STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 07/23)

Fiscal Year	Business Unit Number	Department
2026/27	3760	State Coastal Conservancy

Hyperion Budget Request Name	Relevant Program or Subprogram
3760-065-BCP-2026-MR	2805032-Conservancy Programs

Budget Request Title
State Coastal Conservancy Fund Appropriation and Reimbursement Authority

Budget Request Summary
The State Coastal Conservancy (SCC) requests $7 million one-time in 2026-27 from the State Coastal Conservancy Fund and $7 million in reimbursement authority one-time. This funding will provide additional resources for coastal resource enhancement and public access projects, while reimbursement authority will allow SCC to encumber a grant from the National Fish and Wildlife Foundation for the South Bay Salt Pond Restoration Project. Funds are requested to be available for encumbrance or expenditure through June 30, 2028, given the multi-year nature of projects.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☒ Budget Bill Language ☐ N/A	N/A

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date
	N/A	N/A

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. N/A **Project Approval Document:** N/A

Approval Date: N/A **Total Project Cost:** N/A

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	Date	Reviewed By	Date
German Garcia	5/14/2026	Evyan Sloane	5/14/2026
Department Director	**Date**	**Agency Secretary**	**Date**
Amy Hutzel	5/14/2026	Bryan Cash	5/14/2026

Department of Finance Use Only

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

Principal Program Budget Analyst	Date submitted to the Legislature
Lizzie Urie	5/14/2026

A. Problem Statement

The State Coastal Conservancy (SCC) leads and supports coastal resource enhancement and public access projects across the coast, which often require obtaining local and state grants from external agencies. For SCC to support external local and state funding to subgrantees, adequate spending and reimbursement authority is needed. SCC is requesting $7 million State Coastal Conservancy Fund (Fund) in addition to $7 million in reimbursements to support grantees and subgrantees in 2026-27.

Additional reimbursement authority will allow SCC to encumber an awarded $7 million grant from the National Fish and Wildlife Foundation (NFWF) for the South Bay Salt Pond Restoration Project, the largest wetland restoration project on the west coast. Once the $7 million in awarded funds are collected from NFWF, reimbursed funds will support new, coastal resource enhancement and public access projects statewide.

B. Justification

There is currently a balance of approximately $65 million available in the Fund, of which approximately $22 million is available for projects not related to the purpose of the violation remediations, which are funded by a subaccount within the Fund. The Conservancy has received a $7 million grant from the National Fish and Wildlife Foundation for the South Bay Salt Pond Restoration Project—a project that is appropriate for the State Coastal Conservancy Fund. The South Bay Salt Pond Restoration Project is the largest wetland restoration project on the west coast with a focus to restore wetland habitat, provide public access, and protect adjacent communities from sea level rise. The project is ready to utilize these funds and is consistent with the Conservancy's Strategic Plan.

Requested funds will be expended consistent with the Coastal Conservancy's enabling legislation (Division 21 of the Public Resources Code), its 2023-2027 Strategic Plan, and several state policies and plans to implement a range of projects that would help meet a number of Strategic Plan goals including but not limited to:

- Explore the Coast Program and Overnight Program
- Building and expanding trails
- Planning and construction of recreation facilities and amenities
- Planning and construction of piers and waterfront projects
- Land conservation
- Restoration and enhancement of habitat
- Sea level rise adaptation
- Wildfire resilience
- Multi-benefit nature-based climate adaptation Benefitting systemically excluded communities
- Returning power to Tribes
- Supporting meaningful engagement with systemically excluded communities

C. Departmentwide and Statewide Considerations

The Conservancy's current Strategic Plan for 2023-2027 was developed and adopted by the Coastal Conservancy in 2022 in order to provide an overall vision for the Conservancy's future and to identify a set of specific metrics by which to measure the accomplishment of that vision for 2023-2027. It is intended to communicate the Conservancy's priorities and the context of those priorities to the Legislature, the California Natural Resources Agency, and to the Conservancy's various stakeholders. Based on analysis of issues facing the natural and recreational resources of the California coast and the San Francisco Bay Area, the Strategic Plan identified a comprehensive set of specific goals and measurable objectives for addressing these issues over a five-year period in each of the Conservancy's main programmatic areas: Public Access, Coastal Resources Conservation, and the San Francisco Bay Area Conservancy Program.

