

Memorandum

To: Julie Moore

From: Emily Bird

Date: August 4, 2020

CC: Peter Walke, Neil Kamman, Emily Byrne

Re: DRAFT SFY21 Clean Water Budget Guiding Principles

Given the extreme time constraints between receiving revised revenue forecasts at the August 12th Emergency Board meeting and the August 18th Governor's budget recommendation deadline, the Clean Water Board will approve a plan to revise the SFY21 budget, rather than issuing a revised SFY21 clean water budget recommendation. The Clean Water Board's plan to revise the SFY21 budget may involve the following:

1. Agency staff determine the percent reduction relative to the original SFY21 Governor recommended budget (January 2020) based on outcomes of the August 12th Emergency Board meeting.
2. Agency staff apply the percent reduction straight across agencies'/departments' total proposed appropriation (unless the Board recommends otherwise).
3. Agency staff determine breakdown of total appropriation at the line item level, based on guiding principles established by the Clean Water Board during the August 5th Board meeting.
4. Agency staff report back to the Clean Water Board with the revised SFY21 clean water budget at the line item-level.

Upon consulting with a subset of the Interagency Clean Water Initiative Finance and Reporting Subcommittee, the following guiding principles are recommended for agencies to apply when translating agency-level appropriations into clean water budget line items.

1. Fully fund, to the extent feasible, financial commitments required in statute, required to meet statutory obligations, or committed as match to leverage federal funds (e.g., Tactical Basin Planning support).
2. Level-fund with SFY20, and increase funding where feasible, programs directly supporting design and implementation of projects and best management practices (BMPs) to reduce sediment and nutrient pollution (e.g., natural resources restoration, water quality grants to partners and farmers). Funds should be prioritized to the most cost effective implementation programs within agencies'/departments' appropriations.
3. Defer or scale, where appropriate, funds to support programs where timelines/deadlines are/may be extended as a result of COVID-19-related challenges (e.g., start-up funds to Clean Water Service Providers).
4. Defer or scale, where appropriate, funds to programs that play a supporting role to clean water work but would not have a direct impact on outputs/outcomes if deferred/reduced for one year (e.g., development of new innovative best management practices).