Background Papers for the

California Land Conservation Summit

October 9-10, 2019

California has a proud history of conserving land and biodiversity that dates to the late 19th century. As stewards of more species of plants and animals than any other state, the State's public agencies and more than 200 land trusts and conservation organizations have a long and successful track record of accomplishments in preserving the State's natural resources.

Nonetheless, longstanding patterns of land conversion, demography, suburban growth, and building in remote areas—now compounded by climate change—have spurred the need to rejuvenate the State's approach to land conservation. With a new Governor and Secretary for Natural Resources, and a State Legislature keenly interested in developing a new natural resources bond measure, this second California Land Conservation Summit provides an opportunity to take stock of trends in conservation planning and finance, and discuss how the new administration and the Legislature could most effectively institutionalize and advance a new conservation agenda.

This first of three papers focuses on trends in conservation planning and key State planning documents; the second focuses on trends in conservation finance; and the third on the trends, strengths, and drawbacks of further aligning State programs and finance for conservation.

I. Trends in Conservation Planning

This paper provides a spirited summary of historical and recent trends in conservation planning, and describes the current frameworks and programs that guide the State's efforts.

Historical Trends in Land and Biodiversity Conservation, 1945-2000

- The Wildlife Conservation Board (WCB), created in 1947, originally focused on the **acquisition and wise use** of private lands for hunting, fishing, and public access.
- Land trusts and public agencies shifted toward **acquiring large blocks of private land** for conservation in response to the environmental movement's highlighting of agricultural land conversion, suburbanization, habitat fragmentation, and clearcutting.
- **Watershed planning** and restoration programs provided a framework for regulating and reducing non-point source pollutants, with multiple benefits for water quality and drinking water, habitat, fisheries, and recreation.
- **State conservancies were established** to acquire and protect lands in areas of special significance.
- New federal and state **endangered species protections** and environmental review processes came into conflict with land development, mining, and forestry.
- Aided by the emerging discipline of conservation biology, **habitat conservation plans (HCPs), natural community conservation plans (NCCPs), and mitigation banks** emerged as tools for proactively protecting broad ranges of species and reducing conflict.
- **Natural and working lands** gained prominence for their conservation and open space value, and gave rise to new linkages between wildernesses, rural areas, and even urban metropolises.
- **Connectivity and corridors** became organizing principles for conservation and the open space movement, both through acquisitions and negotiated easements, with corresponding debates over the value of single-large-or-several-small (SLOSS) parcels for migratory and endemic species.

Contemporary Trends in Conservation, 2000-2020

- **Climate change** emerges as a universal overlay that amplifies existing stressors and drivers of change and must be integrated with existing initiatives to stem biodiversity loss, avoid land degradation, and reduce pollution.
- **Public access to open space and outdoor recreation opportunities** gain prominence as a result of demography, calls for environmental equity, and recognition of the health benefits of being outside.
- **Additional State conservancies** are established to advance environmental, economic, and social well-being.
- Bond monies flow to a range of **urban conservation and recreation** investments—greenways, urban forests and firescapes, stream and river daylighting, and rewilding—and often require grant applicants to meet a minimum population threshold.
- There is growing recognition of the need to better **connect people with nature** and landscapes, particularly in rural areas whose resource-extraction or agricultural economies are being forced to reinvent themselves through tourism, second-home developments, and recreation.

- The landmark **Sustainable Communities** legislation of 2008 links urban sprawl, land conversion, land use, transportation, and conservation, and establishes the Strategic Growth Council.
- There is increased awareness and funding of conservation on **agricultural and other working lands**.
- Public agencies and conservation organizations with multiple-use missions begin to shift from **species-centric conservation plans to landscape planning**.
- Ecological economics matures as a discipline and conservation programs begin to focus on the broad range of **ecosystem services** provided by natural landscapes.

