

REPORT OF THE
OFFICE OF THE AUDITOR GENERAL
TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

824

CALIFORNIA ENVIRONMENTAL
PROTECTION PROGRAM:
NEED FOR DISCRETE PROGRAM OBJECTIVES

JANUARY 1979



Joint Legislative Audit Committee

OFFICE OF THE AUDITOR GENERAL

California Legislature



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January 22, 1979

The Honorable Speaker of the Assembly
The Honorable President pro Tempore of the Senate
The Honorable Members of the Senate and the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's report No. 824 entitled, California Environmental Protection Program: Need for Discrete Program Objectives.

The report questions the wisdom of permanently dedicating personalized license plate revenue to a vaguely described purpose such as the preservation and protection of California's environment and making annual appropriations to contribute to the support of a loose federation of environmental activities. As personalized license plate revenues are appropriated for "support" they often lose their identity and become commingled with other funds. The absence of discrete objectives to be achieved by specific dates precludes program evaluation.

The Auditor General has made alternative suggestions to the Legislature concerning accountability of the California Environmental Protection Program.

The auditors are Richard I. LaRock, Supervisor and James McAlister.

Respectfully submitted,

RICHARD ROBINSON
Assemblyman, 72nd District
Chairman, Joint Legislative
Audit Committee

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SUMMARY

The California Environmental Protection Program provides the means to channel one source of revenue, the net funds from the sale and renewal of personalized license plates, to a variety of environmental programs operated by state departments and agencies. Most of the funds are used for administrative costs and appropriations to support a variety of environmentally related activities. A small part, five percent in 1977-78, is used for discrete projects identified in the Budget Act.

The absence of discrete objectives for the California Environmental Protection Program precludes a comprehensive program evaluation. In addition, as funds are appropriated, they often lose their identity and become commingled with other funds. Ascertaining how CEPPF funds have been used and attempts to relate benefits to source of funds is thereby impeded.

INTRODUCTION

In response to a resolution of the Joint Legislative Audit Committee, we have conducted a review of the California Environmental Protection Program Fund (CEPPF). The purpose of our review was to determine the nature of expenditures from the personalized license plate revenues. This review was conducted under authority vested in the Auditor General by Section 10527 of the Government Code.

The Marks-Badham Environmental Protection and Research Act (Chapter 779, Statutes of 1970) established the CEPPF. The Act authorizes fees from the sale of personalized license plates to be deposited in the fund with the net revenue, after provision for administrative costs, to be used for the preservation and protection of California's environment, including, but not limited to, the control and abatement of air pollution generated by motor vehicles.

In addition to regular vehicle registration fees, personalized license plate holders pay an initial fee of \$25, an annual renewal fee of \$10 and a \$12 fee to transfer the plates to another vehicle. The Department of Motor Vehicles (DMV) collects these fees and deposits the revenue in the CEPPF. The costs incurred by the DMV related to the personalized plates are appropriated from the monies deposited in the fund. The balance of the fund is available for environmental purposes upon

appropriation by the Legislature. The Secretaries of the Resources and Business and Transportation Agencies are responsible for determining priorities and may recommend apportionments among various state and local agencies, the University of California and private research organizations.

We have compiled CEPPF financial data reported by the State Controller and state agencies as shown in Appendices A through C. These data were not audited by us and accordingly we do not express an opinion on them.

Total revenues through June 30, 1978 were \$24.6 million. After providing for the Department of Motor Vehicle's administrative costs of \$5.8 million, \$17.1 million was expended for environmental purposes and \$1.7 million remained unexpended as accumulated surplus at June 30, 1978.

Surplus Available
for Appropriation

As shown in Appendix B, surplus available for appropriation at year end since June 30, 1974 ranged from a high of \$2.8 million at June 30, 1974 to a low of \$862,000 at June 30, 1978. Revenues from license plates for the same period ranged from a low of \$2.4 million for the year ended June 30, 1974 to a high of \$5.3 million for the year ended June 30, 1978.

The relatively large surplus available for appropriation on year ends prior to June 30, 1978 indicates that in the past delays have occurred in the appropriation of available resources. However, the surplus available for appropriation at June 30, 1978 (\$862,000) was much smaller than in previous years, and for the 1978-79 fiscal year the Legislature appropriated \$6.4 million which is \$400,000 in excess of projected revenues from environmental license plates.

The Appropriation Process

Various state departments request appropriations of CEPPF monies. The requests, other than those of the Resources Agency, are first reviewed by the Department of Finance and then by the Resources Agency. The statutes provide that the Secretaries of the Resources and Business and Transportation Agencies are responsible for determining priorities. However, the Business and Transportation Agency has generally not participated in the review of CEPPF projects and appropriations for several years.

We are advised by the Resources Agency that a substantial portion of each year's revenue is allocated by the Department of Finance for ongoing programs. The Resources Agency has limited control over those allocations.

Conditions of Appropriations

The following Table I shows a summary of expenditures for the fiscal year ended June 30, 1978, segregating appropriations for administration and support* from appropriations for specific projects. Ninety-five percent of CEPPF expenditures were appropriations designated for administration or support.

* The Budget Act provides that whenever an appropriation is made for support it shall include salaries and all other proper expenses, including repairs and equipment.

TABLE I

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
SUMMARY OF EXPENDITURES BY TYPE OF APPROPRIATION
YEAR ENDED JUNE 30, 1978

Department/Description of Appropriation	Type of Appropriation		Total
	Administration and Support	Projects	
Department of Motor Vehicles Support	\$1,719,880	\$ -	\$1,719,880
Department of Transportation State Operations; Research and Development	48,939		48,939
Department of Forestry Soil Erosion Study Support	17,013	97,126	97,126 17,013
Department of Fish and Game Environmental Protection and Management of Nongame Species Expenses	1,316,714 1,776		1,316,714 1,776
Land Acquisitions 1977-80 Alkali Sink Ecological Reserve Macklin Creek Ecological Reserve Land Acquisition 1975-78 (Development of Ecological Reserves)		3,000 17,782 24,457	3,000 17,782 24,457
Air Resources Board Support	2,093,710		2,093,710
Department of Parks and Recreation Support	2,697		2,697
Department of Water Resources Support	149,535		149,535
Resources Agency Support	15,000		15,000
Department of Education Environmental Education	310,691		310,691
State Board of Control		151,350	151,350
Total	\$5,675,955	\$293,715	\$5,969,670
Percent of Total	95.1%	4.9%	100.00%

The state accounting system generally does not identify the expenditures from specific funds contributing to the support of an agency or program. It is therefore not always possible to determine how specific contributing funds are used.

Although a separate accounting for most CEPPF appropriations is not required, some agencies report specific projects funded from the CEPPF. Schedules I and II at the end of this report provide a listing of specific projects for which CEPPF monies were reportedly expended.

AUDIT RESULTS

THE CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM LACKS DISCRETE PROGRAM OBJECTIVES

Although termed a "program" and shown in the Governor's Budget as such, the Environmental Protection Program is, rather, a means to channel one source of revenue to a variety of environmental programs operated by numerous state departments and agencies. The net funds from sales of personalized license plates, after paying administrative costs of the Department of Motor Vehicles, are used to support other state programs, which have the usual characteristics of programs (i.e., related activities performed to achieve a definitive objective).

Since inception of the personalized license plate program in 1970, 17 state departments and agencies, including the State Assembly and the Board of Control, have received budget appropriations or augmentations from the California Environmental Protection Program Fund (CEPPF). Appendix B shows the expenditures of the CEPPF for fiscal years ended June 30, 1971 through 1978 by state agency. The following Table II shows the percentage of total expenditures by major agencies.

