

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 08/15)

Fiscal Year 2016-2017	Business Unit 3720	Department California Coastal Commission	Priority No. 3
Budget Request Name 3720-004-BCP-BR-2016-GB		Program 2730 COASTAL MANAGEMENT PROGRAM	Subprogram 2730055 COASTAL RESOURCES INFORMATION

Budget Request Description
 Protect Our Coast & Oceans Fund-Local Assistance Grants & Outreach

Budget Request Summary
 Allocate \$430,000 from voluntary contributions on the state tax return to the "Protect Our Coast and Oceans Fund" (8086) to the Coastal Commission's budget as a one-time appropriation in FY 2016/17. Of this amount, \$365,000 would be a one-year Local Assistance budget line item to provide Whale Tail® grants. The remaining \$65,000 would be a one-year State Operations budget line item to support outreach and promotion for the "Protect Our Coast and Oceans" Fund.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? Yes No
 Attach comments of affected department, signed and dated by the department director or designee.

Prepared By <i>Sylvie B. Lee</i>	Date: 12/29/15	Reviewed By: <i>John Wood, Chief Deputy</i>	Date: 12/29/15
Department Director <i>Chad F. [Signature]</i>	Date: 12/29/15	AGENCY SECRETARY <i>[Signature]</i>	DATE: 12/31/15

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Dept. of Technology

BCP Type: Policy Workload Budget per Government Code 13308.05

PPBA Original Signed by Amanda Martin	Date submitted to the Legislature 1-8-16
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BCP Fiscal Detail Sheet

BCP Title: Protect Our Coast and Oceans Local Assistance and Outreach

DP Name: 3720-004-BCP-DP-2016-GB

Budget Request Summary

	CY	BY	BY+1	FY16 BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5302 - Printing	0	65	0	0	0	0
54XX - Special Items of Expense	0	365	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$430	\$0	\$0	\$0	\$0
Total Budget Request	\$0	\$430	\$0	\$0	\$0	\$0

Fund Summary

Fund Source - State Operations						
8086 - Protect Our Coast and Oceans Fund	0	65	0	0	0	0
Total State Operations Expenditures	\$0	\$65	\$0	\$0	\$0	\$0
Fund Source - Local Assistance						
8086 - Protect Our Coast and Oceans Fund	0	365	0	0	0	0
Total Local Assistance Expenditures	\$0	\$365	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$430	\$0	\$0	\$0	\$0

Program Summary

Program Funding						
2730055 - Coastal Resources Information Center	0	430	0	0	0	0
Total All Programs	\$0	\$430	\$0	\$0	\$0	\$0

Analysis of Problem

A. Budget Request Summary

- Provide \$430,000 from voluntary contributions on the state tax return to the “Protect Our Coast and Oceans Fund” (8086) to the Coastal Commission’s budget in FY 2016/17.
- Of this amount, \$365,000 would be a one-year Local Assistance budget line item in FY 2016/17 to provide WHALE TAIL® grants to nonprofit organizations, schools, and local governments. (This request would supplement the \$503,000 in California Beach and Coastal Enhancement Account funds [0371] already in the Coastal Commission’s local assistance baseline budget.
- The remaining \$65,000 would be a one-year State Operations budget line item in FY 2016/17 to support promotion of the “Protect Our Coast and Oceans” Fund.

B. Background/History

The Coastal Commission’s Public Education Program has been operating the successful WHALE TAIL® Grants Program since 1998. These grants benefit nonprofit organizations, schools, and local governments, with an emphasis on reaching underserved communities. Examples of the types of projects that have been funded by WHALE TAIL® grants include: school programs emphasizing stewardship of the coast and ocean, marine science summer camps, community and student-led coastal habitat restoration, trips to the beach for children from inland and underserved communities, coastal and waterway cleanups, ocean-related museum exhibits, water pollution prevention programs, and beach wheelchair purchases.

The Protect our Coast and Oceans “check box” on the California state tax return form was created pursuant to AB754, legislation authored in 2013 by former Assembly member Al Muratsuchi (D-Torrance). Per Article 5.1 (Sections 18745-18748) that was added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code:

All money designated under the Protect Our Coast and Oceans Fund space on a tax return . . . shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) (1) To the California Coastal Commission to support eligible programs awarded grants under the selection criteria established by the California Coastal Commission for the Whale Tail Grants Program, and for direct program-related expenses.

This is a request for the Coastal Commission’s portion of the donations received from the tax return form (and not yet allocated) through FY2015/16.

