

CALIFORNIA COASTAL COMMISSION

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W6a

December 10, 2013

TO: Coastal Commissioners and Interested Parties

FROM: Charles Lester, Executive Director

SUBJECT: Executive Director's Report, December, 2013

Significant reporting items for the last month (Strategic Plan (SP) reference provided where applicable):

Local Coastal Programs/Budget Augmentation (SP 4.1, 4.2, 4.4).

- The LCP Assistance Grant application period is now closed. The Commission received 28 applications requesting a total of \$5,292,007. Under the 2013-14 budget augmentation the Commission has one million dollars to award. Staff currently anticipates a second year of grant monies (\$1 million) for FY14-15. The grant applications received are available on the Commission's website at: <http://www.coastal.ca.gov/lcp/lcpgrantprogram.html>. The Commission is tentatively scheduled to consider the award of grants at the January Commission meeting with a staff recommendation for grant awards available in late December.
- An updated summary report on the status of LCP certification was posted on the Commission's website. The report shows that 92 of 128 LCP segments have been certified (72%). This represents over 1 million acres or approximately 85% of the coastal zone land in local government jurisdictions. For more detail see the report at: <http://www.coastal.ca.gov/lcp/LCPStatusSummFY1213.pdf>. The report also highlights the following significant LCP work for the last fiscal year (FY12-13):
 - The **City of Solana Beach LUP** was effectively certified.
 - The **City of Seaside LCP** was effectively certified (Aug 2013)
 - **Phase I of the Ventura County LCP Update** was effectively certified
 - The **City of Chula Vista Bayfront Master Plan** was effectively certified, representing both an update to the City's LCP and a major Port Master Plan Amendment
 - The **City of Laguna Beach LCP** was amended to update and address floodplain management and sea level rise issues

- The Commission's FY13-14 budget augmentation provides \$3 million for additional staff and operating expenses to conduct LCP program work, including processing pending LCP amendments and supporting new LCP certifications and updates to certified LCPs. Commission staff have completed most of the hiring under the augmentation. Since July Senior and Human Resources staff have conducted civil service exams to qualify new potential candidates for Coastal Commission staff positions. Job announcements were sent out for a variety of positions, consistent with the framework previously presented to the Commission and the Department of Finance (see <http://www.coastal.ca.gov/jindex.html>). The Commission received hundreds of applications, and over the last several months staff conducted over 100 interviews for various positions. As of December 10, the Commission has made a variety of promotions and 20 new hires under the LCP budget augmentation, including 17 coastal program analysts, two attorneys and an information services analyst. Additional position offers and recruitments are in progress.

Sea Level Rise Guidance (SP 3.1.1)

- Since release of the Commission's draft Sea Level Rise guidance on October 15 Commission staff have conducted a variety of outreach meetings including two webinars and more than 10 in-person meetings, attended by over 200 people, in addition to meetings with Commission staff. More detail on the process for the guidance will be provided at the first public Commission hearing on the guidance on Thursday, December 12, 2013. There will be a second public hearing at the Commission's January meeting in San Diego. The document is available at <http://www.coastal.ca.gov/climate/SLRguidance.html>.

Strategic Plan Dashboard

- Commission staff has posted a "dashboard" for monitoring implementation of Goal 4 (LCP Program) of the Commission's adopted Strategic Plan on the Commission's website: <http://www.coastal.ca.gov/strategicplan/spindex.html>. Additional goals of the Plan will be added at a future date.

Budget Information

- See attached materials. Staff will provide the Commission a detailed Budget Report at the February 2014 meeting after the Governor's proposed FY14-15 Budget is released on January 10, 2014.

Meetings, Presentations, and Outreach

- The Executive Director attended the coastal counties session at the annual California State Association of Counties (CSAC) meeting in San Jose on November 20.
- The Senior Deputy Director attended the League of Cities Coastal Working Group on November 5, 2013.

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December 10, 2013

To: Coastal Commissioners and Interested Parties

From: Charles Lester, Executive Director
Susan Hansch, Chief Deputy Director

Subject: **Executive Director's Report Budget Update;
Governor's Proposed Budget for FY 14-15 to be Released Friday, January 10, 2014;
Full Budget Report Scheduled for February 2014 Commission Meeting**

Informational Only/No Commission Action Required

The Commission staff briefed the Commission on the budget in April 2013 (<http://documents.coastal.ca.gov/reports/2013/4/F9-4-2013.pdf>) and updated the Commission during the 2013 legislative hearings and after adoption of the FY 13-14 budget by the Legislature and approval by the Governor in July 2013.

We have recently updated the attached one-page summary of the Commission's budget history to show actual expenditures for FY 12-13 and authorized funding for FY 13-14. We have also attached the Governor's Budget for the current FY 13-14 with the adjustments made through legislative process and the Governor's approval in July 2013.

The Governor's proposed budget for FY 14-15 will be issued on January 10, 2014. At the February 2014 Commission meeting, the Commission staff will present a detailed briefing on the Governor's proposed budget for FY 14-15. The staff will also provide a status report on the first six months of the current fiscal year budget for 13-14 (July – December 2013). In February, we will also provide details on the State budget process. (See Attachment III.)

ATTACHMENTS:

- Attachment I: The enacted budget for the current fiscal year FY 2013-2014;
- Attachment II: A one-page summary of the Commission's Budget from FY 1972-1973 to FY 2012-2013 actual expenditures and authorized expenditures for current fiscal year FY 2013-2014;
- Attachment III: Summary of the State Annual Budget Process. Key information from the Department of Finance website.