Trends from Today through the Foreseeable Future

- **Climate change and resiliency** become a central focus of conservation planning.
- Nature shows up at your doorstep with a vengeance. **Wildfire** is no longer something limited to the backcountry—it burns our downtowns. Smoke blankets the State during the new abnormal of a year-round fire season, causing waves of short- and long-term climate refugees and the widespread cancellations of home insurance. **Sea level rise** prompts major reassessment of coastal resources and infrastructure.
- Federal, State, local, private, and tribal land managers increasingly link their resources, funding, and initiatives through **collaborative processes at landscape and regional scales**.
- **Recreation** becomes a multi-billion dollar driver of California's rural economy, compounding the challenge of linking land use, transportation, and conservation to create sustainable communities.
- Nature-based solutions and **green infrastructure** provide increasingly popular opportunities to redesign our countrysides and cities while mitigating natural disasters.
- **Citizen science** leverages the potential of decentralized smartphone observations to harness big data and draw conclusions about statewide and even continental conservation issues.
- Conservation shifts from institutional silos to **social-ecological systems**, and greater humility in light of our limited ability to engineer nature.
- Conservation planning efforts begin to use a **new set of tools** to manage complexity and uncertainty—scenario planning and decision-scaling, ecological economics, collaborative process design and facilitation, interest-based negotiation, logic modeling and results chains, question-driven monitoring, federated data systems, and so on**.**
- Regional governments and leaders begin to prepare for the **transformation** of their communities and natural systems from changing climatic conditions, from the loss of snow in mountain areas to the loss of the coast due to sea level rise.

State Conservation Planning Frameworks

While there is not a single plan or framework for conservation planning, these themes and priorities are increasingly reflected in a broad range of State policy documents, including the following:

- **State Wildlife Action Plan**
  Prepared by the Department of Fish and Wildlife (DFW), the 2015 State Wildlife Action Plan details regional conservation strategies for terrestrial, freshwater aquatic, and marine resources across all geographic provinces in California.

- **California Water Plan**
  The California Water Plan is the State's strategic plan for sustainably managing and developing water resources for current and future generations and is updated every five years by the Department of Water Resources (DWR).
- **California Water Action Plan**
  The California Water Action Plan, prepared by the California Natural Resources Agency (CNRA), identifies 10 priority actions that guide the State's effort to create more resilient, reliable water systems and to restore critical ecosystems.
- **Safeguarding California**
  Safeguarding California is the State's climate adaptation strategy and is prepared every three years by CNRA.
- **Forest Carbon Plan**
  The Forest Carbon Plan establishes goals for healthy forests in California, including for resilient carbon storage, under changing climate scenarios. It is a combined effort across many agencies led by CNRA, California Department of Forestry and Fire Protection, and California Environmental Protection Agency (CalEPA).
- **Climate Change Scoping Plan Update**
  Led by the California Air Resources Board, the Climate Change Scoping Plan describes the approach California will take to achieve the goal of reducing greenhouse gas emissions to 40 percent below 1990 levels by 2030.
- **Biodiversity Initiative**
  Developed by CNRA, the Governor's Office of Planning and Research, and the California Department of Food and Agriculture, the Biodiversity Initiative and Roadmap outlines strategies and goals to restore and enhance biodiversity to protect California's native species, ecosystem types, and ecological conditions.
- **Regional Conservation Investment Strategies (RCIS)**
  The new Program encourages a voluntary, non-regulatory, science-based regional planning process intended to identify and result in higher-quality conservation outcomes, and includes an advance mitigation tool. The Program will help California's declining and vulnerable species by protecting, creating, restoring, and reconnecting habitat, and will contribute to species recovery and adaptation and resiliency to climate change.
- **Natural Community Conservation Planning**
  Working with landowners, environmental non-governmental organizations, and local agencies, the DFW's Natural Community Conservation Planning program promotes a broad-based ecosystem approach to planning for the protection and perpetuation of biological diversity in California.
- **California 2030 Natural and Working Lands Implementation Plan**
  Currently in draft form and prepared by CNRA, the objectives of the Natural and Working Lands Implementation Plan (a directive of the Climate Change Scoping Plan) are to integrate climate goals and actions into State-funded natural and working land conservation, restoration, and management programs.

