

Background

Along with the beginning of a new fiscal year summer has brought its challenges to the administrative programs of the Sierra Nevada Conservancy (SNC). Most prominently have been the changes due to various negotiated agreements between the California state labor unions and the Administration. In the coming months staffing changes and the loss of long-term valuable and reliable staff resources will occur. Even so, staff continues to implement projects, prepare for a new budget fiscal year, close out the old, watch for, and respond to anticipated changes in human resources, develop new policies and procedures and carry out grants administration activities.

Current Status – Grants Administration

In addition to supporting the various grant awards programs currently in play, Grants Administration (GA) staff are executing June awards and working on a comprehensive Grants Operations Manual which will document grants processes, procedures and timeframes for use in implementing current and planning for future grant rounds. GA staff are also processing invoices and tracking the completion of 2008-2009 projects as well as more recent projects, in order to identify the amounts that have been or will be disencumbered (released) for use in other projects. Should Proposition 84 bond funding remain beyond that which has been identified for the 2012-13 (Preservation of Ranches and Agricultural Lands) grant cycle, staff will bring an update report to the Board in December of 2012. This report will identify available Proposition 84 funding, the overall demand for funding in the 2012-13 cycle, and additional recommendations staff has regarding how any final, available funding might be awarded.

Current Status – Budget

SNC closed out fiscal year 2011-12 having spent 96 percent of its State Operations budget and 74 percent of its Local Assistance (Proposition 84) budget. As of June 30, 2012, approximately \$13 million remain in the Proposition 84 grant funds. This total includes the awards for 2010-11 (\$1,000,000 awaiting resolution of mineral rights issues), 2011-12 (\$7,000,000) and 2012-13 (\$5,000,000).

Operational funding levels for the fiscal year 2012-13 budget remained steady, with one exception. The 2012-13 budget put into place a 12-month compensation reduction for SNC employees. Amounting to a 4.62 percent cut, staff will also receive 8 hours of leave, to be used within the month it is accrued. This has resulted in a 5 percent staff time reduction for the fiscal year. Management is currently reviewing project plans to determine impacts on projects approved under the 2012 Action Plan and will bring recommendations back to the Board, should major adjustments be necessary.

Current Status – Staffing

The Governor's 2012 May Revise along with various agreements negotiated with state labor organizations, affects the SNC's use of students, retired annuitants and other non-specified temporary employees, as well as monthly reporting requirements. Based on direction received from the Department of Human Resources, effects to SNC staff and operations are summarized below:

Students:

Requires all departments to discontinue working students who perform specified work, no later than August 31, 2012; and establishes a hiring freeze of all students, with specified exceptions, including students who are hired via contract, through June 30, 2013.

Effect on SNC:

SNC has laid off all 5 student assistants as of August 31, affecting the Great Sierra River Cleanup, the Geotourism MapGuide Project, the Grant Program, Sierra Nevada Forest and Community Initiative (SNFCI), the Current Funding Opportunities (CFO) program, media, communications and outreach, and general administrative programs.

Retired Annuitants:

Requires that departments assess their use of retired annuitants (RAs) and other temporary employees to determine whether they are mission critical or not; defines "mission critical" as "a disruption in normal business which may result in the failure of a business operation; allows for the retention of "Only those employees (retired annuitants and other temporary employees) that have been deemed...critical to the department's core mission"; and requires all departments to discontinue working all non-mission critical retired annuitants not later than August 31, 2012.

Effect on SNC:

SNC has completed its assessment and identified three of its existing 12 retired annuitants as meeting the definition of "departmental core mission critical." These provide legal and fiscal integrity/internal audit services to the SNC. Three RAs will be separated as of August 31, and the remaining six are planned to be separated at varying intervals prior to the end of the fiscal year. These RAs provide critical support for the 2012-13 grant cycle and will assist in training others to carry on their workload to allow for continuity of essential administrative services including payroll, contracting and procurement.

Alternatives for Completing Work:

Departments have been directed to review alternatives for completing work including the use of limited term, permanent intermittent or part-time employees and recruiting non-paid student interns and volunteers.

Effect on SNC:

With these reductions, SNC will have lost the equivalent of seven full time staff. More importantly, SNC will have lost the invaluable knowledge and expertise that many of these individuals bring with them. Several of the RAs leaving have been with the SNC since its beginning – they have been part of the "heart and soul" of this organization.

While they cannot be replaced, Human Resources Staff is exploring the possibility of establishing part-time positions as identified above to provide support in all other program and administrative areas.

Recommendation

This is an informational item only; no formal action is needed by the Board at this time, although Board members are encouraged to share their thoughts and comments.

2012-13 SNC EXPENDITURES AND ENCUMBRANCES				
As of July 27, 2012				
State Operations				
<i>Personal Services</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
SALARIES AND WAGES	1,820,465	0	1,820,465	0%
STAFF BENEFITS	583,430	0	583,430	0%
Personal Services, Totals	\$2,403,895	\$0	\$2,403,895	0%
Operating Expenses & Equipment				
	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
GENERAL EXPENSE	292,462	1,565	290,898	1%
TRAVEL - IS	55,000	-	55,000	0%
TRAVEL - OS	5,590	-	5,590	0%
TRAINING	47,500	0	47,500	0%
FACILITIES	287,025	0	287,025	0%
UTILITIES	21,480	0	21,480	0%
CONTRACTS- INTERAGENCY AGREEMENT	1,172,483	443,140	729,343	38%
CONTRACTS- EXTERNAL	90,000	-	90,000	0%
INFORMATION TECHNOLOGY	94,924	2,224	92,700	2%
CONSOLIDATED DATA CENTER	-	-	-	0%
EQUIPMENT	-	-	-	0%
OTHER ITEMS OF EXPENSE	21,124	0	21,124	0%
PRO RATA (control agency costs)	161,517	0	161,517	0%
Operating Expenses & Equipment, Totals	\$2,249,105	\$446,929	\$1,802,177	20%
Local Assistance				
<i>Appropriation</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
2007 Original Appropriation (reapprop 11/12)	17,000,000	14,705,508	2,294,492	87%
2008 Original Appropriation (reapprop 11/12)	17,000,000	12,692,401	4,307,599	75%
2009 Original Appropriation (reapprop 12/13)	15,448,000	9,059,490	6,388,510	59%
	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
State Operations	4,653,000	446,929	4,206,072	10%
Local Assistance	49,448,000	36,457,399	12,990,601	74%
SNC EXPENDITURES, TOTALS	\$54,101,000	\$36,904,328	\$17,196,673	68%