Sustain Message
Enacted Budget FY 13-14

Edmund G. Brown, Jr.
Governor

June 27, 2013

Item 3720-001-0001—For support of California Coastal Commission. I sustain this item. I am sustaining the \$3,000,000 augmentation for the California Coastal Commission on a one time basis. This augmentation is intended to address the current backlog of Local Coastal Plans awaiting review. I prefer to focus any additional resources on assisting local jurisdictions to complete and revise their plans in a timely manner. I am directing the Department of Finance to examine what level of resources, if any, the Coastal Commission requires for this purpose in 2014-15.

2013-14
 FY 13-14
 Enacted Budget

3720-001-0001—For support of California Coastal Commission
 13,796,000

Schedule:

	10-Coastal Management Program	
(1)	18,814,000
(2)	20-Coastal Energy Program	1,146,000
(3)	30.01-Administration	2,752,000
	30.02-Distributed Administration	
(4)	-2,652,000
(5)	Reimbursements	-2,401,000
	Amount payable from the California Beach and Coastal Enhancement Account (Item	
(6)	3720-001-0371)	-607,000
	Amount payable from the Federal Trust	
(7)	Fund (Item 3720-001-0890)	-2,576,000
	Amount payable from the Coastal Act Services Fund (Item 3720-001-3123)	
(8)	-680,000

Provisions:

- Of the amount appropriated in this item, up to \$3,000,000 is available to the California Coastal Commission during the 2013–14 fiscal year for the support of Local Coastal Programs, with priority to be given to completing Local Coastal Programs that have
1. not yet been certified.

3720-001-0371—For support of California Coastal Commission, for payment to Item 3720-001-0001, payable from the California Beach and Coastal Enhancement Account, California Environmental License Plate Fund 607,000

3720-001-0890—For support of California Coastal Commission, for payment to Item 3720-001-0001, payable from the Federal Trust Fund 2,576,000

3720-001-3123—For support of California Coastal Commission, for payment to Item 3720-001-0001, payable from the Coastal Act Services Fund 680,000

3720-101-0001—For local assistance, California Coastal Commission 1,000,000

Schedule:

10-Coastal Management Program	
(1)	1,000,000

3720-101-0371—For local assistance, California Coastal Commission, payable from the California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	816,000
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Schedule:

10-Coastal Management Program	
(1)	816,000

3720 California Coastal Commission

ATTACHMENT I

The California Coastal Commission, comprised of 12 voting members appointed equally by the Governor, the Senate Rules Committee, and the Speaker of the Assembly, was created by voter initiative in 1972 and was made permanent by the California Coastal Act of 1976 (Coastal Act). The Coastal Act calls for the protection and enhancement of public access and recreation, marine resources, environmentally sensitive habitat areas, marine water quality, agriculture, and scenic resources, and makes provisions for coastal-dependent industrial and energy development. New development in the coastal zone requires a coastal permit either from local government or the Commission. Local governments are required to prepare a local coastal program (LCP) for the coastal zone portion of their jurisdiction. After an LCP has been reviewed and approved by the Commission as being consistent with the Coastal Act, the Commission's regulatory authority over most types of new development is delegated to the local government, subject to limited appeals to the Commission. The Commission also is designated the principal state coastal management agency for the purpose of administering the federal Coastal Zone Management Act in California and has exclusive regulatory authority over federal activities such as permits, leases, federal development projects, and other federal actions that could affect coastal zone resources and that would not otherwise be subject to state control.

3-YR EXPENDITURES AND POSITIONS

		Positions			Expenditures		
		2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
10	Coastal Management Program	102.0	114.0	114.0	\$16,024	\$16,881	\$16,630
20	Coastal Energy Program	5.5	7.0	7.0	1,074	1,099	1,146
30.01	Administration	20.4	21.0	21.0	2,291	2,781	2,752
30.02	Distributed Administration	-	-	-	-2,161	-2,651	-2,652
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		127.9	142.0	142.0	\$17,228	\$18,110	\$17,876
FUNDING					2011-12*	2012-13*	2013-14*
0001	General Fund				\$10,526	\$10,356	\$10,796
0371	California Beach and Coastal Enhancement Account, California Environmental License Plate Fund				1,119	1,376	1,423
0565	State Coastal Conservancy Fund				489	647	-
0890	Federal Trust Fund				2,788	2,733	2,576
0995	Reimbursements				2,086	2,333	2,401
3123	Coastal Act Services Fund				220	665	680
TOTALS, EXPENDITURES, ALL FUNDS					\$17,228	\$18,110	\$17,876

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Public Resources Code, Division 20, Section 30000 et seq. and Title 16, United States Code, Chapter 33, Section 1451 et seq.

DETAILED BUDGET ADJUSTMENTS

		2012-13*			2013-14*		
		General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments							
Workload Budget Change Proposals							
•	Coastal and Marine Education	\$-	\$-	-	\$-	\$357	-
Totals, Workload Budget Change Proposals		\$-	\$-	-	\$-	\$357	-
Other Workload Budget Adjustments							
•	Employee Compensation Adjustments	-\$363	-\$121	-	\$77	\$25	-
•	Retirement Rate Adjustment	165	55	-	165	55	-
•	One Time Cost Reductions	-	-	-	-	-975	-
•	Carryover/Reappropriation	-	11	-	-	-	-
•	Miscellaneous Adjustments	-	211	-	-	19	-
Totals, Other Workload Budget Adjustments		-\$198	\$156	-	\$242	-\$876	-
Totals, Workload Budget Adjustments		-\$198	\$156	-	\$242	-\$519	-
Totals, Budget Adjustments		-\$198	\$156	-	\$242	-\$519	-

* Dollars in thousands, except in Salary Range.

