburg Marina expansion—Contra Costa County .....	300	Yes	Yes	Yes	1,100,000
6. Oakland Embarcadero Marina—Ala- meda County .....	126	Yes	Yes	Yes	1,450,000
7. Port San Luis Harbor—San Luis Obispo County .....	410	Yes	Yes	Yes	2,000,000
8. Richmond Marina—Contra Costa County .....	508	Yes	Yes	Yes	500,000
9. Long Beach Shoreline Aquatic Park Harbor—Los Angeles County .....	123	Yes	Yes	Yes	1,300,000
10. Planning loans (statewide) .....					100,000
Total .....	2,764				\$10,450,000

Recreation Area. Both locations have a severe shortage of marina berths and long waiting lists for rental openings.

#### **Loans for Planning and Harbor Development**

In the budget year the department is requesting \$10,450,000 for harbor development loans. The major features of these projects are shown in Table 4. The requests for Foster City, Oyster Point, Pittsburg and Oakland marinas are continuations of projects begun in previous years. The Benicia, Humboldt Bay Harbor, Port San Luis, Richmond and Long Beach marinas are new projects.

#### **Projects Must Meet Environmental Requirements**

*We recommend approval of the Benicia, Humboldt Bay Harbor, Richmond and Long Beach Shoreline Aquatic Park marinas with supplementary report language which states that legislative authorizations of appropriations for these marinas should not be interpreted as legislative approval of the projects from an environmental or coastal zone conservation standpoint (Item 258).*

The proposed Benicia, Humboldt Bay Harbor, Richmond and Long Beach Shoreline Aquatic Park marina projects appear to be reasonable from a standpoint of planned facilities, estimated costs, and apparent public need. However, necessary permits have not been issued for construction of these facilities by regulatory agencies such as the San Francisco Bay Conservation and Development Commission, State Lands Division, Department of Fish and Game, California Coastal Zone Conservation Commission, and the U.S. Army Corps of Engineers.

In order not to delay these projects, we recommend approval of the requested appropriations. However, state policy on projects such as these is not yet fully formulated and may change with legislative consideration of the Coastal Plan this session. Therefore, in providing funding for these projects at this time, we recommend adding supplementary report language that budgetary approval should not be used by sponsoring agencies as an argument that the projects meet environmental policies when the project sponsors make applications for approvals with regulatory agencies.

#### **Foster City Marina**

*We recommend deletion of \$500,000 for the Foster City Marina because additional funding is not needed during the budget year (Item 258).*

The department is requesting \$500,000 in the budget year for continuing this project which is sponsored by Foster City and is estimated to cost \$3,527,000. A previous appropriation of \$1,500,000 was made in the 1975 Budget Act.

The proposed marina is situated on the western side of Belmont Slough, an important salt marsh preserve, and will require extensive dredging of an access channel through the salt marsh for a distance of one and one-half miles.

Questions have been raised relative to the sponsor's final Environmental Impact Report (EIR) by the Sequoia Audubon Society and the San Francisco Bay Conservation and Development Commission (BCDC). These questions have remained unanswered since February 1974. The U.S.

**DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT—Continued**

Army Corps of Engineers has made no commitment to dredging the proposed channel. We therefore recommend deletion of the department's requested appropriation of additional funds as being unnecessary during the budget year.

**Port San Luis Harbor**

*We recommend deletion of \$2 million for the Port San Luis Harbor because funding is not needed during the budget year (Item 258).*

The department is requesting \$2 million in the budget year for this new harbor project which is estimated to cost \$8,328,500 in state funds. The total cost for this project is estimated to be \$13,509,500 with the U.S. Army Corps of Engineers providing the federal share. An appropriation of \$500,000 was made in the 1975 Budget Act as a loan to the district for land acquisition. When the \$500,000 was approved by the Legislature, no development of a harbor was authorized.

The proposed project which would provide 410 berths and 500 moorings would require 5.4 acres of land fill and construction of 4,300 feet of protective breakwaters across the northwest corner of San Luis Obispo Bay.

A final EIR has not been completed and a permit from the South Central Regional Coastal Zone Conservation Commission has not been applied for. The U.S. Army Corps of Engineers has funds only to plan the breakwater. Federal authorizations for construction and construction funding are not expected until July 1977 at the earliest, providing that no major objections are raised to the final EIR and funding can be secured.

Because the California Coastal Zone Conservation Commission's Coastal Plan is before the Legislature for consideration this year and this proposed harbor project appears to be in serious conflict with suggested policies and recommendations in this plan, we recommend that the department's request be deleted and the project should be deferred until final policies for conservation and use of the coast are adopted by the state, the project's conformance with these policies determined and federal appropriations secured.

**Launching Facility Grants**

In the budget year the department is requesting \$1,883,000 for 17 boat launching facility grants to local agencies. Thirteen projects costing \$936,000 involve expansions and/or improvements of launching ramps or auxiliary facilities. Four projects totaling \$847,000 involve constructing new facilities including restrooms, parking areas, boarding ramps and landscaping. The department's request also includes \$100,000 for repairs and extensions of existing launch ramps on a statewide basis. Launching facility grants are requested as shown in Table 5.

**Park Moabi Launching Facility**

*We recommend that \$153,000 requested for the Park Moabi launching facility be deleted because a final environmental impact report has not been submitted (Item 259).*

Section 21105 of the Public Resources Code states in part: "The responsible state . . . agency shall include the environmental impact report . . .

**Table 5**  
**1976-77 Launching Facility Grants**

<i>Project and Sponsor</i>	<i>Launching Lanes</i>	<i>Project Status</i>	<i>Grant Amount</i>
1. Benicia—Solano County .....	Existing	Expansions and improvement	\$95,000
2. Dana Basin (Mission Bay)—San Diego County .....	Existing	Expansions and improvement	40,000
3. De Anza Cove (Mission Bay)—San Diego County .....	Existing	Improvements	40,000
4. El Dorado Beach (South Lake Tahoe)—El Dorado County ..	2	Continuing project— cost increase	95,000
5. Elkhorn—Sacramento County	Existing	Expansion and improvements	100,000
6. Lucerne (Clear Lake)—Lake County .....	Existing	Expansion and improvements	100,000
7. Miller Park—Sacramento County .....	Existing	Improvements	75,000
8. New Hogan Reservoir—Calaveras County .....	Existing	Improvements	30,000
9. Park Moabi—San Bernardino County .....	Existing	Improvements	153,000
10. Pine Flat Reservoir—Fresno County .....	Existing	Improvements	60,000
11. Pole Gulch (Trinity Lake)—Trinity County .....	2	New facility	250,000
12. Puddingstone Lake—Los Angeles County .....	Existing	Improvements	143,000
13. Redondo Beach—Los Angeles County .....	1 (system)	New facility	162,000
14. Richmond—Contra Costa County .....	4	New facility	340,000
15. Santa Clara Point (Mission Bay) San Diego County .....	Existing	Improvements	30,000
16. Ski Beach—San Diego County	Existing	Improvements	40,000
17. Success Reservoir—Tulare County .....	Existing	Improvements	30,000
18. Ramp repairs and extensions			100,000
Total .....	9		\$1,883,000

as a part of the regular project report used in the existing review and budgetary process. It shall be available to the Legislature.” Until the final environmental impact report is submitted for the Park Moabi launching facility project, we are unable to recommend its approval.

