

December 31, 2025

Wade Crowfoot, Secretary
California Natural Resources Agency
715 P Street, 20th Floor
Sacramento, CA 95814

Dear Secretary Wade Crowfoot,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the California Coastal Commission submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2025.

Should you have any questions please contact Madeline Cavalieri, Deputy Executive Director, at (415) 604-5664, madeline.cavalieri@coastal.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The California Coastal Commission was created by voter initiative in 1972 (Proposition 20) and then statutorily established by the Legislature in the California Coastal Act of 1976. The Commission carries out its responsibilities in accordance with its vision, mission, and core values embodied in its 2021-2025 Strategic Plan. The Commission is an independent, quasi-judicial state agency. The Commission is composed of twelve voting members, appointed equally (four each) by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six of the voting commissioners are locally elected officials and six are appointed from the public at large. Three ex officio members represent the Resources Agency, the California State Transportation Agency, and the State Lands Commission.

The coastal zone, which was specifically mapped by the Legislature in 1976, covers an area larger than the State of Rhode Island. On land, the coastal zone varies in width from several hundred feet in highly urbanized areas up to five miles in certain rural areas. Offshore the coastal zone extends out three miles from shore. The coastal zone established by the Coastal Act does not include San Francisco Bay, where development is regulated by the Bay Conservation and Development Commission.

Vision Statement

The California coast is available for all to enjoy through thousands of public accessways to and along the shoreline, a completed Coastal Trail, a well-supported network of parks and open spaces, and a wide range of visitor-serving facilities, including lower-cost campgrounds,

hostels, and hotels. The rich ecological diversity of the coast and ocean, including beaches, rocky shorelines, wetlands, riparian areas, sensitive terrestrial habitats, is protected and thriving. Scenic rural landscapes are maintained, coastal agriculture is flourishing, cultural resources are protected, and the coastal communities and neighborhoods that attract so many visitors retain their unique character, social and economic vitality. The Commission works collaboratively with local governments, other agencies, and an engaged and knowledgeable public committed to coastal stewardship to support and manage environmentally-sustainable development, including assuring priority for coastal-dependent and related uses of land and water, concentrating new growth in existing urban areas, providing multi-modal public access and transportation, and promoting well-adapted, equitable and resilient communities in the face of global climate change. The coast endures as a vital part of California's social and cultural fabric and the coastal and ocean economy is strong.

Mission Statement

The Commission is committed to protecting and enhancing California's coast and ocean for present and future generations. It does so through careful planning and regulation of environmentally sustainable development, rigorous use of science, strong public participation, education, and effective intergovernmental coordination.

Strategic Goals

The Commission's 2026-2030 Strategic Plan serves as a roadmap for the Coastal Commission's next five years. It outlines the following five overarching goals that reflect the Commission's core priorities and values:

- Ensure Coastal Access for All
- Plan for Resilient Communities
- Improve External Engagement and Communication
- Protect Coastal Resources
- Build and Maintain a Resilient Organization

Control Environment

The Commission establishes its control environment through multiple efforts. Its principles and values are expressed in its Strategic Plan, Workforce Plan and Justice Equity Diversity and Inclusion (JEDI) Plan. These plans express the agency's mission and vision and include detailed initiatives and actions to implement the Coastal Act and develop and maintain a talented, committed, diverse and thriving workforce.

At the decision-making level, the Commission meets monthly and oversees all programmatic activities at public meetings. As part of those monthly meetings, the Commission takes public testimony on scheduled hearing items and allows the public through its "General Public Comment" item to speak to the Commission on all matters of the Commission's jurisdiction and practices. The Commission's Executive Director serves at the pleasure of the Commission and is responsible for all internal agency operations. Controls are established by the Executive Director and her Executive Management Team and are communicated through written procedures, staff meetings and ongoing weekly meetings between supervisors/managers and line staff. Expectations regarding staff conduct and responsibilities are communicated via the management of each program/unit. The Human Resources Unit routinely assists in identifying evolving workforce needs and works with staff on succession planning, hiring, trainings, and performance evaluations.

Information and Communication

The Commission is a small agency that is highly focused on its core mission. This structure facilitates ample communication between staff and management and between different units. Communication amongst staff members happens on a regular basis, including at bi-weekly executive staff meetings, bi-weekly senior staff meetings, and at monthly district or unit meetings (which include management and line staff). As needed, the executive staff informs senior staff of any policy or procedure changes needed to assist in the mitigation of any identified issues. All-staff calls, emails, memos, and other forms of written communication are used when appropriate.

