

Senator Jim Beall, Chair
Senator Jim Nielsen
Senator Hannah-Beth Jackson



Thursday, April 24, 2014
9:30 a.m. or Upon Adjournment of Session
Hearing Room 3191

Consultant: Catherine Freeman

Special Item Proposed for Discussion

<u>Item</u>	<u>Issue</u>	<u>Page</u>
	Marijuana Enforcement (multiple departments)	2

Items Proposed for Discussion

<u>Item</u>	<u>Department</u>	<u>Page</u>
3930	Department of Pesticide Regulation	3
7300	Agriculture Labor Relations Board	5
8570	Department of Food and Agriculture	6

Resources—Environmental Protection—Energy—Transportation

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling 916-651-1505. Requests should be made one week in advance whenever possible.

SPECIAL ITEM PROPOSED FOR DISCUSSION**Marijuana-Related Enforcement**

Background. California produces more marijuana from outdoor “grows” (crops planted) than any other state. There are two basic ways marijuana is grown outside in the state. The first is illegal cartel use of public lands to grow marijuana. The second is the legal cultivation of marijuana on private lands pursuant to Proposition 215 (1996). The impacts of growing marijuana on both public and private lands are well documented. The department estimates that private land marijuana cultivation has grown so much on the North Coast that Coho salmon, a state and federally-listed species, may go extinct in the near future if this problem is not immediately addressed. The State Water Resources Control Board (SWRCB) has observed significant land clearing activities resulting in sediment discharges to many high-value surface waters in the north state, nutrient loading from fertilizers, and stream diversions that result in dangerously low water levels.

Whether on public or private land, the impact from marijuana cultivation is substantial. The Department of Fish and Wildlife (DFW) has conducted approximately 249 marijuana eradication and reclamation missions. These missions have led to the arrest of 228 illegal marijuana growers, seizure of 72 firearms and over 5,000 pounds of marijuana. The state has collected approximately 66,000 pounds of trash, 332,000 feet of poly pipe, 14,000 pounds of fertilizer, 113 containers of common pesticides, herbicides, and rodenticides, 15 hazmat containers, and removed 105 man-made dams from waterways feeding illegal grows. Costs to reclaim damaged lands and remediate impacts range from \$2,000 to \$14,000 per acre on public land and as high as \$30,000 to \$50,000 per acre on private land.

Budget Proposal. The DFW budget requests \$1.5 million (\$500,000 General Fund, \$500,900 Timber Regulation and Forest Restoration Fund, and \$500,000 Waste Discharge Permit Fund [WDPF] and seven positions. The SWRCB budget requests \$1.8 million (WDPF) and 11 positions to implement a task force and a priority-driven approach to address the natural resources damage. The DFW proposes shifting \$500,000 from the general enforcement budget to the marijuana task force and backfilling those funds with Fish and Game Preservation Fund.

Previous Committee Actions. The subcommittee heard this issue on March 27 under the Department of Fish and Wildlife and held the proposal open. Concerns were raised at the hearing about how the Administration will treat the cultivation of marijuana under Proposition 215. For example, should the Department of Pesticide Regulation and Department of Food and Agriculture monitor fertilizer and pesticide use on planted lands? Should growers be required to pay additional fees for law enforcement to accompany state regulators when they inspect lands planted under Proposition 215?

Staff Comments. Staff concurs with the need to implement an immediate strategy to reduce the impacts of marijuana cultivation. The departments involved with regulation of legal and illegal agricultural products should discuss the challenges of regulating this crop and how growers of marijuana under Proposition 215 are treated differently than, say, vintners, rice farmers, timber harvesters, or other legal products.

Staff Recommendation: Approve proposal. Adopt supplemental reporting language requiring the Administration to report back at budget hearings next year on its recommendations to require “215” growers to comply with regular permitting, and any needs for regulation changes to allow law enforcement to accompany regulators for site visits.

Staff Recommendation: Approve Item 1.

3930 Department of Pesticide Regulation

The Department of Pesticide Regulation (DPR) administers programs to protect the public health and the environment from unsafe exposures to pesticides. The department: (1) evaluates the public health and environmental impact of pesticide use; (2) regulates, monitors, and controls the sale and use of pesticides in the state; and (3) develops and promotes the use of reduced-risk practices for pest management. The department is funded primarily by an assessment on the sale of pesticides in the state.

Governor's Budget. The Governor's budget includes \$80.3 million (no General Fund) and 384 positions for support of the DPR, an increase of one percent, over current year expenditures.

Item Proposed for Discussion

Update on Risk Assessments and Fumigants

Governor's Proposal. The Governor does not have a budget proposal.