- **Climate Change Indicators for California**
  The CalEPA's Office of Environmental Health Hazard Assessment regularly reports on a set of indicators developed to help State agencies and decision-makers understand the drivers of climate change and observed effects on physical and biological systems.
- **Integrated Regional Conservation and Development Program**
  The Integrated Regional Conservation and Development Program, developed by the Strategic Growth Council, brings together conservation and development planning at an ecoregional scale to support more effective approaches to mitigation.
- **General Plan Guidelines**
  The Office of Planning and Research adopts and updates General Plan Guidelines to provide guidance to cities and counties for the development of their general plans.
- **California Healthy Soils Action Plan**
  Developed by the Department of Food and Agriculture, the Action Plan is an interagency effort to promote the development of healthy soils on California's farm and ranchlands through innovative farm and ranch management practices that contribute to building healthy soil organic matter.

It should be noted that while past administrations have allocated significant resources in developing the statewide frameworks described here, including the State's Wildlife, Forest Carbon Storage, and Safeguarding California plans, these plans rarely include funding targets or strategies. Instead, key stakeholder groups and the Legislature, who have their own priorities, have generally led the development of conservation funding allocations through bonds and cap and trade allocations.

Legislatively Mandated Programs

In addition to these State frameworks, the State Legislature has enacted several bills that establish new land conservation programs and priorities. WCB's strategic plan, for example, describes roughly two dozen bills related to WCB and DFW programs. Some of the most prominent of these include:

- AB 2193, which promotes small-scale restoration projects;
- SB 355, which authorizes Natural Heritage Preservation Tax Credits;
- SB 749, which authorizes DFW to lease lands for agricultural uses;
- AB 498, which encourages voluntary steps to protect wildlife corridors;
- AB 559, which promotes conservation of monarch butterflies;
- AB 1251, which promotes greenways;
- AB 1716, which created the Lower American River Conservancy;
- AB 2087, which authorizes Regional Conservation Investment Strategies (RCIS);
- SB 1386, which promotes natural and working lands;
- AB 2348. which provides incentives for winter rice habitat;
- AB 2421, which established WCB's Monarch Butterfly and Pollinator Rescue Program;
- AB 2697, which established DFW's Nesting Bird Habitat Incentive Program; and
- SB 667, which promotes riparian restoration projects.

In addition to these programs and mandates, the bond measures enacted by the Legislature since 2000 have also served as vehicles for the Legislature to set State conservation priorities, from stream flow enhancement in Proposition 1 to community access to recreation in Proposition 68.

It is also worth noting that many of these mandates are implemented through regional planning frameworks, including NCCPs, Regional Conservation Investment Strategies, Integrated Regional Conservation and Development Programs, Integrated Regional Water Management Plans, regional forest collaboratives, regional climate collaboratives, and a growing number of others. The example maps below illustrate this point.

Summary of Land Conservation Priorities

In summary, the State's land conservation strategy has evolved from an historic emphasis on land acquisition and species-specific strategies to planning at a regional scale, focusing on climate resiliency, adaptation, and biodiversity, and helping to move towards sustainable communities and ecosystems. More specifically, the State's land conservation programs are increasingly centered around the following themes:

- Preserving ecosystems at a regional scale, with sufficient linkages, buffers, refugia, and resilience to provide a robust future for all native species in the face of climate change;
- Improving the stewardship of public lands and private working lands to promote carbon storage, biodiversity, and a broad range of ecosystem services;
- Improving public access to natural landscapes, particularly in disadvantaged communities, and better connecting people and local economies to natural resources management in rural areas;
- Working across federal, State, local, tribal, and private lands and interests through collaborative processes; and
- Developing new data platforms and tools to assess, guide, and evaluate progress.