TABLE II
PERCENTAGE OF TOTAL CEPPF EXPENDITURES

<u>Agency</u>	<u>Fiscal Year Ended June 30, 1978</u>	<u>Fiscal Years Ended June 30, 1971 Through 1978</u>
Department of Motor Vehicles	28.8%	25.5%
Department of Fish and Game	22.8	13.0
Air Resources Board	35.1	40.5
Resources Agency	.3	10.5
Department of Education	5.2	5.2
Other	<u>7.8</u>	<u>5.3</u>
Total	<u>100.0%</u>	<u>100.0%</u>

Expenditures of the Department of Motor Vehicles, the Department of Fish and Game and the Air Resources Board collectively account for 86.7 percent of expenditures for the year ended June 30, 1978.

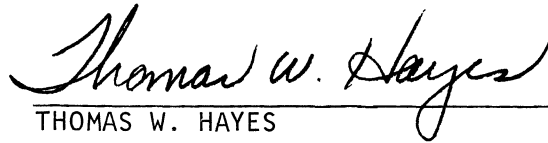
CONCLUSION

The absence of discrete objectives for the California Environmental Protection Program precludes a comprehensive program evaluation. In addition, as funds are appropriated, they often lose their identity and become commingled with other funds. Ascertaining how CEPPF funds have been used and attempts to relate benefits to source of funds is thereby impeded.

RECOMMENDATION

If the Legislature desires effective evaluation of the California Environmental Protection Program, we recommend that the Legislature consider requesting the Secretaries of the Resources and the Business and Transportation Agencies to identify and recommend discrete environmental objectives to comprise a program to be financed with net proceeds from personalized license plates sales. Alternatively, the Legislature may wish to consider legislation eliminating the vague restrictions on use of future revenue from personalized license plates and control usage of such funds through normal General Fund appropriations.

Respectfully submitted,



THOMAS W. HAYES
Acting Auditor General

Date: January 16, 1979

Staff: Richard I. LaRock, Audit Supervisor
James McAlister

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
COMPARATIVE BALANCE SHEETS
FISCAL YEARS ENDED JUNE 30, 1971 THROUGH 1978

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>Assets</u>								
Cash in State Treasury and Agency Accounts	\$ 404,414	\$ 20,076	\$ 7,409	\$ 3,262	\$ 4,902	\$ 4,957	\$ 18,601	\$ 9,864
Deposit in Surplus Money Investment Fund	-	1,550,000	2,325,000	3,860,000	4,365,000	3,370,000	3,280,000	2,729,000
Accounts Receivable--Current Abatements and Reimbursements Due from Other Funds	16,295 54,219	75,423 141,032	25,000 187,375	- 257,580	- 283,520	- 395,302	109 591,148	2,507 720,996
Total Assets	\$ 474,928	\$ 1,786,531	\$ 2,544,784	\$ 4,120,842	\$ 4,653,422	\$ 3,770,259	\$ 3,889,858	\$ 3,462,367
<u>LIABILITIES</u>								
Accounts Payable (includes claims filed)	\$ 45,909	\$ 511,229	\$ 703,191	\$ 1,192,660	\$ 1,863,255	\$ 1,438,328	\$ 1,456,338	\$ 1,695,116
Total Liabilities	\$ 45,909	\$ 511,229	\$ 703,191	\$ 1,192,660	\$ 1,863,255	\$ 1,438,328	\$ 1,456,338	\$ 1,695,116
<u>SURPLUS RESERVES AND SURPLUS</u>								
Surplus Available for Appropriation Reserve for Unencumbered Balance of Continuing Appropriations	(1,297,367) 1,726,386	\$ 696,474 \$ 578,828	\$ 1,062,324 779,269	\$ 2,808,433 119,750	\$ 2,480,636 309,531	\$ 1,929,837 402,094	\$ 2,292,488 141,032	\$ 861,972 905,279
Total Surplus Reserves and Surplus	429,019	1,275,302	1,841,593	2,928,182	2,790,167	2,331,931	2,433,520	1,767,251
Total Liabilities, Reserves and Surplus	\$ 474,928	\$ 1,786,531	\$ 2,544,784	\$ 4,120,842	\$ 4,653,422	\$ 3,770,259	\$ 3,889,858	\$ 3,462,367
Land, Improvements and Equipment	-	-	-	\$ 192,000	\$ 177,974	\$ 266,758	\$ 622,896	\$ 945,268

The accompanying notes are an integral part of the financial statements.

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF CHANGE OF FUND CONDITION
FISCAL YEARS 1971 THROUGH 1978

	1971	1972	1973	1974	1975	1976	1977	1978	Totals Thru June 30, 1978
Accumulated surplus, July 1	-	\$ 429,019	\$1,275,302	\$1,841,593	\$2,928,182	\$2,790,167	\$2,331,931	\$2,433,520	
Prior year expenditure adjustments	-	-	43,520	89,653	20,253	-51,344	201,391	-169,422	
Accumulated surplus, adjusted	-	429,019	1,318,822	1,931,246	2,948,435	2,738,823	2,533,322	\$2,764,098	
REVENUES:									
Environmental license plates	842,176	1,629,294	2,263,237	2,443,154	2,859,467	3,640,045	4,228,944	5,262,061	23,168,378
Income from Surplus Money Investments	5	20,477	100,561	264,018	358,999	255,927	234,673	182,918	1,417,578
Sale of Documents	-	-	-	-	-	-	-	27,844	27,844
Prior year revenue adjustments	-	-	-9,603	2,790	-	-	-	-	-6,813
Total Revenue	842,181	1,649,771	2,354,195	2,709,962	3,218,466	3,895,972	4,463,617	5,472,823	24,506,987
Total Resources	842,181	2,078,790	3,673,017	4,641,208	6,166,901	6,634,795	6,996,939	7,736,921	
EXPENDITURES:									
Department of Motor Vehicles	222,253	363,936	529,569	477,836	643,299	950,824	935,410*	1,719,880	5,843,007
State Assembly	-	-	-	-	104,100	-	-	-	104,100
Business and Transportation Agency:									
Department of Transportation	-	-	-	-	-	-	-	48,939	48,939
Department of Aeronautics	-	40,000	-	-	-	-	-	-	40,000
Resources Agency:									
Department of Forestry	-	-	-	-	-	-	47,938	114,139	162,077
Department of Fish and Game	-	-	-	21,566	164,114	271,703	1,170,413	1,363,729	2,991,525
Air Resources Board	145,000	165,000	300,000	50,000	1,800,000	2,800,000	1,950,000	2,093,710	9,303,710
Solid Waste Management Board	-	-	-	-	382,400	-	-	-	382,400
S.F. Bay Conservation Development Commission	-	-	-	-	7,821	22,912	64,267	-	95,000
Department of Parks and Recreation	-	-	-	-	-	-	-	2,697	2,697
Department of Water Resources	-	-	-	-	-	-	-	149,535	149,535
Resources Agency	-	149,850	1,000,874	1,163,624	-	-	83,500	15,000	2,412,848
Department of Education	45,909	-511	-	-	275,000	257,423	311,891	310,691	1,200,403
Environmental Quality Study Council	-	70,242	-	-	-	-	-	-	70,242
Division of State Lands	-	-	-	-	-	-	-	-	-
Ventura-Los Angeles Mountain and Coastal Study Committee	-	14,971	981	-	-	-	-	-	15,952

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF CHANGE OF FUND CONDITION
FISCAL YEARS 1971 THROUGH 1978

	1971	1972	1973	Fiscal Years Ended June 30,			1978	Totals Thru
				1974	1975	1976	1977	June 30, 1978
State Board of Control	413,162	803,488	1,831,424	1,713,026	3,376,734	4,302,862	4,563,419	151,350
Total Expenditures	(1,297,367)	696,474	1,062,324	2,808,432	2,480,636	1,929,837	2,292,488	5,969,670
Accumulated surplus, June, 30:								
Surplus available for appropriation	1,726,386	578,828	779,269	119,750	309,531	402,094	141,032	861,972
Reserve for unencumbered balance of continuing appropriations								905,279
Total, accumulated surplus, June 30	\$ 429,019	\$1,275,302	\$1,841,593	\$2,928,182	\$2,790,167	\$2,331,931	\$2,433,520	\$1,767,251

* DMV received a deficiency appropriation of \$313,440, item 164.1 of the 1978 Budget Act (Chapter 359, Statutes of 1978) to correct deficiencies in the appropriation for the year ended June 30, 1977 (Item 214, Chapter 320, Statutes of 1976) and increase expenditures of DMV charged to the CEPPF.

