

CALIFORNIA COASTAL COMMISSION

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June 21, 1996

TO: Coastal Commissioners

FROM: Peter M. Douglas, Executive Director
James W. Burns, Chief Deputy Director

SUBJECT: PROPOSED BUDGET FOR FY 1997/98 (For Discussion and Action at the
July 10-12, 1996, Commission Meeting)

COASTAL PROGRAM STATUS

Over the past fifteen years, State funds for the Commission's core program have been cut by 38%, from \$6.668 million in FY 1981/82 (the equivalent of \$11.134 million in 1996/97 dollars) to \$6.903 million in FY 1996/7. Staff for the Commission's core program has been cut by 43% (79.4 budgeted positions) over the same period, from 185.9 positions in FY 1981/82 to 106.5 in FY 1996/97.

Reductions in budget and staff have forced the Commission to operate at a level well below that necessary to carry out all of its responsibilities. The Commission's work is now driven primarily by statutory requirements and deadlines set by the State Coastal Act, Federal Coastal Zone Management Act, and State Permit Streamlining Act. Many critical tasks that should have priority have had to be deferred.

In the absence of any budget increase, the Commission will remain underfunded and understaffed. Most of the staff hired over the past four years has had to be hired as limited term appointments (i.e., the term of their employment is limited to the duration of the Federal grants that support their positions).

We continue to place strict controls on our operating expenditures to keep within our budget. For example, staff travel to proposed development sites, to meetings with local officials, government agencies and permit applicants, and to Commission meetings has been reduced significantly. Staff who have worked on permit applications and prepared staff reports for the Commission's review normally do not attend out of town Commission hearings on their projects. Instead their district directors make the oral staff reports for their districts. Obviously, staff would be more effective if we could make more site visits, meet more frequently with local government representatives, participate in joint review panels and task forces, attend Commission meetings, etc.; however, our budget simply will not support this much travel.

The Commission continues to have a substantial workload, acting on an average of about 2,000 regulatory and planning items each year. Considerable additional planning-related work remains to be done; for example, 44 local coastal program (LCP) segments and 36 areas of deferred certification remain to be completed by local governments and certified by the Commission. Additionally, 55 periodic evaluations of certified local coastal programs have been deferred and some are overdue by as much as ten years. Our workload has also increased in recent years with new court-imposed requirements resulting from revised interpretations of takings and other laws, new responsibilities such as developing and implementing coastal nonpoint source pollution controls, continuing pressure for development along the coast, and the need to amend LCPs to accommodate growth and to protect coastal resources.

Current Year (FY 1996/97) Budget

Because of the continuing deficiency in State funding, the Commission is dependent upon Federal funds to support a significant portion of its core program. Federal funds will make up about 85 percent of our core program's Operating Expenses and Equipment (OE&E) budget. Although the Coastal Commission will receive \$2.032 million in Federal Coastal Zone Management Act (CZMA) section 306 funds for its core program in FY 1996/97, we will receive considerably less in other federal grants (CZMA section 308, 309 and 6217 grants; Clean Water Act grants; etc.). In the past we have been able to use a portion of these other grants to support baseline program costs as well as the costs for completing grant-specific tasks that require additional staff, additional travel, etc. Some of the Federal money in our FY 1996/97 budget will come from FY 1995/96 grants that are carried over to the end of the Federal fiscal year, September 30, 1996. Since our total Federal funding for FY 1996/97 will be about \$700,000 less than in FY 1995/96, we will have to reduce our Federally funded staff by about 12.3 positions in FY 1996/97.