3720 California Coastal Commission - Continued

PROGRAM DESCRIPTIONS

10 - COASTAL MANAGEMENT PROGRAM

The objectives of the Coastal Management Program are to implement coastal resources conservation through planning and regulation. Activities include:

- Reviewing and approval of local coastal programs (LCPs), port master plans, university long-range development plans, and any amendments to such plans, for consistency with the Coastal Act.
- Reviewing coastal development permit applications for new development in areas without a certified LCP, areas of permanently retained jurisdiction (e.g., tidelands, submerged lands, and public trust lands) and limited categories of local coastal development permit actions that can be appealed to the Commission.
- Monitoring and enforcement of coastal development permits.
- Reviewing federal activities for consistency with the Coastal Act.
- Protecting and expanding opportunities for public coastal access and recreation.
- Implementing a coastal water quality protection program.
- Providing technical information and assistance to support effective coastal management.
- Implementing a coastal and ocean resource public education program.

20 - COASTAL ENERGY PROGRAM

The Coastal Energy Program addresses coastal energy issues including, but not limited to, offshore oil and gas development, electricity generating power plant expansion and development, and siting and development of liquefied natural gas facilities.

30 - ADMINISTRATION

The objective of the Administration Program is to provide administrative support including accounting, budgeting, business services, support services, information technology, and human resources services to other departmental programs.

DETAILED EXPENDITURES BY PROGRAM

	2011-12*	2012-13*	2013-14*
PROGRAM REQUIREMENTS			
10 COASTAL MANAGEMENT PROGRAM			
State Operations:			
0001 General Fund	\$10,018	\$9,833	\$10,226
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	578	578	607
0565 State Coastal Conservancy Fund	489	647	-
0890 Federal Trust Fund	2,788	2,733	2,576
0995 Reimbursements	1,390	1,627	1,725
3123 Coastal Act Services Fund	220	665	680
Totals, State Operations	\$15,483	\$16,083	\$15,814
Local Assistance:			
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	\$541	\$798	\$816
Totals, Local Assistance	\$541	\$798	\$816
ELEMENT REQUIREMENTS			
10.10 Regulation of Coastal Development	\$6,282	\$7,131	\$6,433
State Operations:			
0001 General Fund	3,995	4,100	4,125
0565 State Coastal Conservancy Fund	489	647	-
0890 Federal Trust Fund	886	1,000	834
0995 Reimbursements	692	719	794
3123 Coastal Act Services Fund	220	665	680
10.20 Local Coastal Program	\$3,055	\$3,058	\$3,263
State Operations:			
0001 General Fund	1,714	1,687	1,800

* Dollars in thousands, except in Salary Range.

3720 California Coastal Commission - Continued

	<u>2011-12*</u>	<u>2012-13*</u>	<u>2013-14*</u>
0890 Federal Trust Fund	1,210	1,121	1,108
0995 Reimbursements	131	250	355
10.30 Planning and Support Studies	\$4,832	\$4,643	\$4,726
State Operations:			
0001 General Fund	4,028	3,806	4,000
0890 Federal Trust Fund	359	300	300
0995 Reimbursements	445	537	426
10.40 Federal Coastal Management Program	\$333	\$312	\$334
State Operations:			
0890 Federal Trust Fund	333	312	334
10.50 Coastal Access Program	\$262	\$261	\$351
State Operations:			
0001 General Fund	140	140	201
0995 Reimbursements	122	121	150
10.60 Coastal Resources Information Center	\$1,260	\$1,476	\$1,523
State Operations:			
0001 General Fund	141	100	100
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	578	578	607
Local Assistance:			
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	541	798	816
PROGRAM REQUIREMENTS			
20 COASTAL ENERGY PROGRAM			
State Operations:			
0001 General Fund	\$508	\$523	\$570
0995 Reimbursements	566	576	576
Totals, State Operations	\$1,074	\$1,099	\$1,146
PROGRAM REQUIREMENTS			
30 ADMINISTRATION AND SUPPORT ACTIVITIES			
State Operations:			
0995 Reimbursements	\$130	\$130	\$100
Totals, State Operations	\$130	\$130	\$100
ELEMENT REQUIREMENTS			
30.01 Administration	2,291	2,781	2,752
30.02 Distributed Administration	-2,161	-2,651	-2,652
TOTALS, EXPENDITURES			
State Operations	16,687	17,312	17,060
Local Assistance	541	798	816
Totals, Expenditures	\$17,228	\$18,110	\$17,876

EXPENDITURES BY CATEGORY

	1 State Operations			Expenditures		
	<u>Positions</u>			<u>Expenditures</u>		
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2011-12*</u>	<u>2012-13*</u>	<u>2013-14*</u>
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	127.9	142.0	142.0	\$8,758	\$9,423	\$9,937
Net Totals, Salaries and Wages	127.9	142.0	142.0	\$8,758	\$9,423	\$9,937
Staff Benefits	-	-	-	3,385	3,688	3,894

* Dollars in thousands, except in Salary Range.

