

The Resources Agency

**Highlights of Resources Agency Secretary
Mike Chrisman's Testimony**

Before the Little Hoover Commission

Governor Schwarzenegger's Reorganization Plan

Wednesday, January 26, 2005

State Capitol, Room 4205

9 a.m.

**1-13-05
(Advanced)**

Resources Agency Mission:

For more than a century, the Resources Agency and its predecessors have worked to conserve, maintain, and improve the spectacular beauty and well-being of California's forests, wildlife, waterways, open spaces and recreational lands.

Our mission is to restore, protect and manage the state's natural, historical and cultural resources for current and future generations using creative approaches and solutions based on science, collaboration and respect for all the communities and interests involved.

Benefits of the California Performance Review:

In these times of tight budgets and staffing constraints, it is vital that we make efficient use of our resources.

Government's effectiveness should not solely be judged by its size, but rather by its ability to efficiently deliver the services that the public expects and deserves.

The Governor's Performance Review offers the best opportunity to accomplish the goal of providing meaningful reform for California state government.

The elimination of certain boards and commissions that are no longer effective or necessary is just the first step in this process. These entities consume valuable staff time and resources in preparing for meetings that in some cases produce virtually no tangible results.

On many occasions, meetings are not held for lack of a quorum, yet staff time is still needed to prepare agendas and staff the meetings.

In addition, many appointments to these boards and commissions have more to do with political connections than real expertise on the issues.

Greater efficiency in government can be achieved and the public served by allowing staff to continue to do the work of past boards through department directors and the agency secretary.

In the event that a need exists, department staff will facilitate the need. Boards and commissions that have either satisfied their reasons for being or outlived their usefulness will cease to exist, as they should.

Resources Agency Boards and Commissions:

Overview:

The governor's central message is that we have an obligation to improve government by making it more efficient, effective and responsive to the needs of our people.

The Resources Agency fully supports this and the idea that many boards and commissions that have outlived their mission or create unnecessary regulatory hurdles consume valuable staff time and resources in preparing for meetings and produce little value to Californians, should be abolished. On many occasions, meetings are not held for lack of a quorum, yet staff time is still consumed preparing agendas and in staffing meetings.

The Governor determined that, in many cases, agency secretaries, like myself, and department directors, like those seated behind me, could form ad hoc advisory committees to address issues as they arise, rather than maintaining the cost of an on-going board or commission. These ad hoc groups would be created on a limited basis, and for a specific purpose and be disbanded upon resolution of the issue.

The Governor also believes that rather than employing full-time board members and staff, expert advice benefiting government could be gleaned from existing professional associations. Alternatively, expert advice might be sought through consulting contracts rather than the more costly alternative of maintaining boards and commissions. However, to the extent that this is done, it will be on a limited basis and for a specific purpose.

For professional boards, moving their functions to bureaus, which we will do in Resources where practical, the Governor has determined that eliminating an entire layer of bureaucracy and replacing it with a bureau will lead to increased efficiencies, improved accountability, cost savings through combined administrative functions, and a reduced timeline for licensing and disciplinary processes.

Ironically, many boards and commissions, created to serve in the public interest, have instead become a barrier to the very service and attention they were envisioned to provide. The Governor's proposal recognizes this fact and asks of us to do a better job for the people we are obligated to serve.

The Resources Agency has 13 boards and commissions that are slated to either have their function absorbed or be eliminated altogether. Because their functions would have been duplicative two of these have never been established; the interagency aquatic invasive species council and the heritage preservation commission. The consumer power and conservation financing authority ceased to exist near the end of last year.

The 10 that remain until they are absorbed or eliminated include; the boating and waterways commission, the Colorado River board, the electricity oversight board, the fire services board, the board of forestry and fire protection, the mining and geology board, the off highway motor vehicles recreational commission/recreational trails committee, the reclamation board, and the water commission.

Details of each of these boards and how their function will be absorbed follows;

Boating and Waterways Commission:

The California Boating and Waterways Commission is an advisory body established in 1997.

The commission was mandated by the State Harbors and Navigation Code to advise the department on all matters within its jurisdiction. The commission also consents to all boating facilities loans and grants proposed by the department.

