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Department of Fish and Game: Funding Regulatory Programs With Increased Fees

LEGISLATIVE ANALYST'S OFFICE

Presented to:

Senate Budget and Fiscal Review, Subcommittee No. 2

Hon. Alan Lowenthal, Chair





Governor's Budget Proposal

- The Governor's General Fund budget-balancing reductions propose to reduce the department's budget by \$8.4 million in the budget year. The Governor does not propose alternative funding sources to offset any of these reductions.

Department of Fish and Game, Governor's Proposed Budget-Balancing Reductions				
<i>General Fund (In Thousands)</i>				
	2007-08		2008-09	
	Amount	PYs	Amount	PYs
Biodiversity conservation	\$1,400	—	\$3,580	22
Hunting, fishing and public use	165	—	1,189	3
Administration	152	—	964	—
Law enforcement	—	—	2,634	38
Totals	\$1,717	—	\$8,367	63



Governor's Budget-Balancing Reductions

- A number of the proposed budget-balancing reductions will reduce the department's regulatory program oversight of natural resources in the state:
 - **California Endangered Species Act Review and Enforcement.** This program oversees the protection of listed species in the state and is responsible for granting and enforcing "incidental take" permits. The program is entirely funded from the General Fund. The budget proposes to reduce the program by \$500,000 and four positions.
 - **Natural Communities Conservation Plan Review and Enforcement.** State law allows private parties or local governments to create long-term conservation plans instead of regulating the protection of listed species individually. This program is largely funded from the General Fund. The budget proposes to reduce the program by \$850,000 and eight positions.
 - **Timber Harvest Plan Review and Enforcement.** This program, in conjunction with the Department of Forestry and Fire Protection, the Department of Conservation, and the Regional Water Boards, oversees the regulation of timber production in the state. In the Department of Fish and Game, the program is largely funded by the General Fund. The budget proposes to reduce the program by \$350,000 and four positions.
 - **Law Enforcement.** The budget proposes to reduce the department's law enforcement program by \$2.6 million and 38 game warden positions.

- The Governor's budget also proposes General Fund budget-balancing reductions in administration (\$964,000, of which \$400,000 is for training and \$287,000 is for accounting); in nonregulatory biodiversity conservation activities (\$1.9 million); and in hunting, fishing, and public use programs (\$1.2 million).



LAO Recommendation for Funding Regulatory Programs With Fees

- We recommend the Legislature increase or establish new fees to offset the proposed General Fund reductions that concern regulatory program activities and generate additional savings, as shown below.
- In addition, we recommend that the Legislature shift funding for the game warden positions proposed for reduction to an available special fund balance (\$2.6 million).

Department of Fish and Game, LAO Recommended Fee Proposals and Funding Shifts					
<i>(In Thousands)</i>					
Program Area	Workload Budget ^a	Governor's Proposed General Fund Reduction	Budgeted Fee Support	LAO Recommended Fee Increase/ Special Fund Offset	Statutory Change Required?
California Endangered Species Act Review	\$3,700	-\$500	—	\$3,700	TBL to create fee
Natural Communities Conservation Plan Review	3,000	-850	\$750 ^b	3,000	None
Timber Harvest Plan Review	3,500	-350	443	3,500	TBL to create new fee structure
Law Enforcement	60,308	-2,634	— ^c	2,634	None
Totals	\$70,508	-\$4,334	\$1,193	\$12,834^d	

^a All fund sources. Does not include Governor's proposed General Fund budget-balancing reductions.

^b The NCCP review program receives \$650,000 from the Environmental License Plate Fund and \$100,000 in federal funds.

^c The Law Enforcement Division receives support from several funds, some of which are supported by fee revenues. However, there is no dedicated law enforcement fee mechanism.

^d Adopting LAO fee recommendations serves to (1) offset Governor's proposed General Fund reductions of \$4.3 million (thereby avoiding program reductions) and (2) create additional General Fund savings (beyond Governor's budget proposal) of \$7.3 million.

- Note: We also recommend the Legislature partially reject the proposal to reduce the department's administrative budget, as this would reduce the department's ability to oversee its complex budget and provide training to new employees (\$687,000).