#### **BOATING SAFETY AND ENFORCEMENT (Items 257 and 260)**

The primary objectives of the boating safety and enforcement program are: (1) reduce deaths, injuries and property loss resulting from boating accidents, and (2) obtain uniformity in boating ordinances and their enforcement, (3) achieve a solution to the vessel waste discharge problem, and (4) administer the provisions of the Yacht and Ship Brokers Licensing Act with protection of the consumer prominently in mind. In administering this program, the department is involved in coordinating programs with local agencies and providing subventions for support of these activities.

The department's request for this program from the Harbors and Watercraft Revolving Fund amounts to \$1,930,193 (26.5 man years), an



**DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT—Continued**

increase of \$501,774 or 35 percent over the current year (Items 257 and 260).

**White Water Safety Project**

*We recommend a reduction of \$28,654 for one additional boating administrator and one clerical position in the boating operations division because a white-water safety program has not been prepared for effective use of these positions (Item 257).*

The most significant trend in California's boating accidents in recent years has been the upsurge in deaths associated with the use of canoes, kayaks and rafts in white water rivers and streams. During the current year it is estimated that approximately 20-30 deaths may occur as a result of white water accidents. In an effort to reduce these accidents, the department has proposed the addition of two boating administrators and one clerical position to its staff to undertake a white water safety project.

We recognize the problems of white water boating by large numbers of unskilled recreational boaters and feel that an effort should be made to reduce accidents in this area if determined practicable. However, the department has not done sufficient planning to provide for effective use of the proposed additional positions.

After giving consideration to the need for adequate planning and experimentation in finding a means to communicate safety information to white water boaters who often are not members of boating organizations, we recommend that only one position be provided in the budget year. This position can be used in combination with existing positions in the boating safety element to establish a plan and investigate alternative means for communicating safety information on a statewide basis.

**Resources Agency****CALIFORNIA COASTAL ZONE CONSERVATION COMMISSION  
AND SUCCESSOR AGENCY**

Items 262 and 263 from the  
General Fund

Budget p. 620

Requested 1976-77 .....	\$1,895,693
Estimated 1975-76.....	None
Recommendation .....	Pending

**1976-77 FUNDING BY ITEM AND SOURCE**

Item	Description	Fund	Amount
262	California Coastal Zone Conservation Commission	General	\$419,127
263	Successor Agency	General	1,476,506
			<u>\$1,895,633</u>

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**Analysis  
page

1. Successor Agency. Recommendation withheld on Item 263 until needs of new agency can be determined. 459

**GENERAL PROGRAM STATEMENT**

Initiative Proposition 20, enacted by the voters in November 1972, created the California Coastal Zone Conservation Commission and six regional commissions to:

- (1) Study the coastal zone and its resources.
- (2) Prepare a state plan for the orderly, long-range conservation and management of the coastal zone.
- (3) Regulate coastal development by a permit system during the preparation of the coastal plan.

The membership of the seven commissions is balanced between local government officials and state appointed public members. The commissions have a staff of 124 authorized positions.

As required by the initiative, the commission prepared and adopted its coastal plan and on December 1, 1975, transmitted it to the Legislature.

Under terms of Proposition 20 the commission terminates January 1, 1977. Legislation is expected to be introduced in the 1976 legislative session to provide for a successor agency.

**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval of Item 262 and defer recommendation on Item 263.*

The General Fund request includes (1) \$419,127 in Item 262 to complete funding for the commission in the first half of the budget year until its statutory expiration date of January 1, 1977 and (2), \$1,476,506 in Item 263 for partial support of a successor agency in the second half of the budget year. By requesting funds for a successor agency the administration has concluded that a state coastal organization is desirable. We concur. However, we defer recommendation on Item 263 until such time as the organization and responsibilities of the proposed agency are more clearly defined.

**Sources of Funding**

In addition to Items 262 and 263, the commission and successor agency will have funds available in 1976-77 from several other sources. Total expenditures from all sources for the budget year are estimated to be \$4,109,123. Of that amount, \$2,132,617 will support the commission from July 1 to December 31, 1976, and \$1,976,506 will support a successor agency from January 1 to June 30, 1977.

Table 1 indicates the source of expenditures for the commission and the successor agency. The table includes revised data provided by the Department of Finance after the Governor's Budget was published.

The total expenditures of \$4,109,123 in the budget year are slightly less than total estimated expenditures of \$4,215,831 in the current year.

**CALIFORNIA COASTAL ZONE CONSERVATION COMMISSION  
AND SUCCESSOR AGENCY—Continued**

**Table 1**  
**California Coastal Zone Conservation Commission**  
**and Successor Agency Source of Expenditures**  
**1976-77**

Coastal Zone Conservation Commission, July 1-December 31, 1976		
Item 262, General Fund .....	\$419,127	—
Bagley Conservation Fund, Proposition 20.....	412,939	—
Permit application fees .....	164,430	—
Chapter 1208, Statutes of 1974, General Fund.....	635,427	—
Federal funds .....	500,694	\$2,132,617
Successor Agency, January 1-June 30, 1977		
Item 263, General Fund .....	\$1,476,506	—
Federal funds .....	500,000	\$1,976,506
Total expenditures 1976-77 .....		\$4,109,123

**State Funds Not Reduced**

Chapter 1208, Statutes of 1974, appropriated \$1,638,907 from the General Fund to the commission with \$1,003,480 made available for expenditure during the 1975-76 fiscal year and \$635,427 made available for expenditure during the 1976-77 fiscal year. Chapter 1208 specified that (1) the appropriation it made shall be reduced by the amount of any funds which the commission may receive under the federal Coastal Zone Management Act and (2) the Department of Finance shall determine the amount of the appropriation which is to be reduced and restored to the General Fund.

The commission has received \$1,200,000 in federal funds. The budget indicates these federal funds will be expended in 1975-76 and 1976-77. The administration has permitted the full appropriation of \$1,638,907 in Chapter 1208 to be expended in the same two-year period.

**Workload Adjustments**

The federal grant of \$1,200,000 under the Coastal Zone Management Act will be matched with \$600,000 in primarily state funds for two activities.

The first activity, utilizing \$900,000 of the federal funds, provides for planning assistance to local agencies and for subregional planning in accordance with the Coastal Plan. To perform these tasks, 20 positions are administratively established in the current year and are proposed for permanent status in the budget year.

The second activity involves a study of the impact of outer continental shelf oil leasing on the southern California coastal areas. The budget indicates 22 positions will be established for this study. However, after the Governor's Budget was published we were informed that the commission will contract with the Office of Planning and Research to do the study rather than hire the staff. The contract will require funding of \$454,000, consisting of \$300,000 in federal funds, \$115,000 from the commission and \$39,000 from the State Lands Division and Santa Barbara County. The project is to be completed in October 1976.

**Administrative Services**

The Coastal Commission has contracted with the Department of Industrial Relations for personnel and accounting functions. The budget proposes to change this procedure. It provides for the commission's successor agency to perform this work directly when it is established. Item 263 includes \$16,272 in salaries and wages to fund three permanent positions for a six-month period commencing January 1, 1977. There is a corresponding reduction in the amount budgeted for contract services.

