STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 07/23)

Fiscal Year	Business Unit Number	Department
2026-27	Various	Various

Hyperion Budget Request Name	Relevant Program or Subprogram
Various	Various

Budget Request Title
Proposition 1 (2014) Redistribution of Statewide Costs

Budget Request Summary
The California Natural Resources Agency (CNRA) proposes redistribution of $76.7 million that was set aside for statewide bond costs for Proposition 1 (2014) (Prop 1). Funding is proposed for redistribution to departments identified in Prop 1 to support additional projects consistent with Prop 1 provisions.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☐ Budget Bill Language ☒ N/A	N/A

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date
	N/A	N/A

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. N/A **Project Approval Document:** N/A

Approval Date: N/A **Total Project Cost:** N/A

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
Various	5/14/2026	Amanda Martin	5/14/2026
Department Director	**Date**	**Agency Secretary**	**Date**
Bryan Cash	5/14/2026	Bryan Cash	5/14/2026

Department of Finance Use Only

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

Principal Program Budget Analyst	Date submitted to the Legislature
Lizzie Urie	5/14/2026

A. Problem Statement

Through previous budgets, and consistent with previous General Obligation Bonds, the Administration and the Legislature agreed to set aside two percent of Proposition 1 (Prop 1, $7.5 billion water bond from 2014) or approximately $149.3 million to cover costs for administering and issuing bonds, referred to as statewide bond costs. With nearly all of the Proposition 1 project funds committed, only $72.6 million of statewide bond costs funds are scheduled to be used. This leaves $76.7 million in Prop 1 funding that can be redistributed to programs and departments named in Prop 1 up to a maximum amount equal to the program's full allocation in the bond act. Funding will be used by the programs identified below for additional projects and support of projects consistent with the provisions of Proposition 1.

This proposal will return funding to the following sections of Proposition 1 consistent with amounts previously set aside for statewide bond costs:

Chapter	Sub Section	Department Program	Allocation
Ch. 8	79750(b)	California Water Commission: Water storage projects that improve the operation of the state water system	$17,750,000
Ch. 9	79765	State Water Resources Control Board: Water recycling and advanced treatment technology projects	$12,500,000
Ch. 6**	79736	Department of Water Resources: Fulfill the obligations of the State of California	$9,500,000
Ch. 11	79781(a-d)	Department of Water Resources and Central Valley Flood Protection Board: Reduce the risk of levee failure and flood in the Delta	$5,900,000
Ch. 6	79737(a)	California Department of Fish and Wildlife: Watershed restoration projects statewide	$5,700,000
Ch. 6	79738(a)	California Department of Fish and Wildlife: Water quality, ecosystem restoration and fish protection facilities	$1,750,000
Ch. 10	79771(a)	State Water Resources Control Board: Projects to prevent or clean up the contamination of groundwater that serves or has served as a source of drinking water	$5,200,000
Ch. 5	79723	State Water Resources Control Board: Wastewater treatment projects	$5,200,000
Ch. 5	79724(a)(1)	State Water Resources Control Board: Public water system infrastructure improvements	$5,200,000
Ch. 6	79733	Wildlife Conservation Board: Enhanced stream flow	$4,000,000

Ch. 7	79747(a)	State Water Resources Control Board: Multibenefit stormwater management projects	$4,000,000

**This funding redistribution was already proposed for redistribution in the Governor's Budget as part of the Department of Water Resources' (DWR) San Joaquin River Restoration Settlement State Obligations - Eastside Bypass Control Structure Fish Passage Rock Ramp Proposal. Included here for completeness.

B. Justification

Proposition 1 funding is proposed to be allocated to specified programs that help meet legal obligations, advance priorities in the Governor's existing water supply and salmon strategies, address groundwater contamination, and support water recycling projects, including:

- $12.5 million to the State Water Board to fund the planning, design and construction of water recycling and advance treatment project
- $5.9 million to DWR is proposed to advance high priority multi-benefit flood management projects.
- $5.7 million to the California Department of Fish and Wildlife (CDFW) and $4 million to the Wildlife Conservation Board to advance near-term, high-priority actions in the Salmon Strategy in coordination with the State Salmon Strategy Implementation Team.
- $1.75 million to CDFW to fund grants for water quality, ecosystem restoration, and fish protection facilities that benefit the Delta.
- $5.2 million to the State Water Board to fund grants for municipalities serving small, disadvantaged communities for the planning, design, and construction of wastewater infrastructure.
- $5.2 million to the State Water Board to fund grants to public water systems serving small, disadvantaged communities for the planning, design, and construction of drinking water infrastructure.
- $5.2 million to the State Water Board to fund grants for the prevention or clean-up of contaminated groundwater sources that serve as a drinking water source, including septic-to-sewer projects.
- $4 million to the State Water Board to fund grants to municipalities for multi-benefit stormwater projects.

The California Water Commission's Proposition 1 Water Storage Investment Program is continuously appropriated. $17.75 million is proposed to be allocated to purchase more public benefits and/or cover inflation of water storage projects, including Sites Reservoir. Sites Authority is seeking full financial commitments in the spring of 2026, including an updated conditional state award and a final award by the end of 2026.

