

SUBCOMMITTEE NO. 2

Agenda

Senator Bob Wieckowski, Chair
Senator Mike McGuire
Senator Jim Nielsen
Senator Henry I. Stern



Thursday, May 10, 2018
9:30 a.m. or upon adjournment of session
State Capitol - Room 112

Consultants: Joanne Roy and James Hacker

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PUBLIC COMMENT

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VOTE-ONLY CALENDAR**0540 California Natural Resources Agency (CNRA)**

- 1) **Information Security Operations. (BCP)** The Governor's budget requests \$2,916,000 from various funds (\$1,778,000 one-time, \$1,138,000 ongoing) and six positions to establish a new Security Operations Center (SOC) to address information security and cyber security vulnerabilities and threats. SOC would provide service and support for all CNRA's departments, commissions, conservancies, and boards that require information security operational activities to protect and secure critical information, systems, and infrastructure assets.

This proposal was heard in subcommittee on March 15, 2018.

Staff Recommendation. Approve as budgeted.

3860 Department of Water Resources (DWR)

- 2) **State Water Project Aging Infrastructure. (BCP)** The Governor's budget requests 74 positions to support the California State Water Project (SWP). Specifically, the requested resources would be used to:
 - Meet new and expanded state and federal regulatory requirements.
 - Respond timely, safely, and cost-effectively to urgent or emergency work as defined by Public Contract Code §10122 et seq., and other Executive, Legislative or regulatory mandates.
 - Implement an asset management program, enhance condition assessment and maintenance programs, and facilitate increased design, construction and inspection projects for an aging SWP infrastructure.
 - Provide legal support for the Oroville Dam spillway emergency and recovery.

This proposal was heard in subcommittee on March 15, 2018.

Staff Recommendation. Approve as budgeted.

3340 California Conservation Corps (CCC)

- 3) **Residential Center, Auberry: New Residential Center. (BCP and AFL)** The Governor's January budget proposes \$4.885 million General Fund to acquire (\$2.847 million) and start preliminary plans (\$2.038 million) to renovate the existing Auberry Elementary School for a new residential center in the City of Auberry in Fresno County to meet programmatic needs.

This proposal was heard in subcommittee on April 5, 2018.

An April Finance Letter (AFL) requests a reduction of \$591,000 General Fund [(-\$153,000) acquisition and (-\$438,000) preliminary plans] from the \$4.885 million proposed in the FY 2018-19 Governor's budget [(\$2.847 million) acquisition and (\$2.038 million) preliminary plans] to renovate the existing Auberry Elementary School. CCC identified total project savings in the amount of \$8.412 million that do not impact the residential center program. The potential for savings was identified in the Governor's budget proposal, as the final cost and schedule summary was still being reviewed.

Total proposal is reduced by \$591,000. Estimated total project cost is \$40.569 million.

Staff Recommendation. Approve BCP and AFL.

- 4) **Residential Center, Greenwood: New Residential Center. (BCP)** The Governor's January budget proposes \$3.172 million General Fund for preliminary plans to replace the existing Greenwood Residential Center (located in El Dorado County), which was constructed in the 1980s, to address structural and functional deficiencies.

This proposal was heard in subcommittee on April 5, 2018.

Staff Recommendation. Approve as budgeted.

- 5) **Residential Center, Los Piños: New Residential Center. (BCP and AFL)** The Governor's January budget proposes \$1.725 million General Fund for preliminary plans to renovate the existing Los Piños Residential Center (located in Orange County), which was built in 1966, to address functional and structural deficiencies.

This proposal was heard in subcommittee on April 5, 2018.

An AFL requests a reduction of \$352,000 General Fund from the \$1.725 proposed in the FY 2018-19 Governor's budget for the preliminary plans phase of this project to renovate the existing Los Piños facility. CCC identified total project savings in the amount of \$13.316 million that do not impact the residential center program. The potential for savings was identified in the Governor's January budget proposal, as the final cost and schedule was still being reviewed.

Total proposal is reduced by \$352,000. Estimated total project cost is \$20.274 million.

Staff Recommendation. Approve BCP and AFL.

- 6) **Residential Center, Yountville: New Residential Center. (BCP)** The Governor's January budget proposes \$200,000 General Fund in FY 2018-19 for the study phase to renovate an existing warehouse at the Veterans Home of California-Yountville (located in Napa County) to meet programmatic needs.

This proposal was heard in subcommittee on April 5, 2018.

Staff Recommendation. Approve as budgeted.

3790 Department of Parks and Recreation (Parks)

- 7) **Aquatic Weed Control Contract. (AFL)** An AFL requests a \$6.5 million increase in reimbursement authority from the Harbors and Watercraft Revolving Fund for FY 2018-19 through FY 2022-23. This increase is intended to support a contract with the Department of Water Resources for Enhanced Control of Aquatic Invasive Plants and Fish Restoration Program actions.

Background. Invasive aquatic vegetation is widespread in the Delta and has increased their overage dramatically during the recent drought. This increasing trend has serious implications in regard to habitat, as aquatic weeds are known to alter their physical environment by slowing water velocities, increasing water clarity, providing habitat for invasive fishes, and reducing open water habitat. These habitat effects are likely to have a negative impact on imperiled Delta Smelt and other pelagic species that rely on turbid, open water habitat.