**Resources Agency****DEPARTMENT OF PARKS AND RECREATION**

Item 264-272 from the General

Fund and special funds

Budget p. 624

Requested 1976-77 .....	\$71,165,124
Estimated 1975-76.....	41,720,519
Actual 1974-75 .....	33,703,472
Requested increase \$29,444,605 (70.5 percent)	
Increase to improve level of service \$9,807	
Total recommended reduction .....	\$13,088,262

**1976-77 FUNDING BY ITEM AND SOURCE**

Item	Description	Fund	Amount
264	Departmental Support	General	\$39,787,251
265	Hearst Castle Support	Special Account in General Fund	2,278,376
266	Department Support for Hostel and Trails Program	Hostel Facility Fees, General Fund	80,028
267	Department Support	Parks & Recreation Revolving Acct., General Fund	96,840
268	Department Support	Collier Park Preservation	2,489,553
269	Off-Highway Vehicle studies	Off-Highway Vehicle Fund	436,726
270	Boating Safety support	Harbors & Watercraft Revolving Fund	164,853
271	Local Assistance Grants for Urban Parks	General Fund	25,000,000
272	Local Assistance Grants for Off-Highway Vehicle Parks	Off-Highway Vehicle Fund	831,497
			<u>\$71,165,124</u>

**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**Analysis  
page

1. Special Accounts in General Fund. Recommend legislation to eliminate the San Francisco Maritime State Historic Park Account, the Collier Park Preservation Fund, the Hostel Facilities Use Fees, and the State Park Highway Account (in

464

**DEPARTMENT OF PARKS AND RECREATION—Continued**

- the Bagley Conservation Fund).
2. Hearst Castle Special Account. Recommend deletion of Item 265 requesting \$2,278,376 for the Hearst Castle Special Account and offsetting augmentation of Item 264 by this amount. 465
  3. Planning Policies and Methodology. Recommend department be directed to develop planning policies and methodology for an on-going state park system planning program, reporting to the Joint Legislative Budget Committee by December 1, 1976. 466
  4. *Design and Construction Division. Reduce Item 264 by \$111,200.* Recommend elimination of duplicate request (four man-years) for Auburn Reservoir Project. 467
  5. *Operations Division. Reduce Item 264 by \$437,062.* Recommend a net reduction of 28.5 man-years for acquisitions and completion of new units. 470
  6. State Park Reservation System. Recommend department, in cooperation with the Department of Motor Vehicles, study feasibility of using DMV field offices to provide state park reservation services and report to the Joint Legislative Budget Committee by December 1, 1976. 471
  7. *Urban Parks Program. Reduce Item 271 by \$12,500,000.* Recommend reduction for the proposed California urban Open-Space and Recreation Local Grants Program to allow for program implementation and grant awards. 472
  8. *EDP Programming Support. Reduce Item 264 by \$40,000.* Recommend three programmers be established in the department in lieu of contracting for programming services with the Department of Water Resources. 473
  9. Analysis of Legislation. Recommend department restructure existing resources to provide increased capability for analysis of proposed legislation. 473

**GENERAL PROGRAM STATEMENT**

The Department of Parks and Recreation has the basic responsibility of acquiring, developing and operating California's State Park System including historic facilities and administering federal and state grants to local agencies for park purposes.

The department is also responsible for management of the California Exposition and Fair in Sacramento. The Cal-Expo budget, however, is separate from the department's budget and can be found under Items 273-274.

**ANALYSIS AND RECOMMENDATIONS**

During the 1976-77 fiscal year the department has budgeted for the operation of the State Park System consisting of approximately 926,000 acres, 250 parks and reserves, 6,800 picnic units and 13,400 campsites. Park attendance is anticipated to increase by 4.7 million visitors to a level of approximately 50.6 million visitors in fiscal year 1976-77. The department

estimates that an additional 30,000 acres and 17 completed park units will be added to the system during the budget year.

The department's total proposed expenditures in the budget year for all support and local assistance programs from all sources is \$87,798,274. This represents a decrease of \$10,247,175 or 10.4 percent from the amount estimated for the current fiscal year. There is a net decrease of \$13 million in assistance to local agencies primarily due to peaking of the 1974 Park Bond Act local grants last year and even though a new \$25 million urban parks grant program is budgeted. These amounts differ from the requested appropriation of \$71,165,124 in the Budget Bill because the department estimates that it will receive approximately \$16,633,150 by transfer from various appropriations for capital outlay planning and design work and from reimbursements from other state and federal agencies. Table 1 summarizes actual, estimated and proposed expenditures by major program for a three year period.

**Table 1**  
**Summary of Program Expenditures**

<i>Summary of Program Expenditures</i>	<i>Actual 1974-75</i>	<i>Estimated 1975-76</i>	<i>Proposed 1976-77</i>	<i>Increase Over 1975-76</i>	<i>Percent Increase</i>
Development of the state park system .....	\$3,359,612	\$3,398,976	\$4,238,845	\$299,869	7.6%
Management of the state park system .....	33,295,137	41,232,218	43,806,527	2,574,309	6.2
Assistance to public and pri- vate recreational agen- cies .....	17,307,828	52,169,533	39,102,406	-13,067,127	-25.0
Administration undistributed	750,485	704,722	650,496	-54,226	-7.7
Administration—distributed to program .....	(3,760,387)	(4,893,837)	(4,925,789)	(31,952)	(0.6)
Totals, Programs .....	\$54,713,062	\$98,045,449	\$87,798,274	\$-10,247,175	10.4%

General Fund expenditures of \$67.1 million are proposed in the budget year which is most of the support funds requested. Other sources of funding are \$80,028 from Hostel Facility Use Fees; \$96,840 from federal funds deposited in the Park and Recreation Revolving Account in the General Fund; \$164,853 from the Harbors and Watercraft Revolving Fund for boating safety; \$799,788 from the State Park Highway Account in the Bagley Conservation Fund for park road maintenance; \$2.49 million from the Collier Park Preservation Fund of which \$1.3 million is for minor capital outlay and the remainder is for development planning; \$13 million from the State Beach, Park, Recreational and Historical Facilities Fund of 1974 for local assistance; \$1.27 million from the Off-Highway Vehicle Fund of which \$436,726 is for department planning and operations, \$831,497 for local assistance and \$439,059 from federal grants. The department also estimates that \$2,383,501 will be received from other state agencies for services provided by the department.

**DEPARTMENT OF PARKS AND RECREATION—Continued****Elimination of Special Accounts in the General Fund**

*We recommend legislation to eliminate the following special accounts in the General Fund: (1) the San Francisco Maritime State Historic Park Account, (2) the Collier Park Preservation Fund, (3) Hostel Facilities Use Fees and (4) the State Park Highway Account (in the Bagley Conservation Fund).*

The Department of Parks and Recreation basically operates from the General Fund except for its bond programs which must be separated from other money. However, the department has several special accounts *within the General Fund*, which greatly complicate its budgeting and cause pockets of money to accumulate because of difficulties in spending the money for the designated purposes. We recommend elimination of the special accounts discussed below.

