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Date: November 20, 2025

To: State Coastal Conservancy Board

From: Amy Hutzal, Executive Officer
Evyan Borgnis Sloane, Deputy Executive Officer

CC: Oversight Members

RE: Coastal Conservancy Annual Financial Report

This is the annual financial report of the State Coastal Conservancy (Conservancy). The purpose of the report is to provide the Conservancy Board and the public with an overall picture of the agency's funding. Because the Conservancy's funding is episodic, the report provides an annual update on the Conservancy's financial situation. Staff have presented this report to the Board every year since 2012. The report is typically presented at the first meeting in the state's Fiscal Year (FY) which runs from July 1 – June 30.

The report is divided into two sections: Project Funding and Support Funding. The Project Funding section provides an overview of funding for the implementation of Conservancy projects and grants. The Support Funding section describes funding for the operation of the Conservancy (including salaries, benefits, rent, etc.) and an update to the Conservancy's Five-Year Financial Plan. The Five-Year Financial Plan is a conceptual roadmap for how the agency plans to fund its operation for the next five years.

Project Funding

In November of 2024, California voters overwhelmingly approved Proposition 4, a \$10 billion Climate Bond designed to protect our communities, native habitats, and our future in the face of climate change. The Coastal Conservancy was originally allocated \$948,500,000 in the 2024

Climate Bond. The Conservancy allocations include funds for wildfire resilience, dam removal, coastal resilience, and coastal and combined flood management. The Conservancy allocations also include funds for specific geographic areas such as the Santa Ana River, Coyote Valley, and West Coyote Hills. Assembly Bill 100 was signed by the Governor on April 14, 2025, which provided Conservancies their wildfire resilience allocation from Prop 4 in FY 24/25, with the Coastal Conservancy receiving a total of \$30.9 million. On September 17, 2025, Senate Bill 105 (also known as Budget Bill Junior) was signed by the Governor which provided the Coastal Conservancy with \$262,735,000 of Prop 4 funds for FY 25/26. Senate Bill 105 included an allocation of \$50 million for the Great Redwood Trail from Section 94030 of the bond for “Natural Resource Value and Expanded Trail Access” bringing the total Coastal Conservancy allocation of Prop 4 funds to \$998,500,000.

Over the past five years, the Governor and Legislature had appropriated significant levels of General Fund and Greenhouse Gas Reduction Fund to the Coastal Conservancy to support nature-based climate adaptation and sea level rise adaptation projects. The table below shows the total **\$1.1 billion** appropriated to the Conservancy over five budget years, divided by fund and purpose. The FY 25/26 budget also includes new appropriations of \$10.7 million of Violation Remediation Account and \$1.1 million of Prop 1.

Due to the volatility of the state’s General Fund, both FY 23/24 and FY 24/25 budgets modified prior year appropriations. The FY 23/24 budget reverted \$186 million and the FY 24/25 budget reverted \$444 million of previously appropriated Conservancy funding, primarily General Fund appropriations for sea level rise adaptation and coastal resilience. The table below consolidates the reversions into one column.

**Project Funding Appropriated to the Coastal Conservancy
(\$ in thousands as of 9/13/2025)**

| Fund | 21-22 | 22-23 | 23-24 | 24-25 | 25-26 | Reversions | Total |
|-----------------------------|-------|-------|-------|----------|----------|------------|----------|
| Prop 4 | | | | | | | |
| Wildfire | | | | \$30,900 | | | \$30,900 |
| Coastal Resilience | | | | | \$62,000 | | \$62,000 |
| Coastal & Combined Flooding | | | | | \$32,835 | | \$32,835 |
| Great Redwood Trail | | | | | \$50,000 | | \$50,000 |
| Santa Ana River | | | | | \$10,000 | | \$10,000 |
| Coyote Valley | | | | | \$3,000 | | \$3,000 |
| San Francisco Bay | | | | | \$40,000 | | \$40,000 |
| Matilija | | | | | \$20,000 | | \$20,000 |
| Potter Valley Fish Passage | | | | | \$5,500 | | \$5,500 |
| Dam Removal | | | | | \$8,500 | | \$8,500 |

