

**STATE OF CALIFORNIA**  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 08/15)

Fiscal Year 2016/17	Business Unit 0540	Department Natural Resources Agency	Priority No.
Budget Request Name AB 1492 Public Process and Technical/Science Support		Program AB 1492 Timber Regulation and Forest Restoration	Subprogram

Budget Request Description  
 AB 1492 Public Process and Technical/Science Support

Budget Request Summary  
 This proposal would make on-going and slightly increase limited-term funding to support public involvement processes, technical assistance, and scientific guidance - \$230,000 from the Timber Regulation and Forest Restoration Fund. The proposal also includes Budget Trailer Bill language to permit providing reasonable per diem compensation to persons other than public agency staff who are serving on program advisory committees or working groups.

Requires Legislation <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed Add Public Resources Code § 4629.8(c)
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR       SPR      Project No.      Date:

If proposal affects another department, does other department concur with proposal?       Yes       No  
*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By Russell Henly	Date 2/4/2016	Reviewed By	Date
Department Director	Date	Agency Secretary	Date 1/4/2016

**Department of Finance Use Only**

Additional Review:  Capital Outlay     ITCU     FSCU     OSAE     CALSTARS     Dept. of Technology

BCP Type:       Policy       Workload Budget per Government Code 13308.05

PPBA	Original Signed by Amanda Martin	Date submitted to the Legislature 4-1-16
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# BCP Fiscal Detail Sheet

BCP Title: AB 1492 Public Process and Technical Support

DP Name: 0540-020-BCP-DP-2016-A1

## Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5320 - Travel: In-State	0	10	10	10	10	10
5340 - Consulting and Professional Services - Interdepartmental	0	85	85	85	85	85
5340 - Consulting and Professional Services - External	0	135	135	135	135	135
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>

## Fund Summary

Fund Source - State Operations						
3212 - Timber Regulation and Forest Restoration Fund	0	230	230	230	230	230
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>

## Program Summary

Program Funding						
0320 - Administration of Natural Resources Agency	0	230	230	230	230	230
<b>Total All Programs</b>	<b>\$0</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>

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## A. Budget Request Summary

This proposal would make ongoing and slightly increase limited-term funding to support public involvement processes, technical assistance, and scientific guidance. Funding for the past two years has been \$200,000 per year. This proposal requests \$230,000 from the Timber Regulation and Forest Restoration Fund (TRFRF) on an ongoing basis. The proposal also includes budget trailer bill language to permit providing reasonable per diem compensation to persons other than public agency staff who are serving on program advisory committees or working groups.

Purpose	Funds Requested FY 2016-17 and ongoing
(1) Contracts with consultants and/or interagency agreements for (a) scientific and technical support for the development and implementation of program measures and (b) stakeholder involvement processes; and (2) providing per diem payments and travel costs for advisory body members.	\$230,000

## B. Background/History

The Z'Berg-Nejedly Forest Practice Act (FPA) (1973, Division 4, Chapter 8, PRC § 4511 et seq.) and the California Forest Practice Rules (FPR) (Title 14 CCR, Chapter 4 § 895 et seq.) require the interdisciplinary review of timber harvesting proposals [including timber harvesting plans (THPs), nonindustrial timber management plans (NTMPs), and working forest management plans (WFMPs); or, collectively, "plans"] by CAL FIRE, the Department of Fish and Wildlife, the CGS, and the Regional Water Boards. Coordination among these agencies and departments is necessary to meet their respective goals and missions.

AB 1492 (Blumenfield, Chapter 289, Statutes of 2012) establishes the Timber Regulation and Forest Restoration Program (Public Resources Code § 4629 et seq.) and states a significant level of intent for the state's forests (PRC § 4629.2):

- Promote and encourage sustainable forest practices consistent with state environmental laws;
- Ensure continued sustainable funding for the state's forest practice program to protect the state's forest resources.
- Support in-state production of timber within the state's environmental standards, and promote and encourage retention of forests and forested landscapes.
- Create a funding source for the restoration of the state's forested lands and promote restoration of fisheries and wildlife habitat and improvement in water quality.
- Promote restoration and management of forested landscapes consistent with AB 32.
- Promote transparency in regulatory costs and programs through the creation of performance measures and accountability for the state's forest practice regulatory program and simplify the collection and use of critical data to ensure consistency with other pertinent laws and regulations.
- Identify and implement efficiencies in the regulation of timber harvesting between state agencies.
- Modify current regulatory programs to incorporate, and provide incentives for best practices, and develop standards or strategies, where appropriate, to protect natural resources, including the development of plans that address road management and riparian function on an ownership-wide, watershed-wide, or district-wide scale.

The bill provides for assessment of a 1% fee on lumber and other wood products sold in California. Revenues generated from the fee are to be deposited into the TRFRF established by the bill. Funds are to be distributed under the provisions of PRC § 4629.6(c) to support the costs of the departments associated with the review, inspection, and issuance of permits to conduct timber operations. Funds also may be used, upon appropriation, to support a number of existing forest restoration grant programs [PRC § 4629.6(d)-(g)]. The elements of PRC § 4629.9 establish new process efficiency, transparency, and

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ecological performance components, and also include additional reporting requirements for the Natural Resources Agency and the Environmental Protection Agency.