Previous Legislative Actions. The Legislature, in the 2013 Budget Act, required the department to complete five risk assessments on high priority pesticides per year. This action was taken to ensure that the department was moving forward with risk assessments to the fullest extent possible.

Staff Comments. The department should provide an update on the previous year's requirement to provide five risk assessments by June 30, 2014. In addition, the department should discuss its current approach to the use of fumigants both in fields and in refrigerated warehouses.

Questions for the Department. The department should address these questions in their opening statement:

- What is the current backlog of risk assessments at the department (if such a backlog is defined as a pesticide submitted to the department for review that has not had a completed risk assessment in over two years) and how has this changed with the language adopted by the Legislature last year?
- What is the current fund balance of the mill assessment on pesticides? Given the current drought and potential for less planting in the forthcoming year, how should the Legislature view the current fund balance?
- What would the department recommend to prioritize research on fumigants?

Recommendation: Hold open.

7300 Agriculture Labor Relations Board

The Agricultural Labor Relations Board (ALRB) is responsible for: (1) conducting secret ballot elections so that farm workers in California may decide whether to have a union represent them in collective bargaining with their employer, and (2) investigating, prosecuting, and adjudicating unfair labor practice disputes.

The Governor's January budget proposes \$6.1 million and 45 positions for support of the board.

Item Proposed for Discussion

Funding for the ARLB's Office of General Counsel and Administration
--

Background. The ALRB has, over the past few years, attempted to align its resources with a change in its business model. These changes include pairing attorneys and field investigators to allow legal expertise to be available early in the investigation process and to allow investigators to offer support during a cases' litigation process, and changes to its legal procedures to better meet client needs.

Over the past two years, the ALRB has demonstrated sustained increase in the workload and the complexity of cases. In part, this is due to the ALRB's increased presence in communities based on its new business model.

Budget Proposal. The spring finance letter requests \$1.9 million from the General Fund (including \$1.4 million ongoing) and five positions (four attorneys and one field examiner) to address additional workload due to increased caseload responsibilities.

Staff Comments. Staff concurs with the need for the proposal. The ALRB should be prepared to discuss this proposal and any changes that may be needed in the future due to the increased demand for services from farmworkers.

Staff Recommendation: Approve

8570 Department of Food and Agriculture

The California Department of Food and Agriculture (CDFA) serves the citizens of California by promoting and protecting a safe, healthy food supply, and enhancing local and global agricultural trade, through efficient management, innovation, and sound science, with a commitment to environmental stewardship. The goals of CDFA are to: (1) promote and protect the diverse local and global marketability of the California agricultural brand which represents superior quality, value, and safety; (2) optimize resources through collaboration, innovation, and process improvements; (3) connect rural and urban communities by supporting and participating in educational programs that emphasize a mutual appreciation of the value of diverse food and agricultural production systems; (4) improve regulatory efficiency through proactive coordination with stake holders; and, (5) invest in employee development and succession planning efforts.

The Governor's budget proposes \$372 million and 1,616 positions for support of the department. This is an increase of about \$20 million, mainly due to proposed cap-and-trade program expenditures which were heard on April 3.

Items Proposed for Vote-Only

1. **Yermo Border Protection Station, Relocation—Spring Finance Letter.** Request for revised cost, scope, and schedule for the Yermo Border Protection Station project in order to add a year to the project timeline and to reduce overall project funding by about \$3 million.

Recommendation: Approve.

Item Proposed for Discussion**California Animal Health and Food Safety Laboratory System (CAHSF)—One-Time Adjustment**

Background. The CAHSF Laboratory System is operated by the UC Davis School of Veterinary Medicine. The laboratory establishes and operates poultry and livestock disease diagnostic programs for detection and examination of animals with potential diseases. The CAHSF laboratory employees are subject to salary and benefit increases that apply to the UC system. Funding for the positions is made available in the CDFA budget but the positions are accounted for under the UC system. The department has absorbed employee compensation cost increases rather than regularly budgeting for these changes.

Budget Proposal. The budget requests \$1 million (General Fund), one-time, to offset the employee compensation increases. The Administration proposes to convene stakeholders to develop a sustainable long-term funding plan for CAHSF.

Staff Comments. Staff concurs with the need to provide funding for the employee compensation costs. The CDFA should discuss why the Administration, the UC system, and CDFA did not work more closely to ensure that funding was requested annually for compensation increases, as is the norm at all state agencies. The department should be prepared to discuss the following:

- (1) When has this issue been brought to the Legislature before this year?
- (2) What is the total and ongoing compensation necessary to keep the current laboratory functions available?
- (3) What compensation is made by the industry this program supports?

Staff Recommendation: Approve.