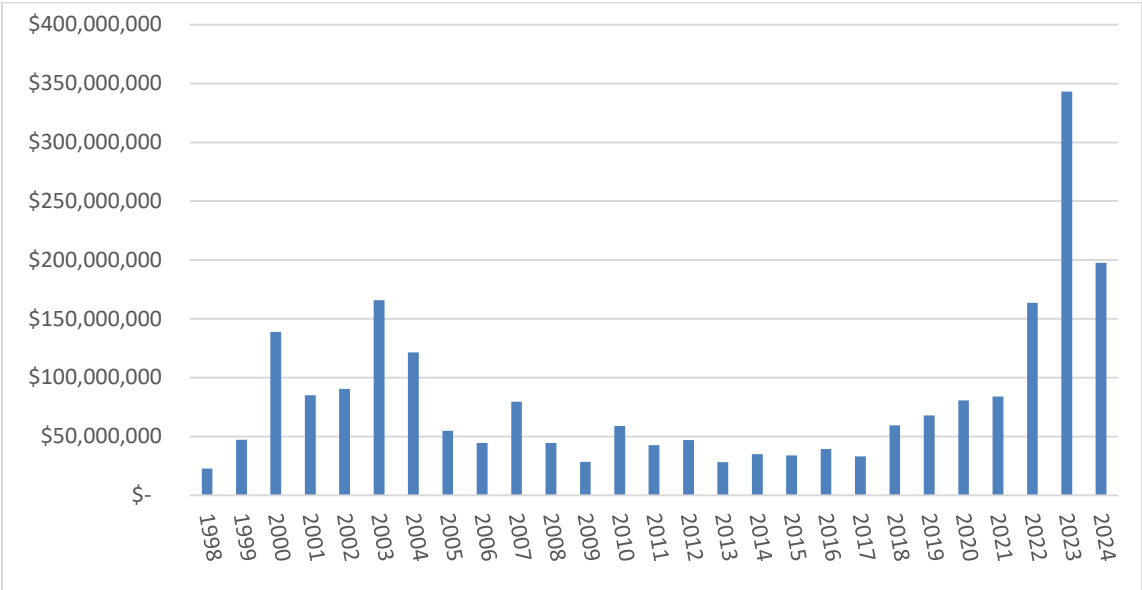
| | | | | | | | |
|--------------------------------------|------------------|------------------|------------------|-----------------|------------------|--------------------|--------------------|
| General Fund | | | | | | | |
| Climate Resilience | | \$350,000 | | | | (\$189,467) | \$160,533 |
| Sea Level Rise (SLR) Adaptation | | \$40,000 | | | | | \$40,000 |
| SLR and Coastal Resilience | | | \$548,000 | | | (\$377,346) | \$170,654 |
| Explore the Coast | \$14,000 | | | | | (\$1,000) | \$13,000 |
| SLR Acquisition | | \$50,000 | | | | (\$50,000) | \$0 |
| SF Bay Wetlands | | \$11,000 | | | | (\$10,400) | \$600 |
| Wildfire Resilience | \$10,000 | \$10,000 | \$27,000 | | | (\$2,304) | \$44,696 |
| Santa Ana River | \$14,000 | \$5,000 | | | | | \$19,000 |
| Great Redwood Trail | \$10,300 | | \$1,500 | \$5,000 | \$6,000 | | \$22,800 |
| Santa Monica Bay | | \$10,800 | | | | | \$10,800 |
| West Coyote Hills | \$28,500 | | | | | | \$28,500 |
| Specific Priorities | \$18,960 | \$70,300 | \$5,000 | | | | \$94,260 |
| Greenhouse Gas Reduction Fund (GGRF) | | | | | | | |
| SLR Adaptation | | \$80,000 | | | | | \$80,000 |
| Public Infrastructure SLR | | \$37,500 | | | | | \$37,500 |
| Wild Cherry Canyon | | | | \$40,000 | | | \$40,000 |
| Prop 40 | | \$2,359 | | | | | \$2,359 |
| Prop 68 | \$23,693 | \$19,873 | \$14,723 | | | | \$58,289 |
| Prop 1 | | | | | \$1,143 | | \$1,143 |
| Habitat Conservation Fund (HCF) | \$3,800 | \$3,800 | \$3,800 | \$3,800 | \$3,800 | | \$19,000 |
| Violation Remediation Account (VRA) | \$1,500 | | | | \$10,725 | | \$12,225 |
| Misc. (Coastal Access & Sea Otter) | \$990 | \$990 | \$990 | \$990 | \$990 | | \$4,950 |
| TOTAL | \$125,743 | \$691,622 | \$601,013 | \$80,690 | \$254,493 | (\$630,517) | \$1,123,044 |

