

**CALIFORNIA COASTAL COMMISSION**

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added April 8, 2014

# W6b

March 28, 2014

TO: Coastal Commissioners and Interested Parties

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

Subject: Budget Update: Governor's Proposed Budget for FY 2014-2015/Currently  
Being Considered by the Legislature

*Informational Only/No Commission Action Required*

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## Summary

This memorandum provides:

1. A summary of the proposed FY 2014-2015 Governor's Budget issued on January 9, 2014 for FY 2014-2015 (Governor's Budget Included as Attachment I.)
2. A brief status report on the budget for the current fiscal year FY 2013-2014; (Enacted budget for current fiscal year FY13-14 included as Attachment II)
3. A one-page summary of the Commission's Budget from FY 1972-1973 to FY 2012-2013 actual expenditures/authorized expenditures for FY 2013-2014 (Attachment III)
4. Summary of the State Annual Budget Process, key information from the Department of Finance website; (Attachment IV) Including Page of Instructions on Budget Change Proposals (BCPs) that requires confidentiality of all budget documents until released by the Department of Finance to the Legislature. Each department is responsible for maintaining the confidentiality of their respective BCPs until they are released to the Legislature. Unapproved BCPs may not be released.
5. Future adjustments to the proposed Governor's Budget could occur in the April 1 Spring Finance Letter or the May Revision on May 15.

## **Governor's Proposed Budget Governor's Budget for FY 2014-2015**

On January 9, 2014, the Governor issued his proposed budget for FY 2014-2015. The Commission's proposed budget is included as Attachment I. When reviewing the Governor's Budget (GB) for the Commission or any other agency, it is very important to remember the Governor's Budget is:

- 1) A moment in time picture of the proposed budget for the upcoming fiscal year FY 2014-2015;
- 2) A description of the approved and enacted budget for the current fiscal year 2013-2014 as of December 2013;
- 3) A description of actual expenditures for the past fiscal year FY 2012-2013.

The Governor's proposed budget issued in January for FY 2014-2015 has one significant difference from the enacted budget for FY 2013-2014. The Governor's Budget for FY 2014-2015 does not include the \$3 million General Fund augmentation in state operations that was in the FY 13-14 budget for LCPs. This current year FY 13-14 funding supports Coastal Commission staffing (25 staff for LCPs) and operating expenses to work with local governments to prepare new or upgrade existing Local Coastal Programs (LCP) for certification by the Commission and to include sea level rise and climate change adaptation. The proposed Governor's Budget for FY 2014-2015 does include \$1 million for LCP local assistance grants to local governments.

The issuance of the Governor's proposed budget in January begins the Legislative and public review of the proposed budget. There are three times/places in the state budget cycle where the Governor and the Department of Finance issue budget recommendations for consideration by the Legislature:

- 1) Governor's Budget on January 10;
- 2) April 1 Spring Finance Letter Process; and
- 3) May Revision on May 15.

State agencies and departments work with the Department of Finance (DOF) during these steps of the process to provide information through Budget Change Proposals (BCP) or other information. There are strict rules on confidentiality and the budget process. The Department of Finance website provides a description of the rules, forms and procedures.

The DOF Budget Change Proposals (BCP) instructions include the following statement about confidentiality:

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The information contained in a BCP is an integral part of the Governor's Budget deliberation process. As such every BCP must be treated as confidential until the BCP is released to the Legislature as part of the Governor's budget, April 1 Finance Letter Process or May Revision. A Department of Finance signature at the bottom of the BCP cover page will reflect when a BCP has been released to the Legislature. The BCP becomes a document available to the public upon that release. Each department is responsible for maintaining the confidentiality of their respective BCPs until they are released to the Legislature. For purposes of the Public Records Act, the Governor's deliberative process privilege is reflected in Government Code Section 6255.

Disapproved BCP and unapproved versions of BCPs (i.e., those not released to the Legislature) will indefinitely remain working papers subject to the Governor's deliberative process privilege. These documents are to be released only if that privilege is waived by the Governor's Office or pursuant to court order.

