STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 03/25)

Fiscal Year	Business Unit Number	Department
2026-2027	3860	Water Resources

Hyperion Budget Request Name	Relevant Program or Subprogram
3860-018-BCP-2026-GB	3245

Budget Request Title
California Dam Safety Program Funding

Budget Request Summary
This proposal requests $1.4 million in ongoing funding from the Dam Safety Fund to address new and increased operating expenses and equipment (OE&E) costs associated with the Department of Water Resources' (DWR) Division of Safety of Dams' (DSOD) Dam Safety Program. This funding will support DSOD's enforcement efforts ($850,000), existing/increased travel costs ($470,000), and increased/new IT costs ($100,000).

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☐ Budget Bill Language ☒ N/A	Click or tap here to enter text.

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO Acting	Date Click or tap to enter a date.

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. Click or tap here to enter text.
Approval Date: Click or tap to enter a date.
Project Approval Document: Click or tap here to enter text.
Total Project Cost: Click or tap here to enter text.

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Shawn Jones	1/8/2026	Brian Fuller	1/8/2026
Department Director	**Date**	**Agency Secretary**	**Date**
Cindy Messer	1/8/2026	Amanda Martin for Sec.Crowfoot	1/8/2026

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	Date submitted to the Legislature
Andrew Hull	1/9/2026

A. Problem Statement

Enforcement

Following the Oroville Spillways Incident, Chapter 26, Statutes of 2017 (SB 92) provided the Department with new civil administrative enforcement authorities, including the ability to impose property liens and punitive reservoir restrictions and assess civil penalties of up to $1,000 per day on dam owners that fail to comply with any provision of Water Code, Division 3, Part 1, or any approval, order, regulation, or requirement of the Department. These new enforcement activities expand DSOD's workload by requiring them to 1) engage DWR's Office of General Counsel (OGC) for pre-enforcement and enforcement actions, 2) engage the Office of the Attorney General (AGO) when civil administrative enforcement actions are not effective, and 3) hold hearings to provide dam owners' due process and as required by regulations. An additional ongoing appropriation of $850,000 is needed to address these costs.

Travel

Chapter 3, Statutes of 2018 (AB 1270) added sections 6102 and 6105.5 to the Water Code, requiring all but "Low" hazard dams be inspected at least once every fiscal year and that "Low" hazard dams be inspected at least once every two fiscal years. This bill also added language in the Water Code requiring that dam owners fully operate all critical outlet and spillway control features annually and in DSOD's presence once every three years; some dams have multiple gates/valves that need to be operated which has resulted in lengthened inspections or required additional follow-up inspections. Water Code section 6400 requires that DSOD make continuous or periodical inspections during construction related to new dams, or the enlargement, alteration, repair, or removal of existing dams.

Water Code section 6102 requires DSOD to advance dam safety standards and procedures both within the program and as a national leader in dam safety. It also requires dam safety procedures to stay on par with, or ahead of, best practices through continual updates to those procedures based on the best available knowledge. State Administrative Manual 0763 gives DWR the authority to approve Out-of-State travel (OST) listed in the pre-approved OST blanket, which is approved annually by the California Natural Resources Agency (CNRA) and the Governor's Office. DWR has historically authorized DSOD a total of $20,000 in business-related travel expenses for OST. This amount is significantly less than the amount required to send a very limited number of staff to the trainings, workshops, conferences, and representation opportunities that benefit DSOD and keep the Dam Safety Program in the state-of-the practice and frequently take place outside of California. This limitation has resulted in DSOD staff regularly missing out on these opportunities entirely or submitting Individual Trip Requests to CNRA and the Governor's Office for approval under short notice. It is important that additional staff be able to attend these OST training opportunities so that DSOD can coordinate with outside organizations and experts convening around dam safety topics so that DSOD can continue to advance Dam Safety Program standards and bolster the program as a national leader in dam safety.

