

CALFED Fiscal and Administrative Issues

Summary: Full federal funding for the remainder of the existing federal/state contract has not been secured. Adequate federal funds need to be identified for FY 99, and state and federal funding through December 2000. The CALFED Bay-Delta Program does not legally exist. Lack of direct control over administrative functions causes a number of problems.

Fiscal/Budget Issues

- Fiscal Year 1999 federal funding for the CALFED Program is not in the President's budget. State funding for the remainder of the CALFED Program, through May 1999, has been committed for the CALFED Program. However, as the Policy Group has committed to extend the Program through December 2000, additional funds must be secured.
- \$143 million requested for FY 99 in federal funds is for ecosystem restoration. Only a portion of the \$143 million will be available to support the CALFED Program. For example, of the \$85 million in FY 98, only \$2.7 million was used for Program support related to ecosystem restoration. For FY 99, special support program is allocated for \$5 million. All other funding is for project-specific restoration actions.

Institutional and Administrative Issues

Following are examples which highlight the administrative problems for the CALFED Program under the present CALFED structure.

- Recruitment. It is becoming increasingly more difficult to recruit staff due to the limited term of the Program. With only a year remaining in the present contract for CALFED, all new positions are required to be one-year limited term positions. Even with an extension through 2000, significant uncertainty will deter people from wanting to join the Program.
- Contracts. Although the contracting staff of both agencies have worked hard at meeting Program needs, contracting continues to be administratively inefficiency and cumbersome using either DWR or USBR for all contracts.
- Category III/Ecosystem Restoration Implementation. Managing the multiple funding sources under a common virtual pool policy is difficult legally, fiscally, and administratively.

- Space. CALFED does not have authority to sign a lease for additional space for the Program. The space constraints are affecting recruitment of new staff and causing difficulties for existing staff.
- Program Control. The Executive Director has no direct responsibility/authority for staff. All hires, promotions, awards, etc., must be executed through one of the CALFED agencies. This severely limits the Executive Director's ability to manage the Program.
- Applicable state and federal laws, regulations and procedures. Because CALFED agencies are governing by differing rules, the Executive Director has to determine which rules apply under which circumstances, and how to address inconsistencies between these rules. In addition, some agencies have questioned the nature of the Program's legal representation by challenging the Executive Director's attorney-client relationship with counsel.