

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

Fiscal Year 2016-17	Business Unit 3940	Department State Water Resources Control Board	Priority No. 33
Budget Request Name 3940-033-BCP-BR-2016-GB		Program 3560 Water Quality	Subprogram N/A

Budget Request Description
 Increase to Board Members Per Diem

Budget Request Summary

This proposal requests an increase of \$335,000 in various special funds for increased regional board member per diem payments and budget Trailer Bill Language (TBL) to improve the recruitment and retention of Regional Water Quality Control Board (Regional Water Board) members and fairly compensate Regional Water Board members for their time. The proposal (1) increases Regional Water Board member per diem from \$100 to \$500, (2) authorizes Regional Water Board members to receive one day's per diem to review materials in preparation for board meetings, and (3) increases the existing annual cap of \$13,500 in diem allocated for each Regional Water Board to reflect the proposed increase in Regional Water Board member per diem, and modifies the per diem cap to apply as a single statewide cap on all nine Regional Water Boards, rather than as a cap on each individual Regional Water Board.

Requires Legislation <input checked="" type="checkbox"/> Yes <input 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 No	Code Section(s) to be Added/Amended/Repealed	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 	Date 1/7/16	Reviewed By 	Date 1/7/16
Department Director Tom Howard	Date 1/7/16	Agency Secretary 	Date 1/7/16

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 Ellen Moratti	Date submitted to the Legislature	JAN 11 2016
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Analysis of Problem

A. Budget Request Summary

This proposal would make the following changes to how Regional Water Board members are compensated:

- Raise the per diem amount from \$100 per day to \$500 per day.
- Cap total statewide expenditures for regional board member per diem in lieu of the current cap for each regional board. This cap is in accordance with the increased per diem payments proposed and assumes each regional board meets once monthly).
- Allow one day of per diem compensation to Regional Water Board members for the purposes of board meeting preparation.
- Delete provisions stating that Regional Water Board members receiving unrelated salary are not eligible for per diem.

B. Background/History

There are nine Regional Water Boards. The nine Regional Water Boards are semi-autonomous and are comprised of seven part-time board members appointed by the Governor and confirmed by the Senate. Regional boundaries are based on the unique differences in climate, topography, geology and hydrology for each watershed. Each Regional Board makes critical water quality decisions for its region including setting standards, issuing waste discharge requirements, determining compliance with those requirements, monitoring water quality, and taking appropriate enforcement action. Regional Water Boards address highly technical, complex and controversial water quality issues in the State, and serving on Regional Water Boards is time consuming, requires knowledge and understanding of water quality law, scientific and engineering principles, and involves significant engagement with stakeholders.

Notwithstanding the significant demands placed on people who volunteer to serve on the Regional Water Boards, Regional Water Board members are only compensated with \$100 per diem payment for each day on which the member performs official duties. This per diem payment is the only form of compensation provided to Regional Water Board members by the State. Current law sets a \$13,500 cap on the total amount of per diem payments that each Regional Water Board may pay to its members per fiscal year.

The \$100 per diem amount and the \$13,500 cap have not increased since 1989. The low per diem compensation do not reflect current economic conditions, which have changed substantially in the past quarter-century, and do not adequately compensate people serving on the Regional Water Boards for the significant responsibilities that are placed upon them. Additionally, current law does not explicitly allow Regional Water Board members to receive per diem for the time they spend preparing for board meetings, which is a necessary activity to participating in these board meetings, given the complexity of the issue. The low per diem rate makes it difficult to recruit and retain people who are willing to serve on the Regional Water Boards, and particularly makes it difficult to recruit and retain people who reflect the economic diversity of the state.

Additionally, the existing annual cap on per diem of \$13,500 per Regional Water Board can limit the ability of Regional Water Board members to attend meetings with stakeholders and attend community events on behalf of the Regional Water Board because doing so could cause the per diem cap to be exceeded. Recently, several Regional Water Boards have come close to exceeding their \$13,500 annual per diem cap, and at least one Regional Water Board estimates it will exceed the cap in Fiscal Year 2015/16 if it proceeds with its current work plan.

Analysis of Problem

C. State Level Considerations

California's nine Regional Water Quality Control Boards are based on watersheds, and the water quality issues affecting each region vary according to climate, geology, hydrology, land use and urbanization. Boards develop Total Maximum Daily Loads for regional water bodies, issue National Pollutant Discharge Elimination System permits, and address new water quality issues as they arise. Board members must familiarize themselves with a substantial amount of technical material in order to make appropriate water quality decisions.

The Regional Water Boards play an important role in overseeing water quality in the State of California. Regional Water Board members must be able to understand a complex regulatory landscape, be familiar with the array of potential threats to beneficial uses of water in their local watershed, and able to work with environmental advocates, industry groups, local governments, and the public in order to come up with workable solutions. The Regional Water Boards issue permits and waste discharge requirements in fields that are rapidly changing, such as storm water and marijuana cultivation.