FY 1996/97 BUDGET¹

	<u>Dollars</u>	<u>Budgeted Positions²</u>	<u>Authorized Positions²</u>
General Fund	5,613,000	87.5	92.3
Environmental License Plate Fund	<u>1,290,000</u>	<u>19.0</u>	<u>20.0</u>
Total State Funds for Core Program	6,903,000	106.5	112.3
BCDC ⁴ Reimbursement (Personnel & Accounting)	61,000	2.0	2.1
DFG ⁵ Reimbursement (Oil Spill Program)	<u>376,000</u>	<u>4.9</u>	<u>5.2</u>
Total Reimbursements	437,000	6.9	7.3
Federal Coastal Management Grant CZMA 306	2,032,200	4.4	4.4
CZMA 309 Federal Grant	215,200	2.6	2.6
Carryover from FY 1995/96 Federal Grants ³	<u>348,900</u>	<u>5.0</u>	<u>5.0</u>
Total Federal Funds	<u>2,596,100</u>	<u>12.0</u>	<u>12.0</u>
TOTAL BUDGET FROM ALL SOURCES	9,936,100	125.4+	131.6+

1 = Budget for 7/1/96 - 6/30/97 does not include funds passed through to other agencies (e.g., BCDC and SCC⁶), funds that will carry over into FY 1997/98, or funds for federal Interagency Personnel Act positions (NOAA/EPA).

2 = Agencies are authorized to fill a specific number of positions, expressed as personnel years (PY). The Department of Finance has estimated that on average, an agency will have 5 percent of its authorized PY vacant during the year because of delays in recruiting and hiring staff. Since not all authorized PY are filled at any one time, it is unnecessary for the State to provide funds to pay the salaries for all authorized positions. Therefore, the State Budget shows: Authorized PY - 5% Salary Savings = Budgeted PY. Although we may fill all of our 112.3 Authorized PY for our core program in FY 1996/97, we are not funded to exceed 106.5 PY.

3 = Estimated

4 = San Francisco Bay Conservation and Development Commission

5 = Department of Fish and Game

6 = State Coastal Conservancy

THE STATE'S BUDGET PROCESS

Baseline Budget. Budget preparation normally begins in July and August, when the Department of Finance begins working with us to develop a Baseline Budget. Essentially, a Baseline Budget is an estimate of the cost in the next fiscal year of carrying out our core program at the same level as the current year (i.e., no increase in staff or budget, except possibly a cost of living adjustment).

Budget Change Proposals. In August and September, State agencies are required to prepare Budget Change Proposals (BCPs) for any changes they desire to make in their next year's budget. We normally prepare BCPs to request additional staff and funds to meet our program responsibilities.

For administrative purposes, the Coastal Commission is within the Resources Agency; therefore, the Commission's BCPs must be submitted to the Secretary for Resources for approval. BCPs approved by the Secretary are then forwarded to the Department of Finance. The Department of Finance will not consider any of our BCPs unless the Secretary for Resources has approved them. The Department of Finance can independently deny or amend our budget requests even though the Resources Secretary has approved them. BCPs approved by the Department of Finance and the Governor are incorporated into the Governor's Budget.

Governor's Budget. The Governor must submit his budget to the Legislature by January 10 each year. The Governor's Budget identifies the prior year's expenditures, the current year's appropriation, and the proposed budget for the next fiscal year. In recent years, the Commission's appropriation has been in the neighborhood of \$9-10 million, \$6-7 million in State funds and \$2-3 million in Federal funds.

Legislative Action. The Governor's Budget is embodied in Budget Bills introduced into both houses of the Legislature. Both the Senate Budget and Fiscal Review Committee and the Assembly Budget Committee, working through their subcommittees, schedule hearings on each agency's budget.

The Joint Legislative Budget Committee maintains an independent staff, known as the Legislative Analyst's Office, which reviews the Governor's Budget and recommends actions to the Legislature on the various budget proposals. The Legislative Analyst's report on the Governor's Budget is released in February, and it is usually the focal point for discussing each agency's budget during fiscal subcommittee hearings in March and April.

Each of the Legislative Budget Subcommittees makes its recommendations to its respective full Budget Committee. After passing the Budget Committees, the Budget Bills have to be passed by both houses of the Legislature. If there are differences in an agency's budget reported out of the two houses, as has been the case for the Commission's budget on several occasions, the agency's budget goes to the Budget Conference Committee for resolution.