In addition, the Commission communicates regularly with its agency partners and other stakeholders with interest in the Commission's program. The Commission's legal, policy and technical staff devote significant resources to developing reports and memos for external parties to address emerging policy areas and the Commission keeps its website up to date with current items of interest to agency partners and stakeholders. To aid the Commission's close partnership with local governments, the Commission regularly issues memos to local governments on policy and procedural issues and disseminates those through email communication, as well as posting related information to our website.

MONITORING

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the California Coastal Commission monitoring practices are

implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Madeline Cavalieri, Deputy Executive Director.

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitor sponsor includes facilitating and verifying that the Commission's monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Madeline Cavalieri, Deputy Executive Director.

Senior staff reports on major items through bi-weekly senior staff meetings, and significant items are then brought to the executive staff meetings (which includes the agency's Executive Director, Deputy Executive Director and District Directors). Meeting topics include discussion of a wide range of current and potential internal control issues that need to be addressed, including issues related to the risks identified below. These meetings also allow management to discuss issues they have been made aware of by line staff and decide what steps are needed to mitigate the issues that arise. These staff meetings also inform the reports to the Coastal Commission, including regular updates on progress made on the Commission's Strategic Plan.

The update on the progress made on the Commission's Strategic Plan is a public document that is posted on the Commission's website. Executive staff presents the monitoring report to the Commissioners at a regularly scheduled Commission hearing, according to the Commission's typical hearing procedures. Key staff members are responsible for each Strategic Plan action item, including those items related to the risks identified below. Senior staff seeks input from all staff members on evaluating progress on Strategic Plan action items prior to publishing the annual monitoring report, and all staff is encouraged to review the completed monitoring report.

If progress on the Strategic Plan or other agency initiatives is determined to be inadequate, either by the Commission or by Commission staff, executive staff, including through their bi-weekly meetings, will determine if changes are needed.

As vulnerabilities are identified, they are evaluated through regular meetings with senior staff and executive staff. Depending on the nature of the vulnerability, responses will be identified either by senior staff or executive staff. After determining the appropriate response, executive staff will identify the staff who will be responsible for overseeing implementation of the response. The staff who is responsible for overseeing implementation, will also be required to report on the response regularly, so that it can be monitored and adjusted by executive staff, as necessary.

RISK ASSESSMENT PROCESS

The following personnel were involved in the California Coastal Commission risk assessment process: executive management, middle management, and front line management.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, other/prior risk assessments, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, timing of potential event, and tolerance level for the type of risk.

The Commission's senior staff members, including the Executive Director, Deputy Executive Director, and Deputy Directors meet bi-weekly to identify and discuss issues, priorities and risks to each agency program. At these meetings, managers raise issues that are tracked in the Strategic Plan, as well as issues related to all aspects of the program, including personnel, business services and accounting, and the potential for fraud.

A team of senior staff members, including the Executive Director, the General Counsel, the Deputy Executive Director, and the directors of Information Technology, Human Resources, Fiscal and Business Services, and Accounting completed the SLAA risk assessment process by identifying risks, including those raised during the bi-weekly management team meetings and issues and risks identified in the Strategic Plan, the Workforce Plan, and the JEDI Plan.

Additionally, the risk assessment team used the Control Environment questions and the SLAA Risk Catalog to ensure potential risks to the agency and major issues were considered.

After identifying the risks, the risk assessment team evaluated each risk for its potential impact to the agency and the likelihood that it could occur, and then ranked the risks based on these factors. After the risks were ranked, the team identified the controls which serve to mitigate the risks and discussed the effectiveness of the controls in place.

RISKS AND CONTROLS

Risk: Key Person Dependence and Workforce Planning

In the past several years, the Commission has been experiencing significant staff turnover. This turnover, combined with the Commission's chronic understaffing due to inadequate baseline funding, has caused significant problems with key person dependence. This recent period of turnover began with a large number of baby

boomer retirements several years ago and has continued as many new staff have been onboarded and trained, only to leave for more competitive salaries. The wave of retirements has included numerous executive, senior staff and line staff members who have had long careers at the Commission and leave with a wealth of knowledge and skills. The result of these retirements has been a loss of institutional knowledge and a disruption to operations. In addition, the Commission, like many departments, has experienced difficulty filling positions, as well as much faster staff turnover than in previous years, mostly due to the lack of competitive salaries and, for many staff, the lack of a livable wage. This has resulted in the loss of resources spent training new staff who in turn leave for more competitive salaries, and results in the need for additional recruitment and training of new staff.

These challenges are compounded by the fact that as a small department, the Commission, even when fully staffed, has a limited number of positions that can provide for staffing redundancies and back-ups when a staff member is out or leaves the agency. Thus, many staff are relied upon exclusively, and when they leave the agency, there is no one that has the knowledge and expertise to train their replacements.

