

STATE WATER RESOURCES CONTROL BOARD FUND INFORMATION

FUND STRUCTURE:

The State Water Board budget supports water quality and water rights programs at the State Board and nine regional boards. In fiscal year 2008-09, the State Water Board is authorized to spend \$280.6 million of its \$1.1 billion budget on state operations and the remainder on water projects at the local level (local assistance) and Underground Storage Tank Claims.

The State Water Board budget has a complex funding structure that includes 57 individual fund sources when all of the federal grants (16) and reimbursement agreements (13) are taken into account. These funds are used for a broad range of program activities throughout the state.

The annual Budget Act, from the Legislature gives us expenditure authority for the Water Board's many program areas. The budget is developed using a baseline methodology, not a zero-based methodology. This means that funding is allocated to specific program areas and is only changed when the Governor and Legislature approves changes, such as through the Budget Change Proposal Process. This method of budgeting does not allow for flexibility in how funds are used, since funding is associated with specific programs and therefore controlled by the Budget Act. These restrictions on the use of funds does not allow the State Water Board to redirect resources to other programs without legislative approval. The use of most of these funds is restricted to specific activities by statute, grant or contract agreement. For example, bond funds are highly restrictive in the types of activities that can be funded; administrative and oversight costs allowed are minimal. Special funds also tend to be restrictive in their use. The State Water Board's operating budget is 14 percent General Fund and 86 percent special funds.

The Department of Finance provides direction on the expenditure authorization controls that are laid forth in the Budget Act. This basically reminds Agency Secretaries and Department/Board Directors that they are responsible for compliance with the provisions of the Budget Act, as well as other administrative and statutory requirements controlling expenditures. Ultimately, the Secretary of the California Environmental Protection Agency and the State Water Board Executive Director are held responsible for managing our finances.

With such a complex funding structure, program managers have additional difficulty in managing their budgets. The State Water Board does not budget "people" to specific fund sources, but to activities. Within our 57 fund sources we have over 1,000 cost accounting codes that staff identify when charging time to specific activities. Therefore, a great deal of energy is spent to ensure that all funds are spent properly each year.

THE WATER BOARD'S BASELINE BUDGET IS DISTRIBUTED AS FOLLOWS:

General Fund (\$40.3 million):

The General Fund has existed since the beginning of the state as a political entity. It is the principal operating fund for the majority of governmental activities and consists of all money received in the Treasury that is not required by law to be credited to any other fund.

- Total Maximum Daily Load Program	\$10.8 million
- Water Quality Planning (Basin Plans)	\$ 6.1 million
- Timber-Forest Activities	\$ 4.3 million
- NPDES (Waste Water Facilities)	\$ 1.3 million
- Agricultural Waivers	\$ 1.7 million
- Water Rights Program	\$ 3.8 million
- Leviathan Mine	\$ 2.5 million
- Site Cleanup Program	\$ 2.1 million
- Non-Petroleum UST	\$ 1.5 million
- CALFED	\$.7 million
- Various Other Programs (Undistributed EE Comp)	\$ 5.5 million

Waste Discharge Permit Fund (WDPF) (\$81.5 million):

The Waste Discharge Permit Fund is a depository for fees collected from wastewater dischargers for use in carrying out water quality control laws.

- NPDES	\$14.8 million
- Stormwater	\$17.2 million
- 401 Certification	\$ 2.9 million
- Waste Discharge Requirements	\$14.5 million
- Dairies	\$ 2.4 million
- Landfills	\$ 5.7 million
- Agricultural Waivers	\$.4 million
- Enforcement	\$ 4.6 million
- Water Quality Monitoring (Surface and Groundwater)	\$ 8.5 million
- Water Quality Planning (Basin Plans)	\$ 1.0 million
- Fee Unit	\$.9 million
- Transfer to CAA	\$ 3.2 million
- Various Other Programs (Undistributed EE Comp)	\$ 5.4 million

Integrated Waste Management Account (IWMA) (6.8 million):

Chapter 1095, Statutes of 1989 created the Integrated Waste Management Account within the Solid Waste Management Fund as a depository for tipping fees authorized to be collected pursuant to Section 48000 of the Public Resources Code.

- Landfills \$ 6.8 million

Underground Storage Tank Cleanup Fund (USTCF) (\$45.5 million in staff and \$191.3 in claims):

The primary purpose of this fund is to provide financial assistance to the owners and operators of USTs containing petroleum to remediate conditions caused by leaking USTs; reimburse for third party damage and liability; and assist in meeting financial responsibility requirements under federal law. Money from the fund can also be used for the Local Oversight Program; cleanup of emergency, abandoned and recalcitrant UST sites; and program administration.