Eventually, the Legislature passes a Budget Bill, which may include an appropriation that is the same as, lower than, or more than that proposed in the Governor's Budget. Constitutionally, the Budget Bill must be passed by the Legislature and submitted to the Governor by June 15th.

Governor's Action. The Budget Bill passed by the Legislature is transmitted to the Governor who has twelve days within receipt, or until June 30, to veto specific line items in the budget. The Governor can only delete items from the budget; he cannot add any new items or increase any amounts in the budget. Constitutionally, the Governor is suppose to sign the Budget Bill by June 30th, however, this date is sometimes missed. Upon signature, the Budget Bill becomes the Budget Act and it represents the detailed work program for each State agency for the fiscal year. Items vetoed by Governor may be restored by the Legislature upon two thirds vote by both houses.

Budget Adjustments After the State Budget Has Been Enacted. Generally, an agency can move funds from one line item in its budget to another if the change is within certain limits. Some items (i.e., Out of State Travel and Equipment) cannot be changed without the Department of Finance's approval.

Changes that would increase an agency's total appropriation or spending authority are accomplished through use of a Budget Act Section 28 Letter. The Commission prepares a Section 28 Letter whenever a new Federal grant is received after the State Budget has been enacted. We cannot expend any funds from a new grant or hire new staff until the Section 28 Letter is approved. Our Section 28 Letters must be approved by the Resources Secretary, the Department of Finance, and the Joint Legislative Budget Committee. Changes approved in this manner are effective only for the fiscal year in which they are approved.

FY 1997/98 BUDGET PROPOSAL

For FY 1997/98, staff is proposing a budget increase of 18.5 personnel years and \$1,843,000. We believe it is essential to provide to our Commission and the Administration an accurate assessment of our program needs and the impacts past budget cuts have had on our ability to carry out provisions of the Coastal Act. In our Budget Change Proposals (BCPs), we have identified the level of staff and operating funds we believe is necessary to enable the Commission to carry out its most important mandated duties and responsibilities. Toward that end, we are confident that a review of our proposals will demonstrate they are reasonable, warranted, and based on actual operating experience and requirements.

Our highest priority BCPs (97-01 through 07) request \$1,053,000 to support 12.3 additional personnel years. They include requests for \$35,000 to pay for a fiscal audit by the Department of Finance, \$85,000 to support a computer specialist/supervisor to manage our computer systems, \$120,000 to buy computer equipment and software, \$192,000 to support three additional coastal program analysts for our Regulatory/Enforcement Program, \$19,000 to purchase a minivan for the Commission's San Diego Office, \$64,000 to support a cartographer/geographic information systems specialist, \$67,000 to support an associate geologist and \$86,000 to support a water quality specialist to improve our in-house technical capabilities, and \$385,000 to support six coastal program analysts to work on local coastal program preparation, implementation, and periodic reviews.

Our five remaining BCPs (97-08 through 12) request \$790,000 to support 6.2 additional personnel years. They include requests for \$149,000 for two staff counsel positions, \$144,000 for 1.5 positions and an intern for the Environmental Education/Adopt-A-Beach Program, \$347,000 to re-establish and staff a North Coast Area Office, and \$150,000 for Local Assistance grants to help local governments complete their local coastal programs.

The following table lists our proposed BCPs and provides information on the number of budgeted positions requested and the dollar amount requested. Following the table are summaries of the proposed BCPs. BCPs are currently being prepared and therefore are not included in this report.

STATE FUNDS [ELPF OR GENERAL FUND]

BCP 97-01 FISCAL AUDIT

The Coastal Commission has had fiscal audits performed by two state agencies, the Bureau of State Audits and the Department of Finance.

Bureau of State Audits (formerly Office of the Auditor General)

The Bureau of State Audits, operating under policies determined by the Joint Legislative Audit Committee, makes audits for the Legislature of the accounts and records of all State agencies. In addition, special audits and investigations of any State agency are made as requested by the Legislature or any committee of the Legislature. In accordance with statute, the Bureau examines the general purpose financial statements prepared by the State Controller and expresses an opinion as to whether such statements present fairly the financial position of the State and the results of its operations. In addition, the Bureau examines State operations to determine compliance with Federal rules and regulations and issues an annual report which is the basis for the State level single audit required by Federal statute.