The commission was created to advise the Department of Boating and Waterways with respect to all matters under the department's jurisdiction.

Function and Purpose:

The chief duties of the commission are to advise the department on loans, grants and fund transfers to construct marinas and other boating facilities; to review and comment on proposed regulations of the Department of Boating and Waterways; and to call for studies and surveys of the need for small craft harbors and connecting waterways.

Absorption of Function:

The functions of this largely advisory body will be incorporated into the program scope of the Department of Boating and Waterways. The public participation functions provided by the Commission will be incorporated into the department's operating procedures.

The Department of Boating and Waterways provides staff to the commission. The financial stability of loan applicants and competitiveness of the projects will continue to be prepared by department staff. There will be some efficiencies created and delays eliminated from not having to submit recommendations to a commission.

Potential Cost Savings:

Commissioners are paid \$100 per meeting and travel expenses. Estimated savings will be about \$10,000. The Commission is funded entirely from special funds.

Membership:

The commission is a seven-member board appointed by the Governor and confirmed by the Senate.

Summary:

- The Department of Boating and Waterways provides staff to the commission.
- The public participation functions provided by the Commission will be incorporated into the department's operating procedures.
- The financial stability of loan applicants and competitiveness of the projects will continue to be prepared by department staff.
- There will be some efficiencies created and delays eliminated from not having to submit recommendations to a commission.

Colorado River Board of California:

The Colorado River Board of California was established in 1937 by state statute to protect California's rights and interests in the resources provided by the Colorado River and to represent California in discussions and negotiations regarding the Colorado River and its management. The Colorado River Board of California represents California in discussions among the Colorado River Basin States, Indian Tribes, the federal government and others in implementing joint cooperative programs to increase California's use of Colorado River water and to address environmental and endangered species issues.

Function and Purpose:

The board's primary responsibilities are to develop a plan for using Colorado River water; monitoring and reporting on federal law regarding state interest in Colorado River water; and exercising rights and powers granted to the state under Section 16 of the federal Boulder Canyon Project Act.

Absorption of Function:

California's rights and interests in the water and power resources of the Colorado River System are vital to the state's economy. Seven counties in Southern California, with a population of about 17 million, more than half of the state's population, receive water and hydroelectric energy from the Colorado River.

The staff of the board will be transferred to the Department of Water Resources (DWR). DWR currently holds a spot on the board. Board staff will report to the DWR director. The DWR director currently receives input from stakeholders on a variety of water issues, including those related to the Colorado River. The director will be in a position to represent California's interests without the formal operation of a board of directors.

Potential Cost Savings:

There will be a savings in board member expenses of about \$9,600 per year. The Colorado River Board receives no General Fund support.

Membership:

The board is an eight member, legislatively created body appointed in the following manner: Two public members appointed by the Governor; two ex officio state officials – the directors of the Fish & Game and Water Resources departments; and four members selected by the Governor from lists submitted by the Los Angeles Department of Power and Water, the Imperial Irrigation District, the Metropolitan Water District, the San Diego County Water Authority, Palo Verde Irrigation District and the Coachella Valley Irrigation District.

Summary:

- The Colorado River Board's function is already performed by staff.
- The board is an unnecessary administrative extension of the Department of Water Resources.
- The policy directives that the board articulates (through staff) may easily be articulated through the department director or the agency secretary.
- Any need for a separate committee to debate or decide specific issues can be established at the discretion of the secretary.

Electricity Oversight Board:

The Electricity Oversight Board (EOB) was created under restructuring law (AB 1890) to oversee the California Independent System Operator Corporation (CAISO) and the Power Exchange (PX), monitor operation of the electric power grid, and investigate matters in wholesale energy markets that may affect public interests of ratepayers. EOB was given the authority to appoint specified members to the governing boards of both entities. Inasmuch as the CAISO and the PX are non-public entities engaged in the interstate transmission and wholesale power markets, their operations are subject to FERC jurisdiction under the Federal Power Act.

Consolidation will ensure that the state will adopt coordinated energy positions and send a consistent message to the public, the financial markets and to federal regulators concerning energy matters.

