

MEMORANDUM

To: RMP Steering Committee
From: Meg Sedlak
Date: January 23, 2006

Re: RMP Budget Increases for 2006, 2007, 2008, and 2009

This memorandum summarizes the discussions last year regarding increases to the RMP budget. In April 2005, Dr. Connor prepared and presented a memorandum regarding a method for evaluating the program and proposing increases (see attached). This memorandum was discussed at the April 18th SC meeting and it was agreed by the SC that the program would be held to a zero percent increase for 2006 and then would increase by two percent for 2007, 2008, and 2009. After 2009, changes in fees would be reconsidered.

To: RMP Steering Committee
From: Mike Connor, SFEI
Subject: Budget Review Process for 2007 and Beyond
Date: April 4, 2005

Recommendation:

That the Steering Committee:

1. Determine which, if any, parts of the budget they would like to subject to a detailed review.
2. Respond to a BASMAA proposal for future budget increases.

Discussion:*Introduction*

At the last Steering Committee meeting, SFEI staff developed a budget review process that would address the ability of RMP participants to ensure that the program budget was appropriately matched to the available funding and expectations of the adaptive implementation process for the implementation of water quality attainment strategies. At the same time, the 2006 budget was set for a 0% increase. In further discussions with BASMAA, it became clear that the issue was not the specific value of any particular budget item, but the overall impact of any budget increases on public agencies with limited coffers.

BASMAA Budget Proposals

BASMAA's Executive Committee suggested two possible approaches to address their concerns about the total budgetary impact of RMP fee increases:

- Instead of increasing the RMP budget at the level of the Consumer Price Index (CPI), the procedure in the last two years, set the RMP budget increase at half the CPI.
- Alternatively, increase the RMP budget at the level of the CPI, capped at some maximum between 2-3%.

BASMAA Budget Proposals Impact

At current levels of inflation, the impact of both ideas would be about \$25-50,000 each year with compounding. These reductions would result in some programmatic adjustments in the RMP. Staff have given some examples in previous summaries to the Steering Committee. Staff have been wringing out efficiencies in the monitoring program for the last three years. At some point further cuts will be most effectively made only by re-considering the RMP design.