The Single Audit Act and Office of Management Budget (OMB) Circular A-128 require the Bureau of State Audits to determine and report on whether the State of California has internal control structure policies and procedures in place to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations. The Bureau of State Audits complies with this requirement by sending comprehensive questionnaires to State agencies on selected Federal programs.

The Commission has provided information to the Bureau as follows: November 30, 1995, FY 1994/95 Federal Programs, Coastal Zone Management Marine Sanctuary Program; November 30, 1994, FY 1993/94 Federal Programs, Coastal Zone Management National Estuary Program; August 28, 1992, FY 1991/92 Federal Programs, Coastal Zone Management Estuarine Research Reserves; and February 1991, FY 1989/90 Federal Programs, Coastal Zone Management. The Bureau of State Audits did not make any negative findings from any of these audits.

Department of Finance

The Department of Finance conducts internal control reviews of State agencies in accordance with a five-year audit plan; carries out audits prescribed by State statutes; and performs special audits and reviews as prescribed by the Director of Finance. The Department of Finance is responsible for a portion of the State level single audit as it relates to assurance of the accuracy of Federal financial reports. The Department of Finance is responsible for the publication and distribution of the single audit report. In addition, the Department of Finance is responsible for coordinating all internal auditing performed in the Executive Branch of State Government and provides audit advisory service to State agencies that do not have audit expertise or resources.

The most recent audit of the Coastal Commission by the Department of Finance was performed in February 1987, while the previous audit was conducted in December 1982.

In 1987, the auditors reported, "In our opinion, ...the system of internal accounting control and fiscal procedures of the California Coastal Commission in effect as of February 20, 1987, taken as a whole, was sufficient to meet the broad objectives [of control system for State agencies] insofar as those objectives pertain to the prevention or detection of errors or irregularities in amounts that would be material in relation to the financial reports." The Department of Finance auditors submitted no negative findings in their report; however, they did identify areas where controls should be strengthened for property management, separation of duties, cash transactions, and Federal Trust and Special Deposit funds.

The Commission acted upon the auditors' recommendations by:

- Instituting a computer program for internal control of property and adjusting fixed asset accounts in the General Ledger.
- Reconciling and making necessary adjustments to the Special Deposit Fund and the General and Federal Trust Fund accounts and coordinating the creation of subsidiary accounting records with the Department of Finance Calstars analysts.
- Realigning the duties and responsibilities within the Accounting and Personnel Sections to ensure a greater separation of duties.
- Developing and implementing internal controls to more closely monitor salary and travel advances and petty cash accounts.

Agencies are selected by the Department of Finance's Office of State Audits and Evaluations for review cyclically, based on an assessment of statewide risk and importance. The Coastal Commission has not been selected for an audit since 1987, and we have not contacted the Department of Finance to conduct an audit because we have had no discretionary funds to pay for an audit.

In recent discussions with the Department of Finance, June 19, 1996, the Department told us that a limited scope audit would probably be sufficient for our agency because of our size and the results of past audits. A limited scope audit would cost \$25,000 rather than \$35,000 for a full scope audit, which would include more sampling. The decision on limited or full scope audit is at the discretion of the Coastal Commission.

BCP 97-02 PLANNING AND SUPPORT - INFORMATION SYSTEMS MANAGEMENT

Appropriate \$205,000, \$85,000 to support a Staff Information Systems Analyst (supervisor) position (0.9 PY) to manage the Commission's information storage and data processing functions and \$120,000 to purchase computer equipment. A computer systems manager is needed to supervise the information systems staff that manages the Commission's information gathering, storage, and retrieval functions.

The Commission currently uses antiquated Wang word processing equipment for its office automation. This prevents us from networking, sharing files, using e-mail, and otherwise limits our ability to communicate. We need personal computers to help meet our workload, as well as to

provide information electronically to applicants, the public, local governments, and to other agencies. Such information will assist staff in reviewing permit applications, certifying local coastal programs (LCPs), preparing comments on EIR/EIS and federal consistency actions, reviewing LCPs, and otherwise evaluating and responding to ocean and coastal resource planning and regulatory issues.