Questions about requests for confidential budget documents under the Public Records Act or litigation discovery requests seeking confidential budget documents should be directed to department legal staff and if necessary, by department legal staff to Finance legal staff.

### **Legislative Budget Review**

Once the Governor's proposed budget is issued in January of each year the Legislature begins its review. There are two times when the Governor and the Department of Finance make changes to the proposed Governor's Budget after initial release in January. The first adjustment is the Spring Finance Letters that are issued April 1. The second adjustment is the May Revision on May 15. Legislative budget informational sessions and meetings with staff begin in January and Budget Sub-committee hearings usually begin in early March and run through April, May and early June.

The Coastal Commission's budget is reviewed by Senate Budget Sub-committee No. 2 and the Assembly Budget Sub-committee No. 3. The Coastal Commission's first Senate Budget Sub-committee No. 2 hearing was Thursday, March 20, 2014. On March 20, the Senate Budget Sub-committee 2 approved five years of \$3 million General Fund (GF) per year for state operations LCP funding. The first Assembly Budget Sub-committee No. 3 hearing is scheduled for Wednesday, April 23, 2014.

The Senate and the Assembly Legislative Sub-committees can augment, reduce, or revise elements of the Governor's budget. The Commission's Executive Director, Chief Deputy Director, Legislative Director and often the Commission's Chair attend and testify at the Legislative budget hearings.

Once all the Budget Sub-committees act (usually final action is after the Governor's May Revision to the budget), both houses of the Legislature have to approve a budget bill by June 15 and send onto the Governor for final review and approval before July 1. The new

## Coastal Commission Budget Status Memo

fiscal year begins July 1. (See Attachment IV for detailed chart of the Annual Budget Process and annual budget preparation calendar and other key information from the Department of Finance.)

### Summary of Key Components of the Coastal Commission's Budget

The Coastal Commission receives funding from the following sources which are listed on the first page of the Governor's Budget.

<b>Fund Number</b>	<b>Description</b>
0001	General Fund
0371	California Beach and Coastal Enhancement Fund (CBCEA), California Environmental License Plate Fund (Whale-Tail Fund)
0890	Federal Trust Fund – Federal grants from NOAA and other sources
0995	Reimbursement (Contracts with other state agencies and contractors and non-state entities for services provided by the Commission).
3123	Coastal Act Services Fund – Revenues from Commission's Filing Fees as appropriated by the Legislature.
0565	State Coastal Conservancy Fund Violation Remediation Account (special appropriation for database system appropriations for 2 years: FY 11-12 and FY 12-13)

The following list summarizes the differences from the current enacted budget FY 2013-2014 and the proposed FY 2014-2015 January Governor's Budget. The Governor and Department of Finance issue changes to the January Governor's Budget on April 1 through Spring Finance Letters and May 15 through the May Revision.

1. **Authorized Position Reduction:** There is a proposed reduction in authorized positions of 25 due to the Governor's Budget not extending the FY 13-14 LCP augmentation.
2. **Violation Remediation Account (VRA) Allocation:** the \$1,136,000 allocation from the Violation Remediation Account/State Coastal Conservancy to the Commission for database upgrade in FY 2011-2012 available in use in FY

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2011-2012 and FY 2012-2013 was fully expended by June 30, 2013 therefore, that allocation is not in FY 2013-2014 or FY 2014-2015 budget.