Function and Purpose:

The EOB provides oversight of the California Independent System Operator Corporation and related subject matters, principally:

- the operation and reliability of the electric transmission system
- the structure, function and competitiveness of the markets for bulk electric energy, transmission and ancillary services,
- the costs of services supplied by the CAISO
- Investigation of matters in the wholesale energy market that could affect the welfare of California consumers.
- Representation of State interests related to regional transmission and wholesale electricity markets in federal and regional proceedings including before the Federal Energy Regulatory Commission.
- Oversight of response to transmission-level system emergencies.

Absorption of Function:

The functions of this body should be incorporated into the California Energy Commission or its successor. The board structure of the EOB does not currently add value. In practice, each board of the EOB has directed the staff to coordinate the agency's litigation and policy positions with the Governor's office. The EOB board should be eliminated and the substantive functions retained in an office of energy markets.

Potential Cost Savings:

There will be no staff savings from this elimination.

Membership:

The EOB is a five-member board three of which are appointed by the Governor and confirmed by the Senate. The Governor appoints members, who are California residents and electricity rate-payers. In addition, the Speaker of the Assembly appoints (*ex officios*) one member of the Assembly, and the Senate Rules Committee appoints one member of the Senate who are non-voting.

Summary:

- There are five seats on this board and two seats are vacant. Staff is doing and will continue to do the work.
- The EOB has not met as a board in nearly two years, and there is only one member on the board, excluding the Senate and Assembly *ex officios*.

State Board of Fires Services:

State Board of Fire Services is an advisory board to the California State Fire Marshal. The California State Fire Marshal chairs the board.

The board provides a forum for addressing fire protection and prevention issues of statewide concern; develops technical and performance standards for training of fire service personnel; accredits curriculum; establishes policy for the certification system for the California Fire Service; advises the State Fire Marshal on dissemination of regulations; and sits as an appeals board on the application of California State Fire Marshal regulations.

Function and Purpose:

The mission of the State Fire Marshal is to protect life and property through the development and application of fire prevention engineering, education and enforcement.

Absorption of Function:

The staff of the Office of the State Fire Marshal prepares analyses of issues and recommends improvements in fire protection and prevention protocols for California. The staff work will continue to be undertaken in the Office of the State Fire Marshal. The Fire Marshal can hold public workshops to solicit comments on proposed changes. These workshops will replace the formal board meetings with no reduction in public access to the process.

Potential Cost Savings:

The board members receive \$100 per day for meetings plus travel expenses. The savings from elimination of this board will be less than \$20,000.

Membership:

State Board of Fire Services is a 17-member advisory board to the State Fire Marshal. The board is comprised of representatives of fire service labor, fire chiefs, fire districts, volunteer firefighters, city and county government, Office of Emergency Services, and the insurance industry.

Summary:

- The Office of the State Fire Marshal staff currently already provides expertise to the advisory board.
- Since the State Fire Marshall is the Chair, leadership already exists and policy and programs continue via the Office of the State Fire Marshall.
- The State Fire Marshal (SFM) and the Department of Forestry and Fire Protection (CDF) staff can provide a forum for addressing fire protection issues.
- Existing staff support is vast and includes the State Fire Marshall, the Assistant State Fire Marshal, the Assistant Deputy Director, State Marshal Operations, Division Chief, State Fire Training, Division Chief, Code Development and Analysis, Division Chief, Fire Engineering, Senior Deputy, Code Development and Analysis, Senior Deputy, Code Development and Analysis, Senior Deputy, Code Development and Analysis, Management Services Technician, Code Development and Analysis, Region Chiefs and CDF.

Board of Forestry and Fire Protection:

The California State Board of Forestry and Fire Protection's mission is to provide policy leadership and to generate public interest and support in those matters key to the future of the state's forest and rangelands.

It is responsible for developing the general forest policy of the state, for determining the guidance policies of the Department and for representing the state's interest in federal forestland in California.

Function and Purpose:

The board is charged with protecting the forest resources of all the wildland areas of California that are not under federal jurisdiction. These resources include; major commercial and non-commercial stands of timber, areas reserved for parks and recreation, the woodland, brush-range watersheds, and all such lands in private and state ownership that contribute to California's forest resource wealth.