3720 California Coastal Commission - Continued

1 State Operations	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Totals, Personal Services	127.9	142.0	142.0	\$12,143	\$13,111	\$13,831
OPERATING EXPENSES AND EQUIPMENT				\$4,544	\$4,201	\$3,229
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$16,687	\$17,312	\$17,060

2 Local Assistance	Expenditures		
	2011-12*	2012-13*	2013-14*
Public Education Program Assistance Grants	\$541	\$798	\$816
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$541	\$798	\$816

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$10,798	\$10,554	\$10,796
Allocation for employee compensation	24	45	-
Adjustment per Section 3.60	49	165	-
Adjustment per Section 3.90	-127	-408	-
Adjustment per Section 3.91 (b) Cell Phone Reductions	-6	-	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-200	-	-
Totals Available	\$10,538	\$10,356	\$10,796
Unexpended balance, estimated savings	-12	-	-
TOTALS, EXPENDITURES	\$10,526	\$10,356	\$10,796
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$581	\$590	\$607
Allocation for employee compensation	1	2	-
Adjustment per Section 3.60	3	9	-
Adjustment per Section 3.90	-7	-23	-
TOTALS, EXPENDITURES	\$578	\$578	\$607
0565 State Coastal Conservancy Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,136	\$-	\$-
Prior year balances available:			
Item 3720-001-0565, Budget Act of 2011	-	647	-
Totals Available	\$1,136	\$647	\$-
Balance available in subsequent years	-647	-	-
TOTALS, EXPENDITURES	\$489	\$647	\$-
0890 Federal Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$2,559	\$2,563	\$2,576
Allocation for employee compensation	1	2	-
Adjustment per Section 3.60	3	9	-
Adjustment per Section 3.90	-30	-22	-
Budget Adjustment	255	181	-
TOTALS, EXPENDITURES	\$2,788	\$2,733	\$2,576

* Dollars in thousands, except in Salary Range.

3720 California Coastal Commission - Continued

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$2,086	\$2,333	\$2,401
3123 Coastal Act Services Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$647	\$665	\$680
Adjustment per Section 3.91 (b) Operational Efficiency Plan	<u>-34</u>	<u>-</u>	<u>-</u>
Totals Available	\$613	\$665	\$680
Unexpended balance, estimated savings	<u>-393</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$220	\$665	\$680
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$16,687	\$17,312	\$17,060
2 LOCAL ASSISTANCE	2011-12*	2012-13*	2013-14*
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund			
APPROPRIATIONS			
101 Budget Act appropriation	<u>\$541</u>	<u>\$798</u>	<u>\$816</u>
TOTALS, EXPENDITURES	\$541	\$798	\$816
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$541	\$798	\$816
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	\$17,228	\$18,110	\$17,876

FUND CONDITION STATEMENTS

	2011-12*	2012-13*	2013-14*
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund^s			
BEGINNING BALANCE	\$1,492	\$2,001	\$1,323
Prior year adjustments	<u>78</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$1,570	\$2,001	\$1,323
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
143000 Personalized License Plates	<u>1,749</u>	<u>1,782</u>	<u>1,764</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$1,749</u>	<u>\$1,782</u>	<u>\$1,764</u>
Total Resources	\$3,319	\$3,783	\$3,087
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	3	1	-
3720 California Coastal Commission			
State Operations	578	578	607
Local Assistance	541	798	816
3760 State Coastal Conservancy			
Local Assistance	195	-	-
Capital Outlay	1	1,080	458
8880 Financial Information System for California (State Operations)	<u>-</u>	<u>3</u>	<u>3</u>
Total Expenditures and Expenditure Adjustments	<u>\$1,318</u>	<u>\$2,460</u>	<u>\$1,884</u>
FUND BALANCE	\$2,001	\$1,323	\$1,203
Reserve for economic uncertainties	2,001	1,323	1,203
3123 Coastal Act Services Fund^s			
BEGINNING BALANCE	\$2,301	\$2,741	\$2,772
Prior year adjustments	3	-	-

* Dollars in thousands, except in Salary Range.

3720 California Coastal Commission - Continued

	<u>2011-12*</u>	<u>2012-13*</u>	<u>2013-14*</u>
Adjusted Beginning Balance	\$2,304	\$2,741	\$2,772
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125700 Other Regulatory Licenses and Permits	1,161	1,200	1,200
Transfers and Other Adjustments:			
TO0593 To Coastal Access Account, State Coastal Conservancy Fund Coastal Access Account, State Cstl Cons per Public Resources Code Sec 30620.1	-500	-500	-500
Total Revenues, Transfers, and Other Adjustments	<u>\$661</u>	<u>\$700</u>	<u>\$700</u>
Total Resources	\$2,965	\$3,441	\$3,472
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	4	-	-
3720 California Coastal Commission (State Operations)	220	665	680
8880 Financial Information System for California (State Operations)	-	4	3
Total Expenditures and Expenditure Adjustments	<u>\$224</u>	<u>\$669</u>	<u>\$683</u>
FUND BALANCE	\$2,741	\$2,772	\$2,789
Reserve for economic uncertainties	2,741	2,772	2,789

* Dollars in thousands, except in Salary Range.