3. **Federal Funds:** Federal funds include funds the Coastal Commission receives as the primary NOAA grantee and transfers to the San Francisco Bay Conservation and Development Commission (BCDC). Federal funds listed in the Governor's budget are the *estimated* federal funds the Commission expects to receive and this budget line is an authorization to expend. Receiving the federal funds is also dependent on the Commission's ability to deliver required grant tasks. Because of short staffing and furloughs the Commission has not always been able to collect all the federal funds in a particular fiscal year the federal funds were authorized for expenditure. Most federal funds run 18 months into two fiscal years. Therefore, the Commission has a small amount of flexibility in the timing the spending of some federal grant funds.
4. **Reimbursements:** The reimbursement section of the budget includes income to the Commission from other state agencies via Interagency Agreements. The Commission has ongoing agreements with CALTRANS, the San Francisco Bay Conservation and Development Commission (BCDC), and the Department of Fish and Game, Oil Spill Prevention and Response for staff services that the Coastal Commission provides these agencies.

The reimbursement section of the budget also includes the authorization to spend some funds received from non-state entities. In FY 08-09 the Commission prepared a Budget Change Proposal (BCP) that was approved that established reimbursement authority and reimbursement authorization for the Coastal Commission to accept funds from entities other than state agencies including individuals, permit applicants, private business, corporations, and non-profits to provide staff services and operating expenses as specified in specific contracts and Memorandum of Agreements (MOAs).

The reimbursements line in the budget is only an estimate and an authorization to spend. Reimbursements cannot be claimed unless the required work is accomplished. Because of Commission's staffing and furloughs the Commission has not always been able to collect all reimbursements that are authorized in approved Budget.

The Commission's regulations Section 13055 establish permit and filing fees and 13055(g) allows the Commission to require the applicant to reimburse the Commission for any additional reasonable expenses incurred in processing the permit applications. The Commission has used this section in cases where special large hearing venues were required, special noticing or special technical review.

**3720 California Coastal Commission**

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		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
10 Coastal Management Program	107.4	139.0	114.0	\$16,703	\$20,984	\$17,936
20 Coastal Energy Program	5.5	7.0	7.0	1,036	1,146	1,146
30.01 Administration	20.8	21.0	21.0	2,261	2,785	2,755
30.02 Distributed Administration	-	-	-	-2,131	-2,655	-2,655
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>133.7</b>	<b>167.0</b>	<b>142.0</b>	<b>\$17,869</b>	<b>\$22,260</b>	<b>\$19,182</b>
<b>FUNDING</b>				<b>2012-13*</b>	<b>2013-14*</b>	<b>2014-15*</b>
0001 General Fund				\$10,308	\$15,063	\$12,073
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund				1,376	1,438	1,380
0565 State Coastal Conservancy Fund				647	-	-
0890 Federal Trust Fund				2,790	2,590	2,591
0995 Reimbursements				2,083	2,490	2,462
3123 Coastal Act Services Fund				665	679	676
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$17,869</b>	<b>\$22,260</b>	<b>\$19,182</b>

**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**

	2013-14*			2014-15*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Workload Budget Adjustments</b>						
<b>Workload Budget Change Proposals</b>						
• Coastal and Marine Education (Whale Tail Revenues)	\$-	\$-	-	\$-	\$295	-
<b>Totals, Workload Budget Change Proposals</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>	<b>\$295</b>	<b>-</b>
<b>Other Workload Budget Adjustments</b>						
• Employee Compensation Adjustments	\$266	\$11	-	\$277	\$13	-
• Retirement Rate Adjustment	-	78	-	-	78	-
• One-time Costs Reduction	-	-	-	-3,000	-	-
• Miscellaneous Adjustments	-	28	-	-	-357	-
<b>Totals, Other Workload Budget Adjustments</b>	<b>\$266</b>	<b>\$117</b>	<b>-</b>	<b>-\$2,723</b>	<b>-\$266</b>	<b>-</b>
<b>Totals, Workload Budget Adjustments</b>	<b>\$266</b>	<b>\$117</b>	<b>-</b>	<b>-\$2,723</b>	<b>\$29</b>	<b>-</b>
<b>Totals, Budget Adjustments</b>	<b>\$266</b>	<b>\$117</b>	<b>-</b>	<b>-\$2,723</b>	<b>\$29</b>	<b>-</b>