Absorption of Function:

The Department of Forestry and Fire Protection will assume the responsibility for maintenance of the Forest Practices Act regulations. The department will adhere to the procedures established by the Office of Administrative Law, including public hearings, in updating the regulations.

Potential Cost Savings:

Savings from elimination of the board could include the elimination of the executive officer position to the board and board member compensation. The savings will be approximately \$175,000 to the General Fund.

Membership:

The Board of Forestry and Fire Protection is comprised of eight members, all of whom are appointed by the Governor and confirmed by the Senate.

Pursuant to Section 730 of the Public Resources Code there is in the Department of Forestry a State Board of Forestry. All members of the board are appointed by the Governor on the basis of their professional and educational qualifications and their general knowledge or interest in problems that relate to watershed management, forest management, fish and wildlife, range improvement, forest economics, or land use policy.

Summary:

- Department of Forestry and Fire Protection staff already performs much of the work of the Board of Forestry.
- There is an extensive review process that exists within the department on Timber Harvest Plans. Currently, the board hears appeals of the CDF director's decisions on THPs. That function would likely fall upon the Secretary for resolution or an ad hoc committee identified by the secretary.
- CDF will continue working with and soliciting input from all fire services and professional fire organizations in California to receive input and to achieve resolution to statewide fire service issues. CDF will continue its strong commitment to protecting the environment through its mission-critical programs (i.e., Resource Management, Fire Protection and Code Enforcement).

State Board of Mining and Geology:

The State Mining and Geology Board represents the state's interest in the development, utilization, and conservation of mineral resources; reclamation of mined lands;

development of geologic and seismic hazard information; and to provide a forum for public redress.

Function and Purpose:

The board operates within the Department of Conservation, and is granted certain autonomous responsibilities and obligations under several statutes including the Alquist-Priolo Earthquake Fault Zoning Act, the Seismic Hazards Mapping Act, and the Surface Mining and Reclamation Act. The board's general authority is granted under Public Resources Code (PRC) Sections 660-678. Specifically, PRC Section 662(b) requires all board members to "represent the general public interest".

Absorption of Function:

Department of Conservation staff currently provides analyses and recommendations on issues presented to the board. Staff will continue to perform this function in making recommendations to the director of the Department of Conservation. The director may hold public workshops on issues that he/she determines to be particularly sensitive.

Potential Cost Savings:

Savings from elimination of board appointees will be approximately \$10,000. Should the executive officer of the board position be eliminated, an additional savings of about \$100,000 would result.

Membership:

The board is composed of nine members appointed by the Governor, and confirmed by the Senate to four-year terms. The board serves as a regulatory, policy, and appeals body representing the state's interests in geology, geologic and seismologic hazards, and conservation of mineral resources and reclamation of lands following surface mining activities.

Summary:

- The Department of Conservation's Office of Mine Reclamation provides policy guidance and represents the State's interest in geology, geologic and seismologic hazards, and conservation of mineral resources and reclamation of lands following surface mining activities.
- The Department of Conservation represents the general public's interest and all of the Mining and Geology Board's responsibilities. The department will serve as a policy and appeals body representing the state's interest in geology, geologic and seismologic hazards, conservation of mineral resources, and reclamation following surface mining activities. Further appeals will be heard by the Resources Agency Secretary.
- The department experts handle Geohazards, minerals and geologic resources, policy and legislation, and surface mining standards issues.

Off Highway Motor Vehicle Recreational Commission/Recreational Trails Committee:

The commission was created by the Off Highway Motor Vehicle Recreation Act of 2003.

The Off-Highway Motor Vehicle Recreation Division administers two grant programs: The Off-Highway Motor Vehicle Trust Fund a state funded grant program and the Recreational Trails Program a federally funded grant program.

Function and Purpose:

Grant applications, dispersal of funds or requests for issuance of debt instruments adhere to clearly articulated guidelines. Staff evaluation, or a panel created for that purpose on an ad hoc basis, will be sufficient in the event there is a need for discretionary decisions.