The Commission has used federal funds to support computer and word processing functions in the past (to hire temporary help interns and consultants for data processing, planning, and implementation assistance); however, federal funding is inadequate to support an additional information systems position and to purchase the needed computer equipment and software. State support is essential to ensure that permanent staff is available to manage automation of Commission functions.

BCP 97-03 REGULATION OF COASTAL DEVELOPMENT

Appropriate \$192,000 to support three Coastal Program Analyst I positions (2.9 PY) for the Commission's Regulatory Program which includes enforcement and permit actions. An increase in staff would help reduce the backlog of enforcement cases, ensure greater compliance with coastal development permit conditions, ensure that less unpermitted development occurs in the coastal zone, accelerate the processing of coastal development permits, and improve the quality of staff analysis of permit applications (thus, reducing the potential for litigation caused by staff errors, etc.). Three enforcement positions were authorized in our FY 1993/94 budget; however, the unallocated General Fund reduction in FY 1993/94 forced us to eliminate 4.5 positions, including 3.0 regulatory positions. Therefore, the three enforcement positions added in FY 1993/94 merely replaced the three regulatory positions lost in that same budget. The backlog of enforcement cases and the incidence of Coastal Act violations is a problem because the Commission does not have enough staff to assign to enforcement work. Some enforcement actions have had to be delayed because of our inability to prepare administrative records on violations in a timely fashion. Understaffing encourages violations of the Coastal Act and thus threatens coastal resources, public access, and the public's overall enjoyment of the coast.

In order to deal effectively with regulatory delays and enforcement problems, additional staff are needed to process permit applications, organize violation files, investigate recent reports of violations, conduct site visits, compile evidence, and resolve violations either through negotiations with the affected parties or by assisting the Commission's legal staff in developing cases to be referred to the Attorney General for prosecution.

BCP 97-04 VEHICLE - SAN DIEGO

Appropriate \$19,000 to purchase a new minivan for the Commission's San Diego office. The office's current vehicle will have over 120,000 miles on its odometer by July 1997, and will no longer be reliable transportation.

BCP 97-05 PLANNING AND SUPPORT - CARTOGRAPHY

Appropriate \$64,000 for cartographer (0.9 PY) to assist with the mapping elements of local coastal programs, permits, boundary determinations, etc. The Commission currently has only one permanent cartographer on its staff. His time is spent working on the most critical cartographic work and

supervising limited term assistants when Federal funds are available to support temporary help positions. Having another permanent cartographer on our staff would allow us to catch up on the backlog of cartographic work and to work on developing a geographical information system for the coastal zone.

BCP 97-06 TECHNICAL SERVICES

Appropriate \$153,000 to support a geologist and a water quality specialist (1.9 PY) to provide technical assistance to the Commission's Regulatory, Planning, and Energy Programs. The need for these technical experts has become more critical because recent court decisions require regulatory agencies to provide more technical, site specific evidence to justify their regulatory actions.

Geologist

Appropriate \$67,000 for an Associate Geologist to assist the Commission's regulatory, planning, and energy programs. The geologist would provide staff expertise on geologic hazards (landslides, unstable bluffs, and earthquake faults), shoreline erosion projects (seawalls, groins, breakwaters, and beach nourishment), and projects requiring grading in mountainous terrain.

Water Quality Specialist

Appropriate \$86,000 for a water quality specialist, Environmental Specialist IV or equivalent class. The water quality specialist is needed to advise staff and the Commission on water quality issues and to implement the Coastal Nonpoint Source Pollution Control Program. Other issues to be addressed by this technical expert include the disposal of dredge spoils from port deepening projects, the disposal of muds and cuttings from offshore oil platforms, the movement of toxics within littoral sediments, the release of heated return waters from onshore power plants, the release of saline water from desalination plants, toxic effluents in sewage outfalls, and beach nourishment projects.

