CALIFORNIA natural resources AGENCY

EDMUND G. BROWN JR., Governor
JOHN LAIRD, Secretary for Natural Resources

Secretary for Natural Resources John Laird Little Hoover Commission Testimony

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Overview

I'd like to thank the commission for inviting me to testify today on reorganization proposals within the Natural Resources Agency. Governor Brown has proposed a reorganization plan that eliminates duplicative and unnecessary entities within the state structure and consolidates those with similar roles and functions, thereby making government more effective, and I support his efforts.

The Governor's reorganization plan proposes mergers and changes to several departments under the Natural Resources Agency. The Governor is proposing to transfer CalRecycle from the Natural Resources Agency to the California Environmental Protection Agency. He proposes having the Delta Stewardship Council, which has been under the general umbrella of the Natural Resources Agency already, to a more formal inclusion in the agency. In addition, the Governor's plan proposes the elimination of the Boating and Waterways Commission and the transfer of the Department of Boating and Waterways functions into the Department of Parks and Recreation.

The Governor's plan does not change the degree of policy independence held by remaining independent or quasi-independent boards, commissions, and similar entities – but makes efficiencies on the administrative side of these agencies. It maintains important transparency and accountability measures. Most importantly, this reorganization plan recognizes the need for every single person and entity within state government to maximize every tax dollar spent and make programs as effective as possible.

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Transfer of CalRecycle from the Natural Resources Agency to the California Environmental Protection Agency

Of the Natural Resources Agency items in front of the Commission today – the proposal regarding CalRecycle is the largest in terms of personnel and budget. CalRecycle's primary mission is to regulate the recycling industry and solid waste management facilities. This mission and the regulatory nature of the department fit more closely with that of Cal/EPA, where the waste management side of the department was located until 2010. Moving the department from Natural Resources creates several efficiencies.

First, solid waste management facilities represent threats to California's citizens in the form of hazardous emissions, noxious odors including dust/particulates, and potential surface and groundwater impacts. These threats are mitigated through the regulatory efforts of the organizations within Cal/EPA, not Natural Resources.

Second, working closely with the other regulatory agencies, manufacturers and recyclers throughout the recyclable product lifecycle will ultimately result in more efficient recycling processes and decrease the amount of waste being sent to California's landfills. We need to grow California's ability to recycle for the many environmental benefits that recycling provides; reduced greenhouse gas emissions, reduced reliance on disposal at landfills and their long-term costs, energy independence and the fostering of green technologies and the creation of green jobs.

For this vital coordination to happen as effectively as possible, CalRecycle needs to continue to work closely with the Air Resources Board and the air quality management districts and the state and regional water quality control boards within Cal/EPA to create the appropriate regulatory framework that provides protection of public health and the environment. Obviously, there is great advantage to CalRecycle being located within Cal/EPA to provide for this collaboration.

Furthermore, the majority of CalRecycle staff is already located within the Cal/EPA building so no physical move would be required. Fundamentally, this transfer will allow for more effective governance, will provide for better environmental protection, and has few, if any downsides.

Transfer of the Delta Stewardship Council to the Natural Resources Agency

In November 2009, the Legislature enacted SBX7 1 (Delta Reform Act), one of several bills passed at this time related to water supply reliability, ecosystem health, and the Delta. The Act, effective Feb. 3, 2010, created the Delta Stewardship Council.

The mission of the Delta Stewardship Council is to achieve two coequal goals, defined in the California Water code as "the two goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The coequal goals shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural

resource, and agricultural values of the Delta as an evolving place." (CA Water Code SS 85054). For the record, these co-equal goals are strongly supported by the Resources Agency in our policy work.

The legislation that created the Delta Stewardship Council established it as an independent department within state government. Nothing in this proposal changes that independence. Yet being an independent entity creates certain administrative challenges for the council. The council's access to the administration for budget, legislative, and policy assistance is limited because it has no clear home in the state organizational structure. Moving the council under the Natural Resources Agency provides a natural conduit through the agency to the administration for these administrative issues. This will increase the efficiency of access and offer the full depth of the agency to assist the council in meeting its goals. It will in no way alter the independent, policy-making abilities of the Delta Stewardship Council.

Changing the DSC's proposed administrative residence under the Agency umbrella is exactly the same administrative arrangement that exists for existing state boards and commissions within the Resources Agency that maintain their policy independence - the California Coastal Commission (arguably one of the most independent bodies in state government), the California Energy Commission, and the State Lands Commission.

Eliminate the Department of Boating and Waterways and Transfer the Functions to the Department of Parks and Recreation

The Department of Boating and Waterways currently has 84 positions and a budget of over $65 million. The department operates several programs including boater safety education, grants, loans, aquatic pest control, beach erosion, and yacht and ship broker licensing. In an agency with seventeen thousand employees, a department of this size is more appropriate as a division in a department. The current department has individual positions for administration, personnel, contracting and other administrative functions that would be more efficiently operated as part of a larger department.

The Governor's proposal would transfer the functions of the Department of Boating and Waterways and create a new division within the Department of Parks and Recreation, similar to the Off-Highway Vehicle Recreation Division (OHV). The OHV Division at State Parks provides many similar programs to those at boating and waterways, including grants for law enforcement and facilities. In addition, State Parks is very familiar with boating issues as it currently partners with Boating and Waterways in facilities construction projects, and Boating and Waterways funds operations at all of State Parks' reservoirs. For these reasons, the transfer of the department to State Parks should be seamless and offer efficiencies in operations, while maintain the integrity of the departments functions.

The efficiencies created by the Governor's proposal are advantageous to the boating community. Operating as a division within State Parks will reduce staff by combining the director and chief deputy director positions into one. In addition, the functions of other senior managers, such as the administrative deputy, budget officer, and legislative officer can be eliminated or combined to offer additional savings. The savings from these reductions will mean more funding for boating projects. In addition, moving a small 84 position department into a much larger one will greatly increase the capacity of the Boating Division to handle complex issues that may be beyond current staff resources.

Elimination of the Boating and Waterways Commission

The Boating and Waterways Commission is currently mandated by the Harbors and Navigation Code to advise the Department of Boating and Waterways on all matters within its jurisdiction. The commission must also consent to all boating facilities loans and grants proposed by the department. The commission is composed of seven members appointed by the Governor and confirmed by the State Senate.

Elimination of the commission will increase efficiency by streamlining the current grants and loans process and by reducing the staff time needed to organize and host commission meetings. Currently, the department must present all boating facilities loans and grants to the board for consideration. This requires staff to organize commission meetings, make formal staff presentations for each award, and process expense claims to pay the cost for each member to attend. The current structure can also cause delay in the awarding of state funds due to the timing and frequency of scheduled meetings, or in instances where meetings are held and no quorum is reached. The Governor's proposal would transfer the duties performed by the commission to the Department of Parks and Recreation which already works closely with boating and waterways on several programs.

However, this will be mitigated by the functions being moved to State Parks. State Parks already has in place a well-organized outreach process through their existing grants programs, and the State Parks Commission meetings can be used as a venue to increase transparency on boating and waterways issues.

In summary, elimination of the commission will streamline the grants and loans process, reduce staff time, and save travel costs for commission members and state staff to attend commission meetings, while ensuring the functions of the commission and transparent decision-making and is maintained.

I'd like to again thank the commission for allowing me to testify on behalf of the Governor Brown's reorganization plan. It is a plan that makes sense, and will create a more effective state government.

I'd be happy to take any questions you may have.

John Laird
Secretary for Natural Resources