

MARCH 6, 2019

Overview of Proposition 68

PRESENTED TO:

Assembly Budget Subcommittee No. 3 on
Resources and Transportation
Hon. Richard Bloom, Chair



LEGISLATIVE ANALYST'S OFFICE

Proposition 68 Overview

- **Proposition 68 Provides \$4.1 Billion in General Obligation Bonds for Natural Resources-Related Activities.** Placed on the ballot through Chapter 852 of 2018 (SB 5, de León), approved by voters in June 2018.
- **Directs Funding for Specific Activities.** Contains over 75 discrete categories for how funds must be used, including for parks, habitat restoration, and water projects. Most funds must be used for local assistance, typically allocated through a competitive grant process.
- **Directs Funding for Specific Communities.** Includes provisions designed to assist “disadvantaged communities” (with median incomes less than 80 percent of the statewide average) and “severely disadvantaged communities” (with median incomes less than 60 percent of the statewide average).
- **State in Initial Year of Implementing Bond.** The *2018-19 Budget Act* appropriated \$1.3 billion from the bond, mostly to expand or continue existing programs. Also included funding for 80.5 positions to implement Proposition 68 activities at state agencies.
- **Governor Proposes Providing \$1 Billion in 2019-20.** Includes proposals to initiate some new programs, and funding for 15.5 additional state positions.



Proposition 68 Funding

(In Millions)

Program	Implementing Department	Bond Allocation	2018-19 Budgeted	2019-20 Proposed
Natural Resources Conservation and Resiliency		\$1,497	\$406	\$310
Restoration and conservation projects	Conservancies	\$345	\$100	\$48
Restoration and conservation projects	WCB	265	70	127
Voluntary agreements	CNRA	200	—	70
Salton Sea management	CNRA	200	30	—
Habitat restoration and protection	DFW	95	24	3
Los Angeles River watershed	RMC/SMMC	75	17	14
Various specified projects	CNRA	71	68	<1
Deferred maintenance	DFW	50	—	10
Restoration and conservation projects	CCC	40	10	12
Healthy coastal and marine ecosystems	OPC	35	10	<1
Watershed Improvement Program	SNC	25	23	<1
Forest management and urban forestry	CalFire	25	15	9
Projects that assist coastal communities	OPC	21	10	<1
Working lands and riparian corridors	DOC	20	2	15
Multibenefit green infrastructure	CNRA	20	19	<1
Healthy Soils	CDFA	10	9	<1
Parks and Recreation		\$1,323	\$496	\$105
Improve and expand local parks	Parks	\$1,035	\$463	\$54
Improve and expand state parks	Parks	170	19	16
Lower cost coastal accommodations	SCC/Parks	60	—	—
Trails, greenways, and river parkways	CNRA	40	10	28
Deferred maintenance at fairgrounds	CDFA	18	4	7
Water		\$1,280	\$357	\$578
Flood protection and repair	DWR	\$460	\$99	\$136
Sustainable groundwater management	DWR	240	62	112
Safe drinking water	SWRCB	220	36	170
Sustainable groundwater management	SWRCB	160	142	-8 ^a
Multibenefit stormwater	CNRA	100	<1	93
Water recycling	SWRCB	80	—	74
Water efficiency and enhancement	CDFA	20	18	1
Totals^b		\$4,100	\$1,260	\$995

^a Governor proposes to revert some funding from the current-year appropriation.

^b Includes funding for bond administration.

WCB = Wildlife Conservation Board; CNRA = California Natural Resources Agency; DFW = Department of Fish and Wildlife; RMC = San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy; SMMC = Santa Monica Mountains Conservancy; CCC = California Conservation Corps; OPC = Ocean Protection Council; SNC = Sierra Nevada Conservancy; CalFire = California Department of Forestry and Fire Protection; DOC = Department of Conservation; CDFA = California Department of Food and Agriculture; SCC = State Coastal Conservancy; Parks = Department of Parks and Recreation; DWR = Department of Water Resources; and SWRCB = State Water Resources Control Board.



LAO Comments

- ***Governor's Proposals Appear Consistent With Legislative and Voter Intent.*** Overall package of proposals seems reasonable.
- ***Lack of Detail Makes It Difficult to Assess Specific Proposals.*** Administration did not provide the budget detail that is typically provided to the Legislature and public for new proposals, which impedes legislative review.
- ***Legislature May Want to Modify Timing of Bond Appropriations.*** Could opt to provide more or less funding for particular categories in 2019-20.
- ***Recommend Adopting Proposition 68 Package That Reflects Legislative Priorities.*** Recommend soliciting feedback from stakeholders and implementing departments regarding program demand and available funding from other sources.