Project Authorizations

In FY 23/24, the Conservancy authorized \$343 million for its projects, the largest annual authorization total of the past 25 years and almost double the \$164 million authorized in FY 22/23. In FY 24/25, the Conservancy authorized \$198 million for its projects. The chart below shows the total amount that the Conservancy authorized each fiscal year since 1998. The increased authorizations in FY 22/23, FY 23/24, and FY 24/25 came from the appropriations for coastal resilience, sea level rise adaptation, and other priorities discussed above. Nearly all of the General Fund and Greenhouse Gas Reduction Fund appropriations from FY 22/23 and 23/24 have been authorized by the Board for projects. This reflects enormous effort by the

Conservancy staff to develop projects for Board consideration for urgent coastal resilience efforts.

Total Project Authorizations 1998-2024



The table below shows annual authorizations by fund for the past five years. In FY 24/25, 75% of the authorized funds were from the General Fund and the Greenhouse Gas Reduction Fund. Similarly, in FY 23/24, 95% of the funds were from these same two fund sources. The table shows the shift from prior years where the Conservancy authorized more bond funds.

**Project Authorizations by Fund
Fiscal Years 2019 – 2023 (\$ in thousands)**

| Fund | FY19/20 | FY20/21 | FY21/22 | FY22/23 | FY23/24 | FY24/25 |
|-----------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| General Fund | \$5,924 | \$11,314 | \$35,533 | \$100,351 | \$263,673 | \$140,753 |
| Prop 1 | 12,863 | 11,442 | 5,177 | 660 | - | - |
| Prop 12 | 1,149 | 1,872 | 297 | - | - | - |
| Prop 40 | - | - | - | - | 1,113 | 1,245 |
| Prop 68 | 14,655 | 28,762 | 16,413 | 12,117 | 2,902 | 30,436 |
| Prop 84 | 8,610 | 8,800 | 5,712 | 8,226 | 2,566 | 2,946 |
| HCF | 19,205 | 3,411 | 9,808 | 1,008 | 422 | 6,617 |
| VRA | 95 | 1,475 | 1,491 | 223 | - | - |
| Coastal Access & ELPF | 1,137 | 779 | 734 | 149 | 792 | 1,024 |
| Sea Otter Fund | 165 | 80 | 52 | 273 | 174 | 237 |
| GGRF | 2,850 | - | - | 38,208 | 61,622 | 10,350 |
| Coastal Trust Fund | 1,336 | 10,047 | 8,363 | 2,300 | 9,777 | 3,954 |
| TOTAL | \$67,989 | \$77,982 | \$83,580 | \$163,515 | \$343,051 | \$197,562 |

Funding Benefiting Disadvantaged Communities

In its Strategic Plan, the Conservancy set an objective of spending 40% of our funds on projects that benefit systemically excluded communities. The Conservancy's Strategic Plan was adopted in December of 2022 and covers the calendar years 2023-2027. Since we began tracking under that Strategic Plan, 68% of the funding awarded by the Conservancy has gone to projects that benefit systemically excluded communities.