Dam Analysis Software

DSOD's engineers and engineering geologists have long used special software packages to evaluate and analyze dams and their appurtenant structures. As required by the Water Code, DSOD reviews and approves the design of new dams and the enlargement, alteration, repair, and removal of existing dams. The Water Code also requires that DSOD reevaluate existing dams and their appurtenances (work performed by DSOD's Reevaluation Engineering Branch) for the purpose of safeguarding life and property. DSOD has historically had minimal OE&E funding to cover the costs associated with such software packages needed in carrying

out the above noted work, but the costs of purchasing and maintaining such software have increased significantly over the years.

Resource History
(Dollars in thousands)

Program Budget	**PY – 4 FY 19/20**	**PY – 3 FY 20/21**	**PY – 2 FY 21/22**	**PY-1 FY 22/23**	**PY FY 23/24**	**CY (est.) FY 24/25**
Authorized Expenditures	$21,357	$20,005	$22,132	$23,559	$27,797	$25,453
Actual Expenditures [1]	$17,581	$17,499	$20,402	$22,423	$23,340	$24,848
Revenues [2]	$21,591	$21,386	$18,637	$22,537	$24,684	$26,544
Authorized Positions (FTE / Other)	81/1.9	81/3.1	81/3.1	81/3.1	93/3	92/3
Filled Positions	68.1	69.7	76.1	75.0	78.3	79
Vacancies	14.8	14.4	8.0	9.1	17.7	16

[1] Actual expenditures do not include direct charges to the Dam Safety Fund, such as State Pro Rata.
[2] Includes annual and application fees.

Workload History

Workload Measure	PY - 4	PY - 3	PY - 2	PY-1	PY	CY
Civil Administrative Enforcement Cases Referred to DSOD's Enforcement Branch	0	0	0	2 [2]	33	7
Enforcement Notices of Violation Sent	0	0	0	0	6	14 [3]
Construction Inspections Completed	369	247	164	139	176	TBD
Maintenance Inspections Completed	1297	1269	1283	1288	1275	TBD
Applications Submitted / Total Project Costs (Est.)	64 ($400M)	43 ($562M)	47 ($2.4B)[1]	38 ($447M)	30 ($241M)	TBD

[1] $1.8 billion of this is for the construction of a new reservoir (Pacheco Dam).

[2] Regulations to support the Enforcement Program were approved on September 19, 2022.

[3] 8 notices sent in CY, additional 6 notices planned for May 2025.

B. Justification

Enforcement

DSOD has civil administrative enforcement authorities provided by the Water Code, regulations that provide a process for implementing the authorities provided by the Water Code, established an Enforcement Branch within DSOD, and established internal processes to initiate and carry out enforcement actions against non-compliant dam owners; however, DSOD does not have the necessary funding to fully implement these enforcement responsibilities.

When civil administrative enforcement actions taken against non-compliant dam owners by DSOD are not effective, engaging the AGO is necessary. Even pre-trial costs can be significant, averaging over $200,000 per case, though cases going to trial are significantly more expensive. An additional ongoing appropriation of $400,000 would account for both and for more complex cases, including when cases overlap. The additional OE&E funding is needed as DSOD expects there will be additional non-compliant dam owners where engagement of the AGO will be necessary. Any monetary penalties paid by non-compliant dam owners as part of settlements or judgements would be used to offset annual fees.

When carrying out civil administrative enforcement actions, non-compliant dam owners are provided with the opportunity to request a hearing as required by regulations. Hearings can be held at the Office of Administrative Hearings (OAH) or within DWR. It is estimated that DSOD's Enforcement Branch will issue up to 20 Administrative Complaints to non-compliant dam owners every fiscal year (see Table 1, Supplemental Information), and DSOD expects this to drive hearing requests. Dam owners who receive an Administrative Complaint have the opportunity to request a hearing before a neutral party. The expected cost for each hearing on average is estimated to be between $15,000 and $20,000 based on costs per case and

cost per hour and that the average case would require an Administrative Law Judge spending 40 hours on the case. An additional ongoing appropriation of $200,000 is requested to hold these hearings at OAH.

Both before and after referring an enforcement case to DSOD's Enforcement Branch, engagement of OGC is necessary. 2024 costs were $115,700 and estimated 2025 costs were $100,000. As DSOD's Enforcement Branch continues to move forward with cases, it is expected that DSOD's engagement of OGC attorneys will increase as the program grows with additional staff. Because of this an additional ongoing appropriation of $250,000 is requested for these costs.