Resource History (Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Authorized Expenditures	n/a	n/a	n/a	n/a	n/a	315
Actual Expenditures	n/a	n/a	n/a	n/a	n/a	TBD
Revenues	n/a	n/a	n/a	173	294	TBD
Authorized Positions	n/a	n/a	n/a	n/a	n/a	n/a
Filled Positions	n/a	n/a	n/a	n/a	n/a	n/a
Vacancies	n/a	n/a	n/a	n/a	n/a	n/a

Workload Measures

Not applicable.

Analysis of Problem

C. State Level Considerations

The money donated to Fund 8086 is specifically designated for the Coastal Commission. Besides the Franchise Tax Board and the State Controller's Office, both of which will be reimbursed for their associated costs, no other State departments are affected by these funds. We do not anticipate any opposition from this proposal.

In April of 2013 the California Coastal Commission approved a Strategic Plan for 2013-2018. One of the Commission's Core Values, as articulated in the strategic plan, is stewardship. The plan states that "through education and outreach, the Commission fosters public stewardship of natural resources." This BCP, by supporting additional coastal and marine education grants (including climate change education), would advance this core value, as well as the Commission's Vision Statement which includes "an engaged and knowledgeable public committed to coastal stewardship." It would also advance Objective 3.3 "Reduce Greenhouse Gas Emissions by Implementing Smart Growth, Other Mitigation Strategies, and Public Education," and support Action 3.3.3 "Provide information and resources to educators and to the general public to increase understanding and encourage action to reduce GHGs".

D. Justification

WHALE TAIL[®] Grants

There is a tremendous demand for marine and coastal education grants. The Coastal Commission's WHALE TAIL[®] Grants Program allocates funds from sales and renewals of the WHALE TAIL[®] License Plate to organizations conducting marine education and related programs. Each year the WHALE TAIL[®] Grants Program receives far more worthy proposals than it is able to fund. In FY 2014/15 the Coastal Commission was only able to fund less than one-third of grant proposals received. By increasing the pool of money available for WHALE TAIL[®] Grants, the Protect Our Coast and Oceans Fund will ensure that funding is available for many additional worthy projects. The grants funded by contributions to the Protect Our Coast and Oceans Fund would be tracked separately from the grants funded by the California Beach and Coastal Enhancement Account. Please see Attachment 1 for revenue projections.

The WHALE TAIL[®] Grants Program is among the few grants programs to fund marine education in California. If the additional funds for the WHALE TAIL[®] Grants Program are not approved, the result would be that many highly creative, worthwhile marine and coastal education programs proposed by nonprofits, schools, local governments, and other state agencies would not receive WHALE TAIL[®] funding. The net result would be to significantly reduce the amount of marine education delivered to California's students and general public in FY 2016/17.

This BCP is not requesting any new positions and no current positions will be significantly impacted. A Grants Program Coordinator is already on staff. All guidelines and procedures for the WHALE TAIL[®] Grants Program have already been established since this is already an existing program. Criteria for judging grant proposals were previously approved by the Coastal Commission. The request is to support additional grants for one year so that more organizations can benefit. The Coastal Commission would track this additional grant money separately from the grants funded by the CBCEA. The program would continue as normal.

Raising Awareness of the Protect Our Coast and Oceans Fund

In order to keep contributions to the "Protect Our Coast and Oceans Fund" at a sufficient level so these grants can be funded, there is a critical need to raise awareness of the existence of the fund and the causes it supports. The legislation for this fund allows for "direct program-related expenses" and this expense would fall into that category. Many of the organizations that sponsor the other tax check-off boxes for voluntary contributions on the State tax return publicize their funds in order to raise awareness and generate donations. For example, a number of the other recipients of the voluntary contributions annually pool a portion of their funds to collaborate for publicity and outreach through the

Analysis of Problem

“Checkoff California” campaign which raises awareness of the voluntary donation options during tax season. Please see Attachment 2 for examples of publicity and outreach conducted by other voluntary donation recipients.

Legislation requires that this fund obtain contributions exceeding \$250,000 per year in order to continue to exist. Without raising awareness about the option to donate to this fund, there would be a much greater risk of failing to reach the minimum dollar amount required for this fund to remain on the state tax form.

E. Outcomes and Accountability

WHALE TAIL® Grants

Every year, through the projects funded by the WHALE TAIL® Grants Program, tens of thousands of Californians are educated about marine science, ocean and coastal resources, and the importance of preserving those resources. In recent years, the grants have annually reached over 100,000 individuals through several dozen high-quality educational projects around the state each year. Approximately 8,000 field trips for underserved youth are made possible each year.