\* 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

	2012-13*	2013-14*	2014-15*
<b>PROGRAM REQUIREMENTS</b>			
<b>10 COASTAL MANAGEMENT PROGRAM</b>			
<b>State Operations:</b>			
0001 General Fund	\$9,831	\$13,493	\$10,503
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	578	622	626
0565 State Coastal Conservancy Fund	647	-	-
0890 Federal Trust Fund	2,790	2,590	2,591
0995 Reimbursements	1,394	1,784	1,786
3123 Coastal Act Services Fund	665	679	676
<b>Totals, State Operations</b>	<b>\$15,905</b>	<b>\$19,168</b>	<b>\$16,182</b>
<b>Local Assistance:</b>			
0001 General Fund	-	1,000	1,000
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	\$798	\$816	\$754
<b>Totals, Local Assistance</b>	<b>\$798</b>	<b>\$1,816</b>	<b>\$1,754</b>
<b>ELEMENT REQUIREMENTS</b>			
<b>10.10 Regulation of Coastal Development</b>	<b>\$6,569</b>	<b>\$6,587</b>	<b>\$6,588</b>
<b>State Operations:</b>			
0001 General Fund	3,785	4,234	4,237
0565 State Coastal Conservancy Fund	647	-	-
0890 Federal Trust Fund	828	853	853
0995 Reimbursements	644	821	822
3123 Coastal Act Services Fund	665	679	676
<b>10.20 Local Coastal Program</b>	<b>\$2,990</b>	<b>\$6,358</b>	<b>\$3,360</b>
<b>State Operations:</b>			

\* Dollars in thousands, except in Salary Range.

## 3720 California Coastal Commission - Continued

	2012-13*	2013-14*	2014-15*
0001 General Fund	1,662	4,846	1,848
0890 Federal Trust Fund	1,278	1,144	1,144
0995 Reimbursements	50	368	368
<b>10.30 Planning and Support Studies</b>	<b>\$5,085</b>	<b>\$4,844</b>	<b>\$4,850</b>
<b>State Operations:</b>			
0001 General Fund	4,184	4,104	4,108
0890 Federal Trust Fund	372	300	301
0995 Reimbursements	529	440	441
<b>10.40 Federal Coastal Management Program</b>	<b>\$312</b>	<b>\$293</b>	<b>\$293</b>
<b>State Operations:</b>			
0890 Federal Trust Fund	312	293	293
<b>10.50 Coastal Access Program</b>	<b>\$254</b>	<b>\$361</b>	<b>\$362</b>
<b>State Operations:</b>			
0001 General Fund	133	206	207
0995 Reimbursements	121	155	155
<b>10.60 Coastal Resources Information Center</b>	<b>\$1,493</b>	<b>\$2,541</b>	<b>\$2,483</b>
<b>State Operations:</b>			
0001 General Fund	67	103	103
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	578	622	626
0995 Reimbursements	50	-	-
<b>Local Assistance:</b>			
0001 General Fund	-	1,000	1,000
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	798	816	754
<b>PROGRAM REQUIREMENTS</b>			
<b>20 COASTAL ENERGY PROGRAM</b>			
<b>State Operations:</b>			
0001 General Fund	\$477	\$570	\$570
0995 Reimbursements	559	576	576
<b>Totals, State Operations</b>	<b>\$1,036</b>	<b>\$1,146</b>	<b>\$1,146</b>
<b>PROGRAM REQUIREMENTS</b>			
<b>30 ADMINISTRATION AND SUPPORT ACTIVITIES</b>			
<b>State Operations:</b>			
0995 Reimbursements	\$130	\$130	\$100
<b>Totals, State Operations</b>	<b>\$130</b>	<b>\$130</b>	<b>\$100</b>
<b>ELEMENT REQUIREMENTS</b>			
30.01 Administration	2,261	2,785	2,755
30.02 Distributed Administration	-2,131	-2,655	-2,655
<b>TOTALS, EXPENDITURES</b>			
State Operations	17,071	20,444	17,428
Local Assistance	798	1,816	1,754
<b>Totals, Expenditures</b>	<b>\$17,869</b>	<b>\$22,260</b>	<b>\$19,182</b>

## EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
PERSONAL SERVICES						

\* Dollars in thousands, except in Salary Range.



