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**Sent:** Monday, September 26, 2011 10:57 AM  
**To:** Melissa Miller-Henson  
**Subject:**

I had an opportunity to look at the recent DFG presentation regarding underfunded mandates and was a little surprised by the numbers that were provided in regards to the NCCP program. So, I went through the DFG budget, past approved Budget Change Proposals, etc. to try and recreate the numbers that they provided. With considerable effort, I was able to figure out where their numbers came from and have attached an explanation. They lumped multiple programs together and the actual amount of funding for what most people refer to as the NCCP programs is significantly less than what it said in their presentation. The DFG actually has three independent programs that are involved in NCCPs.

The are Bay Delta Conservation Plan (BDCP NCCP)- Water Branch  
Desert Renewable Energy Conservation Plan (DRECP NCCP)- Renewable Energy Support and Climate Branch  
NCCP Program (assisting cities, counties, CALTRANS and other state agencies except DWR and CEC develop NCCPs)- Habitat Conservation Planning Branch

Having this more detailed information will hopefully help inform decisions regarding the magnitude of underfunding and identifying potential solutions regarding this identified underfunded program.

Ron Rempel

## Clarifying Unfunded and Underfunded DFG Programs- The Natural Community Conservation Planning Program Example

There are three independent Natural Community Conservation Planning (NCCP) programs within the Department of Fish and Game. Although their authorities stem from the same statute (Fish and Game Code Section 2800 et. seq.), the three NCCP programs operate independently of each other, receive their funding from different sources and are managed by three different groups within the Department. The three NCCP programs have responsibility for :

1. Bay-Delta Conservation Plan (BDCP)- Water Branch
2. Desert Renewable Energy Conservation Plan (DRECP)- Renewable Energy Support and Climate Branch
3. NCCP Program (local and state governments)- Habitat Conservation Planning Branch.

For simplicity sake and since the DFG internally refers to these programs as BDCP, DRECP, and NCCP, those titles are utilized throughout this document. The following are brief descriptions of each program. Note that they all have their own website address of which only one is a DFG website.

**BDCP-** “The Bay Delta Conservation Plan (BDCP) is being prepared by a group of local water agencies, environmental and conservation organizations, state and federal agencies, and other interest groups.

The BDCP is being developed in compliance with the Federal Endangered Species Act (ESA) and the California Natural Community Conservation Planning Act (NCCPA). When complete, the BDCP will provide the basis for the issuance of endangered species permits for the operation of the state and federal water projects. The plan would be implemented over the next 50 years. The heart of the BDCP is a long-term conservation strategy that sets forth actions needed for a healthy Delta.” (BDCP website <http://baydeltaconservationplan.com/BDCPPlanningProcess/AboutBDCP.aspx>)

**DRECP-** “The DRECP is a Natural Community Conservation Plan (NCCP), which will help provide for effective protection and conservation of desert ecosystems while allowing for the appropriate development of renewable energy projects. It will provide long-term endangered species permit assurances to renewable energy developers and provide a process for conservation funding to implement the DRECP. It will also serve as the basis for one or more HCPs under the Federal Endangered Species Act.” (DRECP website <http://www.drecp.org/about/index.html>)

**NCCP Program-** “The Natural Community Conservation Planning (NCCP) program of the Department of Fish and Game is an unprecedented effort by the State of California, and numerous private and public partners, that takes a broad-based ecosystem approach to planning for the protection and perpetuation of biological diversity. An NCCP identifies and provides for the regional or area-wide protection of plants, animals, and

their habitats, while allowing compatible and appropriate economic activity.

The NCCP program is a cooperative effort to protect habitats and species. The program, which began in 1991 under the State's [Natural Community Conservation Planning Act](#), is broader in its orientation and objectives than the [California](#) and [Federal Endangered Species Acts](#). These laws are designed to identify and protect individual species that have already declined in number significantly.

The primary objective of the NCCP program is to conserve natural communities at the ecosystem level while accommodating compatible land use. The program seeks to anticipate and prevent the controversies and gridlock caused by species' listings by focusing on the long-term stability of wildlife and plant communities and including key interests in the process.

Working with landowners, environmental organizations, and other interested parties, a local agency oversees the numerous activities that compose the development of a conservation plan. The Department of Fish and Game and the U.S. Fish and Wildlife Service provide the necessary support, direction, and guidance to NCCP participants. The NCCP approach to conservation is available statewide and planning efforts are underway in Butte, Santa Clara, Placer, Yolo, Sutter, and Yuba Counties, as well as with the Mendocino Redwood Company. There are currently 23 active NCCPs covering more than 11 million acres. “ (NCCP website- <http://dfg.ca.gov/habcon/nccp>)

While all three programs are part of the DFG's Program 20 Budget, their fund sources and funding levels are very different and each needs to be judged independently as to whether the particular program fits within the definition of an underfunded or unfunded program. Because of the fund source for each of the three different NCCP programs, there is little flexibility to utilize funds from one program for either of the other programs. The exception to this is that funds (ELPF and General Fund) in the NCCP Program could be utilized to fund DRCEP (Renewable Energy Funds) and BDCP, but neither DRECP nor BDCP (Prop 84 funds) program funds could be utilized to fund the NCCP Program.