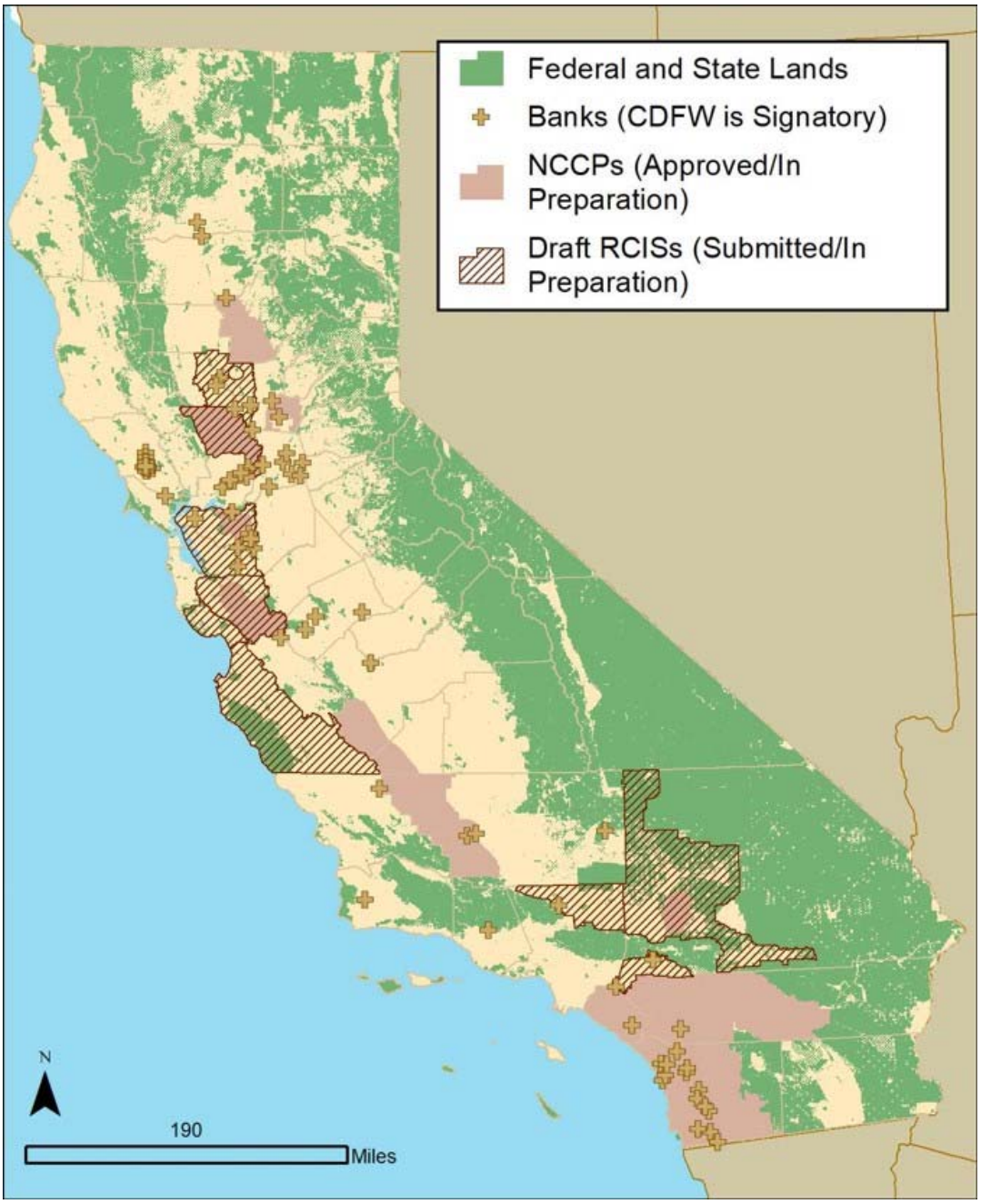
Key Questions

1. What conservation planning trends and priorities do we need to pay more attention to?

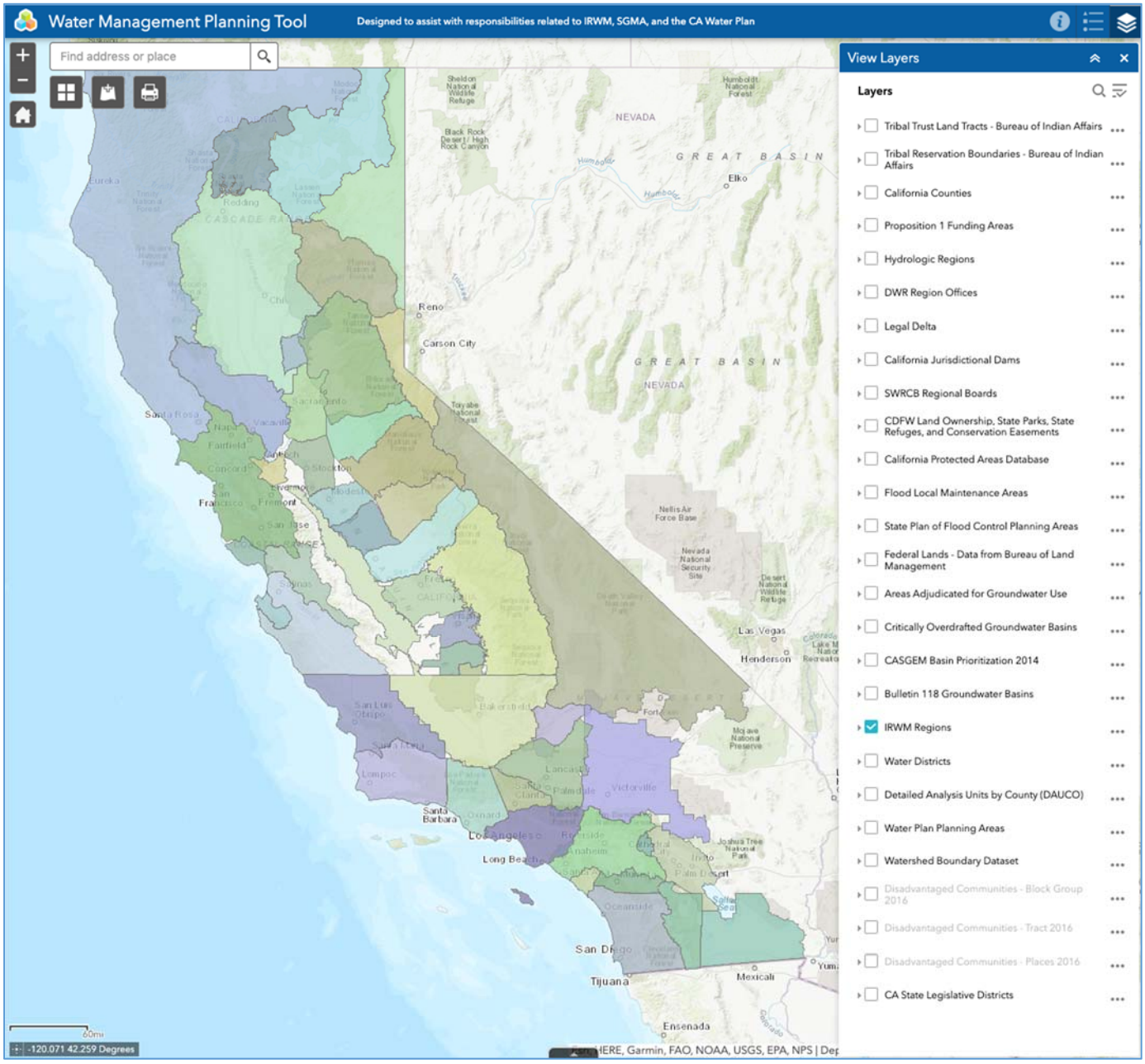
2. To what degree can the State's growing regional conservation strategies be integrated? And to what degree should they seek to consider land use, transportation, housing, recreation, and public health?

3. To what degree should CNRA seek to provide a strategic vision for conservation in California that integrates new State priorities with existing statewide and regional programs?

