

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

Fiscal Year 2016-17	Business Unit 3860	Department Water Resources	Priority No.
Budget Request Name 3860-004-BCP-DP-2016-MR		Program 3230	Subprogram

Budget Request Description
 Facilitation Support Services for Groundwater Sustainability Agencies

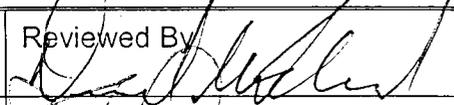
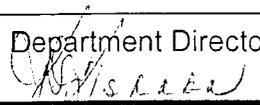
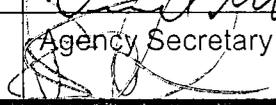
Budget Request Summary:
 The Department of Water Resources (DWR) requests \$1 million in one-time funding from the General Fund for consulting and professional services to provide facilitation support services to local public agencies seeking to determine effective groundwater sustainability agency governance structures to implement the requirements of the Sustainable Groundwater Management Act (SGMA).

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 No	Code Section(s) to be Added/Amended/Repealed	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 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 Rich Juricich	Date 4/4/2016	Reviewed By 	Date 5/4/16
Department Director 	Date 5.4.2016	Agency Secretary 	Date 5/5/16

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 5/13/16
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BCP Fiscal Detail Sheet

BCP Title: Facilitation Support Services for Groundwater Sustainability Agencies

DP Name: 3860-004-BCP-DP-2016-MR

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5340 - Consulting and Professional Services - External	0	1,000	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$1,000	\$0	\$0	\$0	\$0
Total Budget Request	\$0	\$1,000	\$0	\$0	\$0	\$0

Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	1,000	0	0	0	0
Total State Operations Expenditures	\$0	\$1,000	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$1,000	\$0	\$0	\$0	\$0

Program Summary

Program Funding						
3230 - Continuing Formulation of the California Water Plan	0	1,000	0	0	0	0
Total All Programs	\$0	\$1,000	\$0	\$0	\$0	\$0

A. Budget Request Summary

The Department of Water Resources requests \$1 million General Fund (one-time) to provide facilitation support services through contracted experts to local public agencies to determine effective groundwater sustainability agency (GSA) governance structures to implement the requirements of the Sustainable Groundwater Management Act (SGMA). The SGMA legislation requires high- and medium-priority basins to form GSAs by June 30, 2017 with the authority to implement specified actions to achieve sustainable management of groundwater. GSAs for those basins subject to critical conditions of overdraft must submit a groundwater sustainability plan by January 31, 2020. GSAs for all other groundwater basins designated as high- or medium-priority basins must submit a groundwater sustainability plan by January 31, 2022.

In FY 2015-16, DWR provided approximately \$1 million in facilitation support services to eleven distinct water management areas across California. The facilitation services support the following goals:

- Support formation and convening of GSAs in DWR-defined high- and medium-priority basins in such a manner that the legislative intent and specified milestones of SGMA are achieved.
- Maximize DWR support opportunities to local organizations in a manner to help them achieve specific milestones defined in SGMA.
- Facilitate and advise local agencies and stakeholders to identify potential options for GSA formation and governance within each basin.
- Facilitate for a limited time, initial activities led by a GSA, which may include finance planning, groundwater sustainability planning, and defining public outreach approaches.

DWR has identified an additional 15 water management areas and \$1,000,000 in facilitation support need that cannot be met within existing program resources. All other work activities related to this proposal are covered by existing program funding including staff resources needed to work with local public agencies to apply for facilitation support services and reviewing applications.

B. Background/History

The SGMA legislation requires high- and medium-priority basins to form local groundwater sustainability agencies (GSAs) by June 30, 2017 with the authority to implement specified actions to achieve sustainable management of groundwater. GSAs for those basins subject to critical conditions of overdraft must submit a groundwater sustainability plan by January 31, 2020. GSAs for all other groundwater basins designated as high- or medium-priority basins must submit a groundwater sustainability plan by January 31, 2022.