- USTCF \$ 14.9 million
- USTCF Claims \$191.3 million
- Leaking Underground Storage Tanks (UST) \$ 30.6 million

Water Rights Fund (WRF) (\$7.7 million):

This fund was created to deposit all fees, expenses, and penalties collected by the Water Board (board) or the State Board of Equalization for Water Rights related program activities.

- Permits/Licenses \$ 1.1 million
- Applications \$.4 million
- Technical Assistance \$ 1.3 million
- Bay-Delta \$.5 million
- Hearings/Petitions \$ 1.6 million
- Enforcement \$ 1.1 million
- Various Other Programs \$ 1.7 million

Bond Funds-Local Assistance (\$627.9 million):

Bond funds are created for specific uses depending on the language included in each Bond Act. These funds are typically used for grants and loans to various entities.

- 1996 Bond (Prop 204) \$ 16.6 million
- 2000 Bond (Prop 13) \$ 28.5 million
- Proposition 40 \$ 3.7 million
- Proposition 50 \$ 25.4 million
- Proposition 84 \$143.8 million

- SRF/Other Bonds \$409.9 million

Special Funds (\$31.7 million):

These funds are collected and used for specific program areas, some are cost recovery and others have legislation associated with them to specify their allowable uses.

- Watershed Management Initiative \$ 1.5 million
- Mono Lake \$.2 million
- Solar Evaporators \$.2 million
- Spills, Leaks, Investigations, Cleanups \$27.7 million
- Unified Program Administration \$.6 million
- Other Special Funds \$ 1.5 million

Federal Funds (\$38.5 million):

Chapter 1284, Statutes of 1978 created this fund for the deposit of all moneys received by the state from the federal government where the expenditure is administered through or under the direction of any state agency. The purpose of this fund is to provide better accountability of the receipts and expenditures of federal funds that are received by the state.

- Navy Cost Recovery Program \$ 4.2 million
- Federal Leaking UST Program \$.6 million
- Federal 319H Program (nonpoint source) \$14.2 million
- Water Quality Monitoring \$ 8.7 million
- Other Federal Grants \$ 2.4 million
- Available authority for additional Federal Grants \$ 8.4 million

Reimbursements (\$6.2 million):

The Department of Finance created fictitious funds for budgetary purposes only. Reimbursements (0995) is used to capture totals for reimbursements as a funding source. This is not a fund in the State Treasury but is used in the schedule of appropriation for reimbursements.

- CalFED \$ 1.0 million
- Operator Certification Program \$.5 million
- Department of Defense \$ 4.5 million
- Other reimbursements \$.2 million

STATE WATER RESOURCES CONTROL BOARD

FUNDING FACT SHEET

FY 2008/09

(Dollars in Thousands)

FUNDING

TOTAL STATE AND REGIONAL BOARD BUDGETS	\$1,077,381
LESS: UNDERGROUND TANK CLAIMS PAYMENTS	(\$191,325)
LESS: SRF*	(\$300,000)
LESS: LOCAL ASSISTANCE	(\$305,486)
<u>NET FUNDING SUPPORT FOR BOARD PROGRAMS</u>	<u>\$280,570</u>

PERSONNEL YEARS (PYs)

STATE BOARD	703.8
REGIONAL BOARDS	892.7
<u>TOTAL PERSONNEL YEARS</u>	<u>1,596.5</u>

BREAKDOWN BY FUNDING SOURCE

FUND TYPE	NUMBER OF FUND SOURCES WITHIN TYPE	TOTAL DOLLARS	PERCENT OF TOTAL
GENERAL FUND	1	\$40,283	14%
FEDERAL FUNDS	16	\$38,470	14%
WATER QUALITY FEES (WDPF)	1	\$81,472	29%
WATER RIGHTS FEES (WRF)	1	\$7,669	3%
TANK FUNDS	3	\$46,200	16%
BOND FUNDS	16	\$22,352	8%
REIMBURSEMENTS	13	\$6,198	2%
OTHER**	6	\$37,926	14%
<u>TOTAL NET FUNDING</u>	<u>57</u>	<u>\$280,570</u>	<u>100%</u>

*Includes SRF Funding that is not included in the annual Governor's Budget (revenue bond).

