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# **Governor's 2004-05 Budget Proposal: Resources Bonds**

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LEGISLATIVE ANALYST'S OFFICE

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Senate Budget and Fiscal Review  
Subcommittee No. 2

Hon. Byron Sher, Chair





## Resources Bonds— Proposed Expenditures

- ☒ *The Governor's 2004-05 Budget*, as revised by the April Finance letters, proposes about \$1 billion in expenditures from various resources bonds. Figure 1 breaks down these expenditures by programmatic area:

**Figure 1**  
**Governor's 2004-05 Budget:**  
**Proposed Resources Bond Expenditures**

*By Programmatic Area*  
*(In Millions)*

CALFED Bay-Delta Program	\$322.5
Conservancies and the Wildlife Conservation Board	165.1
State Parks	111.3
Safe Drinking Water and Water Security <sup>a</sup>	108.5
Local Water Projects <sup>b</sup>	102.8
Local Parks	78.4
River Parkways and Sierra Nevada Cascade Programs	48.1
Various Water Programs <sup>b</sup>	21.8
Farmland Conservancy	12.0
Fuels Management and Urban Forestry	8.7
Fishery Restoration	8.5
California Conservation Corps	8.4
Various Other	8.4
<b>Total</b>	<b>\$1,004.5</b>

<sup>a</sup> Department of Health Services.

<sup>b</sup> Non-CALFED.



## Resources Bonds— Proposed Expenditures

- ☒ *The Governor's 2004-05 Budget*, as revised by the April Finance letters, proposes about \$1 billion in expenditures from various resources bonds. Figure 2 breaks down these expenditures by bond measure:

<b>Figure 2</b> <b>Governor's 2004-05 Budget:</b> <b>Proposed Resources Bond Expenditures</b>	
<i>By Bond Measure</i> <i>(In Millions)</i>	
Proposition 50 <sup>a</sup>	\$457.5
Proposition 40 <sup>b</sup>	264.5
Proposition 13 <sup>c</sup>	202.7
Proposition 12 <sup>d</sup>	56.1
Proposition 204 <sup>e</sup>	8.9
Other	14.8
<b>Total</b>	<b>\$1,004.5</b>
<sup>a</sup> Water Security, Clean Drinking Water, Coastal and Beach Protection Fund, 2002. <sup>b</sup> California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund, 2002. <sup>c</sup> Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Fund, 2000. <sup>d</sup> Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund, 2000. <sup>e</sup> Safe, Clean, Reliable Water Supply Fund, 1996.	



## Resources Bonds— Highlights of Governor's Proposal and Issues

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- ☑ Generally, the Governor's bond proposal—substantially submitted with the April Finance letters—provides funding for most programmatic areas previously funded from bond funds. However, the Governor's budget proposal includes no capital outlay funding for the Santa Monica Mountains Conservancy. (The Department of Finance is conducting an audit of the conservancy.) Apart from this, there are no major policy shifts reflected in the proposal.
- ☑ The Governor's budget proposal deviates from long-term bond expenditure plans previously submitted to the Legislature in cases where a substantial amount of funds from prior appropriations remain unexpended. In such cases, the bond funds will be drawn down over a longer period of time than originally planned. (Accordingly, the April Finance letters propose a substantial amount of reappropriations.)
- ☑ An important legal, fiscal, and policy issue relates to whether Proposition 50 bond funds should be available for allocation to *private* water companies. The administration is currently reviewing this issue.