**Maritime Park Account.** Chapter 1764, Statutes of 1971, provides that lease payments collected from tenants of the state-owned Haslett Warehouse in San Francisco will be deposited in the San Francisco Maritime State Historic Park Account in the General Fund. The amounts deposited are less those amounts expended by the Department of General Services for administration of the property. Monies in this special account are continuously appropriated to the Department of Parks and Recreation for development, operation and maintenance of the San Francisco Maritime State Historic Park.

The beginning balance in this account on July 1, 1976 is estimated to be approximately \$76,000 and net revenues are estimated to be \$143,000 making approximately \$219,000 available to the department during the budget year. Only \$35,000 of this amount is proposed to be appropriated (Item 384 for the tugboat Hercules) and the remainder will remain unappropriated. However, expenditures in excess of the monies available are reported to be needed in order to provide for minimal levels of operations and maintenance of the unit's historic ships during the budget year.

Because the department is having difficulties administering this fund and is faced with insufficient funds in this special account for support of this park unit, we recommend elimination of this account and appropriate funding of this unit from the General Fund in accordance with the department's priorities.

**Collier Park Preservation Fund.** Chapter 1502, Statutes of 1974, provides that state park revenue (except that collected for use of boating facilities) not to exceed \$7 million shall be deposited annually in the Collier Park Preservation Fund for the acquisition, planning and development of state park system projects. Revenue in excess of this amount shall be deposited in the General Fund.

During the budget year an estimated \$12,153,240 will be available in the fund to cover estimated expenditures totaling \$7,662,553. This will result in an estimated year end balance of approximately \$4,490,687.

Because this special fund provides for an unnecessary restriction of revenues to the General Fund, accumulation of money for special purposes, and unnecessary complexity in the funding of the department's

support and capital outlay needs, we recommend enactment of legislation eliminating this special fund and transfer of remaining balances to the General Fund.

*Hostel Facilities Use Fees.* Chapter 265, Statutes of 1974, appropriated \$2,150,000 from the Abandoned Vehicle Trust Fund to the General Fund for purposes of developing hostel facilities and recreational trails in the state park system and preparation of a preliminary hostels and trails plan by February 1, 1975. These development funds are required to be repaid to the Abandoned Vehicle Fund from hostel use fees.

The department estimates that a balance of \$1,492,941 will be available on July 1, 1976, to cover appropriated expenditures of \$1,620,028 during the budget year, resulting in an estimated overappropriation of \$127,087. According to the department, this overappropriation will be covered by program modifications and deferral of capital outlay projects to the 1977-78 fiscal year as needed.

This special account is not needed to provide for hostel and trails development and it is doubtful that sufficient hostel use fees will be generated to repay the Abandoned Vehicle Trust Fund in the foreseeable future.

We recommend that use of direct appropriations as needed for hostel and trails development and elimination of this special fund.

*State Park Highway Account.* Chapter 1032, Statutes of 1973, provides an annual transfer of \$900,000 from the Highway Users Tax Account in the Transportation Tax Fund to the State Park Highway Account in the Bagley Conservation Fund. Monies in this special account are continuously appropriated to the department for the maintenance and repair of highways in units of the state park system.

The department estimates that \$999,788 will be available in this account on July 1, 1976, and anticipates expenditures of this amount during the budget year.

We recommend that the department receive the continuous appropriations directly from the Transportation Tax Fund. This would eliminate the State Park Highway Account in the Bagley Conservation Fund.

#### **Elimination of Special Account for Hearst Castle Maintenance**

*We recommend deletion of Item 265 which would appropriate \$2,278,376 from Hearst Castle revenues for maintenance with an offsetting augmentation in Item 264 for the same amount.*

Item 265 in the 1976 Budget Bill proposes to appropriate \$2,278,376 from the revenues earned at Hearst Castle for operation of Hearst Castle in 1976-77. The item further requires that any revenues from entrance fees collected at Hearst Castle which are in excess of the department's expenditures for operation as provided by Item 265 shall be transferred to the Hearst Castle Special Account in the General Fund and be available only upon appropriation by the Legislature for maintenance and capital outlay (See Item 382).

This restriction of General Fund monies was first established under Item 257, Budget Act of 1969, in the interests of ensuring the availability of adequate funds for the restoration and upkeep of Hearst San Simeon.



**DEPARTMENT OF PARKS AND RECREATION—Continued**

There has been an accumulation of surplus funds in this account (estimated at \$760,000 on July 1, 1976). In order to eliminate an unnecessary special account and make the San Simion unit compete on a priority basis with other units in the state park system for monies from the General Fund, we recommend deletion of Item 265. In conjunction with this action, Item 264 should be augmented by \$2,278,376 and the remaining balance in the Hearst Special Account transferred to the General Fund.

**DEVELOPMENT OF THE STATE PARK SYSTEM**

Development of the state park system is the joint responsibility of the design and construction division, concessions division and grants and studies division. The department's request for this program totals \$4,238,845, an increase of \$299,869 (7.6 percent) over the current year.

**Need for Planning Policies and Methodology**

*We recommend that the department be directed to develop planning policies and methodology as a basis for an on-going state park system planning program and report to the Joint Legislative Budget Committee by December 1, 1976.*

The master plan for the California State Park System was last revised in 1968. Since that time, the department's planning efforts have been directed away from the preparation of comprehensive plans and concentrated almost entirely on single purpose studies and plans, some of which are:

1. California Outdoor Recreation Resources Plan (1968, 1972, and 1974), required for federal funding under the 1965 Land and Water Conservation Fund Act.
2. Recreation Problems in Urban Impacted Areas of California (1970)
3. California Coastline Preservation and Recreation Plan (1971)
4. California History Plan (1973 and 1974), required under the 1976 National History Preservation Act.
5. California Landscape Province Plan (1974 and 1975)
6. California Recreational Trails and Hostels Plan (1975)
7. The Off-Road Vehicle Report (1975)

Although the above studies and plans have made contributions in specific areas of need, they do not substitute for a comprehensive plan for improving recreation resources and preserving cultural and historic resources throughout the state.

In prior year analyses we have expressed concern about the lack of adequate planning capability in the department and pointed out the need for an ongoing planning process to determine program deficiencies and provide a basis for decision making in relation to orderly acquisition, development and operation of the state park system. Despite the obvious need for positive action in this area, the department has not been able to develop a comprehensive approach. It is still moving from emergency decision to emergency decision.

Recognizing the need for making improvements in the department's policy formulation and planning processes, the department's new man-

agement has indicated that it is considering redirection of departmental functions in this area.

The recent completion of the California Coastal Plan and the proposed implementation of a departmental urban parks program serve further to reinforce the need for development of an effective planning process within the department. The proposed coastal plan and urban parks program would, if adopted, greatly expand the department's responsibilities in these areas. However, neither of these potential programs now contain policies and plans for the department to follow.

Because the conditions faced by the department are changing rapidly and increasingly more complex, and because the department is without adequate planning capability to meet its new requirements, we recommend it be directed to develop planning policies and methodology. The results of this effort should be reported to the Joint Legislative Budget Committee by December 1, 1976.

