



Consideration of Delta Conservancy Budget Report

Requested Action: Inform the Board on the Delta Conservancy's Budget for Fiscal Year 2010-11.

Summary

This report provides an overview of the budget and expenditures for the Delta Conservancy for fiscal year 2010-11 and also provides information on potential spending trends for fiscal year 2011-12. Information provided below includes: major categories of expenditures, brief descriptions of tasks or activities that will be most costly this fiscal year and may be next, and a brief discussion of possible activities to fund this fiscal year given salary savings from vacant Conservancy positions.

Background

This report is based on the Governor's approved baseline budget for the Delta Conservancy of \$1,329,000 for Fiscal Year 2010-2011. Table 1 summarizes the major categories of expenditures for the Delta Conservancy, as well as salary savings due to vacant positions and a placeholder for reimbursable funds which allows for funds from other organizations to be transferred for the Conservancy work such as the strategic plan.

Total Funding for Delta Conservancy	\$1,329,000
Salaries and Benefits ¹	\$475,000
Operating Expenses	\$132,755
Contracts	\$76,500

Table 1. Delta Conservancy Expenditures

Additional 5% Budget Reduction	\$6,645
Salary Savings from Vacancies ²	\$138,100
Reimbursable	\$500,000

1 = Includes 5% salary savings

For fiscal year 2010-11, the major expenditures will include staff salaries, some one-time operational costs associated with securing a permanent office facility and moving into this facility, and the contract with Department of Justice for legal services. The operational costs related to moving into a permanent building include: developing an IT infrastructure, purchasing a copier, printers and fax machine along with other miscellaneous office equipment and furnishings. A substantial portion of the necessary office furniture will be provided by the Delta Stewardship Council as a result of their move to a new, but smaller facility.

The Delta Conservancy will have substantial salary savings as a result of vacancies for several positions. Table 2 summarizes the vacant positions and estimated period of time these positions will be vacant during this fiscal year.

Table 2. Delta Conservancy Vacancies for FY 2010-11

Position	Time position vacant
Executive Officer	5.5 months
Environmental Scientist	8 months
AGPA 1	1.5 months
AGPA 2	2.5 months

These salary savings currently provide the only source of available funding for activities associated with developing the Delta Conservancy's Strategic Plan and could be used for activities such as hiring a professional facilitator for the strategic planning workshops and meetings. If feasible, a portion of these funds could also support costs associated with hiring consultants to develop the strategic plan document with additional funds coming from outside sources. Any additional resources most likely would occur during the next fiscal year.

Without the Conservancy's strategic plan in place, it is difficult at this time, to identify additional activities, projects or programs. Once work has begun on the strategic plan, including refining the Conservancy's mission statement, vision statement, goals and objectives, it will be possible to identify opportunities where additional funding could be used. With development of a strategic plan it will be possible to prioritize opportunities that best meet the near and long-term objectives of the Delta Conservancy.

To ensure the accuracy of all costs estimates associated with Conservancy activities, staff will work closely with the control agencies (i.e. Natural Resources Agency, Department of Finance and Department of General Services) in receiving and reviewing expenditure reports. Due to the late date at which the State's budget was signed, expenditure reports from the control agencies may not be available until December 2010 or January 2011. After these reports are available, staff will again review all program elements and provide updates to the Board.

Because the Conservancy is a new agency and engaged in many start-up tasks, there will be a degree of uncertainty in these first few years regarding program costs. Staff will strive to secure accurate information to reduce this level of uncertainty. For the current fiscal year the greatest uncertainties will be associated with moving costs, strategic plan development and length of vacancies for some positions.

Staff has also begun looking at program costs for fiscal year 2011-12. Salaries will continue to be the largest budget item. Operational costs will consist of more stable and long-term items such as rent, IT maintenance and support, and routine business needs. Contracting costs will continue to cover legal services and will increase if consultants are hired to assist in writing the strategic plan. Overall, expenditures for the Conservancy needs to be further refined in preparation for submission of a Spring Finance letter to the Department of Finance in February 2011. Staff will continue to work on this element and provide updates to the Board as appropriate.

Contact

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