The Commission is addressing these issues by developing more training materials, undertaking succession planning and knowledge transfer strategies, recruiting and training a more diverse new staff and seeking GeoPay to improve retention. The Commission's Workforce Plan includes actions and initiatives to address this significant workforce change, including measures to transfer knowledge. These measures collectively will help ensure the Commission continues to operate effectively and efficiently throughout the upcoming wave of retirements, and help improve retention so that staff turnover slows.

Control: Mentorship Program

The Commission will continue implementing a mentoring program to ensure all its newer staff feel welcome and have opportunities to benefit from advice and strong working relationships with more experienced staff.

Control: Hiring Process Improvements

The Commission's Justice, Equity, Diversity and Inclusion (JEDI) Team has identified improvements needed related to staff hiring. These include expanding the posting of job opportunities to help broaden the diversity of candidates, and making the Commission's civil service exam, job application, and hiring processes more understandable and accessible through updating the Commission's job website to include links regarding each phase from exams to hiring interviews.

Risk: Staff Training, Knowledge and Competence

The nature of the Coastal Commission's work is complex and technical and is subject to frequent litigation. Thus, staff training, knowledge and competence is one of the most fundamental areas to address to ensure the future success of the Commission, particularly with the anticipated level of retirements, succession and staff turnover at the department. If staff is not appropriately trained, the Commission will not be able to support effective implementation of the Coastal Act, may be less efficient with its scarce resources, and risk litigation losses, which can be extremely costly for the State.

Control: Develop Staff Training Materials

The Commission has developed numerous staff training materials in the past several years, and continues to develop more training materials, which is especially necessary given the large number of new staff at the department. The Commission is completing work on a federal grant to develop and implement a staff training program focused on Local Coastal Programs (LCPs), which are a key tool in its partnership with local governments throughout the state. The Commission will also develop new training materials and update existing training materials related to other aspects of the Commission's program.

Control: Implement Staff Training

The Commission will implement existing and new staff training sessions in a variety of formats, including in-person, virtual and self-guided training. In addition, the Commission will develop an assessment and survey process to collect feedback on the training program to evaluate its effectiveness and make any needed changes.

Risk: Workplace Environment

RETURN TO OFFICE

The Commission continues to be committed to maintaining a hybrid work environment over the long term to reduce costs and greenhouse gas emissions, to benefit staff morale, as a recruitment and retention tool, and to improve workflow efficiencies. In addition, in preparation for implementation of Executive Order N-22-25, which will require Commission employees to return to the office minimum of four in-person days per work week, the Commission will continue to provide safe, sustainable and collaborative spaces for all employees. The Commission also continues to make reasonable efforts to provide private, enclosed workspaces for job classifications that require offices.

TRANSITION TO DIGITAL RECORDS

In order to make the most efficient use of resources, the Commission must transition from paper recordkeeping to digital recordkeeping. This transition presents numerous challenges, especially related to record access, data security and integration of digital and paper recordkeeping processes and workflows. Existing paper records will need to be digitized, and staff will need training on digital record-keeping systems and tools in order to reduce errors and maintain productivity. Addressing these issues and providing ongoing support and training is crucial for a smooth transition to a digital system.

OFFICE MODERNIZATION

The Commission's offices have not kept pace with technological improvements, resulting in inefficiencies and lost productivity, especially in the hybrid work environment.

For example, the Commission's computer network is not always able to handle all video calls, file sharing, and meetings while in the office. Because the Commission has staff in seven different offices and recognized the efficiency of video calls for collaboration in the remote work environment, there is significant demand for video conferencing to collaborate across offices. However, the Commission's computer network cannot manage this demand, and therefore, staff are at times prevented from working effectively from the office, which harms productivity as well as staff morale.

In addition, the Commission does not have Wi-Fi in its offices. Post-pandemic, and given the conversion to a digital filing system, Wi-Fi has become a critical tool for collaboration. Wi-Fi would enable staff to seamlessly work from various locations within each office. It would save time by allowing individuals to move quickly and freely from solo work in their cubicle, to 1 on 1 discussions in offices, to teamwork in conference rooms, without being tethered to a wired connection. This flexibility saves time, fosters creativity and collaboration, and creates a less stressful working environment, improving productivity.

Finally, the Commission does not have cellphones available for all staff who need them. This causes numerous challenges that are exacerbated by the hybrid working environment. The Commission works on controversial and contentious projects and is responsible for enforcing the Coastal Act, which can cause some applicants and members of the public to be angry with staff. When working remotely and in the field, this leaves staff concerned for their privacy when using personal cell phones for work.

Control: Labor Relations Coordination

The Commission's Labor Relations will identify and review potential impacts to employee terms and conditions of employment that will require union notice and provide guidance to management and staff on compliance requirements of the return to office order. Labor Relations and Human Resources will support management and staff in open discussions of adapting to changes and of impacts to employee wellbeing and employee health and safety.