The Conservancy has been tracking projects that are located in or benefit Disadvantaged Communities since 2018. A Disadvantaged Community is a community with an annual median household income that is less than 80 percent of the statewide annual median household income. Since 2018, 41% of the Conservancy's funding has gone to projects located in or benefitting Disadvantaged Communities.

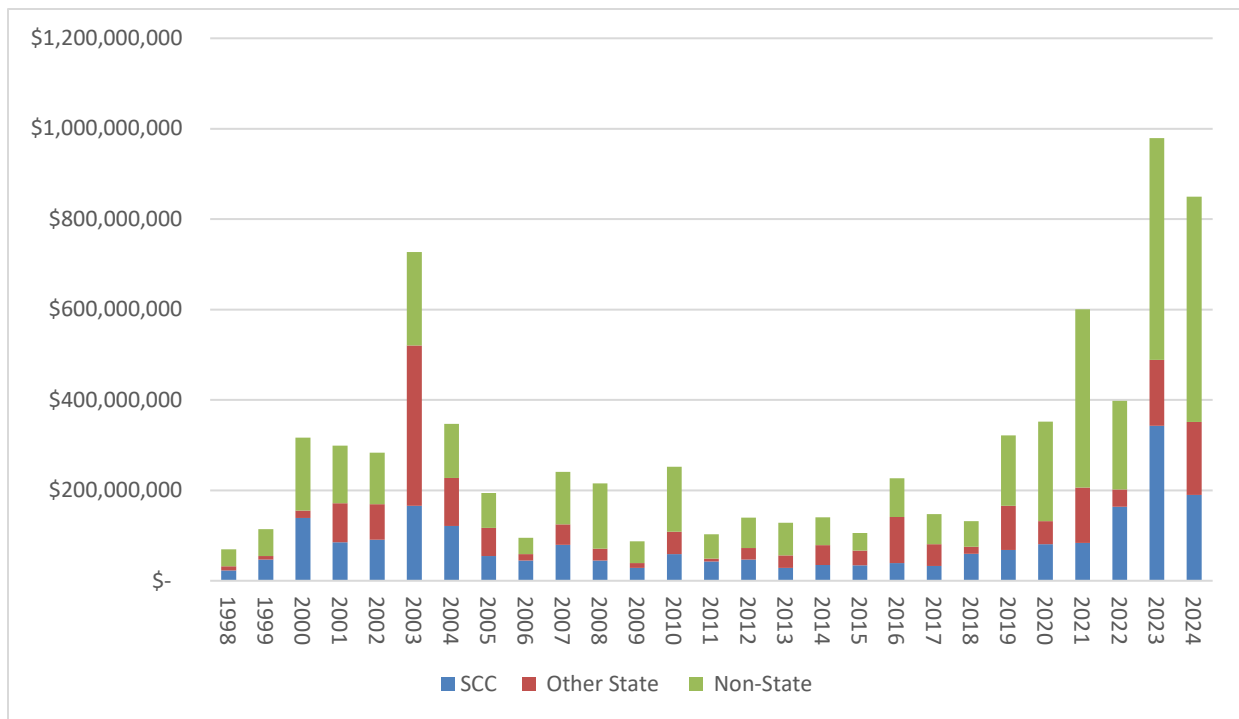
Prop 1 requires that its funds be awarded through competitive grant rounds that give priority to projects located in or benefitting Disadvantaged Communities. Fifty-two percent of Prop 1 funds were awarded to projects that benefit disadvantaged communities. Prop 4 similarly requires that 40% of its funds be awarded to projects providing meaningful and direct benefits to

Disadvantaged and/or Vulnerable Communities. The Conservancy will continue to prioritize such projects to meet these criteria.

Matching Funds

Last year, the Conservancy’s \$198 million in authorizations leveraged \$161 million in other state funds and \$498 million in non-state funds. Since 1985, the Conservancy has authorized about \$2.4 billion for its projects. Those funds were matched by a total of \$6.1 billion. Matching funds came from other state sources (\$1.8 billion) and non-state sources including local, federal, and private partners (\$4.2 billion). The chart below displays matching funds since 1998.

