



Agriculture and Natural Resources Policy Committee

**Wednesday, July 2, 2008 · 9:00 a.m. – 11:00 a.m.
VIA Conference Call**

AGENDA

Supervisor Mike Nelson, Merced County, Chair
Supervisor Jon Vasquez, Solano County, Vice- Chair

- I. Welcome and Introductions**
*Supervisor Mike Nelson, Merced County
Supervisor Jon Vasquez, Solano County*

- II. Budget Discussion**
*Attachment One: Rural County Caucus Budget Proposal
Attachment Two: Governor's Emergency Response
Initiative
Attachment Three: LAO Proposal: SRA Fees*

- III. ACTION ITEM: Review of Draft CSAC Policy
Direction on 2008 State Water Proposals**
*Attachment Four: CSAC Draft Policy Direction on 2008
State Water Proposals
CSAC Staff*

- IV. Other Items**

- V. Closing Comments and Adjournment**

ATTACHMENTS

- Attachment One..... Rural County Caucus Budget Proposal:
Potential Action Item
- Attachment Two.....Governor's Emergency Response Initiative
- Attachment Three.....Legislative Analyst's Office: SRA Fee Proposal
- Attachment Four..... CSAC Draft Delta Vision Policy Direction:
Action Item

Attachment One

Rural County Caucus Budget Proposal



June 25, 2008

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To: CSAC Agriculture and Natural Resource Policy Committee

From: Karen Keene, CSAC Legislative Representative
Cara Martinson, CSAC Legislative Analyst

RE: **Review and Discussion of Possible Regulatory Suspensions to
Relieve Budget Crisis – POTENTIAL ACTION ITEM**

The main purpose for the Agriculture and Natural Resources Policy Committee meeting is to address an action advanced by the CSAC Rural Caucus and approved by the CSAC Board of Directors during their respective meetings at the May Legislative Conference, which **“direct[s] all CSAC policy committees to convene as soon as possible to identify those regulations that could be suspended and report to the Executive Committee to consider in the negotiations of the budget process within 45 days.”** To meet this requirement, all CSAC policy committees will meet by early July to give consideration to and take appropriate action on this proposal.

No proposals have been received from the ANR Policy Committee.

Attachment Two

Governor's Emergency Response Initiative



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To: CSAC Agriculture and Natural Resources Policy Committee
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Re: Governor's Emergency Response Initiative

The Emergency Response Initiative, formerly known as the Wildland Firefighting Initiative, was reformulated with the Governor's May Revision to the Budget to provide a two-tiered approach to fund enhanced emergency response capabilities of California Department of Forestry and Fire Protection (CAL Fire), the Office of Emergency Services (OES) and the Military Department. The Governor's January proposal suggested a 1.25% surcharge on all residential and commercial property insurance statewide to fund programs at CAL Fire, the OES, and the National Guard. The Governor's revised proposal states that the surcharge, still paid by all those that hold insurance on residential and commercial property, will be set at two different levels based on differing risk. The updated proposal recognizes that there are varying levels of risk depending on where Californians live. Thus, the surcharge on all residential and commercial property insurance statewide will be designated by zip code and set at two levels based on differing risk:

- 1.40 percent on those structures in areas designated as high-hazard zones in terms of earthquake, fire, or flood, as determined by OES and CAL FIRE risk maps
- This will result in an average cost of about \$12.60 per household
- 0.75 percent on those structures in low-hazard zones.
- This will result in an average cost of about \$6.75 per household.

The Emergency Response Initiative designates OES as the entity responsible for administering the Account, rather than the Department of Insurance as previously stated in January. Additionally, the new surcharge formula is expected to generate \$69.3 million, as compared to \$ 104.9 million as proposed in the Governor's January budget due to delayed implementation. The May Revision proposes a \$30 million loan to the Emergency Response Account from the Restitution Fund to immediately enhance the Account.

Specifically, the emergency Response Initiative will fund:

- Provide 131 new engines to local firefighters. This initiative adds 131 Office of Emergency Services fire engines on loan to local firefighters, increasing the total available from 119 to 250 over five years.
- Add new helicopters. Under the Governor's proposal, 11 new all-weather, 24-hour-capable helicopters will be purchased and six of nine helitack bases will be remodeled.
- Strengthen the California National Guard's response. Under this proposal, the state will provide the National Guard with two full-time helicopter crews; two firefighting systems for the C-130 cargo aircraft, and three helicopter firefighting systems. This will result in even quicker responses.
- Track and coordinate equipment with Global Positioning System (GPS) technology. The Governor proposes that CAL FIRE outfit key pieces of equipment with GPS to allow the monitoring of equipment use in real time and the quick dispatch of equipment to where it's needed most.

