

SUMMARY OF RECOMMENDATIONS

Issue	Governor's Proposal	LAO Recommendation
Crosscutting Issues		
Cap-and-trade expenditures	\$3.1 billion for greenhouse gas (GHG) emission reduction programs related to transportation, carbon sequestration, energy efficiency and renewable energy, short-lived climate pollutants, local climate projects, and water efficiency.	Direct the administration to provide more robust estimates of benefits, allocate funds based on policy priorities and level of confidence in outcomes, and establish an expert advisory committee to help target future spending.
State's drought response	\$233 million from General Fund and special funds for emergency drought response, environmental protection, and conservation activities, and \$90 million from cap-and-trade funds for four water and energy efficiency programs.	Approve \$233 million for continued drought response and request additional information in order to better assess merits of cap-and-trade funded programs. Identify and implement activities and policy changes that will prepare the state for future droughts. Require administration to report on outcomes and lessons learned from response to current drought.
Proposition 1—2014 water bond	\$465 million to partially fund four statewide commitments and \$11 million to Santa Monica Mountains Conservancy for Los Angeles River restoration.	Develop approach for funding statewide commitments and multiyear funding plan for Los Angeles River based on legislative priorities. Require administration to submit annual summary report on Proposition 1 implementation.
Environmental License Plate Fund (ELPF)	Several changes to address the ELPF structural deficit, including shifting certain costs to other state funds, increasing the personalized plate fee by about 5 percent, and introducing a new fee for environmental permits. Projected to provide benefits to the fund of \$12 million ongoing.	The Governor's budget provides one reasonable package of options to address the structural deficit, but the Legislature also should consider other available options and approve a funding package based on its priorities for where spending reductions or fee increases should be borne.
Deferred maintenance	\$187 million one time from General Fund to address deferred maintenance within seven resources departments.	Request additional information before approving Governor's funding proposals and require that specific projects be listed in supplemental budget report.
Department of Forestry and Fire Protection (CalFire)		
Professional standards program	\$4.4 million (\$3.7 million ongoing) primarily from the General Fund and 14 permanent positions to establish a professional standards program, which would include a unit to oversee internal investigations and adverse actions.	Approve the proposed funding for a new professional standards program on a three-year limited-term basis—rather than on an ongoing basis as proposed—in order to allow the department to evaluate the program's ongoing workload and effectiveness after it has been in place for a period of time.
Department of Parks and Recreation		
Motor Vehicle Fuel Account transfer	\$17 million one-time augmentation to the State Parks and Recreation Fund (SPRF) to maintain operations at current-year levels, and a one-time \$31 million transfer of fuel tax revenues to cover the costs of this augmentation, as well as to address the SPRF structural shortfall.	Another one-time budget augmentation to maintain current operations level makes sense, but the Legislature will need to make a policy decision regarding whether to fund such an augmentation from a special fund benefiting off-highway vehicle recreational users or the General Fund. Require department to report on the status of various budgetary and programmatic reforms at budget hearings this spring.
Community liaison pilot project	\$690,000 over two years from SPRF and three positions for a pilot project to engage underserved and underrepresented communities.	Withhold recommendation and recommend that the Legislature direct the department to provide an evaluation plan for the pilot for consideration at budget hearings.

(Continued)

THE 2016-17 BUDGET: RESOURCES AND ENVIRONMENTAL PROTECTION

SUMMARY OF RECOMMENDATIONS

(CONTINUED)

Issue	Governor's Proposal	LAO Recommendation
Department of Conservation		
Oil and gas training program	\$1.3 million in ongoing funds from the Oil, Gas, and Geothermal Administrative Fund to purchase training curriculum and fund training-related positions.	Approve \$1 million of the administration's proposal to purchase curriculum for three years rather than on an ongoing basis. Require the department to report at budget hearings on the feasibility of implementing the training program more quickly.
California Conservation Corps		
Expansion of residential facilities	\$400,000 General Fund for the acquisition phase for three new residential centers. (Infrastructure Plan identifies total of \$171 million from General Fund and lease revenue bonds over five years to fund the planning and construction of several new residential centers.)	Weigh major expansion proposed against other General Fund priorities. Defer approval of funding for the acquisition phase of two residential centers in Pomona and Napa. Approve funding for the acquisition phase of residential center in Ukiah. Require report on progress towards developing a database to track corpsmember outcomes.
Department of Resources Recycling and Recovery (CalRecycle)		
Beverage Container City/County Payment Program (CCPP)	\$110,000 from the Beverage Container Recycling Fund (BCRF) and one position to provide programmatic and fiduciary oversight of CCPP expenditures by recipient agencies.	Eliminate the CCPP due to concerns with its structure and the lack of information on its effectiveness. Eliminating the program will also reduce the BCRF's structural deficit.
Air Resources Board		
Various proposals to achieve Governor's post-2020 GHG goals	\$3.2 million from the AB 32 Cost of Implementation Account and 13 positions to implement three proposals related to the Clean Truck and Bus standards, the Advanced Clean Cars program, and the Short-Lived Climate Pollutants (SLCP) strategy. The funding would be used for activities related to achieving AB 32 GHG goals, federal air quality standards, and the Governor's post-2020 GHG goals.	Modify the Governor's proposal in two ways: (1) reject requests related to administration's post-2020 GHG goals and implementing the SLCP strategy and (2) direct administration to identify alternative funding sources for activities related to achieving federal air quality standards.
Low carbon transportation fuels (AB 692)	\$145,000 and one permanent position to support additional workload related to a statutory requirement that a minimum percentage of transportation fuel purchased by the state be from very low carbon sources.	Reject proposal because there is insufficient workload justification.
SB 350 implementation	\$485,000 and three permanent positions for various activities related to implementing SB 350, including one permanent position to develop and conduct a study on barriers for low-income customers to access zero-emission transportation options by January 1, 2017.	Convert \$162,000 in funding related to studying barriers for low-income customers to access zero emissions transportation options from ongoing to one year.
Department of Toxic Substances Control		
Proposal to enhance and streamline permitting	\$1.2 million from the Hazardous Waste Control Account to convert eight limited-term positions to permanent.	Withhold recommendation until more information is provided by the administration. At the time this analysis was prepared, the administration had not provided any information to support this proposal.