**Matching Funds
Fiscal Years 1998 – 2024**



Some projects have no match while other projects are highly leveraged. This can depend on the resources of the community, the grantee, and the availability of funding for that project. The Conservancy seeks to leverage our funds, while providing flexibility to disadvantaged communities and accommodating project needs. Prop 1 specifically calls for the Conservancy to prioritize projects that leverage other funds. For Prop 1 grants, the Conservancy projects have leveraged \$1.77 for every dollar awarded.

Conservancy staff have applied and continue to apply for external grants as they become available. Our staff wrote 22 grant proposals last year. The table below summarizes grants awarded to the Conservancy during the last ten fiscal years. In FY 24/25, the Conservancy was awarded 11 outside grants totaling \$27 million from a variety of sources, primarily federal grant programs (9 grants out of the 11). For example, the Conservancy was awarded \$12 million for beneficially using dredged sediment from San Francisco Bay for tidal wetland restoration and resilience in one award from the U.S. Environmental Protection Agency. These grants will be expended over multiple years.

As discussed in the next section, external grants are an important part of our long-term financial strategy and help pay for our support costs. For several years, we have worked to increase the number and amount of grant funds awarded to support our projects and our staff. In FY 2009/10, the Conservancy was awarded \$28K in grant funds to support staff. Last fiscal year, the Conservancy was awarded \$1.2 million in grant funds for support costs.

**Grant Funds Awarded to the Conservancy
(\$ in thousands)**

| FY | Project | Support | Total |
|-----------|----------------|----------------|--------------|
| FY 14/15 | \$6,684 | \$386 | \$7,070 |
| FY 15/16 | \$8,485 | \$664 | \$9,149 |
| FY 16/17 | \$21,868 | \$1,415 | \$23,283 |
| FY 17/18 | \$3,038 | \$1,059 | \$4,097 |
| FY 18/19 | \$6,317 | \$1,179 | \$7,496 |
| FY 19/20 | \$11,092 | \$1,085 | \$12,177 |
| FY 20/21 | \$9,189 | \$1,208 | \$10,297 |
| FY 21/22 | \$34,130 | \$2,157 | \$36,287 |
| FY 22/23 | \$23,303 | \$4,662 | \$27,966 |
| FY 23/24 | \$40,698 | \$1,613 | \$42,310 |
| FY 24/25 | \$26,100 | \$1,181 | \$27,281 |

Use of Delegated Authority to Accept Grants

The Executive Officer has delegated authority to add state or federal grant funds to Board authorized projects when the expenditures were anticipated in the staff recommendation for the project and do not require adoption of findings under the California Environmental Quality Act. The delegation requires an annual report of projects using the authority. Here are the projects that used that authority in the past year:

| Project Name | Grant Amount | Source |
|--|--------------|---------------------------------------|
| Prairie Creek Floodplain Restoration Project Phase 4 | \$6,582,000 | Wildlife Conservation Board |
| South Bay Salt Pond Restoration Project – Eden Landing South | \$7,000,000 | National Fish and Wildlife Foundation |

Future Project Funding

The timing of the passage of Prop 4 and subsequent FY25-26 Budget Bill Junior were very fortunate, as most of the available General Fund, Greenhouse Gas Reduction Fund, and other bond fund appropriations have already been granted for projects by the Conservancy. Conservancy project funding available over the next 5-10 years will be largely based on appropriations to the Conservancy’s of Prop 4 Climate Bond funding.

The Conservancy has and continues to receive funds into the Violation Remediation Account and the Coastal Trust Fund. Often the funds are for mitigation or permit requirements, almost all of the funds are for specific geographies or purposes. The Conservancy will also continue to receive a \$4 million annual appropriation from the Habitat Conservation Fund until fiscal year 2035 with the recent passage of Senate Bill 427.