## 3720 California Coastal Commission - Continued

1 State Operations	Positions			Expenditures		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
Authorized Positions (Equals Sch. 7A)	133.7	167.0	142.0	\$8,789	\$11,643	\$10,055
Salary Adjustments	-	-	-	-	201	201
<b>Net Totals, Salaries and Wages</b>	<b>133.7</b>	<b>167.0</b>	<b>142.0</b>	<b>\$8,789</b>	<b>\$11,844</b>	<b>\$10,256</b>
Staff Benefits	-	-	-	3,659	3,894	3,192
<b>Totals, Personal Services</b>	<b>133.7</b>	<b>167.0</b>	<b>142.0</b>	<b>\$12,448</b>	<b>\$15,738</b>	<b>\$13,448</b>
OPERATING EXPENSES AND EQUIPMENT				\$4,623	\$4,706	\$3,980
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS</b>				<b>\$17,071</b>	<b>\$20,444</b>	<b>\$17,428</b>
(State Operations)						

2 Local Assistance	Expenditures		
	2012-13*	2013-14*	2014-15*
Public Education Program Assistance Grants	\$798	\$1,816	\$1,754
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$798</b>	<b>\$1,816</b>	<b>\$1,754</b>

## DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2012-13*	2013-14*	2014-15*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$10,554	\$13,796	\$11,073
Allocation for employee compensation	45	208	-
Adjustment per Section 3.60	165	59	-
Adjustment per Section 3.90	-408	-	-
<b>Totals Available</b>	<b>\$10,356</b>	<b>\$14,063</b>	<b>\$11,073</b>
Unexpended balance, estimated savings	-48	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$10,308</b>	<b>\$14,063</b>	<b>\$11,073</b>
0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$590	\$607	\$626
Allocation for employee compensation	2	12	-
Adjustment per Section 3.60	9	3	-
Adjustment per Section 3.90	-23	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$578</b>	<b>\$622</b>	<b>\$626</b>
0565 State Coastal Conservancy Fund			
APPROPRIATIONS			
Prior year balances available:			
Item 3720-001-0565, Budget Act of 2011	\$647	\$-	\$-
<b>TOTALS, EXPENDITURES</b>	<b>\$647</b>	<b>\$-</b>	<b>\$-</b>
0890 Federal Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$2,563	\$2,576	\$2,591
Allocation for employee compensation	2	11	-
Adjustment per Section 3.60	9	3	-
Adjustment per Section 3.90	-22	-	-
Budget Adjustment	238	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$2,790</b>	<b>\$2,590</b>	<b>\$2,591</b>

\* Dollars in thousands, except in Salary Range.

**3720 California Coastal Commission - Continued**

<b>1 STATE OPERATIONS</b>	<b>2012-13*</b>	<b>2013-14*</b>	<b>2014-15*</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	\$2,083	\$2,490	\$2,462
<b>3123 Coastal Act Services Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$665	\$680	\$676
Adjustment per Section 4.05	-	-1	-
<b>TOTALS, EXPENDITURES</b>	<b>\$665</b>	<b>\$679</b>	<b>\$676</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$17,071</b>	<b>\$20,444</b>	<b>\$17,428</b>
<b>2 LOCAL ASSISTANCE</b>	<b>2012-13*</b>	<b>2013-14*</b>	<b>2014-15*</b>
<b>0001 General Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	\$-	\$1,000	\$1,000
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$1,000</b>	<b>\$1,000</b>
<b>0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	\$798	\$816	\$754
<b>TOTALS, EXPENDITURES</b>	<b>\$798</b>	<b>\$816</b>	<b>\$754</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$798</b>	<b>\$1,816</b>	<b>\$1,754</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)</b>	<b>\$17,869</b>	<b>\$22,260</b>	<b>\$19,182</b>