Included in this report should be approaches to formulating programs and policies and implementation methodologies in the following areas:

- Research and data acquisition

- State park system planning

- Priority setting and decisionmaking

- Projection of short-term and long-term funding requirements

- Acquisition of fee title properties, easements and development rights

- Design and development of park resources

- Protection of cultural and historic resources

- Preservation of wildlife, wetlands, landscape and other natural resources

- Operation and maintenance of the state park system

- Local assistance grant programs for local and urban parks

- Coordination of local, state and federal agencies

- Deactivation of marginal park units

#### **Design and Construction Division Staff Increase**

*We recommend a reduction of \$111,200 (four man-years) in Item 264 for the department's Design and Construction Division.*

The department's Design and Construction Division has requested a net increase of eight man-years at a cost of \$269,309 in the 1976-77 fiscal year to provide for increased planning and project evaluation requirements.

Our analysis of the requested increase indicates that of this amount, \$111,200 (four man-years) will be reimbursed by the Bureau of Reclamation for recreation resource planning at the Auburn Reservoir Project under Contract No. 14-06-200-3913A.

Because these four positions are budgeted to be funded by the department and the federal reimbursement is not deducted from the department's appropriation from the General Fund, we recommend reduction of Item 264 by \$111,200 (four man-years).

**DEPARTMENT OF PARKS AND RECREATION—Continued****MANAGEMENT OF THE STATE PARK SYSTEM**

Management of the State Park System is the joint responsibility of the Operations, Resource Management and Protection and Information Divisions. The department's request for this program totals \$43,806,527, and increase of \$2,574,309 (6.2 percent) over the current year.

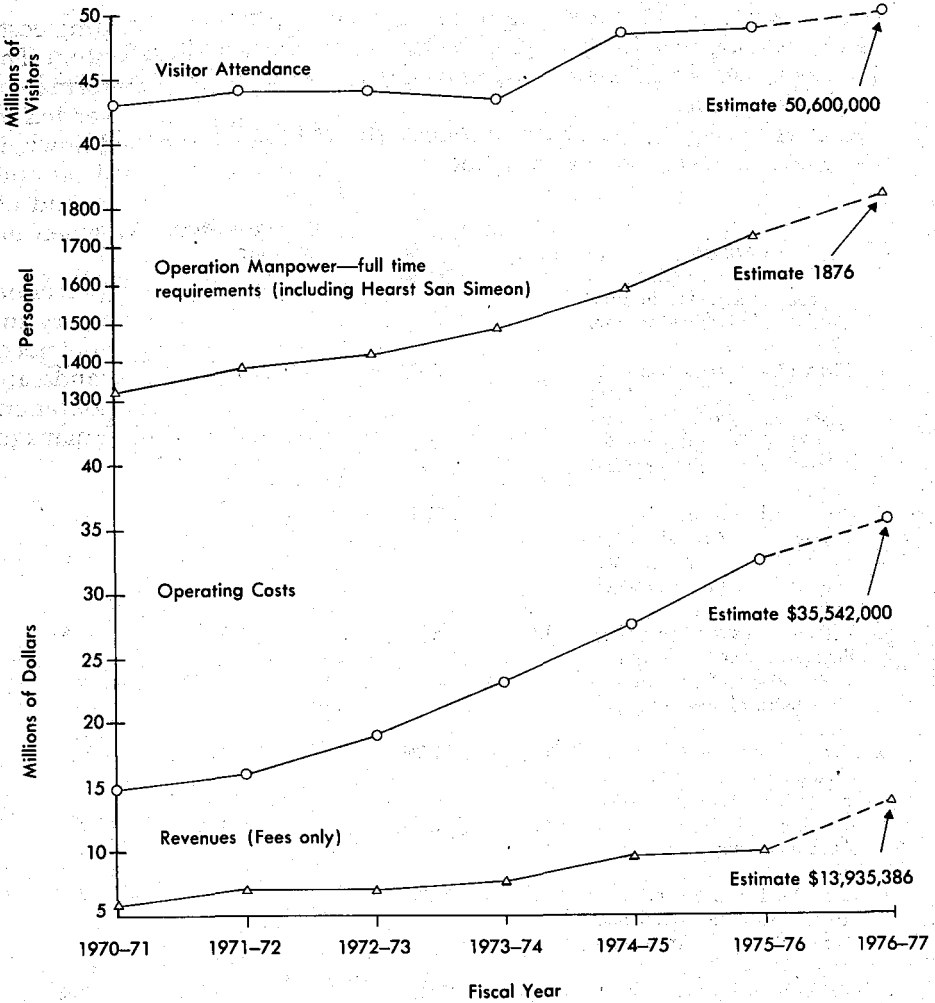
**Park System Costs, Attendance and Revenues**

In prior analyses, we have made a comparison of park operating costs, revenues, manpower and visitor attendance for the state park system. This information is updated in Figure 1 to reflect the most current information.

This comparison shows that (1) operating cost and manpower has increased rapidly each year, (2) visitor attendance has increased slowly in most years except in 1974-75 when attendance increased sharply at units close to urban areas due to the occurrence of gasoline shortages, and (3) revenues have increased slowly each year except in 1976-77 when entrance and camping fees will be increased.

The increasing divergence between operating costs and personnel curves compared to the revenue curve is indicative of (1) inflationary and cost-of-living effects on salaries, (2) increased numbers of personnel needed for maintenance functions due to more elaborate design and landscape features, (3) more visitor amenities, (4) environmental considerations such as sewage facilities, (5) higher personnel training and area management costs, and (6) the limited revenue increase.

**Figure 1**  
**Operating Costs, Revenues, Manpower and**  
**Visitor Attendance for the State Park System**



## DEPARTMENT OF PARKS AND RECREATION—Continued

## Operations Division Staff Increases

*We recommend a net reduction of \$437,062 (28.5 man-years) in Item 264 for acquisition and completion of new units.*

Approximately 80 percent of the department's basic operating budget is provided to the operations division, which is responsible for the operation and maintenance of the park system. As a direct result of the acquisition of additional land and ocean frontage, completion of new park units and expansion of existing units, the Operations Division proposes adding 173.1 man-years and related operational expenses at a cost of \$2,736,500 in the budget year.

Our analysis of the division's requests shows that the following reductions and increases should be made:

Description	Request		Recommended Change	
	Man years	Dollars	Man years	Dollars
1. Hollister Hills (acquisition) ..... Improperly included in Item 264, already included in Item 269.	15	\$259,790	-15	-\$259,790
2. Folsom Lake (acquisition) ..... Add mobile home for Monte Vista campground security residence. This will allow for effective use of new ranger I position.	2	35,900	Equipment	20,400
3. South Carlsbad (acquisition) .. Replace ranger I with ranger (intermittent) to provide seasonal patrol of proposed acquisition.	2	26,772		-8,848
4. Bethany Reservoir (new unit) Replace ranger I with ranger (intermittent) to provide seasonal patrol of new boating facility.	1.5	36,760		-8,848
5. Henry Cowell (new unit) ..... Completion on April 1, 1977, rather than October 1, 1976	3	55,582		-37,017
6. El Capitan (new unit) ..... Will not be completed in 1976-77	12.5	111,555	-12.5	-111,555
7. Lake Oroville (new unit) ..... Loafer Creek unit completion April 1, 1977, rather than January 1, 1977	1.5	28,330		-14,165
8. Old Town San Diego (security) State should not provide security for concessionaires	1	17,239	-1	-17,239
Total Recommended Net Reduction.....			-28.5 man-years	-\$437,062

**Budget Savings**

The department reports actual savings of \$1,768,637 in its budget for the 1974-75 fiscal year. The occurrence of this surplus indicates that the department's budget request for operation and maintenance support was in excess of its needs in that year.