DWR has existing professional service contracts with professional facilitators to support local public agencies seeking to meet requirements of the SGMA. The following services are offered:

- Strategic planning
- Stakeholder identification and outreach
- Stakeholder assessment
- Stakeholder liaison and mediation
- Meeting facilitation
- Governance assessment
- Public outreach

Requests for facilitation support services are evaluated on a continuous basis, and levels of support will vary. Priority is given to newly forming groups and groups that have not received facilitation support previously. DWR has developed program guidelines and selection criteria for evaluating readiness of local agencies to receive facilitation support services. Applicants must meet the following four minimum eligibility requirements to qualify for the program:

- Demonstrate a commitment to work collaboratively with others to meet the requirements of the SGMA.
- Identify a clear and defined need for professional facilitation support services.
- Demonstrate a commitment to meet regularly and work diligently toward clear, defined goals.
- Commit to providing logistical and administrative support.

C. State Level Considerations

The Governor’s signing message for SGMA states "a central feature of these bills is the recognition that groundwater management in California is best accomplished locally." Success of the SGMA legislation is therefore dependent on how well local public agencies transform themselves to meet the new groundwater sustainability requirements. Formation of GSAs is a key part of SGMA.

Although SGMA provides future GSAs the authority to establish fees to implement the legislation, the GSAs are not yet formed and therefore do not necessarily have funding mechanisms to begin development of governance structures.

D. Justification

It is in the State’s interest to provide facilitation services support to local agencies to efficiently form GSAs before the June 30th, 2017 deadline in the legislation because the State will be required to manage groundwater in basins lacking an effective GSA. Additionally, if two or more local agencies separately decide to become GSAs in all or a portion of the same area of a basin and create overlap, neither GSA is effectively formed. Facilitation services will help prevent this issue from occurring.

DWR has existing professional service contracts with professional facilitators to support local public agencies seeking to meet requirements of the SGMA. The contracts have been selected through an interagency agreement with the Center for Collaborative Policy at California State University, Sacramento and through competitively bid professional services contracts following the state contracting procedures to ensure a fair and reasonable cost to the state.

All other work activities associated with this proposal are covered by existing program funding including working with local public agencies to apply for facilitation support services and reviewing applications.

E. Outcomes and Accountability

Projected Outcomes

Workload Measure	BY FY16-17
Conduct additional outreach to local agencies to make them aware of facilitation support services	Announce facilitation support services through web announcement and email list
Local agencies to complete application for facilitation support services	10-20 applications received for facilitation support services
Review applications from local agencies and select areas to fund based on support criteria in DWR’s guidelines	10-20 local agencies selected for facilitation support services
Contracted facilitation professional to interview selected applicants to gauge scope, budget, and readiness to proceed	10-20 contract work orders developed to provide facilitation support services
Local agencies form groundwater sustainability agencies	10-20 new groundwater sustainability agencies formed

F. Analysis of All Feasible Alternatives

Alternative 1- Approval of Entire Request

Pro: This would permit DWR to provide facilitation support services to 10-20 local public agencies with the goal of forming a groundwater sustainability agency under SGMA.

Con: Increase one-time obligation to the General Fund.

Alternative 2- Partial Funding of Request

Pro: Lower one-time obligation to the general fund.

Con: Reduced number of local agencies receiving necessary facilitation support services resulting in fewer local agencies forming groundwater sustainability agencies necessary under SGMA.

G. Implementation Plan

DWR has existing professional service contracts with professional facilitators to support local public agencies seeking to meet requirements of the SGMA. DWR already has requests for facilitation support services that are ready to go once funding is made available. DWR will conduct additional outreach seeking additional applicants for facilitation support services.

Date	Task
July-September 2016	Conduct additional outreach to local agencies to make them aware of facilitation support services
July-September 2016	Local agencies to complete application for facilitation support services
July-September 2016	DWR reviews applications from local agencies and selects areas to fund based on support criteria in DWR's guidelines
July-September 2016	Contracted facilitation professional to interview selected local agencies to gauge scope, budget, and readiness to proceed with groundwater sustainability agency activities.
July 2016- June 2017	Contracted facilitation professional working with local public agencies on groundwater sustainability agency formation outreach and implementation activities
June 30, 2017	Local agencies form groundwater sustainability agencies

H. Supplemental Information

None.

I. Recommendation

Approve Alternative 1, as proposed.