D. Justification

It is important that the State of California have the widest pool of candidates possible to do the challenging work of a Regional Water Board member. The Regional Water Boards must also be properly representative of the state's residents; this includes the need to have economic diversity among the board members. Water quality affects all Californians, and those without substantial income should not be excluded from participation in its oversight. Raising the per diem amount would help to alleviate these problems.

Per Diem should not apply solely to participation in officially noticed board meetings. Board meeting items include complex and controversial matters such as National Pollutant Discharge Elimination System permits; creating and overseeing large programs, such as irrigated agriculture or cannabis cultivation, that are critical to protecting water quality in California; and adoption of regulations in the form of water quality control plans. Agenda materials often include complex technical documents that address novel scientific, engineering, and legal issues that the board members must decide. Preparing for these agenda items is a necessary part of the duties of a Regional Water Board member. Therefore, pdiem should be extended to preparation for meetings in order to recognize this fact.

No good policy reason exists to deny per diem to board members who have salaried jobs, and doing so is inconsistent with the policy of creating boards comprised of members with diverse backgrounds and experience. This provision can arbitrarily exclude a large pool of potential candidates for Regional Water Board membership.

E. Outcomes and Accountability

This proposal will provide equitable compensation for regional board members' time and make it more likely that the pool of candidates for such positions will expand. Further, the proposal may improve regional board member retention and will provide greater flexibility to allocate per diem payments across the state in regions with the most need for board member input and guidance at any given point of time within the year. The Water Board will assess retention rates over time, and plans to conduct board member surveys to determine if this proposal results in greater economic diversity among the membership, and therefore a greater amount of representation of the residents of California.

F. Analysis of All Feasible Alternatives

1. Approve this request as submitted.

Cost: Increase \$335,000 In Administration/Distributed Administration. (The Water Board is able to absorb a portion of the total increase of \$300,000 within existing resources.)

Analysis of Problem

Advantage: This proposal will provide needed funding and statutory authority to compensate Regional Water Board members appropriately for their efforts and will likely improve recruitment and retention. Applying the annual cap on a statewide basis will provide the Water Boards with flexibility to address varying workloads across regions without further changing the current appropriation. Allowing the per diem for board meeting preparation is consistent with good government principles by encouraging thorough preparation for complex issues and recognizing the important job that regional water board members perform as volunteers.

Disadvantage: The additional flexibility in per diem compensation may encourage all Regional Water Boards to use more per diem.

2. Deny the request.

Cost: No cost.

Advantage: No increased cost.

Disadvantage: The \$100 per diem amount and the \$13,500 cap have not increased since 1989. The low per diem compensation do not reflect current economic conditions, which have changed substantially in the past quarter-century, and do not adequately compensate people serving on the Regional Water Boards for the significant responsibilities that are placed upon them.

3. Approve the language making the per diem total compensation pool accessible by all Regional Water Boards, rather than dividing the pool into nine separately accessible portions for each Regional Water Board but not the remainder of the proposed trailer bill language or the increased per diem proposed compensation level.

Cost: No cost.

Advantage: No increased cost.

Disadvantage: The \$100 per diem amount and the \$13,500 cap have not increased since 1989. The low per diem compensation does not reflect current economic conditions, which have changed substantially in the past quarter-century, and do not adequately compensate people serving on the Regional Water Boards for the significant responsibilities that are placed upon them.

G. Implementation Plan

Implementation of this proposal would begin on July 1, 2016, and/or upon approval of the FY 2016-17 Budget.

H. Recommendation

We recommend Alternative 1, to increase the per diem cap to adequately compensate Regional Water Board members to reflect current economic conditions, which have changed substantially in the past quarter-century. This alternative will aid in the recruitment and retention of members willing to serve on the Regional Water Boards and who reflect the economic diversity of the state.

BCP Fiscal Detail Sheet

BCP Title: Increase in Board Member per diem

DP Name: 3940-033-BCP-DP-2016-GB

Budget Request Summary

FY16

	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
539X - Other	0	335	335	335	335	335
Total Operating Expenses and Equipment	\$0	\$335	\$335	\$335	\$335	\$335
Total Budget Request	\$0	\$335	\$335	\$335	\$335	\$335

Fund Summary

Fund Source - State Operations						
0439 - Underground Storage Tank Cleanup Fund	0	335	335	335	335	335
Total State Operations Expenditures	\$0	\$335	\$335	\$335	\$335	\$335
Total All Funds	\$0	\$335	\$335	\$335	\$335	\$335

Program Summary

Program Funding						
3560 - Water Quality	0	335	335	335	335	335
9900100 - Administration	0	335	335	335	335	335
9900200 - Administration - Distributed	0	-335	-335	-335	-335	-335
Total All Programs	\$0	\$335	\$335	\$335	\$335	\$335