**General Fund Appropriation Request for FY 2018/2019**

March 5, 2018

# **Budget Request**

The California Central Valley Flood Control Association (CCVFCA) requests augmentation of General Funds to the Governor’s FY 2018/2019 Budget released on January 10, 2018 for an ongoing, annual appropriation of $100 million to begin implementing the 2017 Central Valley Flood Protection Plan (CVFPP)[[1]](#footnote-1) and a one-time appropriation of $400 million to repair the worst storm damage from the 2017 flood events.[[2]](#footnote-2) The ongoing additional annual General Fund appropriation of $100 million would be divided to implement following elements of the CVFPP:

* **$22.5 million** to reduce the backlog of deferred maintenance and to achieve the Operations, Maintenance, Repair, rehabilitation and Replacement (OMRR&R) goals outlined in the CVFPP by appropriating funding to existing levee grant programs, small community flood risk reduction projects and continued financial support of Regional Flood Management Planning Regions that are instrumental in aligning support from local flood management, agricultural, and environmental interests for flood risk reduction projects consistent with CVFPP.
* **$50 million** to cover the State’s portion of the non-Federal cost share for U.S. Army Corps of Engineers (USACE) projects in order to leverage appropriation of Federal funding that will enable use of the States credits amassed through recent implementation of levee improvements in advance of USACE construction.
* **$22.5 million** for the State to meet their obligations under Water Code Section 8361for OMRR&R of flood bypass channels (ie: Sutter, Tisdale, Sacramento, and Yolo).
* **$5 million** for system improvements to provide resilience from sea level rise and an increase in the frequency and severity of storm events (ie: atmospheric rivers) associated with the effects of climate change.

# **Flood Control Background**

The statewide flood damages since 1955 totals approximately $19.3 billion[[3]](#footnote-3) with annual direct flood damages of about $338 million per year.[[4]](#footnote-4) A series of storms in early 2017 delivered heavy precipitation, second only to 1983 as California’s wettest year in recorded history. While the SPFC levee system performed well, especially where State and local investments had been made with Prop 1E and 84 bond expenditures, there was substantial damage to State Plan of Flood Control levee system[[5]](#footnote-5) estimated to cost about $800 million to repair. In response, the Administration immediately redirected $80 million to repair the most critically damaged SPFC levees with General Funds that had previously been appropriated to address deferred maintenance. The USACE also spent an additional $14 million to repair damaged levees as part of the PL 84-99 program and will fund the repair of more sites in 2018. The remaining unrepaired damage is progressive in nature, therefore immediate repairs are needed to prevent more extensive and costlier future emergency repairs, and is the basis for the one-time appropriation request of $400 million.

In addition, the *CVFPP 2017 Update[[6]](#footnote-6)* identifies the need for a combined Federal, State, and local investment of $17 billion to $21 billion in routine maintenance, repairs and flood control system improvements over the next 30 years.[[7]](#footnote-7) However, the Governor’s *2018 Five-Year Investment Plan* failed to designate funding for the Department of Water Resources (DWR) to implement the CVFPP. With over $80 billion in damageable property currently protected by State Plan of Flood Control (SPFC) facilities, there is a significant risk to the state General Fund should the State fail to properly operate, maintain, and correct deficiencies with the flood control system that protects numerous cities, towns and communities throughout California’s Central Valley.

Recent Federal authorization of flood control projects in the Central Valley[[8]](#footnote-8) creates an opportunity to access Federal Funding for 50 to 65 percent of the total project costs, but it requires State and local funding to leverage this significant Federal investment.

# **Conclusion**

The extensive damage to the Oroville spillway and SPFC levee system from the series of storms in 2017 highlights the state’s flood risk and vulnerability. Moreover, scientists predict that the frequency and severity of storms will increase as the result of a changing climate, placing additional stress on the state’s existing flood protection infrastructure. In order to better manage its flood risk, continued State investments in flood control infrastructure remains essential and ongoing.

The State has a fundamental responsibility in protecting lives and property, providing for a stable economy and improving the environment. A one-time General Fund augmentation of $400 million is necessary to perform emergency repair of 2017 storm damage. To implement the 2017 CVFPP, an annual State General Fund appropriation of $100 million is needed to reduce the backlog of deferred maintenance of the SPFC levee and bypass system, to support the investments made to date through Prop 1E and 84 bond funds, and to leverage future Federal funding. Local flood control agencies are ready to perform this levee work on behalf of the State and committed to providing local funding to supplement the State’s flood risk reduction investments.

1. 2017 CVFPP, Table 4-3, identifies $118-$144 million needed annually for routine maintenance (OMRR&R) of SPFC levees and bypasses. [↑](#footnote-ref-1)
2. “*2017 Storm Damage Emergency Rehabilitation Program Summary*,” DWR, October 27, 2017”: DWR and USACE evaluations identified 395 levee damage sites. [↑](#footnote-ref-2)
3. Total cost of damages since 1955 is in 2015 dollars. [↑](#footnote-ref-3)
4. “*Central Valley Flood Protection Plan Investment Strategy*,” Draft Technical Memorandum, DWR, March 2017. [↑](#footnote-ref-4)
5. “*2017 Storm Damage Emergency Rehabilitation Program Summary*,” DWR, October 27, 2017. [↑](#footnote-ref-5)
6. The CVFPP was adopted by the Central Valley Flood Protection Board on August 25, 2017. [↑](#footnote-ref-6)
7. 2017 CVFPP, Figure 4-9, identifies State’s portion to be 56% ($9.7-$11.9 billion). [↑](#footnote-ref-7)
8. The Central Valley Flood Protection Board has 15 active studies and project cost share agreements with the USACE. [↑](#footnote-ref-8)