With our success obtaining outside grants, the Conservancy has used some funds to pay invoices prior to reimbursements (also called reimbursement authority). As those projects are completed and the external grants are paid, the Conservancy will repay the original fund source, making funds available for new projects. In addition, some prior bond balances have reverted without expenditure. As a result, the Conservancy expects to have some future appropriations from some of the older bond funds.

Support Funding

The Conservancy’s support budget in FY 25/26 is \$14.4 million. These are the funds that pay for the Conservancy’s operation. About 75-80% of the support budget is salaries and benefits. The table below shows the actual expenditures for the Conservancy’s operation for the past five years and budgeted amounts for the current year.

Coastal Conservancy Support Budget 2019–2025
(\$ in thousands)

| Budget Categories | 19/20 Actuals | 20/21 Actuals | 21/22 Actuals | 22/23 Actuals | 23/24 Actuals | 24/25 Actuals | 25/26 BUDGET |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Salaries | \$7,592 | \$5,760 | \$6,353 | \$7,431 | \$8,118 | \$8,250 | \$7,773 |
| Benefits | \$652 | \$2,339 | \$4,340 | \$3,414 | \$3,874 | \$3,501 | \$3,020 |
| Expenses | \$1,969 | \$1,675 | \$3,987 | \$3,475 | \$3,010 | \$3,478 | \$3,655 |
| Total Budget | \$10,573 | \$9,774 | \$14,680 | \$14,320 | \$15,002 | \$ 15,230 | \$ 14,448 |

The Conservancy's budget decreased in FY 20/21 due to the unpaid leave program and vacancies. Salaries increased in FY 21/22 and 22/23 as the unpaid leave program ended, we filled vacant positions, and we received nine new, full-time positions. In FY 23/24, salaries increased again under new labor contracts. The FY 25/26 budget reflects recent reductions of four vacant positions that were part of the state's initiatives to enact savings.

Funding Sources in the Support Budget

The Conservancy has diversified the funding sources in its support budget over the past several years. The funding sources in the Conservancy's support budget reflect a long-term effort to reduce dependence on bond funds and to collect outside funds to support our agency. The result is a complicated support budget with more than a dozen funding sources. Recent one-time General Fund and Greenhouse Gas Reduction Fund appropriations have allowed the Conservancy to shift away from bond funds to, at least temporarily, use the support funds associated with these other sources.

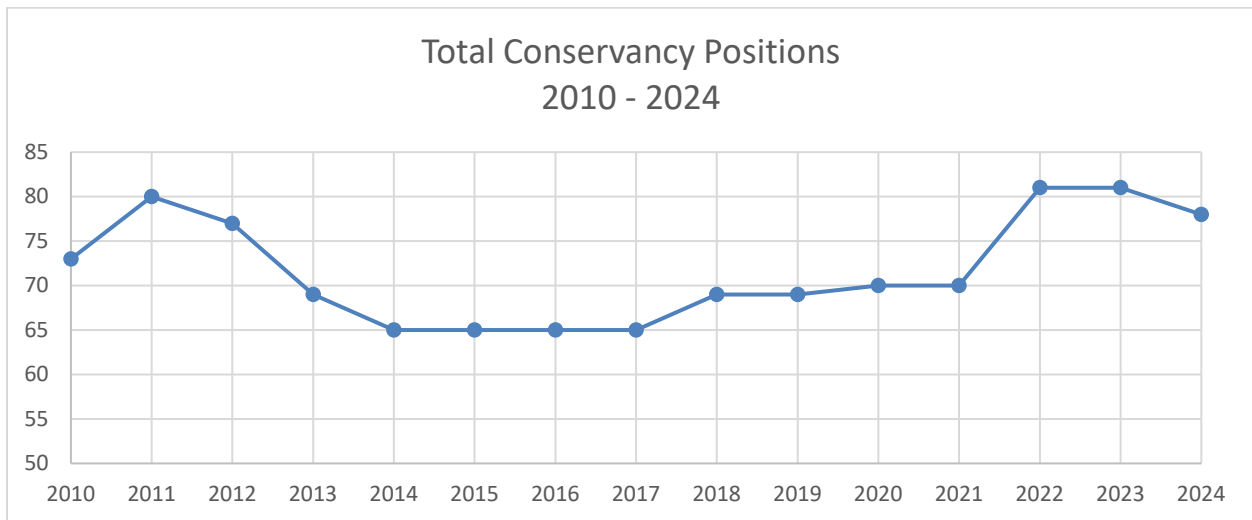
Bond funds are still an important source of funding in the Conservancy's support budget. This includes the planning and monitoring and the administrative allocations in Prop 68 and 84 and now Prop 4. The planning and monitoring funds need to be spent on project-related costs, so the Conservancy uses them to pay for staff working on project planning, project development, project management, and monitoring. Besides Prop 4, the only other existing bond funds being used for support are Prop 68, Prop 84, and Prop 1 and all three bonds are expected to come to an end by FY 27-28.

