

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 08/15)

Fiscal Year 16-17	Business Unit 3825	Department Rivers and Mountains Conservancy	Priority No. 1
Budget Request Name 3825-300-BCP-DP-2016-A1		Program 2990-SUPPORT AND LOCAL ASSISTANCE	Subprogram

Budget Request Description
 Proposition 1 Support Funds and Local Assistance

Budget Request Summary:

The San Gabriel and Lower Los Angeles Rivers and Mountains (RMC) is requesting \$20 million Proposition 1, which includes \$7.750 million dollars per Section 79731(f) from Proposition 1 of which up to \$775,000 for planning and monitoring (Section 79704); and \$12.250 million dollars per Section 79735(a) of which up to \$1.225 million for planning and monitoring (Section 79704) and \$325,000 for program delivery. The RMC is also requesting provisional language allowing the project funds to be used for local assistance or capital outlay and be available for encumbrance through June 30, 2019.

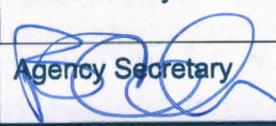
Requires Legislation <input type="checkbox"/> Yes <input type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR SPR Project No. 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 Alicia Sandoval	Date 2/1/2016	Reviewed By 	Date
Department Director Mark Stanley 	Date 2/1/2016	Agency Secretary	Date 3/30/16

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 4-1-16
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Analysis of Problem

A. Budget Request Summary

The RMC is requesting \$20 million in Proposition 1, which includes \$7.75 million dollars per Section 79731(f) from Proposition 1 of which up to \$775,000 for planning and monitoring (Section 79704) and \$12.25 million dollars per Section 79735(a) of which up to \$1.225 million for planning and monitoring (Section 79704) and \$325,000 for program delivery. The RMC is also requesting provisional language allowing the project funds to be used for local assistance or capital outlay and be available for encumbrance through June 30, 2019.

These funds shall be used for program delivery, local assistance, and capital outlay for the implementation of projects consistent under Proposition 1 and consistent with the RMC's Common Ground subtitled *Watershed and Open Space Plan for the San Gabriel and Los Angeles Rivers*, which was created as the implementation tool for distributing these funds. This authority would allow the RMC to complete key acquisitions and improvement opportunities in the coming year in furtherance of its mission to preserve open space and habitat in order to provide for low-impact recreation and educational uses, wildlife habitat restoration and protection, and watershed improvements within the RMC's jurisdiction

B. Background/History

The RMC has current Proposition 1 funding of \$200,000 for support with 6.1 positions and \$10 million in project funding to be used in accordance with sections 79731(f).

The RMC was established in 1999 and is governed by Sections 32600-32621 of the California Public Resources Code. RMC's territory includes the San Gabriel Watersheds and its tributaries, the Lower Los Angeles River Watershed and its tributaries, and San Gabriel Mountains, Puente Hill, San Jose Hills. Its mission is to acquire and manage public lands to provide open space low-impact recreational uses, educational uses, water conservation, watershed improvement, wildlife and habitat restoration and protection.

C. State Level Considerations

This program provides funding for projects that help fulfill part of the critical water-related needs in the Lower Los Angeles and San Gabriel Rivers serving a population of 4.8 million. The RMC has made great strides in water conservation and reduced dependence on imported water from other areas of the state over the last decade. The Los Angeles region is also home to more threatened and endangered species in the state. Through the Region's multiple habitat conservation plans, recovery of these species has been a high priority and implementation of this Conservancy program and will help advance those goals which have statewide implications.

During the grant funding cycle the RMC received 44 grant applications for a total request exceeding \$50 million dollars, well beyond the funds allocated for the FY15-16; thus, revealing the need for funds within the RMC's territory. RMC Staff is currently evaluating the grant proposals through the Project Evaluation Criteria which scores and ranks each grant proposal in order to be considered a competitive grant proposal. Once all the grant proposals are evaluated and scored, RMC Staff will provide recommendations for funding to the RMC Board by the May 23, 2016 Board meeting.

D. Justification

This proposal is consistent with the accomplishment of the RMC mission and strategic plan. This request would allow this competitive grant program to fund projects that are consistent with past successful Conservancy programs as well as aligning with conservancy future goals in meet the requirements of the bond statute.