If the request is approved, the funding from the Protect Our Coast and Oceans Fund will be added to the funds allocated to Local Assistance from WHALE TAIL® License Plate revenue, for a total of \$868,000 available for WHALE TAIL® grants in 2016/17. Without these additional funds, only \$503,000 would be available in 2016/17. The additional funds will allow the Commission to meet more of California’s needs by funding projects in more underserved locations, and by reaching more individuals who would not otherwise have the opportunity to participate in high quality marine and coastal education and stewardship projects. The additional funds could also allow for the funding of some larger, greater impact grants. The grants program will continue to be competitive, but the Commission will most likely be able to fund a larger percentage of proposals and will turn down fewer worthy projects due to lack of funds. The grants funded by the Protect Our Coast and Oceans Fund would be tracked separately from other WHALE TAIL® grant money.

All recipients of WHALE TAIL® grants receive contracts payable by reimbursement only. The contracts are signed by both the grant recipient and the Coastal Commission and include a scope of work, a task list and timeline, and an itemized budget for each project. Grantees are required to submit documentation of all expenses before any money is disbursed, and all invoices are carefully reviewed before approval. Grantees are also required to evaluate their work and submit periodic progress reports as well as a final report upon conclusion of their project. Progress reports are submitted every 3-6 months, depending on the nature of the project. Careful review of the reports is carried out by the Public Education Program staff.

Raising Awareness of the Protect Our Coast and Oceans Fund

Providing funds to raise awareness of the existence of the fund will ultimately cause more people to know about and make a contribution to the fund, resulting in sufficient revenue for the fund to continue to survive and generate revenue for WHALE TAIL® grants in future years. If the fund does not attract the minimum contribution amount established by the Franchise Tax Board, which is \$250,000 in 2015 and goes up each year, the fund will cease to exist. This would be a missed opportunity to continue to provide funds to support the WHALE TAIL® grants program. Furthermore, there is an element of raising awareness that will continue to bear fruit in future years, since once an individual knows about the fund and decides to make a contribution, it is much more likely that they will make a donation in future years. Thus, investing in raising awareness in the Protect Our Coast and Oceans Fund will help to secure the future of the fund and will increase the impact of the WHALE TAIL® grants program.

Any selected marketing firm would receive a contract payable by reimbursement only. The contract would be signed by both the contractor and the Coastal Commission and include a scope of work, a

Analysis of Problem

task list and timeline, and an itemized budget. The consultant would be required to submit documentation of all expenses before any money was disbursed.

F. Analysis of All Feasible Alternatives

Alternative No. 1: Allocate \$430,000 from voluntary contributions on the state tax return to the “Protect Our Coast and Oceans Fund” (8086) to the Coastal Commission’s budget as a one-time appropriation in FY 2016/17. Of this amount, \$365,000 would be a one-year Local Assistance budget line item to provide WHALE TAIL® grants. The remaining \$65,000 would be a one-year State Operations budget line item to support outreach and promotion for the “Protect Our Coast and Oceans” Fund.

This is the Commission’s preferred alternative. As previously described, the additional grant funds are critically needed by organizations conducting the critical work of educating our young people and the general public regarding the importance of protecting our coast and ocean. Every year, the requests for grant funds far exceed the amount available. There are limited other funding sources available for this type of work, and the express purpose of the Protect Our Coast and Oceans Fund is to help fill this funding gap. Additionally, Legislation requires that this fund obtain contributions exceeding \$250,000 per year in order to continue to exist. Without raising awareness about the option to donate to this fund, there would be a much greater risk of failing to reach the minimum dollar amount required for this fund to remain on the state tax form.

Alternative No. 2: Allocate \$430,000 from voluntary contributions on the State tax return to the “Protect Our Coast and Oceans Fund” (8086) to the Coastal Commission’s budget as a one-time appropriation in FY 2016/17. The full amount amount would be a one-year Local Assistance budget line item to provide WHALE TAIL® grants.

This alternative would allocate all projected revenue to grants and would eliminate using any of the revenues for promotion and outreach for the “Protect Our Coast and Oceans” Fund. Although in the short-term this would result in more funding for educational projects, this alternative is short sighted. It would greatly increase the risk that the fund would not meet the required minimum contribution level to continue, thereby eliminating it from the state tax return, shrinking the WHALE TAIL® Grants Program, and jeopardizing the chances of many potential WHALE TAIL® grants in the future.