Outside grants and reimbursements account for about 8% of the support budget. Conservancy staff put significant effort into applying for outside grants to support our work. Although there is annual fluctuation, we have significantly increased the amount awarded from incoming grants to pay for support costs. In FY 09/10 the Conservancy was awarded \$28K for support costs from all incoming grants. Last year, the Conservancy was awarded \$1.2 million for support costs from all incoming grants. Most grants are billed over multiple years. Conservancy staff will continue to seek grant funds, but we have already seen a decline in federal grant opportunities for our work and expect that decline to continue for the next few years.

There are a couple significant ongoing agreements that support Conservancy staff. The Conservancy has an agreement with the San Francisco Bay Restoration Authority which provides \$825K annually for the Conservancy’s staffing of that agency. The Conservancy also receives about \$400K in annual funding from the National Oceanic and Atmospheric Administration for the Conservancy’s work as part of the state’s Coastal Zone Management Program.

Staffing and Workload

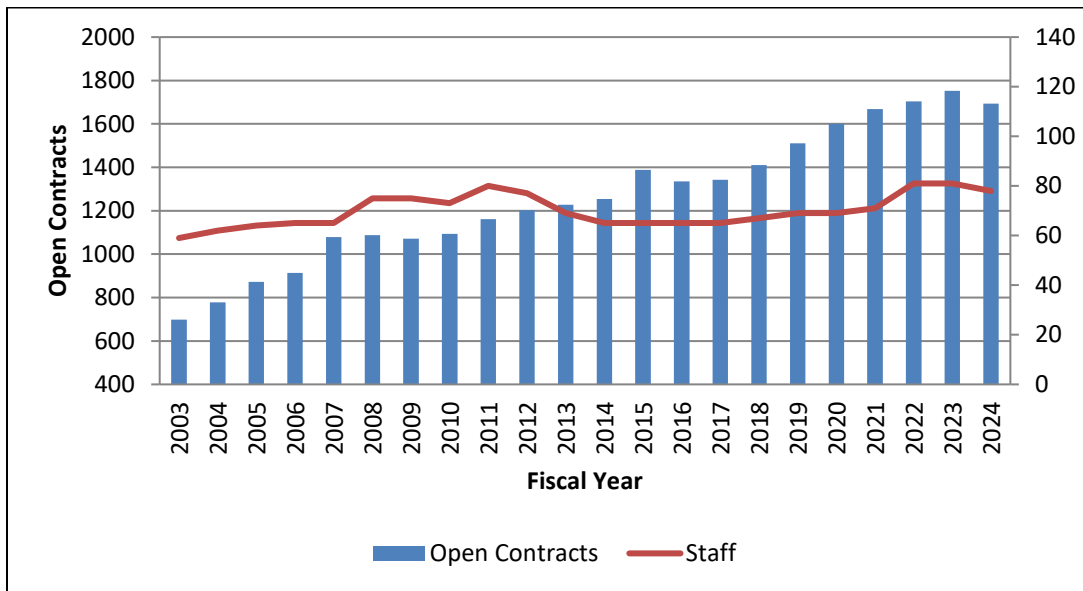
The Conservancy currently has a total of 78 staff. As a part of the state’s attempts to achieve budget savings, four vacant positions were removed from the Conservancy on January 3, 2025. The positions include three Project Managers in the North, Central, and San Francisco Bay Regions as well as the newly created (as of FY22-23) specialist position focused on Environmental Justice and Tribal Engagement. Conservancy management has been careful not to request or fill positions unless we have the long-term funding to support those positions. Conservancy management has identified the need for an additional 5 positions to administer Prop 4. The chart below shows the total number of Conservancy positions between 2010 and 2024.