The accompanying notes are an integral part of the financial statements.

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENTS OF APPROPRIATIONS, EXPENDITURES AND BALANCES
FISCAL YEARS 1971 THROUGH 1978*

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*Source: Controller's year end statements

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF MOTOR VEHICLES

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unrestricted Surplus	Unencumbered Ending Balance
				Current Year	Prior Year		
<u>Fiscal Year Ended June 30, 1971</u>							
Expenses	Chapter 779, Statutes of 1970	\$ -	\$ 338,548	\$ 222,253	\$ -	\$ -	\$ 116,295
Total		\$ -	\$ 338,548	\$ 222,253	\$ -	\$ -	\$ 116,295
<u>Fiscal Year Ended June 30, 1972</u>							
Support		\$ -	\$ 363,950	\$ 363,936	\$ -	\$ -	\$ 14
Expenses	Chapter 779, Statutes of 1970	116,295	-	-	-	-	116,295
Total		\$ 116,295	\$ 363,950	\$ 363,936	\$ -	\$ -	\$ 116,309
<u>Fiscal Year Ended June 30, 1973</u>							
Support -- 1972-73		\$ -	\$ 564,266	\$ 529,569	\$ -	\$ -	\$ 34,697
Support -- 1971-72		14	-	-	-	-	14
Expenses	Chapter 779, Statutes of 1970	\$ 116,295	-	-	-	-	116,295
Total		\$ 116,309	\$ 564,266	\$ 529,569	\$ -	\$ -	\$ 151,006
<u>Fiscal Year Ended June 30, 1974</u>							
Support -- 1973-74		\$ -	\$ 610,008	\$ 477,836	\$ -	\$ -	\$ 132,172
Support -- 1972-73		34,697	-	-	-	-	34,697
Support -- 1971-72		14	-	-	-	14	-
Expenses	Chapter 779, Statutes of 1970	116,295	-	-	-	116,295	-
Total		\$ 151,006	\$ 610,008	\$ 477,836	\$ -	\$ 116,309	\$ 166,869

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF MOTOR VEHICLES

Legal Reference	Fiscal Year Ended June 30, 1975	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures Current Year	Prior Year	Reversions to Unrestricted Surplus	Unencumbered Ending Balance
Support -- 1974-75	\$ -	\$ 757,799	\$ 643,299	\$ -	\$ -	\$ -	\$ 114,500
Support -- 1973-74	132,172	-	-	-	-	-	132,172
Support -- 1972-73	34,697	-	-	-	-	34,697	-
Total	\$ 166,869	\$ 757,799	\$ 643,299	\$ -	\$ -	\$ 34,697	\$ 246,672
Fiscal Year Ended June 30, 1976							
Support -- 1975-76	\$ -	\$ 950,842	\$ 950,824	\$ -	\$ -	\$ -	\$ 18
Support -- 1974-75	114,500	-	-	-	6	-	114,494
Support -- 1973-74	132,172	-	-	-	-	132,172	-
Total	\$ 246,672	\$ 950,842	\$ 950,824	\$ 6	\$ 6	\$ 132,172	\$ 114,512
Fiscal Year Ended June 30, 1977							
Support -- 1976-77	\$ -	\$ 961,791*	\$ 935,410*	\$ -	\$ -	\$ -	\$ 26,381
Support -- 1975-76	18	-151,350	-	-151,322	-	-	-
Support -- 1974-75	114,494	-	-	-35,053	-	149,547	-
Total	\$ 114,512	\$ 810,441	\$ 935,410*	\$ -186,385	\$ -	\$ 149,547	\$ 26,381

* DMV received a deficiency appropriation of \$313,440, Item 164.1 of the 1978 Budget Act (Chapter 359, Statutes of 1978) to correct deficiencies in the appropriation for the year ended June 30, 1977 (Item 214, Chapter 320, Statutes of 1976) and increase expenditures of DMV charged to the CEPFF.

** * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF MOTOR VEHICLES

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unrestricted Surplus	Unencumbered Ending Balance
				Current Year	Prior Year		
Fiscal Year Ended June 30, 1978							
Support -- 1977-78		\$ -	\$1,691,046	\$1,689,880	\$ -	\$ -	\$1,166
Support -- 1976-77		26,381	-		26,381	-	-
Support--1976-77 (costs related in conversion from 6 to 7 positions on environmental plates)	Chapter 821, Statutes of 1977	-	30,000	30,000	-	-	-
Total		\$26,381	\$1,721,046	\$1,719,880	\$26,381	\$ -	\$1,166

The accompanying notes are an integral part of the financial statements.

** * UNAUDITED FINANCIAL STATEMENT * * *

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
STATE ASSEMBLY

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unrestricted Surplus	Unencumbered Ending Balance
				Current Year	Prior Year		
<u>Fiscal Year Ended June 30, 1975</u>							
Contingent Expenses of the Assembly for study of the Environmental Quality Act	Chapter 375, Statutes of 1974 Item 8.5	\$ -	\$ 75,000	\$ 59,100	\$ -	\$ -	\$ 15,900
Contingent Expenses of the Assembly for Litter Composition study	Chapter 375, Statutes of 1974 Item 8.6	-	72,000	45,100	-	-	27,000
Total		\$ -	\$ 147,000	\$ 104,100	\$ -	\$ -	\$ 42,900
<u>Fiscal Year Ended June 30, 1976</u>							
Expenses; study of the Environmental Quality Act		\$ 15,900	\$ -	\$ -	\$ 15,900	\$ -	\$ -
Expenses; study of Litter Composition		27,000	-	-	27,000	-	-
Total		\$ 42,900	\$ -	\$ -	\$ 42,900	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

* * * UNAUDITED FINANCIAL STATEMENT * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF TRANSPORTATION

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unencumbered Unrestricted Surplus	Ending Balance
				Current Year	Prior Year		
<u>Fiscal Year Ended June 30, 1977</u>							
Support -- Research and Development		\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
Capital Outlay	Chapter 320, Statutes of 1976 Item 375, 1976-79 Fiscal Year	-	75,000	-	-	-	75,000
Total		\$ -	\$ 475,000	\$ -	\$ -	\$ -	\$ 475,000
<u>Fiscal Year Ended June 30, 1978</u>							
Support -- Research and Development	Chapter 176, Statutes of 1975 Item 222	\$ 400,000	\$ -	\$ 48,939	\$ -	\$ -	\$ 351,061
Capital Outlay:	Chapter 320, Statutes of 1976 Item 375, 1976-79 Fiscal Year	75,000	-	-	-	-	75,000
Capital Outlay:	Chapter 219, Statutes of 1977 Item 391, 1977-80 Fiscal Year	-	100,000	-	-	-	100,000
Total		\$ 475,000	\$ 100,000	\$ 48,939	\$ -	\$ -	\$ 526,061

The accompanying notes are an integral part of the financial statements.

** * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF AERONAUTICS

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unencumbered Unrestricted Surplus	Ending Balance
				Current Year	Prior Year		
<u>Fiscal Year Ended June 30, 1971</u>							
Expenses; Any Fiscal Year	Chapter 1293, Statutes of 1970 Section 4	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
Total		\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
<u>Fiscal Year Ended June 30, 1972</u>							
Expenses	Chapter 1293, Statutes of 1970 Section 4	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ -	\$ -
Total		\$ 40,000	\$ -	\$ 40,000	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

** * UNAUDITED FINANCIAL STATEMENT * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF FORESTRY

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unrestricted Surplus	Unencumbered Ending Balance
				Current Year	Prior Year		
<u>Fiscal Year Ended June 30, 1977</u>							
Soil Erosion Study, 1976-77		\$ -	\$ 107,858	\$ 47,938	\$ -	\$ -	\$ 59,920
Total		\$ -	\$ 107,858	\$ 47,938	\$ -	\$ -	\$ 59,920
<u>Fiscal Year Ended June 30, 1978</u>							
Soil Erosion Study, 1977-78		\$ -	\$ 113,910	\$ 97,126	\$ -	\$ -	\$ 16,784
Soil Erosion Study, 1976-77		\$ 59,920	\$ -	\$ -	\$ -	\$ -	\$ 59,920
Support-Environmental Protection Program 1977-78		\$ -	\$ 25,000	\$ 17,013	\$ -	\$ -	\$ 7,987
Total		\$ 59,920	\$ 138,910	\$ 114,139	\$ -	\$ -	\$ 84,691

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The accompanying notes are an integral part of the financial statements.

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF FISH AND GAME

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unencumbered Unrestricted Surplus	Ending Balance
				Current Year	Prior Year		
<u>Fiscal Year Ended June 30, 1974</u>							
Development of Ecological Reserves, 1973-75		\$ -	\$ 120,000	\$ 250	\$ -	\$ -	\$ 119,750
Purchase of Ecological Reserves 1973-74		-	429,320	21,316	-	-	408,004
Total		\$ -	\$ 549,320	\$ 21,566	\$ -	\$ -	\$ 527,754
<u>Fiscal Year Ended June 30, 1975</u>							
Expenses	Chapter 1486, Statutes of 1974	\$ -	\$ 95,000	\$ 83,342	\$ -	\$ -	\$ 11,658
Wildfowl Decontamination Project, Available to December 31, 1977	Chapter 1181, Statutes of 1974	-	5,000	5,000	-	-	-
Development of Ecological Reserves 1973-75		119,750	-	-	-	-	119,750
Support		408,004	-	73,646	-	-	334,358
Total State Operations		527,754	100,000	161,988	-	-	465,766
Capital Outlay; Land Acquisitions 1974-77		-	300,000	2,126	-	-	297,874
Total Department of Fish and Game		\$ 527,754	\$ 400,000	\$ 164,114	\$ -	\$ -	\$ 763,640
<u>Fiscal Year Ended June 30, 1976</u>							
Expenses	Chapter 1486, Statutes of 1974	\$ 11,658	\$ -	\$ 9,881	\$ -	\$ -	1,777
Support		334,358	-	-	-	-	334,358
Development of Ecological Reserves 1973-75		119,750	-	-	-	-	119,750
Total State Operations		465,766	-	9,881	-	-	455,885
Capital Outlay; Land Acquisition and Development		-	300,000	222,456	-	-	77,544
Capital Outlay; Land Acquisitions; 1974-77		297,874	-	39,366	-	-	258,508
Total Department of Fish and Game		\$ 763,640	\$ 300,000	\$ 271,703	\$ -	\$ -	\$ 791,937

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF FISH AND GAME

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures Current Year	Prior Year	Reversions to Unrestricted Surplus	Unencumbered Ending Balance
Environmental Protection and Management of Nongame Species	Chapter 320, Statutes of 1976 Item 248	\$ -	\$ 1,043,870	\$ 900,000	\$ -	\$ -	\$ 143,870
Expenses	Chapter 1486, Statutes of 1974 without regard to fiscal year	1,777	-	-	-	-	1,777
Support	Chapter 129, Statutes of 1973 Item 197	334,358	-	-	-	334,358	-
Development of Ecological Reserves 1973-75		119,750	-	-	-	119,750	-
Total State Operations		455,885	1,043,870	900,000	-	454,108	145,647
Capital Outlay; Land Acquisition and Development	Chapter 176, Statutes of 1975 Item 364.5, 1975-78 fiscal year	77,544	-	13,288	-	-	64,256
Capital Outlay; Land Acquisition	Chapter 375, Statutes of 1974 Item 379, 1974-77 fiscal year	258,508	-	257,125	-	-	1,383
Total Department of Fish and Game		\$ 791,937	\$ 1,043,870	\$ 1,170,413	\$ -	\$ 454,108	\$ 211,286
<u>Fiscal Year Ended June 30, 1978</u>							
Environmental Protection and Management of Nongame Species 1977-78	Chapter 219, Statutes of 1977 Item 204	\$ -	\$ 1,316,714	\$ 1,316,714	\$ -	\$ -	\$ -
Environmental Protection and Management of Nongame Species 1976-77	Chapter 320, Statutes of 1976 Item 248	143,870	-	-	143,870	-	-
Expenses	Chapter 1486, Statutes of 1974	1,776	-	1,776	-	-	-
Total State Operations		145,646	1,316,714	1,318,490	143,870	-	-

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF FISH AND GAME

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures Current Year	Prior Year	Reversions to Unrestricted Surplus	Unencumbered Ending Balance
Capital Outlay	Chapter 219, Statutes of 1977 Item 397, 1977-80 fiscal years	-	400,000	20,782	-	-	379,218
Capital Outlay	Chapter 176, Statutes of 1975	64,256	-	24,457	-	-	39,799
Capital Outlay	Chapter 375, Statutes of 1974 Item 379, 1975-78 fiscal year	1,382	-	-	1,159	-	223
Total Capital Outlay		65,638	400,000	45,239	1,159	-	419,240
Total Department of Fish and Game		\$ 211,284	\$ 1,716,714	\$ 1,363,729	\$ 145,029	\$	\$ 419,240

The accompanying notes are an integral part of the financial statements.

* * * UNAUDITED FINANCIAL STATEMENT * * *

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
AIR RESOURCES BOARD

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures Current Year	Prior Year	Reversions to Unrestricted Surplus	Reversions to Unencumbered Ending Balance
<u>Fiscal Year Ended June 30, 1971</u>							
Air Pollution Research; Available to September 19, 1973		\$ -	\$ 925,000	-	\$ -	\$ -	\$ 925,000
Program for Obtaining Data on Air Quality in Each Air Basin; Available to August 20, 1973		-	165,000	-	-	-	165,000
Transfer		-	145,000	145,000	-	-	-
Total		\$ -	\$ 1,235,000	\$ 145,000	\$ -	\$ -	\$ 1,090,000
<u>Fiscal Year Ended June 30, 1972</u>							
Air Pollution Research; Available to September 19, 1973	Chapter 1599, Statutes of 1970 Section 4(b)	\$ 925,000	\$ -	\$ -	\$ -	\$ -	\$ 925,000
Program for Obtaining Data on Air Quality in Each Air Basin; Available to August 20, 1973		165,000	-	165,000	-	-	-
Total		\$ 1,090,000	\$ -	\$ 165,000	\$ -	\$ -	\$ 925,000
<u>Fiscal Year Ended June 30, 1973</u>							
Air Pollution Research; Available to September 19, 1973	Chapter 1599, Statutes of 1970 Section 4(b)	\$ 925,000	\$ -	\$ 300,000	\$ -	\$ -	\$ 625,000
Program for Obtaining Data on Air Quality in Each Air Basin; Available to August 20, 1973	Chapter 715, Statutes of 1970 Section 3(b)	-	-	-	-37,975	-	37,975
Total		\$ 925,000	\$ -	\$ 300,000	\$ -37,975	\$ -	\$ 662,975