**FUND CONDITION STATEMENTS**

	<b>2012-13*</b>	<b>2013-14*</b>	<b>2014-15*</b>
<b>0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund <sup>s</sup></b>			
BEGINNING BALANCE	\$2,001	\$1,980	\$1,025
Prior year adjustments	3	-	-
Adjusted Beginning Balance	\$2,004	\$1,980	\$1,025
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
143000 Personalized License Plates	1,616	1,764	1,502
Total Revenues, Transfers, and Other Adjustments	\$1,616	\$1,764	\$1,502
Total Resources	\$3,620	\$3,744	\$2,527
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	1	-	-
3720 California Coastal Commission			
State Operations	578	622	626
Local Assistance	798	816	754
3760 State Coastal Conservancy			
Local Assistance	260	-	465
Capital Outlay	-	1,278	-
8880 Financial Information System for California (State Operations)	3	3	-
Total Expenditures and Expenditure Adjustments	\$1,640	\$2,719	\$1,845
FUND BALANCE	\$1,980	\$1,025	\$682
Reserve for economic uncertainties	1,980	1,025	682
<b>3123 Coastal Act Services Fund <sup>s</sup></b>			

\* Dollars in thousands, except in Salary Range.

**3720 California Coastal Commission - Continued**

	2012-13*	2013-14*	2014-15*
BEGINNING BALANCE	\$2,741	\$3,460	\$4,047
Prior year adjustments	<u>1</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$2,742	\$3,460	\$4,047
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125700 Other Regulatory Licenses and Permits	1,918	1,800	1,800
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	<u>-531</u>	<u>-531</u>	<u>-531</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$1,387</u>	<u>\$1,269</u>	<u>\$1,269</u>
Total Resources	\$4,129	\$4,729	\$5,316
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
3720 California Coastal Commission (State Operations)	665	679	676
8880 Financial Information System for California (State Operations)	<u>4</u>	<u>3</u>	<u>1</u>
Total Expenditures and Expenditure Adjustments	<u>\$669</u>	<u>\$682</u>	<u>\$677</u>
FUND BALANCE	\$3,460	\$4,047	\$4,639
Reserve for economic uncertainties	3,460	4,047	4,639

**8086 Protect Our Coast and Oceans Fund "**

BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
239000 Other (Donations)	<u>-</u>	<u>-</u>	<u>\$10</u>
Total Revenues, Transfers, and Other Adjustments	<u>-</u>	<u>-</u>	<u>\$10</u>
Total Resources	-	-	\$10
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
7730 Franchise Tax Board (State Operations)	<u>-</u>	<u>-</u>	<u>6</u>
Total Expenditures and Expenditure Adjustments	<u>-</u>	<u>-</u>	<u>\$6</u>
FUND BALANCE	-	-	\$4

**CHANGES IN AUTHORIZED POSITIONS**

	Positions			Expenditures		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
Totals, Authorized Positions	133.7	167.0	142.0	\$8,789	\$11,643	\$10,055
Salary Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201</u>	<u>201</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$-</u>	<u>\$201</u>	<u>\$201</u>
TOTALS, SALARIES AND WAGES	133.7	167.0	142.0	\$8,789	\$11,844	\$10,256

\* Dollars in thousands, except in Salary Range.