**Cleanup and Abatement Account

Marine Invasive Species Control Fund

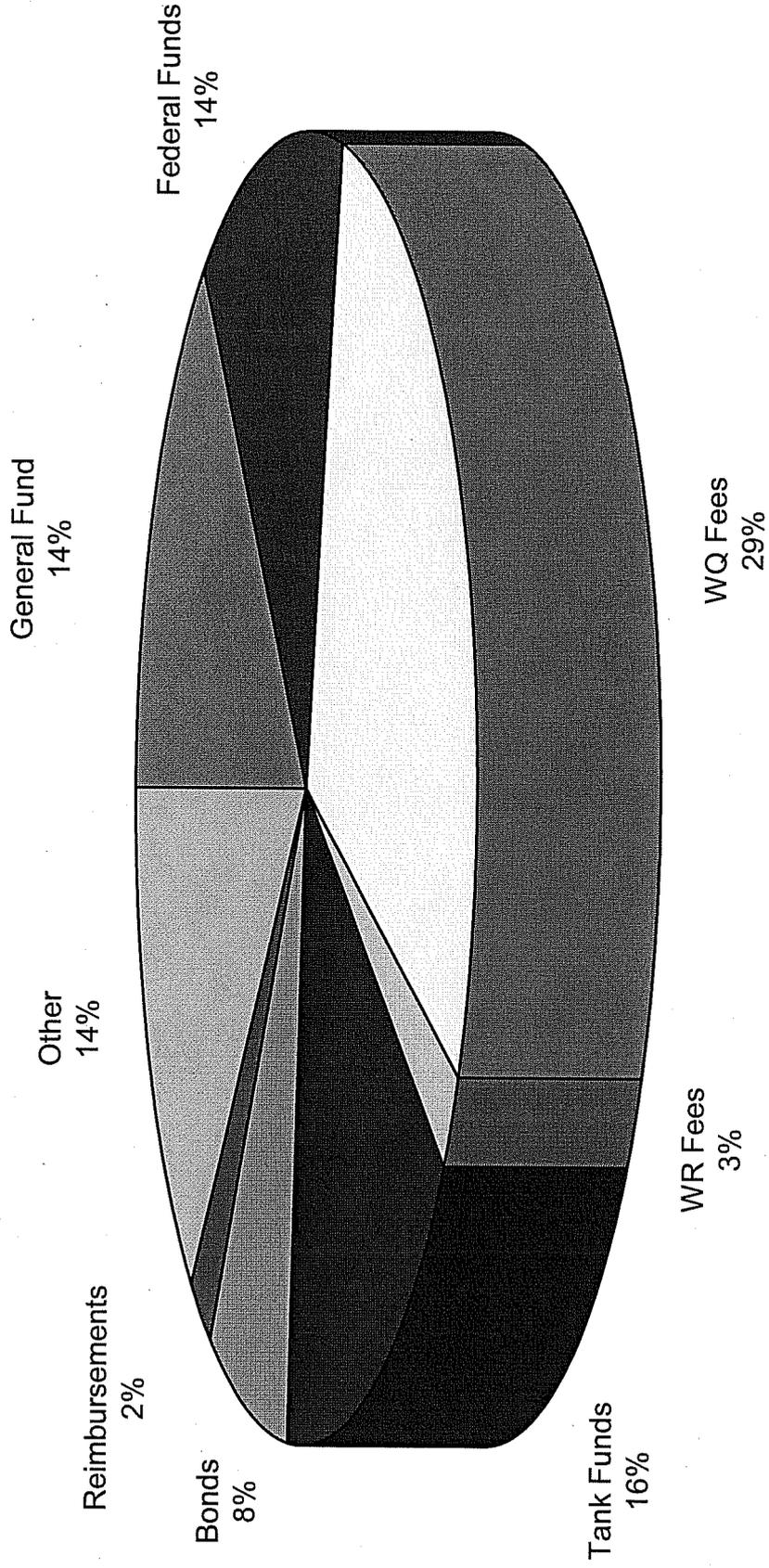
Integrated Waste Management Account

Surface Impound Assessment Account

Tobacco Tax Fund

Unified Program Account

State Water Resources Control Board
Breakdown of the Budget by Fund Source*
Fiscal Year 2008-09



*Does not include UST Claims and Local Assistance.

State Water Resources Control Board
LINE ITEM ALLOTMENTS
Fiscal Year 2008-09 (dollars in thousands)

