

NATURAL RESOURCES

As currently structured, the Natural Resources Agency consists of 27 departments, boards, commissions, and conservancies responsible for administering programs to conserve, protect, restore, and enhance the natural, historical, and cultural resources of California.

The May Revision includes total funding of \$8.5 billion (\$1.9 billion General Fund and \$6.6 billion other funds) for all programs included in the Agency.

TIMBER HARVEST PLAN REFORM

The Governor's Budget outlined the Administration's commitment to improving the health of California forests, continuing California's commitment to the environment, supporting the state's climate and energy goals, and meeting with stakeholders to receive input in developing a proposal to improve the Timber Harvest Plan process. The May Revision proposes a reform package that includes the following elements:

- Administrative Improvements—These changes will improve state department coordination of the current regulatory process with a goal to shorten and streamline permit processing times for Timber Harvest Plans utilizing existing resources:
 - Redding Pilot Project—Development and implementation of a year-long pilot project to test procedures to improve the efficiency of a multi-agency Timber Harvest Plan review team.

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- Timber Harvest Plan Documentation Review—A review of the current content and organization of the Timber Harvest Plan application document to improve ease of preparation, continuity of plan content, and reduction of applicant errors. The review will also explore the ability to use out e-forms.
- Lumber Assessment—The new assessment will be applied to retail sales of certain wood products sold in California and will be collected by the Board of Equalization. The assessment will be used to support the regulatory activities of the Departments of Forestry and Fire Protection, Fish and Game, Conservation, and State Water Resources Control Board related to Timber Harvest Plan review. The assessment will provide a long-term funding stream to fund the regulatory agencies, provide opportunities for future restoration of California forests, and increase timber production.
- Extension of Current Timber Harvest Plans—Timber Harvest Plans are currently effective for three years with two one-year extensions. The proposal will extend that timeframe to five years with one two-year extension and would affect plans approved in 2012. This timeframe will optimize the length and scope of standard timber harvest plans while retaining appropriate protective measures for fish and wildlife.
- Limit Damages from Wildfire Liability—California law allows recovery of up to double damages for damages related to wildfires. This leads to claims far exceeding restoration costs. The proposal would limit the scope of damages for fire cases and prohibit excessive damages.

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

The Energy Resources Conservation and Development Commission (Energy Commission) is responsible for ensuring a reliable supply of energy to meet state needs while protecting public health, safety, and the environment.

Other Significant Adjustment:

- *Electricity Program Investment Charge Program*—The May Revision includes an increase of \$2.1 million (other funds) in 2012-13 for the Energy Commission to begin the administration and development of the Electricity Program Investment Charge program that was adopted by the Public Utilities Commission. The Electricity

Program Investment Charge is intended to support cost-effective energy efficiency and conservation activities, renewable energy resources, and public interest research and development. The Energy Commission has been designated as the administrator of the Electricity Program Investment Charge program and will utilize the requested resources to develop a triennial investment plan to be submitted to the Public Utilities Commission.

DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

The Department of Resources Recycling and Recovery (CalRecycle) protects public health, safety, and the environment by regulating solid waste facilities and promoting recycling.

Other Significant Adjustment:

- *Beverage Container Recycling Fund Redemption Payments*—The May Revision proposes to require beverage container distributors to submit beverage container redemption payments to CalRecycle by the last day of the first month following sale, rather than the last day of the second or third month following sale. CalRecycle makes payments from the Beverage Container Recycling Fund to container recyclers and processors within 20 days, but under current law distributor payments to the Fund have to be made within 60 to 90 days. This proposal will better align the state's cashflows with container recyclers and processors.

DEPARTMENT OF WATER RESOURCES

The Department of Water Resources protects, conserves, and manages California's water. The Department evaluates existing water resources, forecasts water needs, and explores potential solutions to meet growing needs. The Department also works to prevent and minimize flood damage, ensure the safety of dams, and educate the public about the importance of water and its efficient use.

Other Significant Adjustment:

- *Davis-Dolwig Resolution*—The May Revision proposes a \$10 million continuous appropriation from the Harbors and Watercraft Revolving Fund to fund the state's obligations under the Davis-Dolwig Act. The Davis-Dolwig Act, passed by the voters in 1961, describes how recreation, fish, and wildlife enhancements are achieved

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and funded in association with the California State Water Project. The Harbors and Watercraft Revolving Fund is an appropriate funding source because a significant percentage of boating facilities in the state are at State Water Project facilities and Davis-Dolwig costs are primarily attributed to boating. This proposal will resolve a long-standing problem and will provide a reliable source of funding for the Department and state water contractors as they continue to manage and improve the state's water delivery system.