Dollars rounded to Thousands													Personnel Years		
Budget Year	General Fund ^{a/}	Bagley Conservation Fund	Environmental License Plate Fund	Other State Funds				State Coastal Conservancy Violation Remediation Account	Federal Funds			Total Coastal Commission Funds	Perm PY	Temp Help PY	Total PY ^{b/}
				Outer Continental Shelf Lands Act 8(g) Fund	Coastal Beach & Coastal Enhancement Account	Coastal Act Services Fund	Federal Funds Coastal Commission		Federal Funds BCDC/SCC	Reimbursements					
1972-1973	\$0	\$376,416									\$376,416	12.9		12.9	
1973-1974	\$302,735	\$2,130,863									\$2,433,598	90.9		90.9	
1974-1975	\$549,324	\$1,902,134						\$1,074,762		\$0	\$3,526,220	124.9		124.9	
1975-1976	\$1,018,930	\$1,389,461						\$1,117,288		\$0	\$3,525,679	118.5		118.5	
1976-1977	\$3,152,735	\$728,471						\$927,950		\$0	\$4,809,156	134.5		134.5	
1977-1978	\$6,428,707	\$0						\$1,736,590		\$758,185	\$8,923,482	159.2	34.1	193.3	
1978-1979	\$5,862,713	\$0						\$1,906,387		\$70,016	\$7,839,116	180.5	18.3	198.8	
1979-1980	\$6,119,898	\$0	\$12,000					\$3,227,292	\$380,000	\$60,000	\$9,419,190	180.4	20.2	200.6	
1980-1981	\$6,960,000	\$0	\$181,000					\$6,751,000	\$345,000	\$41,000	\$13,933,000	192.1	19.9	212.0	
1981-1982	\$6,470,000	\$0	\$198,000					\$3,451,000	\$422,000	\$39,000	\$10,158,000	176.9	11.0	187.9	
1982-1983	\$6,374,000	\$0	\$150,000					\$3,501,000	\$90,000	\$40,000	\$10,065,000	166.1	3.4	169.5	
1983-1984	\$5,349,000	\$0	\$280,000					\$853,000	\$573,000	\$40,000	\$6,522,000	121.7	8.2	129.9	
1984-1985	\$5,925,000	\$0	\$303,000					\$1,986,000	\$629,000	\$40,000	\$8,254,000	124.6	2.4	127.0	
1985-1986	\$5,884,000	\$0	\$329,000					\$794,000	\$978,000	\$40,000	\$7,047,000	112.2	2.0	114.2	
1986-1987	\$5,906,000	\$0	\$344,000					\$1,314,000	\$999,000	\$40,000	\$7,604,000	116.8	5.6	122.4	
1987-1988	\$5,895,000	\$0	\$392,000					\$1,085,000	\$752,000	\$40,000	\$7,412,000	109.7	4.5	114.2	
1988-1989	\$6,195,000	\$0	\$401,000					\$1,420,000	\$1,119,000	\$40,000	\$8,056,000	107.2	12.0	119.2	
1989-1990	\$5,958,000	\$0	\$429,000					\$1,385,000	\$686,000	\$40,000	\$7,812,000	105.4	6.3	111.7	
1990-1991	\$5,870,000	\$0	\$1,093,000					\$1,201,000	\$570,000	\$40,000	\$8,204,000	105.1	13.9	119.0	
1991-1992	\$5,713,000	\$0	\$1,107,000					\$2,036,000	\$240,000	\$351,000	\$9,207,000	110.1	19.2	129.3	
1992-1993	\$4,525,000	\$0	\$1,135,000	\$797,000				\$2,033,000	\$251,000	\$409,000	\$8,899,000	114.6	5.9	120.5	
1993-1994	\$4,483,000	\$0	\$1,194,000	\$807,000				\$2,584,000	\$201,000	\$520,000	\$9,588,000	113.0	13.9	126.9	
1994-1995	\$4,736,000	\$0	\$1,215,000	\$830,000				\$2,607,000	\$361,000	\$477,000	\$9,865,000	114.3	12.0	126.3	
1995-1996	\$5,741,000	\$0	\$1,223,000	\$0				\$3,101,000	\$455,000	\$496,000	\$10,561,000	113.5	13.1	126.6	
1996-1997	\$5,610,000	\$0	\$1,298,000	\$0				\$2,673,000	\$319,000	\$563,000	\$10,144,000	109.7	9.5	119.2	
1997-1998	\$7,190,000	\$0	\$0	\$0				\$2,344,000	\$347,000	\$679,000	\$10,213,000	112.1	9.9	122.0	
1998-1999	\$8,175,000	\$0	\$0	\$0	\$68,000			\$2,446,000	\$220,000	\$890,000	\$11,579,000	113.6	9.2	122.8	
1999-2000	\$9,454,000	\$0	\$0	\$0	\$247,000			\$2,354,000	\$418,000	\$787,000	\$12,842,000	127.5	10.4	137.9	
2000-2001	\$12,107,000	\$0	\$0	\$0	\$371,000			\$2,494,000	\$333,000	\$916,000	\$15,888,000	141.8	16.2	158.0	
2001-2002	\$11,723,000	\$0	\$0	\$0	\$394,000			\$2,817,000	\$420,000	\$1,083,000	\$16,017,000	149.1	18.5	167.6	
2002-2003	\$10,715,000	\$0	\$0	\$0	\$438,000			\$2,685,000	\$425,000	\$1,249,000	\$15,087,000	150.6	4.4	155.0	
2003-2004	\$9,459,000	\$0	\$0	\$0	\$394,000			\$2,655,000	\$429,000	\$1,552,000	\$14,060,000	136.2	0.7	136.9	
2004-2005	\$9,788,000	\$0	\$0	\$0	\$513,000			\$2,644,000	\$427,000	\$1,693,000	\$14,638,000	128.0	4.1	132.1	
2005-2006	\$9,917,000	\$0	\$0	\$0	\$580,000			\$2,861,000	\$355,000	\$1,589,000	\$14,947,000	132.0	4.2	136.2	
2006-2007	\$11,457,000	\$0	\$0	\$0	\$624,000			\$2,481,000	\$366,000	\$1,534,000	\$16,096,000	135.3	5.2	140.5	
2007-2008	\$11,709,000	\$0	\$0	\$0	\$596,000			\$2,085,000	\$322,000	\$2,274,000	\$16,664,000	136.7	4.6	141.3	
2008-2009	\$10,905,000	\$0	\$0	\$0	\$561,000	\$418,000		\$1,956,000	\$332,000	\$1,449,000	\$15,289,000	125.1	0.2	125.3	
2009-2010	\$9,985,000	\$0	\$0	\$0	\$521,000	\$340,000		\$1,816,000	\$343,000	\$1,648,000	\$14,310,000	124.7	2.6	127.3	
2010-2011	\$10,115,000	\$0	\$0	\$0	\$532,000	\$276,000		\$2,197,000	\$466,000	\$1,832,000	\$14,952,000	127.7	2.2	129.9	
2011-2012	\$10,526,000	\$0	\$0	\$0	\$578,000	\$220,000	\$489,000	\$2,197,000	\$466,000	\$2,086,000	\$16,354,000	125.2	2.7	127.9	
2012-2013 ^{c/}	\$10,308,000	\$0	\$0	\$0	\$579,000	\$665,000	\$647,000	\$2,478,000	\$312,000	\$2,082,000	\$16,759,000	131.4	2.3	133.7	
2013-2014 ^{d/}	\$14,062,000	\$0	\$0	\$0	\$622,000	\$679,000		\$2,298,000	\$293,000	\$2,490,000	\$20,151,000	160.2	6.8	167.0	