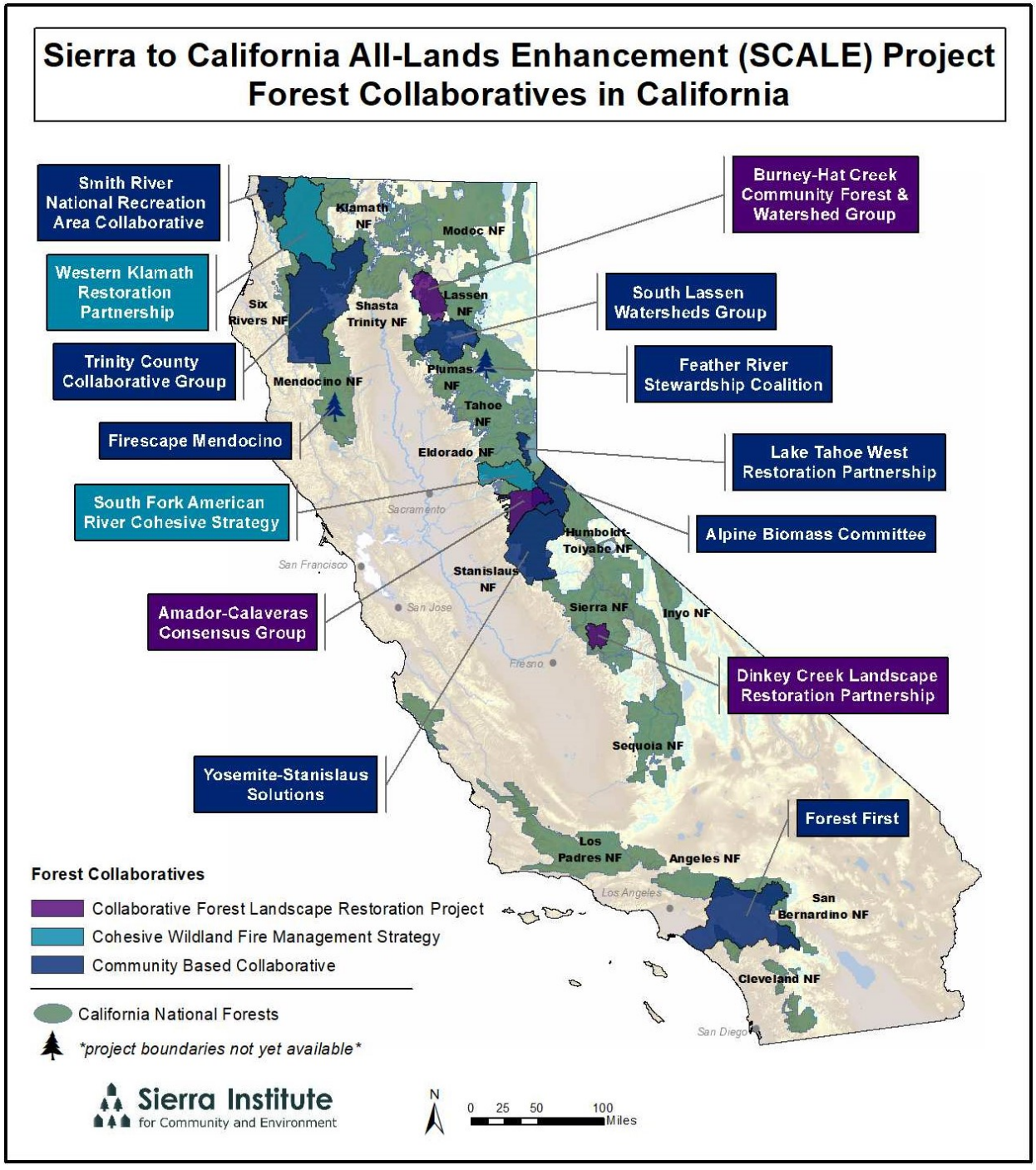
Map of Natural Communities Conservation Plans and Draft Regional Conservation Investment Strategies (California Department of Fish and Wildlife)