Workload

One workload metric is the total number of open agreements and total number of staff. The chart below shows actual numbers from 2000 through 2024. Many Conservancy contracts are open for 20 years during which time there are project monitoring requirements. Given the number of projects authorized in the past few years, we expect that the number of open contracts will continue to increase over the next few years.

Active Contracts vs. Number of Staff Fiscal Years 2003-2024



Open contracts are one measure of workload, but there are other important factors that drive workload. During the past few years, staff from across the agency have put significant effort into examining both the internal and external work of the Conservancy to implement changes that improve equity and inclusivity in all our work. This work will continue, and implementing actions in support of the Justice, Equity, Diversity, and Inclusion Guidelines adds to overall workload.

Five-Year Financial Plan

The Conservancy does not have a single, stable source of operating funding. For the past twenty years, staff have prepared and updated a conceptual Five-Year Financial Plan. This plan does not necessarily reflect funding that has been approved by the administration; it is a strategic roadmap to show how the Conservancy could support its operation for the next five years. Actual funding always varies from the Five-Year Financial Plan, but it is a useful guide to track the resources available for operations of the Conservancy and identify potential challenges.

Five Year Financial Plan 2024-2028
(\$ in thousands)

| Fund | FY 25/26 | FY 26/27 | 27/28 | 28/29 | 29/30 | 30/31 |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| General Fund | 3,500 | 4,500 | 4,000 | 4,000 | 4,000 | 4,000 |
| GGRF | 500 | 500 | 500 | 500 | 500 | 500 |
| ELPF | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| HCF | 200 | 200 | 200 | 200 | 200 | 200 |
| Coastal Conservancy Fund | 550 | 550 | 550 | 750 | 850 | 850 |
| Coastal Access | 50 | 50 | 50 | 50 | 50 | 50 |
| Federal Funds | 600 | 600 | 600 | 600 | 600 | 600 |
| Reimbursements | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 |
| Prop 4 | 500 | 2,500 | 6,000 | 6,800 | 7,200 | 8,200 |
| Prop 40 | - | - | - | - | - | - |
| Prop 50 | - | - | - | - | - | - |
| Prop 84 | 1,500 | 1,500 | - | - | - | - |
| Prop 1 | 500 | - | - | - | - | - |
| Prop 68 | 4,000 | 2,000 | 1,000 | 500 | 500 | - |
| Totals | \$16,000 | \$16,500 | \$17,000 | \$17,500 | \$18,000 | \$18,500 |

The Conservancy's support budget remains largely flat with an approximately 3% annual increase to account for increased costs of salaries and benefits. This year's plan continues to allocate the recent General Fund and Greenhouse Gas one-time support appropriations over the next six years, which will require approved reappropriations. These funds will be critical to the on-going funding of the agency as the bond funds that have made up the bulk of our support budget are expended. For instance, Prop 40 has now been closed, and the Conservancy did not receive a FY25-26 appropriation and will no longer receive support funds from that bond. Similarly, Prop 50 is nearing completion, so we did not assume reappropriations would be authorized. The plan also assumes that the Conservancy will continue to receive annual support funds from the Environmental Licenses Plate Fund and reimbursements for support costs from incoming grants. Given those assumptions, the Conservancy is in a relatively strong position to maintain its operations for the next five years.