a/ State Operations funding only. Does not include Local Assistance funding. Fiscal Years 1980-81 through 2011-2012 reflect past year actual support operations expenditures shown in Governor's Budget.

b/ FY 1972-73 through FY 2011-12 are actual "Personnel Years" expended not authorized positions.

c/ Carryover of \$647,000 based upon \$1,136,000 one time FY 11/12 VRA fund (to be used over 2 years) for Coastal Management Program - Permit Tracking System.

d/ Budgeted authorized positions and projected expenditures from the Governor's Budget not actuals.

The Coastal Commission is the only authorized agency to accept Federal Coastal Zone Management Funds from 1979/80 thru the present.

BCDC, State Coastal Conservancy, State Parks and any other state agency federal Funds received by and passed through to other state agencies have been removed from the Federal funds column

Prior to FY 1979/80, BCDC received Federal Trust Funds directly...the Commission did not serve as the pass-thru agency until FY 1979/80.

Source: Governor's Budgets -- actual past year expenditures

Access Contract Database: FY 1991-92 for BCDC/SCC pass thru data because Gov. Budget for FY 93-94 did not have detailed information on FTF for Program 10.40 Federal Coastal Management Program

THE ANNUAL BUDGET PROCESS

Departments review expenditure plans and annually prepare baseline budgets to maintain existing level of services; they may prepare Budget Change Proposals (BCPs) to change levels of service.

Department of Finance (Finance) analyzes the baseline budget and BCPs, focusing on the fiscal impact of the proposals and consistency with the policy priorities/direction of the Governor. Finance estimates revenues and prepares a balanced expenditure plan for the Governor's approval. The Governor's Budget is released to the Legislature by January 10th of each year.

Governor issues State of the State Address setting forth policy goals for the upcoming fiscal year. Two identical Budget Bills are submitted (one in the Assembly and one in the Senate) for independent consideration by each house.

Public input to Governor, legislative members and subcommittees.

Finance and departments testify before budget subcommittees on the proposed budget. DOF updates revenues and expenditures with Finance Letters and May Revision.

As non-partisan analysts, **the Legislative Analyst's Office (LAO)** prepares an "Analysis of the Budget Bill" and "Perspectives and Issues". Testifies before the budget subcommittees on the proposed budget.

Public input to Governor, legislative members and subcommittees.

Assembly Budget Committee - divided into several subcommittees to review (approve, revise, or disapprove) specific details of the budget. Majority vote required for passage.

Senate Budget and Fiscal Review - divided into several subcommittees to review (approve, revise, or disapprove) specific details of the budget. Majority vote required for passage.

Assembly Floor examines committee report on budget attempting to get a simple majority vote for passage. The Budget usually moves to conference committee.

Senate Floor examines committee report on budget attempting to get a simple majority vote for passage. The Budget usually moves to conference committee.

Budget Conference Committee attempts to work out differences between Assembly & Senate versions of the Budget - also amending the budget to attempt to get a simple majority vote from each house.

Assembly Floor reviews conference report and attempts to reach a simple majority agreement. If no agreement is reached in conference or on floor, the BIG 5 gets involved.

Senate Floor reviews conference report and attempts to reach a simple majority agreement. If no agreement is reached in conference or on floor, the BIG 5 gets involved.

Sometimes, the BIG 5 (Governor, Speaker of Assembly, Speaker pro Tempore, and Minority Leaders of both houses) meet and compromise to get the simple majority vote in each house.

Final budget package with simple majority vote in each House submitted to the Governor for signature. Governor may reduce or eliminate any appropriation through the line-item veto. The budget package also includes trailer bills necessary to authorize and/or implement various program or revenue changes.