The Natural Resources Agency and CalEPA in 2015 completed charters for four interagency working groups to address the AB 1492 direction for enhanced timber harvest review program efficiency and accountability:

- Data and Monitoring;
- Administrative Performance Measures;
- Ecological Performance Measures;
- Interagency Information Systems.

The major responsibilities under the AB 1492 Timber Regulation and Forest Restoration Program can be categorized under five key components:

- Timber Harvest Document Review, Approval, and Enforcement
- Administrative Accountability, Efficiency, and Transparency
- Data and Monitoring
- Ecological Performance Measures
- Forest Restoration Grants

The FY 2013-14 BCP for this program largely focused on implementation of the first component. An FY 2015-16 BCP primarily focused on the implementation of the other four components.

A FY 2014-15 Spring Finance Letter provided funding of \$200,000 per year for the 2014-15 and 2015-16 fiscal years to support public involvement activities and meet needs for technical and scientific support from sources outside of state agencies. While the activities that the proposal has supported will be ongoing, the FY 2014-15 Spring Finance Letter was limited to two years to be cautious with respect to revenue inflows to the nascent TRFRF. The first two fiscal years of funding have been used to enter into interagency agreements with the Sacramento State University Center for Collaborative Policy (for public participation process support) and University of California Cooperative Extension Forestry (for technical assistance and access to scientific expertise).

Now that the fiscal conditions and trajectory of the TRFRF are better known, and as the program is expanding its public involvement efforts, we now request \$230,000 annually on an ongoing basis.

Direct public involvement, a critical part of the AB 1492 Timber Regulation and Forest Restoration Program, has been called for through an overall advisory committee and through a working group guiding a small-scale pilot project. While state agencies often reimburse travel costs for members of advisory groups, categories of stakeholders whose participation is essential to these advisory bodies have indicated that, additionally, per diem compensation for participating in these meetings is necessary to allow them to take time from income-generating activities to meaningfully engage with these groups. Per diem compensation previously has been authorized for other State advisory bodies. For example, Senate Bill 89 (Escutia, Chapter 728, Statutes of 2000) required the Secretary of Environmental Protection to establish an advisory committee to provide recommendations and information to the Working Group on Environmental Justice and directed the Environmental Protection Agency to "provide a reasonable per diem for attendance at advisory committee meetings by members from nonprofit organizations," [Government Code § 72003(f)]. Budget trailer bill language is proposed below to authorize per diem payments to members of advisory bodies supporting the AB 1492 Timber Regulation and Forest Restoration Program who are not employees of government agencies.

### C. State Level Considerations

This BCP will provide funding for a program that helps to meet the natural resource protection and enhancement missions of the Natural Resources Agency and CalEPA, and their subunits.

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## D. Justification

Technical and scientific support and sound public participation processes are critical to the success of the AB 1492 Timber Regulation and Forest Restoration Program. As we expand our public participation processes through the establishment of an overall program advisory body and a watershed pilot project working group, for example, we have identified the need to offer travel expense reimbursement and per diem compensation to some important stakeholder categories in order to permit their meaningful participation on these bodies. Because the original funding provided for these purposes expires at the end of FY 2015-16, it is essential to re-establish this funding on an ongoing basis. There are adequate monies in the Timber Regulation and Forest Restoration Fund to support this request.

## E. Outcomes and Accountability

Under AB 1492, the CNRA and CalEPA have detailed annual reporting responsibilities to the Legislature (PRC § 4629.9). These reports are posted on the Timber Regulation and Forest Restoration Program website (<http://resources.ca.gov/forestry>). This detailed annual reporting requirement provides the outcome and accountability mechanism for the Timber Regulation and Forest Restoration Program.

## F. Analysis of All Feasible Alternatives

**Alternative 1:** Allow the current funding for these purposes to expire without renewing it.

### Pros

- This would reduce expenditures from the Timber Regulation and Forest Restoration Fund.

### Cons

- Essential needs of the AB 1492 Timber Regulation and Forest Restoration Program for the support of public participation processes, technical assistance, and science expertise would go unmet.
- The program would be unable to achieve the level and breadth of public stakeholder participation needed to guide its work.

**Alternative 2:** Approve the funding as requested.

### Pros

- This approach would continue existing funding for these program needs with a modest growth that reflects growing program activities.

### Cons

- The requested funds would not be available to other AB 1492 program elements, such as forest restoration grants.

## G. Implementation Plan

Implementation would begin at the start of the fiscal year through encumbering a portion of the funds in interagency agreements or contracts for support of public participation processes and for provision of technical and scientific assistance. A portion of the funds would be retained for supporting program advisory bodies by reimbursing members' travel costs and providing per diem compensation to members who are not government agency employees.

## H. Recommendation

We recommend Alternative 2, provision of the requested funding. Alternative 1 fails to meet important program needs.

### ***Proposed Budget Trailer Bill Language:***

Add to Public Resources Code, Article 9.5. Timber Regulation and Forest Restoration Fund

4629.8(c) The Natural Resources Agency may use monies duly appropriated from the Timber Regulation and Forest Restoration Fund to provide a reasonable per diem for attendance at program advisory body meetings by members of the bodies who are not employees of government agencies.