Attachment Three

LAO Proposal: SRA Fees



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To: CSAC Agriculture and Natural Resources Policy Committee
From: Karen Keene, CSAC Legislative Representative
Cara Martinson, CSAC Legislative Analyst

Re: Legislative Analyst Office (LAO) State Responsibility Area (SRA) Fee Proposal

LAO Alternative Fee Recommendation. The LAO recommends the Legislature create a new fee on SRA lands and use a portion of the revenues to offset the proposed General Fund reduction for the department's fire protection program—thus avoiding the need to close facilities in the budget year.

According to the LAO, because the state provides a service—fire protection—that directly benefits a particular group—landowners in SRA—it is appropriate that those beneficiaries pay for a portion of the state's cost for fire protection. Specifically, The LAO recommends the Legislature enact a fee assessed on property owners in SRA that would pay for 50 percent of the state's General Fund baseline cost for fire protection.

Based on the 2007–08 enacted budget, fee revenues from the LAO proposed fee would be about \$265 million. The LAO recommends that the Legislature design the fee such that it recovers a specified percentage of the state's General Fund baseline fire protection budget, ensuring that the fee payers continue to pay a share of the state's General Fund cost for fire protection over time. According to the LAO proposal, the structure of the fee—who should pay the fee and at what level—is a policy decision for the Legislature.

Implementation Issues in Imposing a Fee on SRA Lands. Under current statute, there is no existing fee on SRA landowners. Imposing such a fee will require legislation. In order to achieve revenues in the budget year, it will be necessary for the Legislature to consider and pass fee legislation either in the special session, or shortly thereafter with an urgency clause.

Under the LAO proposal, the SRA fee would be assessed on landowners (homeowners, non-developed landowners, or both). The fee would be included in property tax bills and would be collected by county assessors or controllers. According to the LAO proposal, the assessors will need information on parcels in SRA by July or August 2008, to include the fee in the tax bills that go out in September and October, in order to generate fee revenues when property taxes are paid in December 2008 and April 2009.

The cost to the counties of administering the fee will be the responsibility of the state, and will likely be from 5 percent to 10 percent of fee revenues in the first year, with lower costs thereafter.

Attachment Four
CSAC Draft Delta Vision Policy Direction

CSAC "DRAFT" 2008 Policy Direction on State Water Proposals

As the nation's most populous state, California faces many complicated and compelling water resource issues. The California State Association of Counties (CSAC) recognizes the complexities of water use and distribution throughout the state and has reiterated its position on this issue over the years through various policy statements, including, but not limited to **support for statutory protection of counties of origin and watershed areas, support for existing water rights, the need for new and expanded water resources, and the need for local water conservation efforts.** Recent discussions and impending decisions regarding the Delta necessitate the inclusion of policy direction in CSAC's platform to ensure consideration of county interests. The proposed policies will be relied upon by CSAC staff in conjunction with existing CSAC policy in developing recommendations regarding the State Water Plan, the Delta Vision Task Force Strategic Plan, and the Bay Delta Conservation Plan.

The proposed policies are consistent with existing CSAC policy direction concerning water, land use, agriculture, forestry, climate change and flood protection to name a few. The proposed policies also build upon CSAC's existing policy that recognizes the Delta as a critical region of statewide importance encompassing vital water, transportation, energy, agriculture and economic interests.

CSAC believes that any proposed Delta solutions be implemented in a manner that:

- Respects the affected counties' land use authority, revenues, public health and safety, economic development, water rights, and agricultural viability.
- Promotes recreation and environmental protection.
- Ensures Delta counties' status as voting members of any proposed Delta governance structure.
- Improves flood protection for delta residents, property, and infrastructure.
- Improves and protects the Delta ecosystem, water quality, flows and supply.
- Ensures consistency with **affected counties** adopted policies and plans.
- Secures financial support for flood management, improved emergency response, preservation of agriculture, protection of water resources, and enhancement and restoration of habitat.

- Accords special recognition, and advances the economic vitality of "heritage" or "legacy" communities in the Delta.
- Demonstrates a clearly evidenced public benefit to any proposed changes to the boundaries of the Delta.
- **Acknowledge the reliance of Counties on the Delta as a water delivery system.** (Source: Fresno County)
- **Support maintenance and reliability of historic flows from north to south.** (Source: Fresno County)
- **Recognize the urgency with which all of the Delta partners, including the State must act to resolve and fund infrastructure, environmental and supply issues.** (Source: Fresno County)