Some confusion about the three programs arises from the internal designation allotments for the three programs. Two of the programs, BDCP and the NCCP Program appear in those allotments with a PCA code tile which includes the letters NCCP although these two programs can be teased apart by closely looking at both the PCAs and the full description for the program (i.e. the BDCP label is NCCP/BDCP). In regards to DRECP, the allotments and coding for this program do not include any reference to NCCP and as a result when DFG queries its budget for NCCP expenditures the outputs do not include any funds for DRECP.

In a recent presentation regarding unfunded and underfunded DFG programs, DFG provided information on the funding levels for the Department's NCCP programs (see attached). The information provided did not include any positions or funds for DRECP NCCP. It did include funding information for BDCP and the NCCP Program. It did not

provide the details needed to differentiate funding between the two programs. The bullets on the second page of the NCCP presentation almost exclusively pertain to the NCCP Program not the BDCP or DRECP programs.

The following is a clarification of the budget information in the presentation

Fund Source	Amount	Positions*	Comments*	Program*
Proposition 84	\$6,453,584	10	<p>This funding is broken down as follows:</p> <p>Positions- \$1,656,00</p> <p>Administrative Support- \$654,053</p> <p>Funding Realignment - \$25,090</p> <p>Ecosystem Restoration Projects- \$2,857,554</p> <p>Executive Allocation, holding- \$145,879</p> <p>Untrackable to intended use - \$1,144,928 but probably for implementation of ERP Projects</p>	BDCP- Water Branch
General Fund	\$1,524,429	9	7 positions are part of the	NCCP Program-

			NCCP program and 2 positions are positions working both on NCCPS and doing CEQA project review with the total PYs done	Habitat Conservation Planning Branch and Regions
Reimbursements	\$1,118,886		Of this total, \$379,415 is a reimbursable from PG&E for FGCode 2081 permitting, not NCCP. The remainder is reimbursable from DWR?, Central Valley Flood Protection Plan	<p>CESA Program-Habitat Conservation Planning Branch and Region 3 \$379,415</p> <p>Water Branch/Regions 1&amp;2 \$739,471</p> <p>Neither of the above are NCCPs</p>
CA Environmental License Plate Fund	\$545,125	6	DFG allotments include one position doing conservation banking in this total which is not part of the NCCP Program- therefore the number of positions should be reduced to 5	NCCP Program-Habitat Conservation Planning Branch
Special Deposit Fund	\$24,231		All of these funds appear to have been from	

			the interest earned on the account established by CALTRANS to fund preserve management on lands acquired to mitigate the impacts of new transportation projects in western Riverside County. These types of funds are not fungible nor are they accounted for as NCCP funds in any other plan areas.	
Total	\$9,666,175	25		

\* new information not provided in DFG presentation

Based on the above, a table reflecting the actual budget for 2 of 3 NCCP Programs would be:

Program	Fund Source	Purpose of Funds	Comments	Amount
Bay Delta NCCP	Prop 84	Positions	10 positions	\$1,144,928
	Prop 84	ERP Project Implementation		\$4,002,482
	Prop 84	Executive Allotments, Administrative Support etc.		\$795,022

<b>Total BDCP</b>				<b>\$6,453,504</b>
NCCP Program (Cities, Counties, etc.)	General Fund	Positions and local assistance grants	8	\$1,280,940
	ELPF	Positions	6	\$545,125
<b>Total NCCP Program (Cities and Counties)</b>			14	<b>\$1,826,065</b>
<b><u>Total BDCP and NCCP Program (Cities and Counties)</u></b>			<b><u>24</u></b>	<b><u>\$8,279,569, of which \$4,000,000+ is for one-time implementation of ERP projects – pre BDCP plan development- recurring annual cost for both programs is \$2,970,993</u></b>

**Total from DFG presentation- \$9,666,175 - actual recurring cost for BDCP and NCCP programs is \$3,482,065**

General fund- \$1,280,940

ELPF- \$545,125

Prop. 84- \$1,656,000

**NCCP not included in DFG presentation-**

DRECP was not included in the NCCP numbers provided by DFG. Budget Change Proposal No. 7 for FY 2009/10 authorized 22 positions for the development of the DRECP NCCP with a total associated cost of \$3,057,000.

Program Name	Fund Source	Purpose of Funds	Comments	Amount
DRECP	Reimbursable- Energy Commission Grants etc.	Positions	22 Positions Authorized – BCP 7 (FY09/10)	<b>3,057,000</b>

All three NCCP programs operate independently, maintain independent staffs, are managed by different Branches and develop their independent approaches to the planning processes, evaluation of plans, permitting process and plan implementation, and utilize primarily non-fungible funds to support the three NCCP programs. As a result, each of the three programs must be evaluated independently to determine if any of them is an unfunded or underfunded program. Based on the current funding levels and authorized positions, it appears that the DRECP and BDCP programs are neither an unfunded nor underfunded program whereas the NCCP Program (Cities, Counties, etc.) is an underfunded program (7 plans being implemented and 13 in preparation).