* * * UNAUDITED FINANCIAL STATEMENT * * *

*** UNAUDITED FINANCIAL STATEMENTS ***

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
AIR RESOURCES BOARD

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unrestricted Surplus	Unencumbered Ending Balance
				Current Year	Prior Year		
<u>Fiscal Year Ended June 30, 1974</u>							
Air Pollution Research; Available to September 19, 1973	Chapter 1599, Statutes of 1970 Section 4(b)	\$ 625,000	\$ -	\$ 50,000	\$ -	\$ -	\$ 575,000
Program for Obtaining Data on Air Quality in Each Air Basin; Available to August 20, 1973	Chapter 715, Statutes of 1970 Section 3(b)	37,975	-	-	-	-	37,975
Total		\$ 662,975	\$ -	\$ 50,000	\$ -	\$ -	\$ 612,975
<u>Fiscal Year Ended June 30, 1975</u>							
Support of State Air Resources Board		\$ -	\$ 1,800,000	\$ 1,800,000	\$ -	\$ -	\$ -
Air Pollution Research; Available to September 19, 1973	Chapter 1599, Statutes of 1970 Section 4(b)	575,000	-	-	-	-	575,000
Program for Obtaining Data on Air Quality in Each Air Basin; Available to August 20, 1973	Chapter 715, Statutes of 1970 Section 3(b)	37,975	-	-	-	-	37,975
Total		\$ 612,975	\$ 1,800,000	\$ 1,800,000	\$ -	\$ -	\$ 612,975
<u>Fiscal Year Ended June 30, 1976</u>							
Support of State Air Resources Board		\$ -	\$ 3,200,000	\$ 2,800,000	\$ -	\$ -	\$ 400,000
Air Pollution Research; Available to September 19, 1973	Chapter 1599, Statutes of 1970 Section 4(b)	575,000	-	-	-	575,000	-
Program for Obtaining Data on Air Quality in Each Air Basin; Available to August 20, 1973	Chapter 715, Statutes of 1970 Section 3(b)	37,975	-	-	-	37,975	-
Total		\$ 612,975	\$ 3,200,000	\$ 2,800,000	\$ -	\$ 575,000	\$ 400,000
<u>Fiscal Year Ended June 30, 1977</u>							
Support of State Air Resources Board 1976-77		\$ -	\$ 1,950,000	\$ 1,950,000	\$ -	\$ -	\$ -

*** UNAUDITED FINANCIAL STATEMENT ***

APPENDIX

** * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
AIR RESOURCES BOARD

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unrestricted Surplus	Unencumbered Ending Balance
				Current Year	Prior Year		
Support of State Air Resources Board		\$ 400,000	\$ -400,000	\$ -	\$ -	\$ -	\$ -
Total		\$ 400,000	\$ 1,550,000	\$ 1,950,000	\$ -	\$ -	\$ -
<u>Fiscal Year Ended June 30, 1978</u>							
Support of State Air Resources Board		\$ -	\$ 2,093,710	\$ 2,093,710	\$ -	\$ -	\$ -
Support of State Air Resources Board 1976-77		-	-	-	-	-	-
Total		\$ -	\$ 2,093,710	\$ 2,093,710	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

** * UNAUDITED FINANCIAL STATEMENT * * *

** * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
SOLID WASTE MANAGEMENT BOARD

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures Current Year	Prior Year	Reversions to Unrestricted Surplus	Unencumbered Ending Balance
<u>Fiscal Year Ended June 30, 1975</u>							
Support 1974-75		\$ -	\$ 405,000	\$ 382,400	\$ -	\$ -	\$ 22,600
Total		\$ -	\$ 405,000	\$ 382,400	\$ -	\$ -	\$ 22,600
<u>Fiscal Year Ended June 30, 1976</u>							
Support 1974-75		\$ 22,600	\$ -	\$ -	\$ 22,600	\$ -	\$ -
Total		\$ 22,600	\$ -	\$ -	\$ 22,600	\$ -	\$ -
<u>Fiscal Year Ended June 30, 1977</u>							
Support, 1974-75		\$ -	\$ -	\$ -	\$ -15,487	\$ 15,487	\$ -
Total		\$ -	\$ -	\$ -	\$ -15,487	\$ 15,487	\$ -

The accompanying notes are an integral part of the financial statements.

** * UNAUDITED FINANCIAL STATEMENT * * *

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures Current Year	Reversions to Unrestricted Surplus	Unencumbered Ending Balance
<u>Fiscal Year Ended June 30, 1975</u>						
Suisun Marsh Protection Plan, without regard to Fiscal Year	Chapter 1486, Statutes of 1974	\$ -	\$ 95,000	\$ 7,821	\$ -	\$ 87,179
Total		\$ -	\$ 95,000	\$ 7,821	\$ -	\$ 87,179
<u>Fiscal Year Ended June 30, 1976</u>						
Suisun Marsh Protection Plan without regard to Fiscal Year	Chapter 1486, Statutes of 1974	\$ 87,179	\$ -	\$ 22,912	\$ -	\$ 64,267
Total		\$ 87,179	\$ -	\$ 22,912	\$ -	\$ 64,267
<u>Fiscal Year Ended June 30, 1977</u>						
Suisun Marsh Protection Plan, without regard to Fiscal Year	Chapter 1486, Statutes of 1974	\$ 64,267	\$ -	\$ 64,267	\$ -	\$ -
Total		\$ 64,267	\$ -	\$ 64,267	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

* * * UNAUDITED FINANCIAL STATEMENT * * *

APPENDIX C

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF PARKS AND RECREATION

<u>Description of Appropriations</u>	<u>Legal Reference</u>	<u>Unencumbered Beginning Balance</u>	<u>Appropriations and Augmentations</u>	<u>Net Expenditures</u>	<u>Reversions to Unencumbered Unrestricted Surplus</u>	<u>Ending Balance</u>
<u>Fiscal Year Ended June 30, 1978</u>				<u>Current Year</u>	<u>Prior Year</u>	
Support - Allocation recommended by Resources Agency		\$ -	\$ 44,000	\$ 2,697	\$ -	\$ 41,303
Total		\$ -	\$ 44,000	\$ 2,697	\$ -	\$ 41,303

The accompanying notes are an integral part of the financial statements.

* * * UNAUDITED FINANCIAL STATEMENT * * *

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF WATER RESOURCES

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures Current Year	Net Expenditures Prior Year	Reversions to Unrestricted Surplus	Unencumbered Ending Balance
Fiscal Year Ended June 30, 1978							
For support of conservation activities		\$ -	\$ 150,000	\$ 149,535	\$ -	\$ -	\$ 465
Total		\$ -	\$ 150,000	\$ 149,535	\$ -	\$ -	\$ 465

The accompanying notes are an integral part of the financial statements.

* * * UNAUDITED FINANCIAL STATEMENT * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
RESOURCES AGENCY

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures Current Year	Prior Year	Reversions to Unrestricted Surplus	Unencumbered Ending Balance
<u>Fiscal Year Ended June 30, 1971</u>							
Research and Studies Relating to Nuclear Power Plant Siting: Available to August 20, 1973		\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
Expenditures - Long Range Plans Governing Location and Operation of Electrical Power Plants		-	150,00	-	-	-	150,000
Total		\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000
<u>Fiscal Year Ended June 30, 1972</u>							
Expenses; Study of Oil Leaks in the Santa Barbara Channel	Chapter 522, Statutes of 1971	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Research and Studies-Nuclear Power Plant Siting		200,000	-	75,000	-	-	125,000
Expenditures - Long Range Plans Governing Location and Operation of Electrical Power Plants		150,000	-	74,850	-	-	75,150
Study of Use and Disposal of Mercury Bearing Waste		-	30,000	-	-	-	30,000
Total		\$ 350,000	\$ 80,000	\$ 149,850	\$ -	\$ -	\$ 280,150
<u>Fiscal Year Ended June 30, 1973</u>							
Support, 1972-73 Fiscal Year	Chapter 156, Statutes of 1972, Item 184	\$ -	\$ 1,144,770	\$ 883,373	\$ -	\$ -	\$ 261,397
Waterway Management Plans 1972-75 Fiscal Year		-	50,000	50,000	-	-	-
Study of Oil Leaks in the Santa Barbara Channel	Chapter 522, Statutes of 1971	50,000	-	-	-	50,000	-

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
RESOURCES AGENCY

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures Current Year	Prior Year	Reversions to Unrestricted Surplus	Unencumbered Ending Balance
Study of Use and Disposal of Mercury Bearing Waste		\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -
Expenditures-Long Range Plans Governing Location and Operation of Electrical Power Plants	Chapter 1533, Statutes of 1970	75,150	-	20,000	-	-	55,150
Research and Studies-Nuclear Power Plant Siting		125,000	-	17,500	-	-	107,500
Total		\$ 280,150	\$ 1,194,770	\$ 1,000,873	\$ -	\$ 50,000	\$ 424,047
<u>Fiscal Year Ended June 30, 1974</u>							
Support, 1973-74 Fiscal Year		\$ -	\$ 1,283,500	\$ 1,184,000	\$ -	\$ -	\$ 99,499
Support, 1972-73 Fiscal Year		261,397	-	-	- 89,053	-	351,050
Support, 1973-74 Fiscal Year		-	140,000	-	-	-	140,000
Expenditures - Long Range Plans Governing Location and Operation of Electrical Power Plants	Chapter 1533, Statutes of 1970	55,150	-	2,877	-	58,027	-
Research and Studies - Nuclear Power Plant Siting	Chapter 1299, Statutes of 1970	107,500	-	17,500	-	125,000	-
Total		\$ 424,047	\$ 1,423,500	\$ 1,163,624	\$ - 89,653	\$ 183,027	\$ 590,549
<u>Fiscal Year Ended June 30, 1975</u>							
Support, 1973-74 Fiscal Year		\$ 239,499	\$ - 140,000	\$ -	\$ - 23,045	\$ -	\$ 122,544
Support, 1972-73 Fiscal Year		351,050	-	-	- 85	-	351,135
Long Range Plans Governing Location and Operation of Electrical Power Plants	Chapter 1533, Statutes of 1970	-	2,877	-	2,877	-	-
Total		\$ 590,549	\$ - 137,122	\$ -	\$ - 20,253	\$ -	\$ 473,679

APPENDIX C

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
RESOURCES AGENCY

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures Current Year	Reversions to Unencumbered Unrestricted Surplus	Unencumbered Ending Balance
<u>Fiscal Year Ended June 30, 1976</u>						
Support, 1973-74 Fiscal Year		\$ 122,544	\$ -	\$ -	\$ 7,084	\$ -
Support, 1972-73 Fiscal Year		351,135	-	-	351,135	-
Long Range Plans Governing Location and Operation of Electrical Power Plants	Chapter 1533, Statutes of 1970	-	-	-	122	-
Total		\$ 473,679	\$ -	\$ -	\$ 480,641	\$ -
<u>Fiscal Year Ended June 30, 1977</u>						
Development of Environment Curriculum and Information Materials	Chapter 320, Statutes of 1976, Item 330.1	-	\$ 88,000	\$ 83,500	\$ -	\$ 4,500
Total		-	\$ 88,000	\$ 83,500	\$ -	\$ 4,500
<u>Fiscal Year Ended June 30, 1978</u>						
Development of Environment Curriculum and Information Materials	Chapter 320, Statutes of 1976, Item 330.1	\$ 4,500	\$ -	\$ -	\$ 1,893	\$ 6,393
Support, 1977-78 Fiscal Year		-	82,000	15,000	-	67,000
Total		\$ 4,500	\$ 82,000	\$ 15,000	\$ -1,893	\$ 73,393

The accompanying notes are an integral part of the financial statements.

* * * UNAUDITED FINANCIAL STATEMENTS * * *

** * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM AND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF EDUCATION

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unrestricted Surplus	Unencumbered Ending Balance
				Current Year	Prior Year		
<u>Fiscal Year Ended June 30, 1971</u>							
Planning and implementation of a comprehensive conservation education program; available to November 22, 1973		\$ -	\$176,000	\$ 45,909	\$ -	\$ -	\$130,091
Total		\$ -	\$176,000	\$ 45,909	\$ -	\$ -	\$130,091
<u>Fiscal Year Ended June 30, 1972</u>							
Conservation education program; available to November 22, 1973		\$130,091	\$ -	\$ -511	\$ -	\$ -	\$130,602
Total		\$130,091	\$ -	\$ -511	\$ -	\$ -	\$130,602
<u>Fiscal Year Ended June 30, 1973</u>							
Conservation education program; available to November 22, 1973		\$130,602	\$ -	\$ -	\$-5,355	\$135,957	\$ -
Total		\$130,602	\$ -	\$ -	\$-5,355	\$135,957	\$ -
<u>Fiscal Year Ended June 30, 1975</u>							
Conservation education 1974-75	Chapter 375, Statutes of 1974, Item 342	\$ -	\$275,000	\$275,000	\$ -	\$ -	\$ -
Total		\$ -	\$275,000	\$275,000	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

** * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM AND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DEPARTMENT OF EDUCATION

<u>Description of Appropriations</u>	<u>Legal Reference</u>	<u>Unencumbered Beginning Balance</u>	<u>Appropriations and Augmentations</u>	<u>Net Expenditures Current Year</u>	<u>Prior Year</u>	<u>Reversions to Unrestricted Surplus</u>	<u>Unencumbered Ending Balance</u>
<u>Fiscal Year Ended June 30, 1976</u>							
Conservation education 1975-76		\$ -	\$275,000	\$257,423	\$ -	\$ -	\$ 17,577
Conservation education 1974-75		-	-	-	-7,200	-	7,200
Total		\$ -	\$275,000	\$257,423	\$-7,200	\$ -	\$ 24,777
<u>Fiscal Year Ended June 30, 1977</u>							
Environmental education 1976-77		\$ -	\$312,000	\$311,891	\$ -	\$ -	\$ 109
Conservation education 1975-76		17,577	-	-	480	-	17,096
Conservation education 1974-75		7,200	-	-	-	7,200	-
Total		\$ 24,777	\$312,000	\$311,891	\$ 480	\$ 7,200	\$ 17,205
<u>Fiscal Year Ended June 30, 1978</u>							
Environmental education 1977-78		\$ -	\$312,528	\$310,691	\$ -	\$ -	\$ 1,837
Environmental education 1976-77		109	-	-	-95	-	204
Environmental education 1975-76		17,096	-	-	-	17,096	-
Total		\$ 17,205	\$312,528	\$310,691	\$ -95	\$ 17,096	\$ 2,041

** * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
STATE ENVIRONMENTAL QUALITY STUDY COUNCIL

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unrestricted Surplus	Unencumbered Ending Balance
				Current Year	Prior Year		
<u>Fiscal Year Ended June 30, 1972</u>							
For any Necessary Expenses In Performance of Council Duties; Available to November 23, 1972	Chapter 1142, Statutes of 1970 Section 2	\$ -	\$ 86,994	\$ 70,242	\$ -	\$ -	\$ 16,752
Total		\$ -	\$ 86,994	\$ 70,242	\$ -	\$ -	\$ 16,752
<u>Fiscal Year Ended June 30, 1973</u>							
Expenses; Available to November 23, 1972	Chapter 1142, Statutes of 1970 Section 2	\$ 16,752	\$ -	\$ -	\$ - 190	\$ -	\$ 16,942
Total		\$ 16,752	\$ -	\$ -	\$ - 190	\$ -	\$ 16,942
<u>Fiscal Year Ended June 30, 1974</u>							
Expenses; Available to November 23, 1972	Chapter 1142, Statutes of 1972 Section 2	\$ 16,942	\$ -	\$ -	\$ -	\$ -	\$ 16,942
Total		\$ 16,942	\$ -	\$ -	\$ -	\$ -	\$ 16,942
<u>Fiscal Year Ended June 30, 1975</u>							
Expenses; Available to November 23, 1972	Chapter 1142, Statutes of 1970 Section 2	\$ 16,942	\$ -	\$ -	\$ -	\$ 16,942	\$ -
Total		\$ 16,942	\$ -	\$ -	\$ -	\$ 16,942	\$ -

The accompanying notes are an integral part of the financial statements.

** * UNAUDITED FINANCIAL STATEMENT * * *

APPENDIX C

** * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
DIVISION OF STATE LANDS

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unencumbered Unrestricted Surplus	Unencumbered Ending Balance
				Current Year	Prior Year		
<u>Fiscal Year Ended June 30, 1971</u>							
Expenses - Inventory of All Presently Owned and Previously Granted State Lands; 190-71 Fiscal Year		\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Total		\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
<u>Fiscal Year Ended June 30, 1972</u>							
Expenses - Inventory or All Presently Owned and Previously Granted State Lands; 1970-71 Fiscal Year		\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Total		\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
<u>Fiscal Year Ended June 30, 1973</u>							
Expenses - Inventory or All Presently Owned and Previously Granted State Lands; 1970-71 Fiscal Year		\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
Total		\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -

The accompanying notes are an integral part of the financial statements.

** * UNAUDITED FINANCIAL STATEMENT * * *

APPENDIX C

** * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
VENTURA-LOS ANGELES MOUNTAIN AND COASTAL STUDY COMMITTEE

Description of Appropriations	Legal Reference	Unencumbered Beginning Balance	Appropriations and Augmentations	Net Expenditures		Reversions to Unrestricted Surplus	Unencumbered Ending Balance
				Current Year	Prior Year		
<u>Fiscal Year Ended June 30, 1971</u>							
Support		\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Total		\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
<u>Fiscal Year Ended June 30, 1972</u>							
Support		\$ 100,000	\$ -	\$ 14,971	\$ -	\$ -	\$ 85,029
Total		\$ 100,000	\$ -	\$ 14,971	\$ -	\$ -	\$ 85,029
<u>Fiscal Year Ended June 30, 1973</u>							
Support	Chapter 1556, Statutes of 1970	\$ 85,029	\$ -	\$ 981	\$ -	\$ -	\$ 84,048
Total		\$ 85,029	\$ -	\$ 981	\$ -	\$ -	\$ 84,048
<u>Fiscal Year Ended June 30, 1974</u>							
Support	Chapter 1556, Statutes of 1970	\$ 84,048	\$ -	\$ -	\$ -	\$ 84,048	\$ -
Total		\$ 84,048	\$ -	\$ -	\$ -	\$ 84,048	\$ -

The accompanying notes are an integral part of the financial statements.

** * UNAUDITED FINANCIAL STATEMENT * * *

* * * UNAUDITED FINANCIAL STATEMENTS * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
STATEMENT OF APPROPRIATIONS, EXPENDITURES AND BALANCES
STATE BOARD OF CONTROL

<u>Description of Appropriations</u>	<u>Legal Reference</u>	<u>Unencumbered Beginning Balance</u>	<u>Appropriations and Augmentations</u>	<u>Net Expenditures Current Year</u>	<u>Prior Year</u>	<u>Reversions to Unrestricted Surplus</u>	<u>Unencumbered Ending Balance</u>
<u>Fiscal Year Ended June 30, 1978</u>							
Claim of the Secretary of the State Board of Control, Available to September 18, 1980	Chapter 1180, Statutes of 1977	\$ -	\$151,350	\$151,350	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

* * * UNAUDITED FINANCIAL STATEMENT * * *

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS JUNE 30, 1971 THROUGH 1978

1. Accounting Policies

Revenues: The revenue figures include amounts accrued as of June 30, on the modified accrual basis. That is, revenues are recorded when received in cash, with only interest receivables and recorded revenue receivables that have been billed and that are estimated to be collected during the following fiscal year being accrued on June 30.

Expenditures: Expenditures include obligations incurred but not paid by June 30, including interfund settlements due but not completed at the end of the fiscal year.

Appropriation expenditures are, in general, recorded currently at the time claims for payment are filed with the State Controller except transfers of money to the Architecture Revolving Fund for capital outlay are recorded as expended at the time of transfer, even though the actual expenditures from that fund may not occur until a later date.

At the end of the fiscal year, all valid encumbrances against appropriations are accrued as expenditures, as provided by law. This requirement results in an overstatement of expenditures and accounts payable to the extent that such encumbrances cover services not yet rendered or goods not yet received.

Surplus: The "Surplus Available for Appropriation" represents the balance of the funds available for new appropriations. "Surplus Available for Appropriation" takes into effect any unencumbered balances of appropriations with continuing availability and other reserves determined in accordance with accepted principles of governmental accounting on a modified accrual basis.

Land, Improvements and Equipment: In general, the values of land, improvements and equipment are carried at acquisition cost in the accounts of the individual state agencies. The State does not maintain a central record of property. These fixed assets are not resources available for appropriation.

2. Public Employees' Retirement System: Most state employees are members of the Public Employees' Retirement System (PERS). According to the Report of the State Controller, not all of the actuarial obligation under PERS is currently funded. The CEPPF's portion of the unfunded obligation is unknown.

3. Vacation, Sick Leave and Workers' Compensation Benefits: The accrued liability for vacation, sick leave and workers' compensation benefits is not recorded on the statements. The related expenditures are recorded when paid. The liability for unused vacation at June 30, for the CEPPF is therefore not readily determinable.

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
 RESEARCH PROJECTS
 STATE AIR RESOURCES BOARD
 YEAR ENDED JUNE 30, 1978

<u>Research Contracts</u>	<u>Description of Research</u>	
Regents of the University of California at Berkeley	Studies of Changes in Mortality during the Fuel Crisis of 1974 Amendment #2	\$ 67,133 2,960
Regents of the University of California at Irvine	Sulfate, Nitrate Inhalation Toxicity, Amendment #1	5,000
Technology Service Corporation	Development of Improved Methods for Predicting Air Quality Levels in the South Coast Air Basin, Amendment #2	45,000
LAC/USC Medical Center	Correlation & Sensitive Discriminants for Air Quality Control, Amendment #1	59,373
The Eureka Laboratories, Inc.	Air Pollution Emissions Associated with Pesticide Applications in Fresno, California	49,089
Regents of the University of California at Riverside	Hydrocarbon Characterization of Agricultural Waste Burning	19,563
KVB, Inc.	Determination of Air Pollutant Emission Factors for Thermal Tertiary Oil Recovery Operations in California	100,000
AeroViroment, Inc.	Airport Operations Emissions Study	45,923
California Institute of Technology	Measurement & Interpretation of Acid Rainfall in the Los Angeles Basin	34,618
Truesdail Laboratories	Perform Vinyl Chloride and Other Chemical Analysis	2,500
Regents of the University of California Riverside	The Effects of Present and Potential Air Pollution	92,846
Beckman Instruments, Inc.	Hydrocarbon Sampling Methods for Service Sampling	25,000
Regents of the University of California at Riverside	Geographical and Temporal Distribution of Atmospheric Mutagens in California	134,973
Department of Health	Investigation of the Filtration Characteristics of the Stacked Filter Unit	49,885
Regents of the University of California at Riverside	The Import of Sulfur Dioxide on a Crop Stressed with Chronic Ambient Ozone	92,099
Everard M. Lofting	Development Air Pollution Coefficients for the Major Air Pollutants	30,430
Regents of the University of California at Berkeley	A Survey of Acid Precipitation in California	46,982
Science Applications, Inc.	A Proposal to Conduct an Inventory of Carcinogenic Substances Released into the Ambient Air of California	100,000
Technology Services Corporation	Data Base Development of Human Exposure to Air Pollution in the Los Angeles Region	40,500