SUSTAIN MESSAGE  
ENACTED BUDGET FY13-14

June 27, 2013

Edmund G. Brown Jr.  
Governor

State of California  
Governor's Office

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

## AB 110

— 208 —

Item

Amount

3720-001-0001—For support of California Coastal Commission.....	13,796,000
Schedule:	
(1) 10-Coastal Management Program....	18,814,000
(2) 20-Coastal Energy Program.....	1,146,000
(3) 30.01-Administration.....	2,752,000
(4) 30.02-Distributed Administration....	-2,652,000
(5) Reimbursements.....	-2,401,000

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## AB 110

Amount

Item

(6) Amount payable from the California Beach and Coastal Enhancement Account (Item 3720-001-0371)....	-607,000
(7) Amount payable from the Federal Trust Fund (Item 3720-001-0890)....	-2,576,000
(8) Amount payable from the Coastal Act Services Fund (Item 3720-001-3123).....	-680,000
Provisions:	
1. 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 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:	
(1) 10-Coastal Management Program....	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
Schedule:	
(1) 10-Coastal Management Program....	816,000

## 3720 California Coastal Commission

### Attachment II - FY 13-14

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
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>				<b>127.9</b>	<b>142.0</b>	<b>142.0</b>	<b>\$17,228</b>	<b>\$18,110</b>	<b>\$17,876</b>
<b>FUNDING</b>							<b>2011-12*</b>	<b>2012-13*</b>	<b>2013-14*</b>
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
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>							<b>\$17,228</b>	<b>\$18,110</b>	<b>\$17,876</b>

### 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
<b>Workload Budget Adjustments</b>									
<b>Workload Budget Change Proposals</b>									
•	Coastal and Marine Education			\$-	\$-	-	\$-	\$357	-
<b>Totals, Workload Budget Change Proposals</b>				<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>	<b>\$357</b>	<b>-</b>
<b>Other Workload Budget Adjustments</b>									
•	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	-
<b>Totals, Other Workload Budget Adjustments</b>				<b>-\$198</b>	<b>\$156</b>	<b>-</b>	<b>\$242</b>	<b>-\$876</b>	<b>-</b>
<b>Totals, Workload Budget Adjustments</b>				<b>-\$198</b>	<b>\$156</b>	<b>-</b>	<b>\$242</b>	<b>-\$519</b>	<b>-</b>
<b>Totals, Budget Adjustments</b>				<b>-\$198</b>	<b>\$156</b>	<b>-</b>	<b>\$242</b>	<b>-\$519</b>	<b>-</b>

\* 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*
	<b>PROGRAM REQUIREMENTS</b>			
<b>10</b>	<b>COASTAL MANAGEMENT PROGRAM</b>			
	<b>State Operations:</b>			
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
	<b>Totals, State Operations</b>	<b>\$15,483</b>	<b>\$16,083</b>	<b>\$15,814</b>
	<b>Local Assistance:</b>			
0371	California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	\$541	\$798	\$816
	<b>Totals, Local Assistance</b>	<b>\$541</b>	<b>\$798</b>	<b>\$816</b>
	<b>ELEMENT REQUIREMENTS</b>			
<b>10.10</b>	<b>Regulation of Coastal Development</b>	<b>\$6,282</b>	<b>\$7,131</b>	<b>\$6,433</b>
	<b>State Operations:</b>			
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
<b>10.20</b>	<b>Local Coastal Program</b>	<b>\$3,055</b>	<b>\$3,058</b>	<b>\$3,263</b>
	<b>State Operations:</b>			
0001	General Fund	1,714	1,687	1,800

\* Dollars in thousands, except in Salary Range.

**3720 California Coastal Commission - Continued**

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

**EXPENDITURES BY CATEGORY**

	1 State Operations					
	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	127.9	142.0	142.0	\$8,758	\$9,423	\$9,937
<b>Net Totals, Salaries and Wages</b>	<b>127.9</b>	<b>142.0</b>	<b>142.0</b>	<b>\$8,758</b>	<b>\$9,423</b>	<b>\$9,937</b>
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
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS</b> (State Operations)				<b>\$16,687</b>	<b>\$17,312</b>	<b>\$17,060</b>