Individual departments and the **Finance** administer, manage change, and exercise oversight of the Budget on an ongoing basis. **The Joint Legislative Budget Committee (JLBC)** provides some coordination between the two houses and oversees the LAO. The JLBC is involved in the ongoing administration of the Budget and reviews various requests for changes to the Budget, after enactment.

Budget Process Overview

The Governor's Budget is the result of a process that begins more than one year before the Budget becomes law. When presented to the Legislature on January 10 of each year, the Governor's Budget incorporates revenue and expenditure estimates based upon the most current information available through mid December. In the event that the Governor wants to change the Budget presented to the Legislature, including adjustments resulting from changes in population, caseload, or enrollment estimates, the Department of Finance (Finance) proposes adjustments to the Legislature during budget hearings through Finance Letters. During late spring, usually in May, Finance submits revised revenue and expenditure estimates for both the current and budget years to the Legislature. This update process is referred to as the May Revision. Finance also prepares monthly economic and cash revenue updates during the fiscal year. Listed below are the key documents used in the budget process.

Title	Purpose	Prepared/Issued by	When
Budget Letters and Management Memos	Convey the Administration's guidelines for budget preparation to agencies and departments.	Governor/Finance	January through December
Budget Change Proposals	Documents that propose to modify or change the existing level of service, propose new programs, or delete existing programs.	Agencies and departments submit to Finance analysts	July through September
Governor's Budget	Governor's proposed budget for the upcoming fiscal year.	Governor/Finance	January 10
Governor's Budget Summary	A summary of the Governor's Budget.	Governor/Finance	January 10
Budget Bill	Requests spending authorization to carry out the Governor's expenditure plan (legislative budget decision document).	Finance/Legislature	January 10
Analysis of the Budget	Analysis of the Budget, including recommendations for changes to the Governor's Budget.	Legislative Analyst	February
May Revision	Update of General Fund revenues, expenditures, and reserve estimates based on the latest economic forecast and changes in population, caseload, or enrollment estimates.	Finance	Mid-May
Budget Act	The primary annual expenditure authorization as approved by the Governor and Legislature, including a listing of the Governor's vetoes.	Legislature/Governor	Late June or enactment of the Budget
Final Budget Summary	Update of the individual Budget Act items with changes by the Governor's vetoes, including certain budget summary schedules.	Finance	Late July - August or 1-2 months after Budget enactment
Final Change Book	Update of changes to the detailed fiscal information in the Governor's Budget.	Finance	Late July - August or 1-2 months after Budget enactment

Preface

The budget process for California defies a simple concise definition. It is a process rather than a product. It is not the development of the Governor's Budget, the Legislature's enactment of a budget nor the executive branch's administration of the budget. Rather, it is the combination of all of these phases with all the ramifications and influences of political interactions, relationships with federal and local governments, public input, natural events, legal issues, the economy, initiatives and legislation, etc.

Although the size and complexity of California and the dynamics of the process make it difficult to establish and maintain an orderly process, these very reasons necessitate an orderly formalized process. The following sections summarize the major steps and procedures of California's budget process.

Budget Development

The State Constitution requires that the Governor submit a budget to the Legislature by January 10. It provides for a balanced budget in that, if the proposed expenditures for the budget year exceed estimated revenues, the Governor is required to recommend the sources for the additional funding.

The Director of Finance, as the chief financial advisor to the Governor, directs the effort for preparation of the Governor's Budget. Under the policy direction of the Governor, the Director of Finance issues instructions and guidelines for budget preparation to agencies and departments. This effort typically gets underway even before the Legislature has passed the budget for the current fiscal year.

Although California has utilized concepts such as Zero-Based Budgeting, Management by Objectives, and Total Quality Management, the basic approach utilized is incremental budgeting. This approach essentially uses the current departmental level of funding as a base amount to be adjusted by change proposals. The Budget Change Proposal (BCP) has been the traditional decision document which proposes a change to the existing budget level. The BCPs are submitted by departments to the Department of Finance for review and analysis.

The general goal in the budget decision process is to resolve budget issues at the lowest level possible. For those departments that are under an Agency Secretary, departments must clear their proposals through Agency-level hearings. The Department of Finance generally attends these hearings. For non-Agency departments, proposals are presented directly to the Department of Finance. Issues which are not resolved between departments and Finance staff are discussed at hearings conducted by the Director of Finance. The most sensitive issues are ultimately presented to the Governor for a decision.

After all decisions are completed, the Department of Finance coordinates the printing of the following publications which comprise the Governor's Budget package. They are available from the [Department of Finance Website](#).

Governor's Budget Summary^{3/4}A summary volume which includes the Governor's goals and objectives for the forthcoming year, and the policy perspectives and highlights of changes in the Governor's Budget.

Governor's Budget^{3/4}A detailed presentation for each department for the past, current, and budget years.

Salaries and Wages Supplement^{3/4}A detailed presentation of authorized staffing and related salaries.

The Governor annually unveils the budget at a formal press conference. The Governor's State of the State address typically includes a general presentation of the Administration's budget policies and priorities.

Budget Enactment

By constitutional requirement, the Governor's Budget must be accompanied by a Budget Bill itemizing recommended expenditures which shall be introduced in each house of the Legislature. The Constitution also

requires that the Legislature pass the bill by June 15.