Parks' Division of Boating and Waterways (DBW) operates a control program for submerged weed *Egeria Densa* (Brazilian Waterweed) and the floating weed *Eichhornia crassipes* (Water Hyacinth) as well as other species. The contract with DWR will allow DBW to enhance their existing control program in areas identified by DWR, and to conduct detailed tracking of the aquatic weed and water quality response to these additional weed treatment areas.

Staff Recommendation. Approve as budgeted.

8570 California Department of Food and Agriculture (CDFA)

- 8) **Bee Safe Program. (BCP)** The Governor's budget proposes \$1.853 million General Fund and two positions in FY 2018-19 and ongoing to develop and manage the Bee Safe Program to promote and protect a safe and healthy food supply through the protection of bees. The request has two major components: 1) funds to counties for local enforcement of existing laws and implementation of new activities (\$1.5 million); and, 2) state staff to manage the Bee Safe Program (\$353,000).

This proposal was heard in subcommittee on April 19, 2018.

LAO Recommendations. *Approve One-Year Funding for Bee Safe Program.* LAO recommends the Legislature approve one year of funding to establish the Bee Safe Program in order to better ensure the health of California's bee population. The Bee Safe Program would help county agricultural commissioners (CACs) address a number of threats to the state's bee population including die-offs from contact with pesticides that are toxic to bees and early identification of pests and diseases that can affect bees. Representatives for the CACs have indicated that counties need additional training for their inspectors and access to state-level expertise to address an increasing number of bee-related issues. The Bee Safe Program would help to address these issues.

Consider Expanding Fee-Based Funding Options. LAO recommends the Legislature consider options regarding how to fund the Bee Safe Program before approving ongoing General Fund support as proposed by the Governor. On the one hand, LAO believes it is appropriate to fund the program with General Fund given its broad benefit to the public. On the other hand, it is also appropriate to fund the program using fee revenues from regulated beekeepers, who would be the program's main beneficiaries. Fee-based funding could be accomplished by establishing a new fee on beekeepers or expanding the scope of the existing apiary registration fee. Ultimately, it is a policy decision for the Legislature whether to fund the Bee Safe Program with: 1) General Fund as proposed by the Administration; 2) a mix of General Fund and fees on beekeepers; or, 3) entirely through fees on beekeepers.

Adopt Reporting Requirement to Inform Future Funding Decisions. LAO recommends the Legislature adopt budget bill language requiring CDFA to provide a report to the Legislature by January 1, 2019 on the following: 1) annual revenues collected by counties under the current apiary registration fee; 2) county costs to administer the apiary registration program; and, 3) options to align fee revenues with county costs and responsibilities. This analysis should further look at costs and responsibilities associated with domestic and imported hives. This report would provide the Legislature with key information needed to decide the extent to which the Bee Safe Program could be funded with fee revenues in lieu of General Fund.

Staff Recommendation. Approve funding for CDFA as follows: three-year limited-term funding of \$353,000 General Fund and two positions to establish the Bee Safe Program and perform statewide functions; \$1.5 million one-year General Fund for local enforcement; and adopt budget bill language requiring CDFA to provide a report to the Legislature by January 10, 2019, per LAO's recommendation regarding future funding.

- 9) **Citrus Pest and Disease Prevention Program. (BCP)** The Governor's budget proposes \$2.5 million General Fund and \$2.5 million Department of Food and Agriculture Fund authority in FY 2018-19 and ongoing to enhance Asian Citrus Psyllid (ACP) and Huanglongbing (HLB) suppression activities in newly detected areas and to augment quarantine regulation enforcement activities in existing and newly detected areas.

This proposal was heard in subcommittee on April 19, 2018.

Staff Recommendation. Approve as budgeted.

- 10) **Use of Antimicrobial Drugs on Livestock (SB 27). (BCP)** The Governor's budget proposes \$2.668 million (\$121,000 one-time) General Fund and 11 positions in FY 2018-19 and ongoing for the Animal Health and Food Safety Services and Inspection Services Divisions to fully implement SB 27 (Hill), Chapter 758, Statutes of 2015.

This proposal was heard in subcommittee on April 19, 2018.

Staff Recommendation. Approve as budgeted.

8660 California Public Utilities Commission

- 11) **Reduce Carbon Emissions. (BCP)** The Governor's budget proposes \$359,000 per year in ongoing funding (Public Utilities Commission Utilities Reimbursement Account) for two permanent positions and \$1,000,000 per year for four years for consulting contract costs. To implement the requirements of SB 350 (de León), Chapter 547, Statutes of 2015, AB 578 (Blakeslee), Chapter 627, Statutes of 2008, and AB 327 (Perea), Chapter 611, Statutes of 2013.

This proposal was heard in subcommittee on March 8, 2018.

Staff Recommendation. Approve as budgeted.

Staff Recommendation. Issues #1-7, 9-11: Approve as proposed.
Issue #8: Approve per staff recommendation.