

CALIFORNIA OCEAN PROTECTION COUNCIL

Staff Recommendation
September 23, 2005

Analysis of Options for Permanent Funding for Ocean and Coastal Protection

Developed By: Neal Fishman

RECOMMENDED ACTION: Consideration of key elements for a Request for Proposal seeking consultant services to analyze options for permanent funding for Ocean and Coastal Protection and possible: 1) determination that obtaining such information is a high priority project, and 2) authorization for the Council's Secretary to take actions needed to obtain such services using funds allocated for purposes of the Council, up to \$50,000.

AGENCY OR ENTITY RECOMMENDING PROJECT: Coastal Commission staff

EXHIBITS

Exhibit 1: Letters of Support

RESOLUTION:

"The Ocean Protection Council finds pursuant to Sections 35600, *et seq.* of the Public Resources Code that obtaining information about potential methods of permanently funding coastal and ocean protection, as herein described, is of high priority for ocean conservation and authorizes the Secretary of the Council to take actions necessary, including the allocation of up to \$50,000 to obtain such information."

PROJECT DESCRIPTION:

At its June meeting the Ocean Protection Council heard public comment from Coastal Commission staff regarding the need for permanent funding to support implementation of the State's ocean and coastal protection programs. This comment is consistent with similar concerns expressed in the report by U.S. Commission on Ocean Policy, "An Ocean Blueprint for the 21st Century" (July 2004) and in the Governor's "Protecting Our Ocean, California's Action Strategy (2005). The California Marine Life Protection Act Blue Ribbon Task Force to the California Resources Agency has similarly focused on the need reliable funding to undertake its mission regarding the establishment of marine protected areas. In this regard it has been developing a proposal to fund a study to determine appropriate funding sources.

FUNDING FOR OCEAN AND COASTAL PROTECTION

Staff is recommending that the Council also authorize up to fifty thousand dollars to hire consultants to identify reliable funding sources for the full range of ocean and coastal protection programs necessary to implement the intent and specific provisions of the California Ocean Protection Act which addresses at a minimum coastal management, coastal water quality, fisheries; coastal/ocean habitat protection, and shoreline protection. A similar study is currently underway to evaluate long term funding to implement the California Marine Life Protection Act through the efforts of a Blue Ribbon Panel. If possible this work for this study would be done in concert with or be informed by that of the Blue Ribbon Panel.

Consultants would evaluate what is being done in other states or countries to fund ocean and coastal protection so that all options can be evaluated. At a minimum the consultant should provide the following:

1. **Federal Funding:** Analysis of the potential for federal funding that would support any of the State's coastal programs, including the historic and expected amounts of such funding and estimates of the time periods that such funding may be available. Specific areas of evaluation include
 - a. **Offshore Oil and Gas Revenue Sharing:** Examine the potential funding as a result of the revenue sharing provisions of the National Energy Bill.
 - b. **Support for State Administration of Federal Programs:** Examine the potential for increased federal funding for programs such as the Coastal Zone Management Act, Clean Water Act, and the Magnuson Stevens Act.
2. **Other Potential Revenue Sources:** Analysis of the potential for funding from non-governmental sources. Specific Areas of analysis should include:
 - a. **Support from public/private partnerships:** Examine the potential for public/private partnerships to assist with support of programs.
3. **Bonds or other Revenue-Generating Activities**
 - a. **Potential for Bond funding for activities:** Examine the potential for existing or future bond funds to help supplement funding for aspects of program operations.
4. **Consider Assessments on Specific Groups to Support Stewardship:** Examine the potential for future assessments on user groups, industries, or others to provide long-term revenues. Such an analysis should evaluate
 - a. In-State users of ocean and coastal resources (e.g. residents using recreational facilities, resource extractive industries, users of State tidelands, fishing industry, ports, harbors and marinas);
 - b. Visitors using coastal and ocean resources (e.g. tourists, marine transportation, out-of-State fishing boats);
 - c. Beneficiaries of coastal protection, restoration, enhancement, or maintenance; or of development, operation, or maintenance of coastal and ocean facilities (e.g. tourist industry in general, makers of products associated with the coast or ocean, coastal property owners);
 - d. Industries that pollute or otherwise reduce the ecological, recreational, scenic, or economic value of the coast or ocean;

FUNDING FOR OCEAN AND COASTAL PROTECTION

For options found to be the most promising the consultants will:

1. Design of specific assessment programs including revenue collection and distribution methods;
2. Identify incentives for stakeholder group participation and support of the program;
3. Develop a public education program that will describe how funds will be used, and how coast and ocean conservation benefits will accrue.

PROJECT FINANCING

Possible Funding Sources:

Ocean Protection Council	\$50,000
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Staff anticipates funding would come either from an appropriation to the Conservancy from the Environmental License Plate Fund for ocean protection or an appropriation of tidelands oil revenues to the Resources Agency, for the same purpose. The Conservancy administers the tidelands funds for the Resources Agency through an interagency agreement.

CONSISTENCY WITH CALIFORNIA'S OCEAN ACTION STRATEGY:

Action 10 of the Governor's Action Plan is to pursue, support, implement, and establish long-term funding for coordinated ecosystem approaches at all levels of government, to improve stewardship of ocean and coastal resources.

CONSISTENCY WITH OCEAN PROTECTION COUNCIL'S PROJECT SELECTION CRITERIA & GUIDELINES:

Mandatory Criteria

1. Furthers the following statutory purposes and policies of the Ocean Protection Act:

- If successful, pursuit of reliable funding for the State's coastal and ocean management programs will further all of the statutory purposes and policies of the Ocean Protection Act.

2. Consistent with the purposes of the funding source: See Project Financing Section above.

3. Has demonstrable support from the public: Letters of support are attached as Exhibit 2.

4. Relates directly to the ocean, coast, associated estuaries, and coastal-draining watersheds: The purpose of this study is to investigate and develop funding sources for coastal and ocean protection projects.

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- 5. Has greater-than-local interest:** The purpose of this study is to develop funding sources for the full range of coastal and ocean projects and protection activities, throughout the state's coastal and ocean region.

Additional Criteria

- 1. Helps implement the California Ocean and Coastal Information, Research, and Outreach Strategy and other priorities of local, state or federal advisory groups, or scientific or policy reports, adopted by the council:** See Consistency with California's Ocean Action Strategy above.
- 2. The project has an element of urgency (there is an immediate threat to a coastal/ ocean resource from development or natural or economic conditions, a pressing need, or a fleeting opportunity):** The proposal is to develop funding for all coast and ocean protection and enhancement programs. These programs deal with a full range of urgent issues, including protection and recovery of endangered species.
- 3. The project helps resolve more than one issue:** The proposal is to develop funding for programs that handle the full range of coastal and ocean issues.
- 4. The project includes a contribution of funds or services by other entities:** The project will coordinate and build upon the work of the Marine Life Protection Act Blue Ribbon Panel.
- 5. The project involves innovation (e.g. environmental or economic demonstration):** The study will look for innovative funding mechanisms.
- 6. The project is ready to implement (grantee or contractor will start and finish the project in a timely manner):** The work contemplated by this proposal will be completed within one year.
- 7. The project involves a combination of local, state, or federal agencies or is a public/private partnership:** The project will be coordinated with the Blue Ribbon Panel, using private funding sources.