Analysis of Problem

In addition, these programs will help implement multiple regional and local jurisdictional plans that address water quality, stormwater, groundwater, water supply and habitat restoration, as well as elements of the statewide Water Action Plan. As stated previously, the RMC received numerous grant proposals which exceeded the RMC's allocated funds; therefore, the RMC is requesting additional funds in order to fulfill the RMC's obligation of distributing funds which meet and exceed the RMC's, Proposition 1, and California Water Action Plan goals and objectives of providing a more reliable water supplies, the restoration of important species and habitat, and a more resilient and sustainably managed water infrastructure. The RMC anticipates additional competitive grant cycles throughout FY16-17 in order to maximize the distribution of grant funds to multiple recipients and throughout the RMC territory. If the RMC is allocated additional funds, it will be able to fund grants for multi-benefit ecosystem, watershed protection and restoration in accordance with statewide priorities (Section 79731(f) and Section 79735(a)).

E. Outcomes and Analysis of All Feasible Alternatives

Alternative 1: Fund support for this program from an alternative source.

Pros

-This would save General Fund on bond repayment.

Cons

The RMC has no other source of funding to fulfill its statutory mandate and advance the goals of regional water self-sufficiency and habitat restoration. Bonds are meant to be self-sustaining and this approach would take funding from another source.

Alternative 2: Approve the funding as requested

Through a competitive process RMC anticipates funding projects for property acquisition, design development and implementation. All projects are accountable to RMC grant guideline standards and available for public inspection through the RMC website. Funding from this request will go to a developed grant program at the RMC, which has significant experience in developing successful implementation programs through an open and transparent process. The guidelines for the RMC will be publicly developed and implemented in a transparent manner. Since the RMC has an existing program, stringent grant administration processes and procedures are already in place.

These additional funds will assist implementation of the RMC approved grants through the competitive process and most grants will include matching funds from the Grantees. The approved grants will include projects throughout the RMC's territory such as wetland restoration, water quality improvements, acquisition, and other projects that will restore the natural resources of the Lower Los Angeles and San Gabriel Rivers. In addition, as with other bond programs bi-annual updates will be provided to the Department of Finance and the program is subject to an annual audit by the Office of State audits and Evaluations.

Analysis of Problem

F. Implementation Plan

The RMC anticipates additional competitive grant cycles throughout FY16-17 in order to maximize the distribution of grant funds to multiple recipients throughout the RMC territory. As stated previously, the RMC received numerous grant proposals during the first grant funding cycle exceeding current fund allocations therefore revealing the need for additional funds within the RMC's territory.

The RMC anticipates award of these grants through a competitive second grant funding cycle. The RMC anticipates a second call for grant proposals during August-October 2016 with reviews in Winter 2016 and funding commitments complete within Spring 2017 for projects completed by April 2020 and final disbursements made by June 2020. Proposition 1 funds will be awarded for the acquisition, development, rehabilitation, restoration, and protection of land and water resources consistent with the RMC statues, the Proposition 1 goals identified in the California Water Action Plan and statewide plans and priorities.

G. Supplemental Information

Proposed Language:

3825-101-6083—For local assistance, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, payable from the Water Quality, Supply, and Infrastructure Improvement Fund of 2014.....17,675,000

Schedule:

(1) 2990—San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy17,675,000

Provisions:

1. The funds appropriated in this item are available for expenditure for local assistance or capital outlay until June 30, 2019.

H. Recommendation

Alternative 2 is recommended. Implementing these programs will help the public to benefit from the funds allocated in the bond measure.

BCP Fiscal Detail Sheet

BCP Title: Proposition 1

DP Name: 3825-300-BCP-DP-2016-A1

Budget Request Summary

	CY	BY	BY+1	FY16 BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5301 - General Expense	0	531	0	0	0	0
5340 - Consulting and Professional Services - External	0	1,794	0	0	0	0
54XX - Special Items of Expense	0	17,675	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$20,000	\$0	\$0	\$0	\$0
Total Budget Request	\$0	\$20,000	\$0	\$0	\$0	\$0

Fund Summary

Fund Source - State Operations						
Water Quality, Supply, and						
6083 - Infrastructure Improvement Fund of 2014	0	2,325	0	0	0	0
Total State Operations Expenditures	\$0	\$2,325	\$0	\$0	\$0	\$0
Fund Source - Local Assistance						
Water Quality, Supply, and						
6083 - Infrastructure Improvement Fund of 2014	0	17,675	0	0	0	0
Total Local Assistance Expenditures	\$0	\$17,675	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$20,000	\$0	\$0	\$0	\$0

Program Summary

Program Funding						
2990 - San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy	0	20,000	0	0	0	0
Total All Programs	\$0	\$20,000	\$0	\$0	\$0	\$0