

NATURAL RESOURCES

The Natural Resources Agency consists of 26 departments, boards, commissions and conservancies responsible for administering programs to conserve, restore, and enhance the natural, historical, and cultural resources of California. The May Revision includes \$6.7 billion (\$3.5 billion General Fund, \$1.8 billion special funds, and \$1.4 billion bond funds) for programs included in this Agency.

The impacts of climate change and environmental pollution continue to be an urgent threat to the environment and vulnerable populations. The Agency's departments are on the frontlines of battling wildfires, navigating droughts and floods, and preparing for sea-level rise. For these reasons, the May Revision continues to prioritize the state's limited resources on emergency preparedness and protecting the public from climate risks.

DEPARTMENT OF WATER RESOURCES

The May Revision maintains the following critical flood and water quality projects proposed in the Governor's Budget:

- American River Common Features Flood Control Project—\$46 million one-time General Fund for the 2020-21 cost associated with a Sacramento region flood control project that leverages \$1.5 billion in federal funding. The total state share for

this project is \$277 million, and the remaining state share will be considered for inclusion in future infrastructure investments.

- New River Improvement Project—\$18 million one-time General Fund and \$10 million Proposition 68 bond funds to support the New River Improvement Project, which will address solid waste and pollution exposure challenges in the City of Calexico, and support health, recreation, and economic benefits in the area.
- Salton Sea Management Plan—\$19.3 million Proposition 68 bond funds to address the air quality and habitat restoration objectives at the Salton Sea through implementation of the North Lake Pilot Project.

GENERAL FUND SOLUTIONS

The state is not in a fiscal position to expand programs given the drastic budget impacts of the COVID-19 Recession. The following proposals are withdrawn from the Governor's Budget:

- Sustainable Groundwater Management Act Implementation—\$40 million General Fund. The state remains committed to supporting local communities' transition to sustainable groundwater use, and the Department of Water Resources will allocate \$26 million of existing Proposition 68 bond funds to local agencies in critically overdrafted basins to help defray the cost of implementation projects. In addition, a state interagency team will be created to work with stakeholders to identify tools and strategies to address the economic, environmental, and social effects of changing land use and agricultural production. Additional funding for SGMA-related projects may be considered for inclusion in future infrastructure investments.
- Tijuana River Project—\$35 million General Fund given potential alternative sources of funding which may be allocated for this purpose.

STATE PARKS

The May Revision maintains funding for the following projects to enhance the state park system.

- Establishing a New State Park—\$5 million General Fund, reduced from \$20 million in the Governor's Budget, to create a new state park that is inclusive and supports

equitable access for all Californians. The Department will work with various philanthropic, conservation, and park interest groups to secure a property and design the vision and operations for the new park.

- Acquiring Lands to Expand Parks—\$4.6 million from various bond funds to acquire inholding properties that expand existing state parks and provide other co-benefits such as protecting biodiversity.
- Improving Facilities in Urban Areas—\$6.1 million Proposition 68 bond funds to expand access to state parks in urban areas and make other improvements to parks that serve disadvantaged communities.
- Enhancing Access Programming—\$8.8 million Proposition 68 bond funds to expand both technological and physical access to parks, as well as culturally inclusive enhancements to park programming and interpretive exhibits.

GENERAL FUND SOLUTIONS

To reduce costs, the May Revision proposes fund shifts as follows:

- Indian Heritage Center—\$95 million from the General Fund to lease revenue bonds. State Parks is in the process of completing the preliminary plans for the project. Once the plans are finalized, the state can explore the option of financing the project from lease revenue bonds.
- Deferred Maintenance—\$45 million from the General Fund to Proposition 68 bond funds for deferred maintenance projects in the state parks system.

The state is not in a fiscal position to expand programs given the drastic budget impacts of the COVID-19 Recession. The following proposal is withdrawn from the Governor's Budget:

- Outdoor Equity Grants Program—\$20 million General Fund to establish the outdoor equity grants program under Chapter 675, Statutes of 2019 (AB 209). The state remains committed to working with stakeholders to keep access to parks for all communities a priority.

Absent additional federal funds, the COVID-19 Recession makes the following reduction necessary to balance the state budget. This reduction will be triggered off if the federal government provides sufficient funding to restore it:

- Base Reductions—\$30 million ongoing General Fund beginning in 2021-22. State Parks will work with stakeholders to work on a reduction plan that maintains equity and regional access. The Department is collaborating regionally with local and federal park operators to ease current use restrictions and adapt park operations to updated public health conditions as informed by state and local public health orders, particularly as they relate to physical distancing. The Department will monitor fiscal impacts of recent and ongoing restricted park operations and any budget adjustments necessary from these modified operations will be addressed at a later time.

DEPARTMENT OF FISH AND WILDLIFE

The May Revision prioritizes funding for the following purposes:

- Cutting Green Tape—\$4 million to increase the scale and pace of restoration work, incorporate efficiencies into grant programs, and incorporate the use of programmatic permitting options.
- Land Management—\$2.2 million to improve the management of more than one million acres of wildlife areas and ecological reserves owned by the Department.

The state is not in a fiscal position to expand programs given the drastic budget impacts of the COVID-19 Recession. The following proposal is withdrawn from the Governor's Budget:

- Advancing Biodiversity Protection—\$13.8 million General Fund.

Absent additional federal funds, the COVID-19 Recession makes the following reduction necessary to balance the state budget. This reduction will be triggered off if the federal government provides sufficient funding to restore it:

- Baseline General Fund Reduction and Repurpose of the Habitat Conservation Fund—\$33.7 million General Fund to reduce the Department's state operations General Fund expenditure level. This reduction will be partially offset by a \$18.9 million shift from the Habitat Conservation Fund to the new Biodiversity Protection Fund to support the Department's core biodiversity conservation and enforcement programs.

OTHER GENERAL FUND SOLUTIONS

The state is not in a fiscal position to expand programs given the drastic budget impacts of the COVID-19 Recession. The following proposals are withdrawn from the Governor's Budget:

- Light Detection and Ranging (LiDAR) Technology—\$80 million General Fund.
- California Conservation Corps Residential Centers—\$3.5 million General Fund associated with the cancellation of the expansion of the Corps' residential center program.

To reduce costs, the May Revision proposes efficiencies as follows:

- Natural Resources Agency New Facility Relocation—\$4.8 million associated with a reduction of the Governor's Budget proposal. The move into the new Natural Resources building will be put on hold until a evaluation on telework opportunities is completed. For additional information, see the Government Efficiencies section of the Statewide Issues and Various Departments chapter.