



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

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(In Thousands)

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

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

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Major Issues in Conference:

- Assembly provides an augmentation of \$100 million from Proposition 1E with trailer bill language (TBL) directing funds for levee projects that meet certain criteria, and budget bill language (BBL) allowing the Department of Water Resources to provide these funds as loans for state cost-share with the federal government.
- Senate rejects all Proposition 1E and Proposition 84 bond funded proposals and moves funding of these to a policy bill (potentially SBX2 1, Perata).

Recommend a Working Group Consider the Following BBL and TBL:

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