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## *California State Senate*

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ON  
BUDGET AND FISCAL REVIEW

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September 12, 2013  
State Capitol, Room 4203  
9 a.m.

**BILL NO.**

**AUTHOR**

**SUBJECT**

S.B. 232

Monning

California Central Coast State Veterans Cemetery  
at Ford Ord Endowment Fund

A.B. 1060

Fox and  
V. Manuel Pérez

Energy Resources Conservation and  
Development Commission

**SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW**  
*Mark Leno, Chair*

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<b>Bill No:</b>	<b>SB 232</b>
<b>Author:</b>	<b>Senator Monning</b>
<b>As Amended:</b>	<b>September 6, 2013</b>
<b>Consultant:</b>	<b>Brady Van Engelen</b>
<b>Fiscal:</b>	<b>Yes</b>
<b>Hearing Date:</b>	<b>September 12, 2013</b>

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**Subject:** California Central Coast State Veterans Cemetery at Fort Ord Endowment Fund

**Summary:** This bill would repeal the previous authorization of the Director of Finance to transfer, as a loan, up to \$1.5 million from the General Fund to the Endowment Fund, and instead will make an appropriation of \$1 million from the General Fund to the Endowment Fund for the construction of the California Central Coast State Veterans Cemetery at Fort Ord.

**Existing Law:**

- The California Central Coast State Veterans Cemetery at Fort Ord Endowment Fund (Endowment Fund) has been established in the State Treasury, and requires moneys in the Endowment Fund to be allocated, upon appropriation by the Legislature, to the Department of Veterans Affairs for the annual administrative and oversight costs of the veterans cemetery, as specified, and to generate funding through interest for the veterans cemetery.
- Requires moneys in the Endowment Fund to be invested to generate ongoing earnings to cover the estimated annual oversight and maintenance costs associated with the veterans cemetery.
- Requires the California Department of Veteran Affairs to develop and submit a State Veterans Cemetery Grant Program application to the United States Department of Veterans Affairs for the establishment of a veterans cemetery, upon the Controller's determination that the Endowment Fund has adequate principal to yield sufficient investment earnings in each year for the next 10 years, from the date of the determination, to fully fund the respective year's administrative and oversight costs, and to fund the estimated costs of developing and submitting the application.

**Proposed Law:**

- Requires that moneys in the fund be allocated to the department for the nonreimbursable costs of design and construction and the annual operations and maintenance costs of the veterans cemetery for the next 10 years.
- Authorizes moneys in the fund to be invested to generate ongoing earnings to offset the estimated annual operations and maintenance costs associated with the veterans cemetery.
- Requires the department to develop and submit a State Cemetery Grants Application to the United States Department of Veterans Affairs upon the Controller's determination that the Endowment Fund has adequate amounts, in addition to funding the estimated costs of developing and submitting the application, to fully fund the nonreimbursable

costs of design and construction and the operations and maintenance costs for the next 10 years.

- Requires the Controller to consider the estimated revenues from specified fees expected to be deposited into the Endowment Fund in making this determination.
- Allows any moneys received from the State Veterans Cemetery Grant Program to be used to reimburse the Endowment Fund for specified allowable costs as established by that program.

**Fiscal Effect:** Repeals previous authorization of the Director of Finance to transfer as a loan up to \$1.5 million from the General Fund to the Endowment Fund, and appropriates \$1 million General Fund to the Endowment Fund.

**Support:**

**Opposed:**

**SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW**  
*Mark Leno, Chair*

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<b>Bill No:</b>	<b>AB 1060</b>
<b>Author:</b>	<b>Fox and V. Manuel Pérez</b>
<b>As Amended:</b>	<b>September 6, 2013</b>
<b>Consultant:</b>	<b>Catherine Freeman</b>
<b>Fiscal:</b>	<b>Yes</b>
<b>Hearing Date:</b>	<b>September 12, 2013</b>

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**Subject:** Renewable Resource Trust Fund

**Summary:** This bill would reappropriate the remaining funding in the Budget Act of 2012 from the Renewable Resource Trust Fund for planning grants for renewable energy projects available to counties in the Desert Renewable Energy Conservation Plan Act.

**Background:** The Budget Act of 2012 appropriated \$12,435,000 from the Renewable Resource Trust Fund for the support of the Energy Resources Conservation and Development Commission, also known as the California Energy Commission (CEC). Of this amount, \$7 million was allocated to the CEC to provide planning grants to counties in the Desert Renewable Energy Conservation Plan Act (DRECP) for renewable energy projects.

California Executive Order S-14-08 requires the development of the Desert Renewable Energy Conservation Plan (DRECP) for the Mojave and Colorado deserts in order to provide binding, long-term, endangered species permit assurances, and to facilitate the review and approval of compatible renewable energy projects. The DRECP is intended to provide effective protection and conservation for desert ecosystems and to allow for the development of compatible renewable energy projects. The DRECP will include implementation of a scientifically-based adaptive management and monitoring program as a part of its overall conservation strategy.

The DRECP is: (1) a Natural Community Conservation Plan (NCCP) required to comply with the California NCCP Act and the California Endangered Species Act (CESA); (2) a Habitat Conservation Plan (HCP) required to comply with the Federal Endangered Species Act (FESA); and, (3) a Land Use Plan Amendment (LUPA) established in accordance with the Federal Land Policy and Management Act (FLPMA).

As of April 2013, the CEC has awarded the first \$3.3 million in grants from the original budget act appropriation and intends to do a second round of competitive grant awards. The original encumbrance period for the appropriation is one year, and thus a reappropriation is necessary to provide funding for the next round of planning grants.

One county, Kern, has formally submitted a letter expressing its intention to apply for a grant. Kern County has not, however, become a formal participant in the DRECP process. Several other counties have not yet applied for planning grants though the CEC believes they will also apply. The CEC does not yet have a full list of who may or may not apply for planning grants in the next cycle.

**Analysis:** Reappropriations of this nature are routinely considered during the budget process. It is unclear at this time whether the possible grant applicants are formal parties to the DRECP process, and it is unclear what the universe of grant applicants for the second round may be. Absent this bill, the likely course would be for the CEC to provide the Legislature with a formal budget request in the proposed 2014-15 budget, with grants awarded for that period of time. At

that time, a more clear understanding of the number of grant applicants would be available including a balance of funding needs between competing agencies. Additionally, should the funding not be used for these grants, it could be re-appropriated for other purposes including for administration of the CEC.

**Support:** County of Kern  
Audubon California  
California Native Plant Society  
Defenders of Wildlife  
Natural Resources Defense Council  
Sierra Club  
The Nature Conservancy  
The Wilderness Society  
Clean Power Campaign

**Opposed:** Unknown