Absorption of Function:

The staff of the Department of Parks and Recreation currently provides analyses and recommendations to the commission. These staff will continue to do regulation development and grant reviews. The recommendations will be presented to the Director of Parks and Recreation for approval. The director may conduct public workshops on issues of particular sensitivity or have an appeal reviewed by the Agency Secretary.

Potential Cost Savings:

The savings from elimination of the Commissioners will be less than \$10,000 per year. The Off Highway Vehicle program is funded entirely from special funds.

Membership:

This seven-member commission includes three Governor's appointees and four legislative appointees – two each appointed by the Senate Rules Committee and the Assembly Speaker. Commission members serve four-year, fixed terms.

Summary:

- The Department of Parks and Recreation's Division of Off-Highway Motor Vehicle Recreation can allocate local assistance appropriations to federal, local and non-profit organizations and to review and approve capital outlay program grants that can be handled by
- All six different State Vehicular Recreation Areas or OHV parks that are owned and operated by the OHMVR Division of California State Parks and continue to operate and will remain open.
- Elimination of the OHMVR Commission and the Recreational Trails Committee will in no way take away from the services that have been provided up to this point. The voice of the public will continue to be heard on the important issues of trails and off-highway vehicle recreation;
- The Stakeholder process may become an alternative method for receiving public input in both the areas of off-highway vehicle recreation and recreational trails.

Reclamation Board:

The Reclamation Board was formed in 1861 in response to public concerns about flood control.

The board's primary responsibility is to execute the plan for controlling the flood waters of the Sacramento and San Joaquin Rivers. Its functions include: acquiring property and easements for flood control purposes, constructing and maintaining bypasses, levees, canals and other flood control structures; granting permits for encroachments into floodways; establishing levee standards; designating floodways, cooperating with the federal government to adopt and carry out plans for flood control in the Central Valley; and leasing and selling property and levee assessments.

Absorption of Board Function:

The staff of the Department of Water Resources will continue to provide the analyses and recommendations on issues currently presented to the board. The director of the Department of Water Resources will make the final decisions. The director may hold public workshops on those issues that he/she determines to be particularly sensitive.

Potential Cost Savings:

Board members may be compensated at \$100 for up to 40 meetings per year. The savings from elimination of the board could be as high as \$28,000 per year. In addition, the executive officer of the board position could be eliminated for an additional savings of \$110,000. The total savings would be about \$138,000 to the General Fund.

Membership:

This seven-member board is appointed by the Governor.

Summary:

- The Reclamation Board functions, currently handled by staff will be continued within the department.
- Greater efficiencies will be realized with staff reporting directly to the director of DWR and the agency secretary.
- More immediate response can occur with a direct reporting structure for flood issues management.
- Proposed legislation would create reclamation districts to better address needs from a local and regional perspective.

CALIFORNIA WATER COMMISSION:

The California Water Commission is an advisory and regulatory body.

Originally, the Water Commission was established to serve as an advocate in Washington, D.C.

I am probably in a better position to speak about the abolition of this commission than anyone who you could have before you. You see, my father served as the first chairman of the water commission. In those days the commission served primarily as advocates for the state water project that has long since been completed. Today, various stakeholder groups lobby on their own.

Of the commission's elimination, I have said time and again, "My father would kill me," however, it's well understood by the rest of us living the Water Commission has outlived its usefulness.

The commission's primary role is to advise the director of the Department of Water Resources on issues relating to the control, storage and beneficial use of water. Its other functions include approving all DWR rules and regulations, naming all facilities of the State Water Project and adopting the DWR Resolution of Necessities in the event of a condemnation action by DWR.

Absorption of Commission Function:

The commission has been inactive for some time. The functions of the commission will be assumed by the DWR director.

Potential Cost Savings:

There have been no expenditures by the commission in the current year.

Membership:

This nine-member board is appointed by the Governor.

Summary:

- The commission has outlived its usefulness. Having completed what it was established to do, its elimination will have no adverse impact on water issues or water constituencies.
- Sad as it is for me personally to say this, as the commission is a part of my own family's history, this is a classic example of a board whose time to sunset has arrived.