Alternative No. 3: Allocate \$207,000 from voluntary contributions on the state tax return to the “Protect Our Coast and Oceans Fund” (8086) to the Coastal Commission’s budget as a one-time appropriation in FY 2016/17. Of this amount, \$172,000 would be a one-year Local Assistance budget line item to provide WHALE TAIL® grants. The remaining \$35,000 would be a one-year State Operations budget line item to support outreach and promotion for the “Protect Our Coast and Oceans” Fund.

This alternative would avoid using the \$223,000 in projected revenue from Calendar Year 2016. (See Attachment 1.) Only revenue through Calendar Year 2015 would be allocated. However, the Coastal Commission has already met the minimum amount required in 2015 to continue collecting donations in 2016, thereby guaranteeing that there will in fact be revenue in 2016. Furthermore, this alternative would provide significantly less money for local assistance grants, the “Protect Our Coast and Oceans Fund” was specifically created to support the WHALE TAIL® grants and other related program expenses, and donors contributing to the fund in 2016 are expecting their donations to be used for this purpose.

G. Implementation Plan

Implementation would begin after July 1, 2016. One round of WHALE TAIL® grants would be awarded by the Coastal Commission in Fall 2016 and a second round would be approved in Spring 2017. An outreach campaign to educate tax payers about this fund would be implemented during tax season in the first part of 2017.

Analysis of Problem

H. Supplemental Information

Based on the actual revenues the Protect Our Coast and Oceans Fund has received to date, we estimate that for Calendar Year 2015, revenues will be approximately \$311,000. We further estimate that revenues for January through May of Calendar Year 2016 will be approximately \$223,000. These estimates are based on the attached calculations. In addition, there was \$241,000 in revenues from Calendar Year 2014. The total revenue (actual through July 2015 and projected through May 2016) to the fund through May 2016 is an estimated \$775,000.

Of this total amount, the Coastal Commission was allocated \$315,000 for FY2015/16. In addition, administrative fees to the Franchise Tax Board for this timeframe total \$18,000 (\$6,000 per year from FY2014/15 through FY2016/17). We are estimating that the State Controller's Office will need \$12,000 for its administrative fees for this period (\$6,000 per year for each year of revenue, FY 2015/16 and FY2016/17). We are requesting that the remaining revenues, or \$430,000, be allocated to the California Coastal Commission's WHALE TAIL[®] Grants Program and direct program-related expenses.

I. Recommendation

We recommend that the Coastal Commission receive \$430,000 from the Protect Our Coast and Oceans Fund (8086) as a one-time appropriation for FY 2016/17. We further recommend that \$365,000 of that amount be allocated as Local Assistance to fund WHALE TAIL[®] grants to nonprofit organizations, schools, and local governments; and that the remaining \$65,000 is allocated as State Operations to support outreach and publicity regarding the Protect Our Coast and Oceans Fund on the California state tax return form.

ATTACHMENTS

1. Projected Income to Fund 8086 from voluntary donations
2. Actual income to Fund 8086 through July 2015.
3. Examples of publicity and outreach by other causes supported by voluntary contributions on the California state tax return.

Attachment 1 – Projected Income to Fund 8086

V. Total previous allocations:

\$	315,000	FY 15/16 allocation
\$	12,000	Set aside \$6,000/yr. in '14/15 and '15/16 for Franchise Tax Board
\$	6,000	Set aside \$6,000/yr. for '15/16 for State Controller's Office (est.)
\$	333,000	

VI. Total new set-asides:

\$	6,000	Set aside \$6,000/yr. in '16/17 for Franchise Tax Board
\$	6,000	Set aside \$6,000/yr. for '16/17 for State Controller's Office (est.)
\$	12,000	

VII. Calculate amount remaining to request:

\$	775,261	total projected revenue
\$	333,000	minus previous allocations
\$	12,000	minus new set-asides
\$	430,261	amount remaining
\$	430,000	AMOUNT IN BCP (rounded off)

Attachment 2 – Actual income to Fund 8086 through June 2015

Franchise Tax Board

Status Report - Voluntary Contribution Funds

Protect Our Coasts and Oceans Fund

	2015 Minimum contribution requirement \$250,000		2014 No Minimum Requirement	
	Items Processed	Valid Contributions	Items Processed	Valid Contributions
Totals	23,427	\$262,317	20,709	\$241,040
January	1,111	\$7,313	1,048	\$7,958
February	4,800	\$41,101	4,042	\$36,055
March	4,407	\$50,706	3,545	\$39,253
April	7,867	\$101,847	6,299	\$73,288
May	2,364	\$24,113	2,153	\$19,033
June	2,813	\$34,174	2,349	\$27,007
July	265	\$3,063	260	\$3,509
August			128	\$1,837
September			118	\$1,839
October			421	\$5,802
November			263	\$27,848
December			83	\$815

SEA OTTERS May Not Have to Pay Taxes...