Control: Manage Return to Office

The Commission's Human Resources unit will guide management in considering employee requests for additional telework allowances on a case-by-case basis, pursuant to current state guidance. The Commission's Leave and Reasonable Accommodation Coordinators will review new and existing requests for Reasonable Accommodation and leave of absences under the Fair Employment and Housing Act (FEHA), the American Disability Act, the Family Medical Leave Act (FMLA) or the California Family Rights Act (CFRA), and other flexible work arrangements including alternate work schedules, reduced work schedules, and Personal Leave Program.

Control: Digitize Paper Records

The Commission initiated digitization efforts in 2023, successfully digitizing nearly one thousand boxes through a pilot program. The Commission will now use the remaining available funds to digitize additional paper files and will pursue additional funding to complete the digitization of most Commission paper records.

Control: Computer Network Upgrades

The Commission has initiated a phased upgrade to increase network bandwidth to accommodate expected increased network loads with staff working onsite in offices using cloud-based services and platforms, such as Microsoft 365 business productivity suites and video conferencing. The Commission will continue to evaluate and implement network upgrades, as resources allow.

Control: WiFi Availability

The Commission has initiated a Wi-Fi implementation project to install Wi-Fi capabilities to six of the seven Commission offices: Arcata, San Francisco, Sacramento, Santa Cruz, Ventura and Long Beach. San Diego was considered out of scope for this project due to logistical barriers unique to that office and will be considered at a future time.

Control: Cell Phones

The Commission has provided an initial set of state-issued cell phones to staff who identified having a state-issued cell phone as a critical need to carry out their duties, address use of personal device and privacy concerns, and provide access to state mandated multifactor authentication (MFA). The Commission will continue to evaluate and consider additional state-issued cell phones for staff as resources allow.

Control: Work Station Assessment

The Commission will assess each office location to determine whether there are enough cubicles and offices to support all staff working in the office 4 days per week without sharing workstations. Based on this assessment, the Commission will explore options to construct additional cubicles and/or offices as needed to ensure each employee has a dedicated, appropriate workspace. Reasonable efforts will continue to be made to provide private, enclosed offices for job classifications that require them.

Risk: Recruitment, Retention and Staffing Levels

The Commission's Workforce Plan identifies key issues regarding low staff salaries, recruitment and retention, diversifying the work force, training, and succession planning that are relevant to this SLAA Report and the Commission's Strategic Plan.

The Commission recruits and hires excellent staff, but because of low salaries for many of its positions, the Commission has trouble retaining staff. Commission salaries, especially in coastal areas, are much lower than salaries for comparable positions in local, regional, and federal agencies. The Commission had a salary study prepared for the Coastal Program Analyst series and found that employees are paid up to 40% less than their local government counterparts.

In more recent years, the Commission has seen a pattern of entry level staff staying only one to two years and leaving for other higher paying government jobs. This makes it very difficult to sustain a team of well-trained staff to implement the Coastal Act and has caused delays in permit processing and plan review as new staff require additional time to get up to speed on complex permit and land use planning applications. Also, it is time-consuming and expensive to recruit, hire, and train new staff to then have them leave after a couple of years because of low pay.

In 2025, the Commission again submitted a salary package to CalHR to increase the salary levels for the Coastal Program Analyst series and is continuing to pursue salary increases as well as Geopay for employees in high-cost coastal areas. Salary increases are essential to help the Commission improve retention levels. Enhancing its salary structure is one of the top priorities of the Commission's Strategic Plan.

Control: Geopay

The Commission has previously submitted Employee Compensation requests for Geographic Pay Differentials. Although this type of recruitment and retention differential has not been implemented due to budget concerns, the Commission will continue to request Recruitment and Retention Pay differentials.

Control: Alternate Salary Ranges

The Commission is working on a request to update the Alternate Range Criteria (ARC) for Coastal Program Analyst I classification to align with the ARCs of the entry-level Environmental Planner and Transportation Planner classifications. There remains a discrepancy in the ARC between the Coastal Program Analyst I entry-level class and the entry-level classes of the Environmental Planner and Transportation Planner series.

Control: Hiring Above Minimum

In 2024, the Commission was granted approval to appoint new and existing employees above the established minimum salary if they are being appointed to Coastal Program Analyst I/II classifications. The exception was granted due to the recruitment and retention for these classifications. All state agencies were granted the approval to appoint new and existing employees above the established minimum salary if they are being appointed to the Attorney series. The Commission will implement these new salary levels as new staff is hired.

CONCLUSION

The California Coastal Commission strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

Kate Huckelbridge, Executive Director

CC: California Legislature [Senate, Assembly]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency