

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 08/16)

Fiscal Year 2017/18	Business Unit 0540	Department Natural Resources Agency	Priority No. 1
Budget Request Name 0540-001-BCP-2017-A1		Program 0320 – Administration of Natural Resources Agency	Subprogram

Budget Request Description
 San Joaquin River Restoration Settlement – Prop 84 Appropriation

Budget Request Summary

This proposal will appropriate \$20,464,000 of Proposition 84 funding as support for the implementation of the San Joaquin River Restoration Settlement. The funds will be used to reimburse interagency agreements with the California Department of Water Resources and the California Department of Fish and Wildlife for work related to the implementation of the San Joaquin River Restoration Project.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. Project Approval Document: Approval Date:

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

Prepared By Julie Alvis	Date 1/30/2017	Reviewed By	Date
Department Director	Date	Agency Secretary Original Signed By Patrick Kemp	Date

Department of Finance Use Only

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

BCP Type: Policy Workload Budget per Government Code 13308.05

PPBA **Original Signed by
Amanda Martin** Date submitted to the Legislature **APR 1 - 2017**

A. Budget Request Summary

This proposal will appropriate the remaining balance of \$20,464,000 in Proposition 84 as support for implementation of the San Joaquin River Restoration Settlement (SJRRP). The funds will be used to reimburse interagency agreements with the California Department of Water Resources (DWR) and the California Department of Fish and Wildlife (CDFW) for work on the San Joaquin River Restoration Project.

B. Background/History

The Natural Resources Agency administers the Proposition 84 funding through an interagency agreement which reimburses DWR and CDFW for work related to implementing the SJRRP.

The SJRRP was established upon court acceptance of a Stipulation of Settlement (Settlement) in Natural Resources Defense Council, et. al., v. Kirk Rodgers, et. al., in October 2006 on litigation related to the renewal of the long-term water supply contracts in the Friant Division of the Central Valley Project. The San Joaquin River Restoration Settlement Act in Public Law 111-11 authorizes and directs the Secretary of the Interior to implement the Settlement.

Proposition 84 (75050(n)) allocated \$100,000,000, "to the Secretary for Resources for the purpose of implementing the court settlement to restore flows and naturally-reproducing and self-sustaining populations of salmon to the San Joaquin River between Friant Dam and the Merced River. The funds are ...available for channel and structural improvements, and related research pursuant to the court settlement."

C. State Level Considerations

The State has a significant interest in the restoration of the San Joaquin River and the related ecosystem extending over 200 river miles. The San Joaquin River is a major contributor of flows that affect the Sacramento-San Joaquin River Delta. A restored San Joaquin River would provide broad economic, natural resources, and recreational benefits in terms of much needed water quality improvements, water supply improvements, fisheries and other recreational values, increased management flexibility, and improved quality of life within the San Joaquin Valley and elsewhere in the State.

D. Justification

This request will allow for activities to continue across all aspects of the San Joaquin River Restoration Project, including site-specific planning, engineering, environmental review, and other activities that effect major channel improvements, fish passage modifications, hatchery construction, and levee work. This funding is needed in order to ensure project work continues in a timely and effective manner.

E. Outcomes and Accountability

Court approval of the SJRRP Settlement initiated a series of actions that resulted in a program structure to provide for effective oversight, management and transparency of the SJRRP. Signed at the same time as the Settlement, the State MOU recognizes that, through DWR, CDFW, and the Natural Resources Agency, it will play a major collaborative role in the planning, design, funding, and implementation of the actions of the San Joaquin River called for by the Settlement. The Proposition 84 funds appropriated to the SJRRP will be managed and monitored as required by statute, and will follow existing bond oversight and bond accountability policy and protocol.

F. Analysis of All Feasible Alternatives

Alternative 1: Do not appropriate the Proposition 84 funding.

Pro: This would delay expenditure from General Fund on bond payment.

Con: Work on the SJRRP would be delayed which would negatively impact the State's ability to carry out implementation of the Settlement Agreement.

Alternative 2: Appropriate Proposition 84 funding to support SJRRP work.

Pro: Implementation activities related to the SJRRP settlement would continue without delay.

Con: General Fund would be expended sooner for bond repayment.

G. Implementation Plan

There would be no modification to the existing implementation plan as outlined in the Settlement Agreement. This proposal would provide the necessary funding and expenditure period to allow the current work plan to move forward without delay.

H. Supplemental Information This proposal will fund interagency agreements between the Natural Resources Agency and DWR and CDFW. DWR and CDFW are the agencies staffing and implementing the work.

I. Recommendation

We would recommend Alternative 2 as it would allow SJRRP work to proceed in a timely and efficient manner, and recommend the following provisional language:

0540-001-6051 – For support, Secretary of the Natural Resources Agency, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006
....\$20,464,000

1. The funds appropriated in this item for purposes of subdivision (n) of Section 75050 of the Public Resources Code shall be available for encumbrance and expenditure until June 30, 2020.
2. The funds appropriated in this item for purposes of subdivision (n) of Section 75050 of the Public Resources Code shall continue only so long as the United States Bureau of Reclamation continues to provide federal funds and continues to carry out federal actions to implement the settlement agreement in Natural Resources Defense Council v. Rodgers (2005) 381 F.Supp.2d 1212.

BCP Fiscal Detail Sheet

BCP Title: San Joaquin River Restoration Settlement

BR Name: 0540-301-BCP-2017-A1

Budget Request Summary

	FY17					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5340 - Consulting and Professional Services - Interdepartmental	0	20,464	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$20,464	\$0	\$0	\$0	\$0
Total Budget Request	\$0	\$20,464	\$0	\$0	\$0	\$0

Fund Summary

Fund Source - Local Assistance						
Safe Drinking Water, Water Quality						
6051 - and Supply, Flood Control, River and Coastal Protection Fund of 2006	0	20,464	0	0	0	0
Total Local Assistance Expenditures	\$0	\$20,464	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$20,464	\$0	\$0	\$0	\$0

Program Summary

Program Funding						
0320 - Administration of Natural Resources Agency	0	20,464	0	0	0	0
Total All Programs	\$0	\$20,464	\$0	\$0	\$0	\$0