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

**DETAIL OF APPROPRIATIONS AND ADJUSTMENTS**

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
<b>0001 General Fund</b>			
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	-	-
<b>Totals Available</b>	<b>\$10,538</b>	<b>\$10,356</b>	<b>\$10,796</b>
Unexpended balance, estimated savings	-12	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$10,526</b>	<b>\$10,356</b>	<b>\$10,796</b>
<b>0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund</b>			
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	-
<b>TOTALS, EXPENDITURES</b>	<b>\$578</b>	<b>\$578</b>	<b>\$607</b>
<b>0565 State Coastal Conservancy Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,136	\$-	\$-
Prior year balances available:			
Item 3720-001-0565, Budget Act of 2011	-	647	-
<b>Totals Available</b>	<b>\$1,136</b>	<b>\$647</b>	<b>\$-</b>
Balance available in subsequent years	-647	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$489</b>	<b>\$647</b>	<b>\$-</b>
<b>0890 Federal Trust Fund</b>			
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	-
<b>TOTALS, EXPENDITURES</b>	<b>\$2,788</b>	<b>\$2,733</b>	<b>\$2,576</b>

\* Dollars in thousands, except in Salary Range.

**3720 California Coastal Commission - Continued**

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

**FUND CONDITION STATEMENTS**

	<b>2011-12*</b>	<b>2012-13*</b>	<b>2013-14*</b>
<b>0371 California Beach and Coastal Enhancement Account, California Environmental License Plate Fund<sup>s</sup></b>			
BEGINNING BALANCE	\$1,492	\$2,001	\$1,323
Prior year adjustments	78	-	-
Adjusted Beginning Balance	\$1,570	\$2,001	\$1,323
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
143000 Personalized License Plates	1,749	1,782	1,764
Total Revenues, Transfers, and Other Adjustments	\$1,749	\$1,782	\$1,764
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)	-	3	3
Total Expenditures and Expenditure Adjustments	\$1,318	\$2,460	\$1,884
FUND BALANCE	\$2,001	\$1,323	\$1,203
Reserve for economic uncertainties	2,001	1,323	1,203
<b>3123 Coastal Act Services Fund<sup>s</sup></b>			
BEGINNING BALANCE	\$2,301	\$2,741	\$2,772
Prior year adjustments	3	-	-

\* Dollars in thousands, except in Salary Range.

**3720 California Coastal Commission - Continued**

	2011-12*	2012-13*	2013-14*
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

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\* Dollars in thousands, except in Salary Range.

Dollars rounded to Thousands		Other State Funds										Personnel Years		
		General Fund <i>a/</i>	Bagley Conservation Fund	Environmental License Plate Fund	Outer Continental Shelf Lands Act 8(g) Fund	Coastal Beach & Coastal Enhancement Account	Coastal Act Services Fund	State Coastal Conservancy Violation Remediation Account	Federal Funds Coastal Commission	Federal Funds BCDC/SCC	Reimbursements	Total Coastal Commission Funds	Perm PY	Temp Help PY
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	\$2,455,000	\$333,000	\$2,086,000	\$16,354,000	125.2	2.7	127.9
2012-2013 <i>c/</i>	\$10,308,000	\$0	\$0	\$0	\$578,000	\$665,000	\$647,000	\$2,478,000	\$312,000	\$2,083,000	\$16,759,000	131.4	2.3	133.7
2013-2014 <i>d/</i>	\$14,062,000	\$0	\$0	\$0	\$622,000	\$679,000		\$2,297,000	\$293,000	\$2,490,000	\$20,150,000	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.

<b>Title</b>	<b>Purpose</b>	<b>Prepared/Issued by</b>	<b>When</b>
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

# CALIFORNIA'S BUDGET PROCESS

## 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**<sup>3/4</sup>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**<sup>3/4</sup>A detailed presentation for each department for the past, current, and budget years.

**Salaries and Wages Supplement**<sup>3/4</sup>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**<sup>3/4</sup>This is a highlight narrative summary of the budget package, and includes charts and graphs.

**Final Budget Summary**<sup>3/4</sup>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**<sup>3/4</sup>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](#)"