BCP 97-07 LCP PREPARATION, IMPLEMENTATION & REVIEW

Appropriate \$385,000 to support six Coastal Program Analyst I positions (5.7 PY) to assist local governments in completing and implementing their local coastal programs (LCPs) and to conduct periodic reviews of certified LCPs. The Commission's LCP workload continues to be substantial. Of the 126 LCP segments, there are 44 LCPs remaining to be effectively certified (23 land use plans, 40 zoning programs, and 36 areas of deferred certification remain to be completed; local jurisdictions need to assume permit authority on 4 Commission-certified LCPs). Because of reductions in Commission staff and the termination of Local Assistance grants, LCP certification has slowed appreciably.

The Commission also has an increased number of LCP amendments to process. In FY 1981/82, the Commission had 19 LCP amendments on its agenda; in FY 1995/96, there were 83 amendments. Normally, each LCP amendment submittal contains numerous individual amendments which are often complex, dealing with controversial planning issues and thus require substantial Commission staff time to process.

Furthermore, although the Coastal Act mandates that LCPs be evaluated at least once every five years, the Commission has completed only two periodic LCP reviews. Fifty-five reviews were overdue on July 1, 1996, some by as much as ten years. Some of these aging LCPs contain provisions which are inconsistent with recent court decisions, have permitting procedures that need to be streamlined, or have landuse designations and development standards which are no longer appropriate. The Commission has developed procedures for conducting regional reviews of LCPs so that several LCPs can be evaluated at the same time. This regional approach (developed under the Federal CZMA 309 ReCap grant) also provides an assessment of the cumulative effects that implementation of certified LCPs has had on selected coastal resources. Since Federal funds are not available to conduct additional regional periodic LCP reviews, State funds are needed.

BCP 97-08 LEGAL SERVICES

Appropriate \$149,000 for two Staff Counsel positions (1.9 PY) to improve the Commission's ability to enforce the Coastal Act and to prevent and defend the Commission from adverse litigation. The two additional staff counsels would be assigned to work in our two area offices which currently do not have on-site staff counsels (Long Beach and Ventura). This would improve our ability to provide our district staff with legal advice on permit applications, findings, Coastal Act interpretations, recent court decisions, etc.

The Commission must act on literally hundreds of regulatory decisions that affect coastal development, local governments, and the four major ports of southern California. Our legal workload has increased significantly in recent years as new court decisions have revised the interpretations of takings and other laws. Legal staff must now advise other staff on how to avoid adverse litigation and how to comply with the new court-imposed requirements resulting from cases such as: First Lutheran Evangelical Church of Glendale v. City of Los Angeles, 1987; Nollan v. California Coastal Commission, 1987; Surfside Colony Ltd. v. California Coastal Commission, 1991; Lucas v. South Carolina Coastal Council, 1992; Transamerica Realty Services Inc. v. California Coastal Commission, 1994; Healing v. California Coastal Commission, 1994; Dolan v. City of Tigard, 1994; etc. Without adequate legal staff, the potential for more lawsuits and costs to the State will increase. Our legal staff is essential to avoid litigation.

Some of the duties of the legal staff include: providing on-going legal advice to Commissioners and staff on how to comply with the Coastal Act, CEQA, federal Coastal Zone Management Act, and general government laws; providing legal review to ensure the legal adequacy of permit and planning actions, thereby avoiding costly litigation to the State due to challenges, and where challenges occur, limiting judgments (including court costs, attorney's fees and damages) against the State; reviewing and preparing enforcement cases prior to referral to the Attorney General's Office, which ensures that a large number of cases can be settled without litigation costs to the State; providing legal advice to city attorneys and county counsels to assist them in developing and complying with their local coastal programs; representing the State in appeals to the Secretary of Commerce under the Coastal Zone Management Act; formulating and revising regulations pursuant to Administrative Procedure Act; providing support to the Attorney General's Office on the Commission's litigation; and assisting the Commission's management in personnel action procedures.

