

June 10, 2005

TO: California Ocean Protection Council

FROM: Sam Schuchat, Secretary to the Council

RE: Adoption of Interim Funding, Project Selection, and Application Guidelines (Agenda Item #6B)

Requested Action

Staff recommends that the council adopt the following resolution:

“The California Ocean Protection Council adopts the attached *Interim Funding, Project Selection, and Application Guidelines* to be used in selecting projects and activities to be considered for support by the council.”

Background

In the California Ocean Protection Act the Legislature makes the following findings and declarations:

“Good governance and stewardship of ocean resources necessitate more efficient and effective use of public funds”.

“The state needs to coordinate governance and stewardship of the state’s ocean, to identify priorities, bridge existing gaps, and ensure effective and scientifically sound approaches to protecting and conserving the most important ocean resources”.

The act charges the council with coordinating:

“activities of state agencies, that are related to the protection and conservation of coastal waters and ocean ecosystems, to improve effectiveness of state efforts to protect ocean resources within existing fiscal limitations...”

The act appoints the executive officer of the State Coastal Conservancy, under the direction of the Secretary for Resources, to act as secretary to the council, to administer its affairs, and provide staff to administer grants and expenditures authorized by the council.

The act establishes the California Ocean Protection Trust Fund. The act also sets out a series of projects or activities for which the fund may be used upon authorization of the council.

The Legislature has appropriated ten million dollars to the Resources Agency from tidelands oil revenues, that is expected to be available for expenditure for the council's priorities during the 2005/2006 fiscal year.

The Legislature has appropriated funds to the State Coastal Conservancy, as well as other State departments, that may be used for coastal and ocean related projects and related activities. At its May 18th meeting the Conservancy unanimously voted to reserve five million dollars for the purposes of the council. Other departments are expected to make similar reservations of funds or otherwise allocate money for ocean protection under the council's direction.

Purpose and Effect

Staff is proposing that the council adopt the attached *Interim Funding, Project Selection, and Application Guidelines* (guidelines) for the following purposes:

- To guide staff in selecting specific projects or activities to be brought before the council for funding or other support;
- To guide potential project sponsors in determining if their proposals may be consistent with the council's priorities;
- To establish a procedure for initial review of proposals;
- To establish initial priorities for the council, based on the Ocean Protection Act, that may be used by state departments in establishing related funding programs.

The guidelines are primarily based on the priorities established in the California Ocean Protection Act and have been adapted from Project Selection Criteria adopted by the State Coastal Conservancy. They are not intended as absolute rules for funding but as a baseline to guide a continuous granting cycle using a variety of funding sources for a wide range of projects. Because they follow directly from the Ocean Protection Act, they are meant to enable the Council to take immediate steps to provide support to many high priority activities that may be funded by the Resources Agency, the Coastal Conservancy, or other agencies whose activities relate to the protection and conservation of coastal waters and ocean ecosystems. The guidelines are modeled on the processes and procedures the State Coastal Conservancy has used to administer hundreds of millions of grant dollars during the last six years.

The guidelines are not meant to guide all of the council's activities related to supporting funding for ocean related projects and activities. With regard to basic research or for particular funding sources or project types more specific grant guidelines, requests for proposals, or other procedures may be established in the future. For example, the State Water Resources Control Board is developing its own grant guidelines for specific allocations of Proposition 40 and 50 funds. The

council's guidelines, if adopted, could be incorporated into the Board's guidelines or otherwise inform its process, by specifically identifying critical ocean protection goals adopted by the council. In other respects, though, the council's interim guidelines may have limited applicability to funding programs like the Water Board's. The procedures for project development and the council's participation in project solicitation and selection for these funds would not necessarily follow the path outlined in these interim guidelines. That path will be established in consultation with the Board in the coming months.