Travel

DSOD is required by the Water Code to inspect all but "Low" hazard dams at least once every fiscal year and "Low" hazard dams at least once every two fiscal years. DSOD is also required by the Water Code (section 6400) to make continuous or period inspections during the construction of new dams and the enlargement, alteration, repair, and removal of existing dams. While a recent BCP provided additional positions and funding for the positions to address an increased workload application related work, additional funding is needed to cover travel related to this work and to address increases in travel related costs. There is expected to be a significant increase in construction related travel once Site Reservoir, New Lake Wohlford, New Vail, and the second stage of Leroy Anderson Dam begin construction. Also, as part of a spillway reevaluation program initiated by DSOD following the Oroville Dam spillway incident, 25 spillways have been identified that either need significant retrofit or replacement which will require additional oversight and travel. An additional ongoing appropriation of $450,000 is requested to support travel costs driven by these new inspection requirements. (see Table 2 in Supplemental Information for more detail).

An increase of $20,000 to the DSOD's OST budget would allow a growing number of new staff to attend trainings, workshops, conferences, and representation opportunities that benefit DSOD and keep the Dam Safety Program in the state-of-the practice. Additionally, this increase is needed to account for travel cost increases that affect both in State and Out-of-State travel. This increase would prevent staff from missing out on career-advancing opportunities that benefit DSOD and DWR's workforce, and it would avoid the necessity for DSOD to seek additional approvals through Individual Trip Requests to CNRA under short notice. With this increase, DSOD would be better able to coordinate with outside organizations convening around dam safety topics allowing DSOD to advance Dam Safety Program standards and bolster the program as a national leader in dam safety. OST costs on average are about $2,500 per person. With the current $20,000 OST limit, this allows eight trips. With recent increases in staffing levels, and hiring younger less experienced engineers, an additional $20,000 would double the amount of training opportunities that occur outside California.

Dam Analysis Software

DSOD's engineers utilize specialized software in analyzing dams and their appurtenant structures:

- SAP 2000 - $5,000 annual cost (structural analysis program)
- LS DYNA - $25,000 annual cost (more complex structural analysis program)
- True Grid - $15,750 annual cost (modeling program that feeds into LS DYNA)
- GeoStudio - $6,500 annual cost (geotechnical analysis program)
- FLAC - $20,000 annualized cost (more complex geotechnical analysis program)

- FLAC3D – $25,000 estimated cost (more complex geotechnical analysis program)

An additional ongoing appropriation of $100,000 would allow continued utilization of these programs at current work levels (e.g., number of licenses).

C. Departmentwide and Statewide Considerations

Enforcement: Objective 2, Action 1 of DWR's 2023 Strategic Plan was to implement a dam safety enforcement program. Action 2.1.2. in California's Water Plan Update 2023 states that DWR will implement civil administrative enforcement actions against non-compliant dam owners for the purposes of protecting life and property.

Travel: Objective 1, Action 1 of DWR's 2023 Strategic Plan included engaging with external agency partners and frontline communities in preparation for emergencies. Conferences, trainings, workshops, and representation opportunities held annually outside of California, such as those hosted by the Association of State Dam Safety Officials and United States Society on Dams, allow DSOD to engage with the dam safety community and external partners who are experts in fields affecting dam safety and apply best practices for dam emergency prevention and preparation.

Action 2.1.2. in California's Water Plan Update 2023 also states that there is the need to accelerate repairs, rehabilitation, or removal of deficient dams to improve life safety and allow for restoration of storage capacity in many reservoirs.

IT: To accomplish California's Water Plan Update 2023, it is also necessary to ensure that DSOD staff have the proper tools and resources. This includes specialized engineering software, a database that easily allows staff to access pertinent information (e.g., letters, reports, dam statistics) and allow DSOD managers and supervisors to track workflow.

D. Outcomes and Accountability

Enforcement: The expected outcome would be to bring dam owners that are not compliant with the Water Code into compliance for the purpose of improving public safety by safeguarding downstream life and property. While DSOD has limited capacity at this time, additional capacity would provide enforcement efforts to advance in a timely manner.