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
 RESEARCH PROJECTS
 STATE AIR RESOURCES BOARD
 YEAR ENDED JUNE 30, 1978

Meteorology Research, Inc.	Meteorological Study & Program Management	200,000
KVB, Inc.	Inventory of Emissions from Non-Automotive Vehicular Sources	99,741
Environmental Res. & Technology	A Study of the Origin & Fate of Air Pollutants in California Central Valley	75,000
California Institute of Technology Environmental Quality Laboratory	A Study of Nitrate Air Quality in the South Coast Air Basin	128,722
Acurex Corporation	Assessment of Control Technology for Stationary Sources	249,989
California Institute of Technology	A Study of the Origin and Fate of Air Pollutants in California's Central Valley	45,000
Eureka Laboratories, Inc.	Air Pollution Emissions Associated with Nonsynthetic Hydrocarbon Applications for Agricultural Purposes in California	124,311
Pacific Environmental Services	Historical & Future Operating Patterns of Utility Gas Turbine Peaking Units in California	9,983
Regents of the University of California at Riverside	Chemical Consequences of Air Quality Standards and of Control Implementations Programs	189,708
Loma Linda University	Incidence of Chronic Diseases in a Human Population as a Function of Long-Term Cumulative Exposure to Photochemical Air Pollution Adjusting for Spurious Lifestyle Factors and Occupation (AHSMOG II)	90,010
Regents of the University of California, Santa Barbara	Synergistic Effects of Sulphur Dioxide and Ozone and Adaptation to Ozone	105,787
Regents of the University of California, Davis	The Impact of Owens Lake on Air Quality in the Owen	
Regents of the University of California, Davis	Health Effects from the Inhalation of Oxidant Air Pollutants as related to the Immune System	44,705
Technology Service Corporation	Visibility in California	93,489
Public Interest Economics, West	Assessing the Economic Effects of Implementing Air Quality Management Plans	109,526
Regents of the University of California, Berkeley	Cancer Mortality Incidence and Air Pollution in California	39,689
California Institute of Technology	Assistance with Model Evaluation Studies	19,263
Regents of the University of California, Davis	Air Pollution Effects on Vegetation in California A Survey Updating the Impact and Status of Research as Related to Major Air Basins in California	8,690
Regents of the University of California, Davis	In vivo Fate of Nitrogenous Air Pollutant Derivatives	49,578
The California Lung Association	Health Effects of Air Pollution: A Public Policy Imperative	5,000

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM FUND
RESEARCH PROJECTS
STATE AIR RESOURCES BOARD
YEAR ENDED JUNE 30, 1978

Rockwell International	A Study of the Origin and Fate of Air Pollutants in California's Central Valley	<u>130,000</u>
	Total Research Contracts*	<u>\$2,884,276</u>

*Funds are not budgeted in a manner to require a separate accounting of the source of funds used for research projects of the Air Resources Board. Research is one of the program elements of the Air Pollution Control Program which is supported by five state funds and federal funds. The Air Resources Board has advised us that the above research contracts are funded from the CEPPF and the State Transportation Fund and that \$2,093,710, the entire amount appropriated from the CEPPF for support of the Air Resources Board, was committed in fiscal year 1978 for the above contracts.

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM
 GRANTS AND EXPENDITURES
 DEPARTMENT OF EDUCATION
 YEAR ENDED JUNE 30, 1978

<u>State Support</u>		\$ 8,931
	Consulting and Professional Services	
	Travel in State	740
	Media Services	452
	Faculty Operations	338
	General Expense	230
	Total State Support	\$ 10,691

<u>Grants for Conservation Education</u>	<u>Project Name and Description</u>	
San Francisco Unified School District	"An Environmental Education Program With a City Focus". To produce materials and provide teacher training to 65,000 students, grades kindergarten through 12.	\$ 30,000
Alameda County Superintendent of Schools Office	"Elementary Marine Education Program". To provide marine education curriculum for grades 5 and 6, and in-service training for 200 teachers.	14,100
California State University, Hayward	"Environmental Education Laboratory". To expand and systematize the environmental education library at Cal-State Hayward.	3,968
San Jose Community College District	"An Environmental and Ecological Laboratory". To develop a school-community ecological study area serving grades K-12 and junior college students.	20,000
UCLA Experimental Education Program	"UCLA Inner-City Environmental Education Project". To provide methods and techniques training for inner-city elementary teachers.	33,493
California Conservation Project, Inc.	"Project Tree House". To allow expansion of this successful 5-year old program of education for the 110,000 grade K-12 students in the area and for training of room teachers	22,995
San Diego County Superintendent of Schools Office	"Decisions 2000: Phase II". A continuance of last year "Phase I", emphasizing the training of 6,000 teachers	21,995
Southgate Recreation and Park District	"Southgate Recreation and Park District Backyard Biology Project". To train 140 teachers and develop curriculum material	5,000
Hanford Elementary School District	"Project CREATE". To continue an on-going program of classroom instruction, in-service teacher training and development of Ft. Roosevelt.	30,495

CALIFORNIA ENVIRONMENTAL PROTECTION PROGRAM
 GRANTS AND EXPENDITURES
 DEPARTMENT OF EDUCATION
YEAR ENDED JUNE 30, 1978

Portola Valley School District	" <u>Local Environmental Awareness Development</u> ". To develop materials and teacher training for grades K-6 and develop a nature trail and guidebooks. Two schools and 36 teachers directly involved.	18,000
Merced County Department of Education	" <u>Project ERA - Phase III</u> ". Third and final phase of a county-wide, grade K-12 program of education and teacher training.	20,000
Newark Unified School District	" <u>Environmental Studies Center</u> ". To provide a center for specialized education and skill learning for teachers, students, and the community.	14,000
Tracy Public Schools	" <u>Community Environmental Study Area</u> ". To develop one-acre site for outdoor studies grades K-12 curriculum materials, and teacher training.	5,000
Redwood Region Conservation Council	" <u>California Implementation of Project Learning Tree</u> ". To provide in-service training and materials for 3,200 educators	30,000
Santa Clara Unified School District	" <u>M.A. Peterson High School Environmental Institute</u> ". To provide teacher training and environmental learning experiences.	15,000
Whittier Union High School District	" <u>Ekistics: Leadership Training and Internship Program</u> ". To provide 50 student internship jobs with selected agencies directly having environmental impact.	3,454
Elizabeth Terwilliger Nature Education Foundation	" <u>Stop, Look and Listen</u> ". For production of film for environmental education of elementary age students	12,500
	Total Grants	<u>\$ 300,000</u>
	TOTAL DEPARTMENT OF EDUCATION EXPENDITURES	<u>\$ 310,691</u>

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
Secretary of State
State Controller
State Treasurer
Legislative Analyst
Director of Finance
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Democratic/Republican Caucus
California State Department Heads
Capitol Press Corps