BCP 97-09 ENVIRONMENTAL EDUCATION/ADOPT-A-BEACH PROGRAM

Appropriate \$144,000 for 1.5 permanent positions (a Staff Services Analyst and half-time Office Technician) and one temporary help position (Environmental Services Intern) (2.4 PY) to improve the Commission's ability to increase public awareness and participation in Adopt-A-Beach, Coastweeks, and Coastal Cleanup activities; develop and implement a Coastal Environmental Education Program that includes outreach to schools, youth organizations and the general public, with a particular focus on multicultural and ethnic involvement.

Permanent staffing (1.4 budgeted PY) is needed so we can continue the Commission's environmental education and public involvement efforts. These activities are periodically supported by grants and assistance from corporations, nonprofit organizations, and other government agencies. Federal funds used to help support this program, but they are now needed to cover funding deficiencies in the Commission's operating budget. The Commission needs permanent as well as temporary help staff to respond to public inquiries, update and revise the Commission's publications and public information brochures, supervise volunteers working on the Coastweeks and Adopt-A-Beach Programs, and to expand coastal awareness and outreach efforts. The Staff Services Analyst/Coastal Program Analyst II position that is requested was included in Governor Wilson's FY 1991/92 budget for the Commission, but had to be eliminated because of unallocated General Fund budget cuts in FY 1991/92.

This additional funding is needed even though we may be eligible to receive some funds in FY 1997/98 from the California Beach and Coastal Enhancement Account. Funding from this special account within the Environmental License Plate Fund is contingent upon us selling at least 5,000 Coastal License Plates by December 31, 1996. We estimate we could receive \$20,000 in FY 1997/98 if 5,000 Coastal License Plates are sold and \$100,000 per year thereafter, if all 5,000 Coastal License Plates are renewed annually. This BCP, therefore, requests funds that may be appropriated from both the State General Fund and the Environmental License Plate Fund.

BCP 97-10 NORTH COAST AREA OFFICE

Appropriate \$347,000 to reopen the North Coast Area Office in Eureka which has been closed since August 1985. One time costs for reopening the office would total \$149,000, while continuing costs would total \$198,000 [\$50,000 to maintain an office in Eureka and \$148,000 to support an area office manager and clerical position (1.9 PY)]. Reopening the Eureka office and increasing the north coast staff by two positions was authorized in governor Wilson's FY 1991/92 budget for the Commission, but had to be eliminated because of unallocated General Fund reductions in FY 1991/92.

All planning and regulatory work for the north coast is carried out by staff working in the Commission's Headquarters Office in San Francisco. This remote staffing is inefficient and hampers the Commission's ability to carry out its regulatory and planning responsibilities for 40 percent of the coast. Because the North Coast Area Office is in San Francisco, many hours distant from much of the planning area, interaction with residents and businesses in the north is achieved only at substantial cost in time and money -- spent either by Commission staff, local government, permit applicants, or the public. As a result, little personal contact occurs and most business has to be conducted by telephone. The cost of this long distance business is substantial for all parties.

On March 14, 1991, the Commission voted to open a North Coast Area Office after receiving considerable local government, legislative, and public support. But for the major funding reductions in the FY 1991/92 budget, this office would have been reopened in 1991.

BCP 97-11 LOCAL ASSISTANCE

Appropriate \$150,000 for Local Assistance so the Commission can provide financial support to local governments for preparing and implementing their local coastal programs (LCPs). Currently, no funds are available to local governments for LCP preparation or implementation. Federal funds (up to \$300,000 per year) used to be budgeted for Local Assistance grants, but they are now required to help offset deficiencies in the Commission's operating budget (OE&E). No State funds have been appropriated since FY 1992/93 to the Commission on State Mandates to reimburse local governments for their LCP development and implementation costs.

The absence of Federal funds for Local Assistance grants and the suspension of State Mandate (SB 90) reimbursements contribute to delays in LCP completion. Although 44 LCP segments remain to be certified, no State or Federal funds are available to assist local jurisdictions with the costs of developing and completing their LCPs.