We believe that a similar savings may occur in the current year because the department's lack of tight budget controls. However, additional controls over new operations positions was placed in the supplementary language report to the Budget Act of 1975. This control language required the Department of Finance to allot appropriations for operating expenses and staffing costs only when the workload had actually developed for new or increased costs and staffing.

**State Park Reservation System**

*We recommend the Department of Parks and Recreation, in cooperation with the Department of Motor Vehicles, study the feasibility of using DMV field offices to provide state park reservation services and report to the Joint Legislative Budget Committee by December 1, 1976.*

Reservations for campsites in the state park system and tours of the Hearst San Simeon State Historic Park are presently handled by a contractor with computer terminals at approximately 150 locations throughout the state. Since the start of a new contract for this service in 1970, the technical service provided the public has steadily improved. However, the cost to the public for the service is high (\$450,000 estimated for 1976-77). Numerous changes in terminal locations (20 in 1975-76) have confronted the public with problems in locating a reservation terminal at retail stores and other locations.

In the interest of providing consistent locations for this important service and reducing the cost of making reservations, we recommend that the Legislature direct the department, in cooperation with the Department of Motor Vehicles, to study the feasibility of using DMV's network of field offices to perform the reservation service. DMV has approximately 150 field offices statewide which are convenient to the public. As an added factor, DMV operates the state's largest computer on a 24-hour, seven-day per week basis, and is currently studying the use of computer terminals at each of its field offices.

In performing this study, the department and DMV should give proper consideration to a cost-benefit analysis and DMV's ability to provide for maximum public convenience through the placement of kiosks or service windows in field offices.

The results of this study should be made available to the Joint Legislative Budget Committee by December 1, 1976.

**ASSISTANCE TO PUBLIC AND PRIVATE RECREATIONAL AGENCIES**

Assistance to Public and Private Recreational Agencies is the responsibility of the Grants and Statewide Studies Division with technical assistance from the Design and Construction Division. The department's request for this program totals \$39,102,406, a decrease of \$13,067,127 (25 percent) under the current year.

Table 2 shows the estimated and proposed grant amounts by source for

**DEPARTMENT OF PARKS AND RECREATION—Continued**

the current year and the budget year.

**Table 2**  
**Local Assistance Grants**

<i>Fund Source</i>	<i>Estimated 1975-76</i>	<i>Proposed 1976-77</i>
General Fund .....	\$150,000	\$25,000,000
Off-Highway Vehicle Fund .....	294,750	831,497
State Beach, Park, Recreational and Historical Facilities Fund of 1964.....	2,502,685	—
State Beach, Park, Recreational and Historical Facilities Fund of 1974.....	48,961,286	13,010,802
Federal Funds.....	260,812	260,107
	<u>\$52,169,533</u>	<u>\$39,102,406</u>

**Urban Parks Program**

*We recommend reduction of \$12,500,000 in Item 271 for the proposed California Urban Open-Space and Recreation Local Grants program because of a shortage of time for program implementation and grant awards.*

During the budget year the department proposes the establishment of a new program to assist cities, counties and other local agencies in the acquisition and development of urban parks. This program which is estimated to cost up to \$75 million over three years, is to provide increased recreational opportunities in or near urban areas where over 90 percent of the state's population reside and where a 30 percent deficiency in recreational resources exists. Criteria for this program are to be established by legislation which is proposed for enactment in 1976. Item 271 specifically prohibits expenditure of the \$25 million until criteria for granting of the money are established by the legislation.

For the 1976-77 fiscal year a \$25 million appropriation from the General Fund is proposed. Included in this amount is \$175,000 for funding grant program administration costs. In addition, the department anticipates that some amount may have to be allocated for statewide planning.

*No State Policy.* We believe that more urban parks are needed and that the acquisition and development of parks in close proximity to heavily urbanized areas should be given priority. In anticipation of this need, we pointed out in our 1975-76 Analysis that the department has no clear policy regarding the state's participation in an urban parks program.

To provide policy in this critical area, we recommended that the department be directed by the Legislature to review the problems of urban parks and recommend a program to the Legislature by December 1, 1975. This recommendation was adopted by the Legislature and included in the supplementary language report to the Budget Act of 1975. The department has engaged a consultant to study the problem and prepare a report. However, the report has not been completed and made available to the Legislature for review.

*Reduction of Appropriation Needed.* Assuming that the department will soon furnish the Legislature with its recommendations on urban park policy, and that enabling legislation such as Senate Bill 174 will be enacted on an urgency basis, significant lead time will still be needed for sound

planning and processing of grant applications at both the local and state levels. We believe that only six months of grant funds can be managed effectively by the department during the budget year and that the department's proposed appropriation should be reduced from \$25 million to \$12.5 million.

#### ADMINISTRATION

Departmental administration is the responsibility of the director, his staff, and the Administrative Services Division. The request for this program is \$5,576,285, a decrease of \$22,274 (0.4 percent) under the current year.

##### ***Transfer EDP Programming Support***

*We recommend that two EDP programmer-range C positions and one associate programmer/analyst position be established in the department in lieu of contracting for these positions with the Department of Water Resources, and that Item 264 be reduced \$40,000 to reflect net savings resulting from this action.*

The department currently contracts with the Department of Water Resources for technical support for certain of the department's computer applications. The proposed budget contains approximately \$100,000 for this purpose. Because the Department of Parks and Recreation still maintains a computer programming and analyst staff, we question whether the services provided by the Department of Water Resources could be performed at reduced cost if equivalent positions were established in the Department of Parks and Recreation.

Information obtained indicates that the annual costs could be reduced \$40,000 if those positions were established in the Department of Parks and Recreation. There would be no decrease in necessary system support nor an increase in supervision costs within the department's data processing unit as a result of such a change.

##### **Additional Capability for Analysis of Legislation Needed**

*We recommend that the department restructure its existing resources to provide increased capability for analysis of proposed legislation.*

As part of its responsibility to provide for expansion and improvement of the state park system, the department sponsors a substantial amount of legislation each year. In addition to its own legislation, the department is also confronted with a large number of bills and resolutions originating outside of the department because of the widespread interest in recreation, cultural and historic resources in California.

Much of this legislation is complex and proposes major impact on the state park system. A systematic and objective analysis of each bill by the department is of critical importance to the department, the Governor and the Legislature. However, due to a lack of adequate staff and procedures, not all bills receive timely and sufficient analysis as they move through the legislative process. This problem is most readily apparent on bills making appropriations for acquisitions and certain developments.

We recommend that the department restructure its existing resources in order to increase its capabilities to analyze legislation. In addition, the



**DEPARTMENT OF PARKS AND RECREATION—Continued**

department should also provide for the orderly communication of its basic analyses to requesting agencies.

**Department of Parks and Recreation**  
**CALIFORNIA EXPOSITION AND STATE FAIR**

Items 273 and 274 from the  
 General Fund

Budget p. 657

Requested 1976-77 .....	\$5,208,323
Estimated 1975-76.....	4,919,066
Actual 1974-75 .....	4,454,366
Requested increase \$289,257 (5.9 percent)	
Total recommended reduction .....	None

**1976-77 FUNDING BY ITEM AND SOURCE**

Item	Description	Fund	Amount
273	Exposition and State Fair	General	\$2,455,393
274	Appropriation of Revenues from Exposition and State Fair	General	2,752,930
			<u>\$5,208,323</u>

**GENERAL PROGRAM STATEMENT**

The California Exposition and State Fair (Cal-Expo) began operations on the present site in June 1968. The construction and initial operations were conducted by a nonprofit corporation under the general supervision of the California Exposition and Fair Executive Committee within the Department of General Services.

The gates were opened on an incomplete exposition facility intended to run nine months of each year. Construction funds were exhausted, the time allowed for construction had ended, and private financing of exposition features was impossible due to the general adverse reaction to the status of Cal-Expo, as it is popularly known. The public's decreasing interest in Cal-Expo's summer operations is shown in reduced attendance figures. Also, revenues were negligible and operating losses accumulated.

**Direct State Operation**

On September 30, 1968, the Executive Committee terminated the operating agreement with the nonprofit corporation and assumed full operating responsibility for Cal-Expo. The state thereafter began financing the large annual deficits because revenues did not cover operating costs and also started paying for \$1,130,000 annual debt service on \$13 million of revenue bonds sold to finance the structures at Cal-Expo.

Public interest in Cal-Expo continued at a low level and actually diminished in 1972 as a result of civil disturbances on the grounds. In 1973, Chapter 1152 abolished the Executive Committee and transferred all control over Cal-Expo to the Department of Parks and Recreation. With this

transfer an appreciable increase in funding was provided.

Although the shift of Cal-Expo to the Department of Parks and Recreation was accompanied by much emphasis on new approaches, preparation of plans for future improvement or construction of facilities, and a return to the concept of the state fair, little change has occurred at Cal-Expo. The initial problems at Cal-Expo still remain.

Last fall the Director of Parks and Recreation appointed a special committee to review all past, present and future problems at Cal-Expo. The committee contained broad representation including the City and County of Sacramento, the Department of Finance, the Legislative Analyst, several legislative committees and executive branch offices as well as nongovernmental interests. It was instructed to consider all alternatives for Cal-Expo ranging from major expansion to closing it and disposing of the site. The report of that committee was not available at the time this analysis was prepared.

#### **Smithsonian West**

The Department of Parks and Recreation has entered negotiations with the Smithsonian Institution regarding the possibility of establishing a western branch of the Smithsonian at Cal-Expo. Such a development is tentative and, at best, several years in the future.

#### **ANALYSIS AND RECOMMENDATIONS**

##### *We recommend approval.*

The budget year request for Cal-Expo is a minimum budget. The current year total expenditures of \$5,506,169 are extended into the next year at a total expenditure level of \$5,513,873. An increase in estimated operating revenues of \$250,000 is budgeted. This increase is from higher admission and parking fees and is to be used to upgrade special events and to correct health and safety deficiencies.

The work of the Cal-Expo Review Committee indicates that major policy legislation will be required to effectuate any change of significance from the presently budgeted level. Such legislation, whether to close, reorganize or expand Cal-Expo, will take time for legislative consideration. We therefore recommend approval of the budget year request in order to provide another year to evaluate and act on Cal-Expo's problems.

## Resources Agency

SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT  
COMMISSIONItem 275 from the General  
Fund

Budget p. 660

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Requested 1976-77 .....	\$510,225
Estimated 1975-76.....	541,029
Actual 1974-75 .....	419,129
Requested decrease \$30,804 (5.6 percent)	
Total recommended reduction .....	None

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## GENERAL PROGRAM STATEMENT

The San Francisco Bay Conservation and Development Commission (BCDC) is charged with the continuing objectives of: (1) maintaining the San Francisco Bay plan based on current information and projections in order to protect the public interest in the San Francisco Bay; and (2) issuing permits for all filling or dredging in the bay, for changes in use in saltponds or other "managed wetlands" adjacent to the bay, and for any substantial change in use of property within 100 feet of the bay.

The San Francisco Bay Conservation and Development Commission (BCDC) consists of 27 members representing bay area citizens and officials of federal, state and local government.

## ANALYSIS AND RECOMMENDATIONS

*We recommend approval.*

The commission is budgeted to receive \$510,225 which is a decrease of \$30,804. The reason for the reduction is the anticipated completion of several studies during the current year including the dredging permit coordination study.

The proposed budget provides for expanded enforcement investigation, continuation of two assistant planner positions, reprinting the San Francisco Bay Plan, the preparation of studies on regional airport and port planning and special areas. Preparation of most of the studies and continuation of the two planning positions depends on obtaining a management grant from the National Oceanographic and Atmospheric Administration. BCDC applied for this grant two years ago but it has not yet been approved. It appears that the grant will be approved in the budget year but if it is not, only the regional port study will be prepared.

**Suisun Marsh**

In the 1975-76 Budget Analysis, we deferred recommendation on the commission's budget until the Suisun Marsh planning work had been clarified. A brief report was subsequently prepared which described planning objectives, tasks, costs, work schedules and the working relationships of the commission with the Department of Fish and Game. The Suisun Marsh Plan work is currently proceeding on schedule and should be completed in August of 1976.

**Resources Agency**  
**DEPARTMENT OF WATER RESOURCES**

Item 276 from the General  
Fund

Budget p. 662

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Requested 1976-77 .....	\$18,305,000
Estimated 1975-76.....	17,853,214
Actual 1974-75 .....	16,568,828
Requested increase \$451,786 (2.5 percent)	
Total recommended reduction .....	None

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**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

*Analysis  
page*

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|--|-----|
| 1. Flood Plain Studies. Recommend Department of Water Resources review flood plain management program and its relationship to state and local planning and report to the Joint Legislative Budget Committee by December 1, 1976. | 478 |
| 2. Evaluate Computer Requirements. Recommend Department of Water Resources review need for each computer program maintained by the computer systems office.  | 479 |

**GENERAL PROGRAM STATEMENT**

The Department of Water Resources (DWR) has three main areas of operation (1) planning for the protection and future development of California's water resources, (2) constructing and operating the State Water Project, and (3) providing for public safety by flood control operations and by the supervision of dams.

In the planning for the protection and future development of California's water resources, the department obtains basic data concerning sources, quantities and qualities of existing and potential water supplies for municipal, industrial and agricultural uses. The department compiles the information for use in formulating projects, studying water related problems, and managing water supplies to satisfy California's increasing water needs. The department is responsible for the coordination of timely and economical development of the state's water resources. This is accomplished through the encouragement, assistance and coordination of the planning, design and construction of works, or implementation of alternative measures by federal and local agencies.

The department is responsible for the planning, design, construction and operation of the State Water Project which will transport water from northern California to southern California via the California Aqueduct and related facilities. In its public safety work the department: (1) plans for the solution of flood problems, provides for the safe development of flood plains, levees and weirs and prepares for flood emergencies, and (2) supervises the safety of dams by providing evaluation of designs and the inspection of existing structures.