Travel: The expected outcome would be that DSOD will have the continued funding necessary to maintain its level of oversight through maintenance inspections and construction inspections as travel costs have increased and continue to increase.

IT: This would allow the Dam Safety Program to obtain, maintain, and utilize programs in complex dam analyses and re-evaluations, allowing for the identification of dam deficiencies at existing dam through re-evaluations and identifying potential deficiencies when constructing a new dam or enlarging, altering, or repairing an existing dam.

Projected Outcomes

E. Implementation Plan

Enforcement:

- Sending Administrative complaints to dam owners that have not complied with a notice of violation (2026-27 and ongoing)
- Scheduling hearings with the OAH when requested by dam owners following the issuance of an Administrative Complaint (2026-27 and ongoing)
- When all civil administrative actions fail to correct a non-compliant dam owner's actions, engage the AGO (2026-27 and ongoing)

Travel:

- 100% maintenance inspections of all jurisdictional dams every fiscal year (2026-27 and ongoing)
- Additional construction oversight (2026-27 and ongoing)
- Additional participation in trainings, conferences, workshops, and representation opportunities that occur outside of the State.

IT:

- Continue to work with engineering software vendors to identify programs that will benefit DSOD's Dam Safety Program.

F. Supplemental Information (If Applicable)

Travel:

DSOD incurred travel costs (per diem, rental, etc.) are on average $170,00 but has neared $300,000 since DSOD's Dam Safety Program expanding following the Oroville Dam Spillway Indecent.

Table 2: Recent In-State Travel Cost Increases

Travel Item	FY 2024 Costs	Project Cost (Est.)	Increased Cost	Percent Increase
Per Diem	$22,000	$33,000	$11,000	48%[1]
Flights	$56,000	$84,000	$28,000	50%[2]
Hotels	$53,000	$95,000	$42,000	80%[3]
Miscellaneous	$32,000	$33,000	$1,000	3%[4]

[1] Daily reimbursement rates in 2024 increased from $46/day to $68/day (~50% increase).

[2] Southwest Airlines (most used provider) began increasing flight costs and instituted new baggage costs in 2025. While it is difficult to predict increased flight costs, it is assumed that a 50% increase will be realized as DSOD staff conducting inspections often have to schedule flights on short notice so low air fares are often not available.

[3] Increase in hotel reimbursement rates increased up to 203% (average 80%) in 2024.

[4] [CPI-U January 2025 (317.671) - CPI-U January 2024 (308.417)] / CPI-U January 2024 = 3%

FY 2024 was a below average construction year, and in-state travel cost were $163,000. Assuming a heavy construction year, the above cost increases should be multiplied by $300,000/$163,000 (184%):

$300,000 (baseline) + ($11,000 + $28,000 + $42,000 + $1,000) X 184% = $450,800.

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: California Dam Safety Program Funding

BR Name: 3860-018-BCP-2026-GB

Budget Request Summary

Operating Expenses and Equipment

Operating Expenses and Equipment	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5320 - Travel: In-State	0	470	470	470	470	470
5340 - Consulting and Professional Services - Interdepartmental	0	850	850	850	850	850
5346 - Information Technology	0	100	100	100	100	100
Total Operating Expenses and Equipment	**$0**	**$1,420**	**$1,420**	**$1,420**	**$1,420**	**$1,420**

Total Budget Request

Total Budget Request	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Budget Request	**$0**	**$1,420**	**$1,420**	**$1,420**	**$1,420**	**$1,420**

Fund Summary

Fund Source

Fund Source	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
State Operations - 3057 - Dam Safety Fund	0	1,420	1,420	1,420	1,420	1,420
Total State Operations Expenditures	**$0**	**$1,420**	**$1,420**	**$1,420**	**$1,420**	**$1,420**
Total All Funds	**$0**	**$1,420**	**$1,420**	**$1,420**	**$1,420**	**$1,420**

Program Summary

Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
3245 - Public Safety and Prevention of Damage	0	1,420	1,420	1,420	1,420	1,420
Total All Programs	**$0**	**$1,420**	**$1,420**	**$1,420**	**$1,420**	**$1,420**