C. Departmentwide and Statewide Considerations

Proposition 1 allocated $7.5 billion dollars to specified programs including and amounts necessary for the administration and issuance of bonds. Proposition 1 also placed a cap on program administrative costs, ensuring the maximum amount of funding would be directed towards project implementation. This request appropriates uncommitted administrative balances to fulfil the intent of the voters to maximize project funding. The funding will support grant programs for which grant guidelines have already been publicly developed and will adhere to grant administration processes and procedures that are already in place. To the extent this funding can be combined with other fund sources, such

as the 2024 Climate Bond (Proposition 4), it will be able to fund a greater suite of projects to address our urgent water and climate priorities.

D. Outcomes and Accountability

Information to provide transparency and accountability in Proposition 1 spending is available at https://bondaccountability.resources.ca.gov/Propositions/P1 and any new projects funded by these appropriations will also be reflected on the bond accountability website. Projects are also subject to audit by the Department of Finance.

E. Implementation Plan

Departments receiving funding will incorporate funding into upcoming solicitations for the appropriate programs and will combine with Climate Bond or other fund sources where appropriate to maximize administrative efficiencies.

F. Supplemental Information

N/A

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Proposition 1 (2014) Redistribution of Statewide Costs

BR Name: 3600-111-BCP-2026-MR

Budget Request Summary

Operating Expenses and Equipment

Operating Expenses and Equipment	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
54XX - Special Items of Expense	0	7,450	0	0	0	0
Total Operating Expenses and Equipment	**$0**	**$7,450**	**$0**	**$0**	**$0**	**$0**

Total Budget Request

Total Budget Request	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
Total Budget Request	**$0**	**$7,450**	**$0**	**$0**	**$0**	**$0**

Fund Summary

Fund Source

Fund Source	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
Local Assistance - 6083 - Water Quality, Supply, and Infrastructure Improvement Fund of 2014	0	7,450	0	0	0	0
Total Local Assistance Expenditures	**$0**	**$7,450**	**$0**	**$0**	**$0**	**$0**
Total All Funds	**$0**	**$7,450**	**$0**	**$0**	**$0**	**$0**

Program Summary

Program Funding

Program Funding	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
2590 - Biodiversity Conservation Program	0	7,450	0	0	0	0
Total All Programs	**$0**	**$7,450**	**$0**	**$0**	**$0**	**$0**

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Proposition 1 Redistribution of Statewide Costs

BR Name: 3860-178-COBCP-2026-MR

Budget Request Summary

Capital Outlay

Overall Capital Outlay	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
Overall Capital Outlay	0	5,900	0	0	0	0
Total Capital Outlay	**$0**	**$5,900**	**$0**	**$0**	**$0**	**$0**

Total Budget Request

Total Budget Request	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
Total Budget Request	**$0**	**$5,900**	**$0**	**$0**	**$0**	**$0**

Fund Summary

Fund Source

Fund Source	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
Capital Outlay- 6083 - Water Quality, Supply, and Infrastructure Improvement Fund of 2014	0	5,900	0	0	0	0
Total Capital Outlay Expenditures	**$0**	**$5,900**	**$0**	**$0**	**$0**	**$0**
Total All Funds	**$0**	**$5,900**	**$0**	**$0**	**$0**	**$0**

Program Summary

Program Funding

Program Funding	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
0000745 – Systemwide Flood Risk Reduction Program	0	5,900	0	0	0	0
Total All Programs	**$0**	**$5,900**	**$0**	**$0**	**$0**	**$0**

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Proposition 1 (2014) Redistribution of Statewide Costs

BR Name: 3640-075-BCP-2026-MR

Budget Request Summary

Operating Expenses and Equipment

Operating Expenses and Equipment	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
54XX - Special Items of Expense	0	4,000	0	0	0	0
Total Operating Expenses and Equipment	**$0**	**$4,000**	**$0**	**$0**	**$0**	**$0**

Total Budget Request

Total Budget Request	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
Total Budget Request	**$0**	**$4,000**	**$0**	**$0**	**$0**	**$0**

Fund Summary

Fund Source

Fund Source	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
Local Assistance - 6083 - Water Quality, Supply, and Infrastructure Improvement Fund of 2014	0	4,000	0	0	0	0
Total Local Assistance Expenditures	**$0**	**$4,000**	**$0**	**$0**	**$0**	**$0**
Total All Funds	**$0**	**$4,000**	**$0**	**$0**	**$0**	**$0**

Program Summary

Program Funding

Program Funding	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
2710 - Wildlife Conservation Board	0	4,000	0	0	0	0
Total All Programs	**$0**	**$4,000**	**$0**	**$0**	**$0**	**$0**

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Proposition 1 (2014) Redistribution of Statewide Costs

BR Name: 3940-150-BCP-2026-MR

Budget Request Summary

Operating Expenses and Equipment

Operating Expenses and Equipment	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
54XX - Special Items of Expense	0	32,100	0	0	0	0
Total Operating Expenses and Equipment	**$0**	**$32,100**	**$0**	**$0**	**$0**	**$0**

Total Budget Request

Total Budget Request	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
Total Budget Request	**$0**	**$32,100**	**$0**	**$0**	**$0**	**$0**

Fund Summary

Fund Source

Fund Source	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
Local Assistance - 6083 - Water Quality, Supply, and Infrastructure Improvement Fund of 2014	0	32,100	0	0	0	0
Total Local Assistance Expenditures	**$0**	**$32,100**	**$0**	**$0**	**$0**	**$0**
Total All Funds	**$0**	**$32,100**	**$0**	**$0**	**$0**	**$0**

Program Summary

Program Funding

Program Funding	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
3560 - Water Quality	0	32,100	0	0	0	0
Total All Programs	**$0**	**$32,100**	**$0**	**$0**	**$0**	**$0**