## DEPARTMENT OF WATER RESOURCES—Continued

## ANALYSIS AND RECOMMENDATIONS

The 1976-77 budget request is essentially a workload budget with the department's operating costs and expenses increased in accordance with the Department of General Services estimate of inflation.

## Flood Plain Management Studies

*We recommend that the Department of Water Resources review the flood plain management program and its relationship to state and local planning, and report to the Joint Legislative Budget Committee by December 1, 1976.*

The flood plain management program began in 1972 subsequent to the passage of the Cobey-Alquist Flood Plain Management Act. The stated policy of the program is to encourage local levels of government to plan land use regulations, to accomplish flood plain management and to provide state assistance and guidance.

Pursuant to the act, the program engages in several tasks which include the preparation of studies and investigations in cooperation with local agencies to delineate areas subject to flooding and to provide assistance in adopting land use regulations to restrict any new development. By the end of the current year, \$303,000 will have been expended on five studies plus the initiation of a study which has not yet been identified. The proposed budget requests \$166,800 which includes \$81,600 from local cash reimbursement and in-kind services based on a 50-50 state-local match.

The studies which have been completed or are to be completed by the end of the current year are as follows:

	<i>Completion Date</i>
— San Bernardino County, Upper Lytle Creek.....	March, 1973
— Riverside County, Murrieta Creek.....	May, 1975
— San Diego County, Upper San Diego River .....	July, 1975
— Santa Barbara County, Santa Ynez River Master Drain .....	January, 1976
— San Bernardino County, Community of Wrightwood .....	Spring, 1976

Studies for the budget year have not yet been determined. First priority for the studies has been given generally to proposals from the heavily populated counties in southern California. The flood plain management program is a statewide program but proposals for cooperative studies appear to emanate solely from DWR's southern district office. Apparently, the department does not aggressively promote the studies and no guidelines have been integrated into the system.

The program is designed to provide information for better planning at the local and perhaps eventually at the state level. At the local level, the studies delineate those areas with the greatest potential flooding in order to provide a basis to enact zoning ordinances for restricting development in the flood plain. On the state level, the program potentially could benefit the Office of Planning and Research and other statewide efforts. However, the program does not seem to be integrated with either the state or local

processes.

Therefore, we recommend that the Department of Water Resources review the flood plain management program (1) to determine criteria for selecting counties and areas of greatest need, (2) to review the use of the studies to formulate and implement zoning ordinances restricting new development, (3) to integrate the program with the efforts of the Coastal Commission, (4) and to clarify the program's relationship to the Governor's Urban Growth Policies which are currently being prepared by the Office of Planning and Research.

#### **Evaluation of Computer Requirements**

*We recommend that the Department of Water Resources review the need for each computer program being maintained by the computer systems office with the objective of eliminating any unnecessary computer processing.*

It is estimated that the budget year cost to operate the department's Control Data 3300 computer will be approximately \$260,000. Discussions with the computer systems office indicate that the office is attempting to identify and eliminate computer programs which are on file but are not actively used. We believe that the department should expand this effort to include a systematic review also of those computer programs which are still in use but are not sufficiently utilized. Such an effort is appropriate because many computer programs were developed at a time when the construction of the State Water Project was in its ascendancy. The project is now essentially completed, there has been a shift in emphasis to operation and maintenance of the aqueduct system, and the general level of departmental activity is lower. Therefore, the previous justification for computer processing may have changed. To be most effective, the review should be conducted by an impartial element of the department's organization.

The computer is currently used on a two-shift per day, five-day per week basis. Actual capacity utilization is not known, but it should decrease by about eight percent in 1976 due to the shifting of some user processes to the Stephen P. Teale Consolidated Data Center. This shift plus a reduction in nonessential programs may permit saving of overtime or extra shift costs.

#### **RECLAMATION BOARD**

The Reclamation Board was created in 1911 to participate in controlling the floodwaters of the Sacramento and San Joaquin River Systems. In 1957, the Legislature placed the board within the Department of Water Resources, but authorized it to retain its independent power, responsibilities and jurisdiction. The board consists of seven members appointed by the Governor from the central valley area. The major activity of the board is purchasing lands, easements and rights-of-way for federal channel and levee flood control projects in the central valley. The board also administers a permit system to prevent encroachments from being constructed in flood channels which could impair flood flow capacities.

In the 1969-70 fiscal year, the board's staff was reduced to 7.5 positions with 85.3 man-years transferred to DWR. It was the intent of the Legisla-

**DEPARTMENT OF WATER RESOURCES—Continued**

ture to achieve an integrated statewide flood control program administered and executed by DWR. The proposed budget would complete previous efforts to consolidate state flood control program staff. The budget proposes to transfer 4 positions at a cost of \$200,000 and eliminate 2.5 positions for an estimated savings of \$126,966. The Reclamation Board will continue its statutory responsibilities relying on DWR staff.

**COLORADO RIVER BOARD**

The Colorado River Board is responsible for protecting the state's interests in the water and power resources of the Colorado River System. The board is composed of six members appointed by the Governor, each from one of the public agencies having rights to the use of water or power from the Colorado River. These agencies are: Palo Verde Irrigation District, Imperial Irrigation District, Coachella Valley Water District, Metropolitan Water District of Southern California, San Diego County Water Authority, and City of Los Angeles Department of Water and Power. Activities include analyses of the engineering, legal, and policy matters concerning the water and power resources of the seven Colorado River Basin states. The board develops a single position among the California agencies having established water rights on the Colorado River.

In the 1976-77 budget, the administration has proposed to eliminate state funding of the board. The effect of this change will be to discontinue the board's operation as a state agency. The administration indicates that California's interests concerning the Colorado River can best be coordinated through a single agency, the Department of Water Resources.

In addition to a more coordinated effort, elimination of funding for the board will result in a savings to the state of \$131,210 in the 1976-77 budget. In the past several years, the state contributed one-third of the total budget with the balance contributed by the districts.

**Resources Agency**

**DEPARTMENT OF WATER RESOURCES**  
**(Subventions for Flood Control)**

Item 277 from the General  
Fund

Budget p. 669

Requested 1976-77 .....	\$5,500,000
Estimated 1975-76.....	6,000,000
Actual 1974-75 .....	6,000,000
Requested decrease \$500,000 (8.3 percent)	
Total recommended reduction .....	None

**GENERAL PROGRAM STATEMENT**

In order to protect areas subject to flooding, the federal government established a nationwide program for the construction of flood control projects to be carried out by the Corps of Engineers. Congress has required local interests to sponsor projects and to participate financially by

paying for the costs of rights-of-way and relocations. Prior to 1973 California, through the Department of Water Resources, reimbursed the local interests for the cost of rights-of-way and relocations. After 1973, rights-of-way and relocation costs for a given project were shared between the state and the appropriate local agency as provided by Chapter 893, Statutes of 1973.

#### **ANALYSIS AND RECOMMENDATIONS**

##### *We recommend approval.*

The total state cost of all projects authorized since the program's inception in 1946 is estimated by the department to be about \$225 million. Of the \$225 million, approximately \$157 million will have been paid at the end of the 1974-75 fiscal year, leaving a future state obligation of about \$68 million. The state funds appropriated in any given fiscal year are based on an estimate of the value of claims that will be presented by local entities and processed by the department. The department estimates that the \$5.5 million request should be sufficient for the budget year.