...But You Can Help Save Them With Yours.

Support sea otter research and conservation programs by simply checking the CA Sea Otter Fund donation box on your California state income tax form.

Learn more at www.SaveSeaOtters.org.



*"The sea otter is one of California's most endearing and most endangered animals. Make a positive difference this tax season and check the sea otter donation box to make sure that we pass our otters on to future generations."
– Philippe Cousteau, President, EarthEcho International*

And don't forget that you can help California save other endangered and threatened species by checking the *Rare and Endangered Species Preservation Program*.



Attachment 3 – Examples of publicity and outreach by other causes supported by voluntary contributions on the California state tax return



Annette Bening, former California Arts Council member and "Keep Arts in Schools" spokesperson

Bring creativity
back to the
classroom!

*make a difference
through your state
tax return*

learn more at
ARTS.CA.GOV

KEEP ARTS IN SCHOOLS
VOLUNTARY CONTRIBUTION FUND

Photo courtesy of California Arts Council



KEEP THIS WITH YOUR
2014 TAX DOCUMENTS,
OR GIVE TO YOUR
ACCOUNTANT
CALIFORNIA ARTS COUNCIL
ARTS.CA.GOV

KEEP ARTS IN SCHOOLS

make a difference through your state tax return

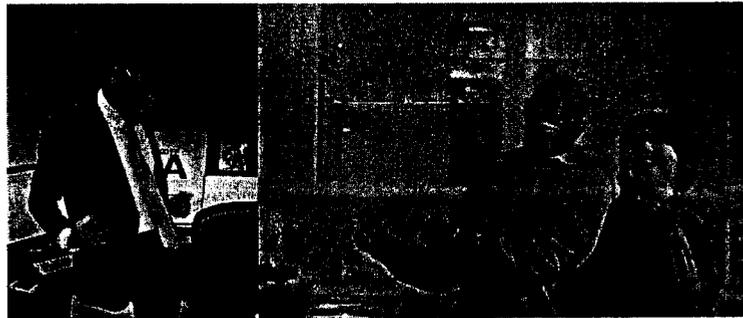
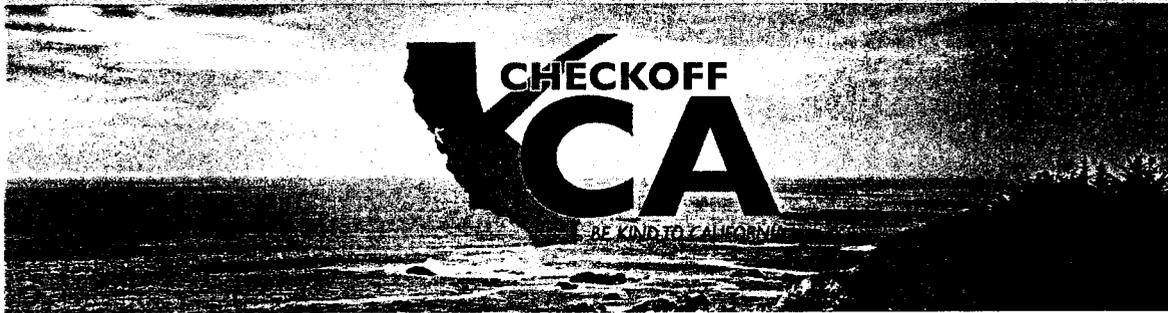


Yes, I want to join Annette Bening in bringing
creativity back to the classroom!

I will contribute \$ _____ to the *Keep Arts in Schools Fund*
through my 2014 California State Tax Return

Voluntary contributions to the Keep Arts in Schools Fund [California Individual Tax Return form 540,
Section 110 (425)] are distributed to arts education programs statewide by the California Arts Council.

Attachment 3 – Examples of publicity and outreach by other causes supported by voluntary contributions on the California state tax return



California Resident Income Tax Return 2013 540 C1
Fiscal year filers only: Enter month of year end: month _____ year 2014
Your first name _____ Your SSN or ITIN _____
checkoffCA.org
If joint tax return, spouse or PDP's first name _____ Initial Last name _____ Spouse's PDP's SSN or ITIN _____