The Senate Budget and Fiscal Review Committee and the Assembly Budget Committee are the two committees that hear the Budget Bills. They assign the items in the bill to several subcommittees (by major subject areas such as Education or Health and Human Services) which conduct budget hearings. These hearings generally begin in late February soon after the Legislative Analyst issues the "Analysis of the Budget Bill". The Legislative Analyst is appointed by the Joint Legislative Budget Committee and is charged with providing a nonpartisan analysis and recommendations for changes to the Governor's budget plan.

In addition to the Legislative Analyst, the Department of Finance and departmental staff typically provide testimony at the subcommittee hearings. In recent years, there has been increasing input by partisan fiscal committee consultants of both the majority and minority parties. Additionally, lobbyists and the public may provide testimony at the hearings.

The Department of Finance proposes adjustments to the Governor's Budget through "Finance Letters" in the spring. By statute, the Department of Finance is required to give the Legislature all proposed adjustments, other than Capital Outlay and May Revision, to the Governor's Budget by April 1. Capital Outlay adjustments are due by May 1. The traditional May Revision adjustments are due by May 14, and consist of an update of General Fund revenues and changes in expenditures for school funding requirements pursuant to Proposition 98, caseload, enrollment, or population. The Legislature typically waits for the May Revision update before final budget decisions are made on major programs such as Education, Corrections, and Health and Human Services.

When a subcommittee completes its actions, it reports its recommendations to the full committee. Upon adoption of the budget by the full committee, a recommendation is made to the Floor (full house). Upon simple majority vote of the house, the Budget Bill is passed to the other house. A Budget Conference Committee is then appointed to work out differences between the Senate and Assembly versions of the bill. Upon completion of action by the Conference Committee and a simple majority vote, this conference version is then sent to the two houses for approval.

Sometimes the Conference Committee does not reach final resolution on the budget. This stalemate typically results from non-resolution of a few major issues. These issues are then resolved by the "Leadership" or "Big 5" (Governor, Speaker of the Assembly, President Pro Tempore, and the minority leaders of both houses).

When the Budget Bill receives a simple majority vote of each house, it is passed on to the Governor. The Constitution allows the Governor to reduce or eliminate an item of appropriation.

The Constitution prohibits the Legislature from sending to the Governor, and the Governor from signing into law, a budget bill that would appropriate from the General Fund a total amount that, when combined with all appropriations from the General Fund for that fiscal year, and any amount transferred to the Budget Stabilization Account, exceeds General Fund revenues for that fiscal year. In addition, Government Code Section 13337.5 requires that projected expenditures shall not exceed projected revenues for the ensuing fiscal year.

The Department of Finance publishes three documents upon enactment of the Budget Act. The first two are also available from the Department of Finance Website.

California State Budget Summary/Veto Message Package^{3/4}This is a highlight narrative summary of the budget package, and includes charts and graphs.

Final Budget Summary^{3/4}This document is an annotated version of the Budget Act which includes summary tables, technical corrections to the Budget Act, and the effect of vetoes on the items and sections of the Budget Act.

Final Change Book^{3/4}This document provides the detail of changes between the January 10 budget and the enacted budget.

There are generally budget changes proposed by the Governor or the Legislature which necessitate changes to existing law in order to implement the budget changes. If this is the case, separate bills are introduced to implement

the change. These budget implementation bills are called "trailer bills" and are heard concurrently with the Budget Bill. By law, all proposed statutory changes necessary to implement the Governor's Budget are due to the Legislature by February 1.

Administration

The Budget Act is the primary source for appropriations. Continuous statutory appropriations and special legislation also provide expenditure authority.

Departments have the primary responsibility to operate within budgeted levels and to comply with any restrictions or limitations enacted by the Legislature. Further, the general expectation is that State agencies comply with the legislative intent. Although the general expectation is to conform to the enacted budget, the Legislature has recognized a need to establish some flexibility to adjust budgets. For example, the statutes provide a continuous appropriation for allocations by the Director of Finance to meet expenditures resulting from natural disasters for any emergency proclaimed by the Governor. The Legislature has also provided provisions in the Budget Act to allow for budget adjustments. Most of this authority requires Director of Finance approval; many require a formal notice to the Legislature and a waiting period to provide the opportunity for legislative review and response before final approval. Budget Act provisions to allow adjustments include authorizations for:

- Changes to federal funding levels
- Funding for unanticipated costs
- Changes to reimbursements
- Intra-item transfers

The Department of Finance approves budget changes using Budget Revisions, Executive Orders and letters. These changes are transmitted to the State Controller's Office, which maintains the statewide appropriation control accounts.

The Governor has certain powers to adjust expenditures. Although these powers do not permit for adjustment of appropriations, the expenditure plan may be changed. For example, past Governors have issued Executive Orders to implement hiring and equipment purchase freezes and delayed capital expenditures. Under emergency conditions, the Governor is also authorized to direct State resources to meet emergency needs.

BUDGET PROCESS

Because of the dynamic nature of California's budget process, there is no single document which provides a comprehensive description of the process. The dynamics require changing instructions, descriptions, forms and procedures, law changes, etc. The following provide information about the budget process:

- Governor's Budget package
- Legislative Analyst's "Analysis of the Budget Bill"
- State Administrative Manual
- Budget Act and Final Budget Summary
- Final Change Book
- Budget Letters and budget related Management Memos
- Internet:

[Finance Website](#)

[Budget Letters Website](#)

The annual budget process is portrayed in a relatively simple flow chart. It may be viewed and **printed using the Adobe Acrobat Reader**; scroll down to "Budget Process" and click on "[flowchart](#)"

(September 2012)