D. Outcomes and Accountability

All funds disbursed by the Conservancy through grants and contracts are actively managed by Conservancy staff to achieve compliance with a work plan and budget as well as all conditions placed on the grant or contract. Funds are disbursed in reimbursement for completed work and 5 percent of the grant is withheld by the Conservancy and released upon satisfactory completion of the project. Prior to approving the final grant payment, Conservancy staff conducts a project completion audit. This process includes review and approval of the final work product, a site visit and inspection where appropriate, and a review of the contract and project files to ensure that all required documentation is in place.

For projects involving construction, including environmental restoration and enhancement, the grantee must provide the Conservancy with an inspection report by a licensed architect or registered engineer or the grantee's Public Works Director certifying completion of the project according to the approved work program, and with "as built" drawings or photographs of the completed project. The grantee must also agree to manage and maintain the improvements consistent with the purposes of the awarded grant funds for an appropriate period, generally not less than twenty years.

The Conservancy has implemented a set of post-project monitoring protocols by which it tracks all its grants and projects to ensure continued compliance with grant conditions and proper maintenance of the assets acquired or developed with the grant or contract funds.

The Conservancy also maintains a project management database through which it tracks progress of ongoing projects and grants and the results of post-completion monitoring. The contribution of each grant and project to the achievement of Strategic Plan goals and objectives is also tracked through the project management database. The Conservancy's Executive Officer submits reports to the Conservancy Board annually, which document the Conservancy's progress towards the achievement of the strategic plan goals and objectives.

In addition to funding the next phase of the South Bay Salt Pond Restoration Project with requested reimbursement authority, SCC anticipates supporting three to ten costal resource enhancement and/or public access projects through this request.

E. Implementation Plan

The proposal will be implemented with existing staff and will require additional equipment or resources. Upon the enactment of the Budget Act of 2026, the activities described in this proposal will be implemented based on factors specific to the grant or project being carried out. Factors such as readiness of plans, status of permits and environmental documentation, seasonal restrictions on construction, and Conservancy staff workload are among those that will determine the timing of project initiation and the pace of completion. The Conservancy

has requested funds in an amount that it can encumber and spend in the appropriation period based on its experience with previous and ongoing projects and an assessment of the capabilities of existing staff to initiate and complete new projects.

F. Supplemental Information

N/A

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: State Coastal Conservancy Fund Appropriation and Reimbursement Authority

BR Name: 3760-065-BCP-2026-MR

Budget Request Summary

Operating Expenses and Equipment

Operating Expenses and Equipment	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
54XX - Special Items of Expense	0	14,000	0	0	0	0
Total Operating Expenses and Equipment	**$0**	**$14,000**	**$0**	**$0**	**$0**	**$0**

Total Budget Request

Total Budget Request	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
Total Budget Request	**$0**	**$14,000**	**$0**	**$0**	**$0**	**$0**

Fund Summary

Fund Source

Fund Source	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
Local Assistance - 0565 - State Coastal Conservancy Fund	0	7,000	0	0	0	0
0995 - Reimbursements	0	7,000	0	0	0	0
Total Local Assistance Expenditures	**$0**	**$14,000**	**$0**	**$0**	**$0**	**$0**
Total All Funds	**$0**	**$14,000**	**$0**	**$0**	**$0**	**$0**

Program Summary

Program Funding

Program Funding	FY25-26 Current Year	FY26-27 Budget Year	FY27-28 BY+1	FY28-29 BY+2	FY29-30 BY+3	FY30-31 BY+4
2805032 - Conservancy Programs	0	14,000	0	0	0	0
Total All Programs	**$0**	**$14,000**	**$0**	**$0**	**$0**	**$0**