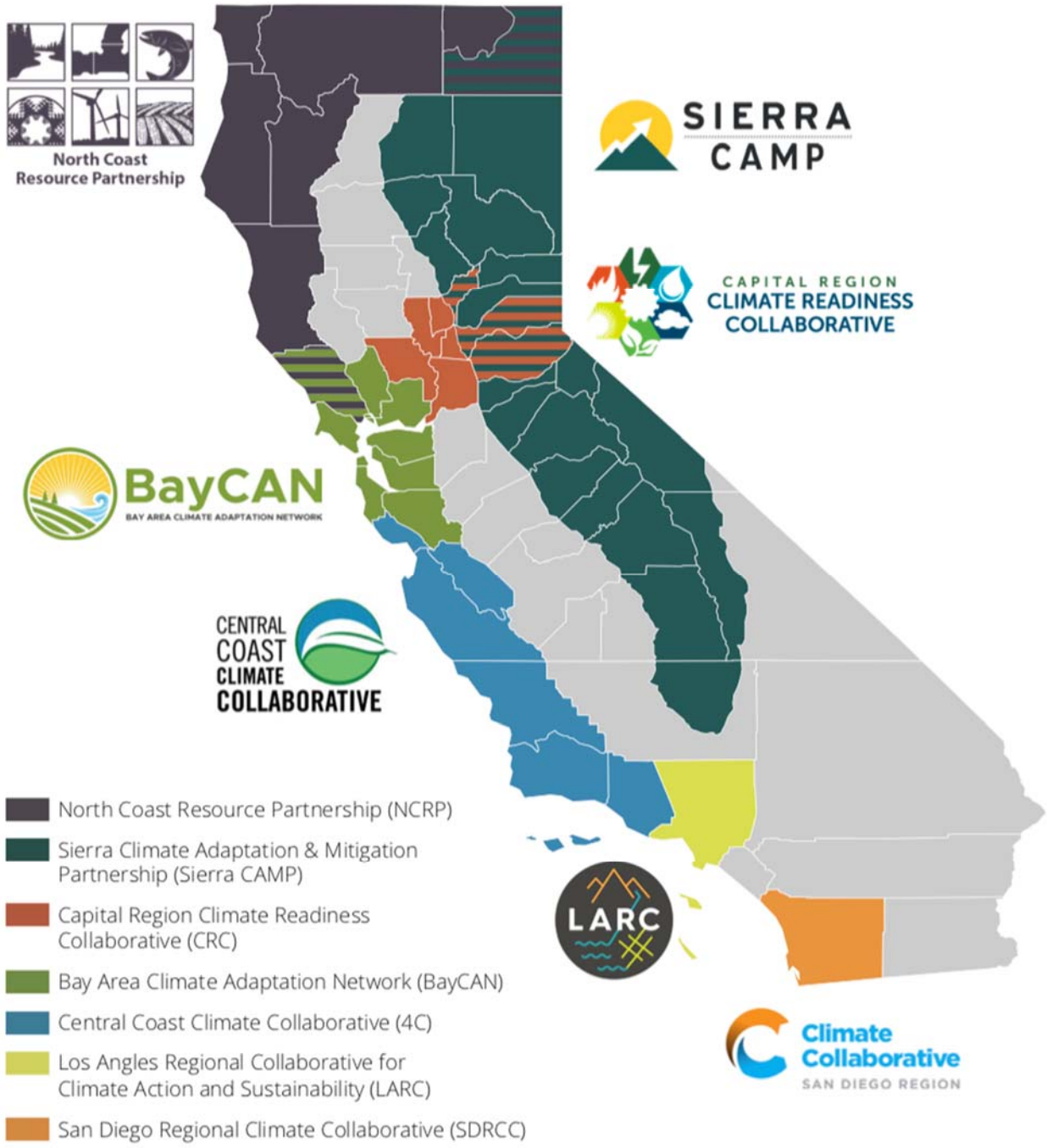
Map of Integrated Regional Water Management Groups
(California Department of Water Resources)



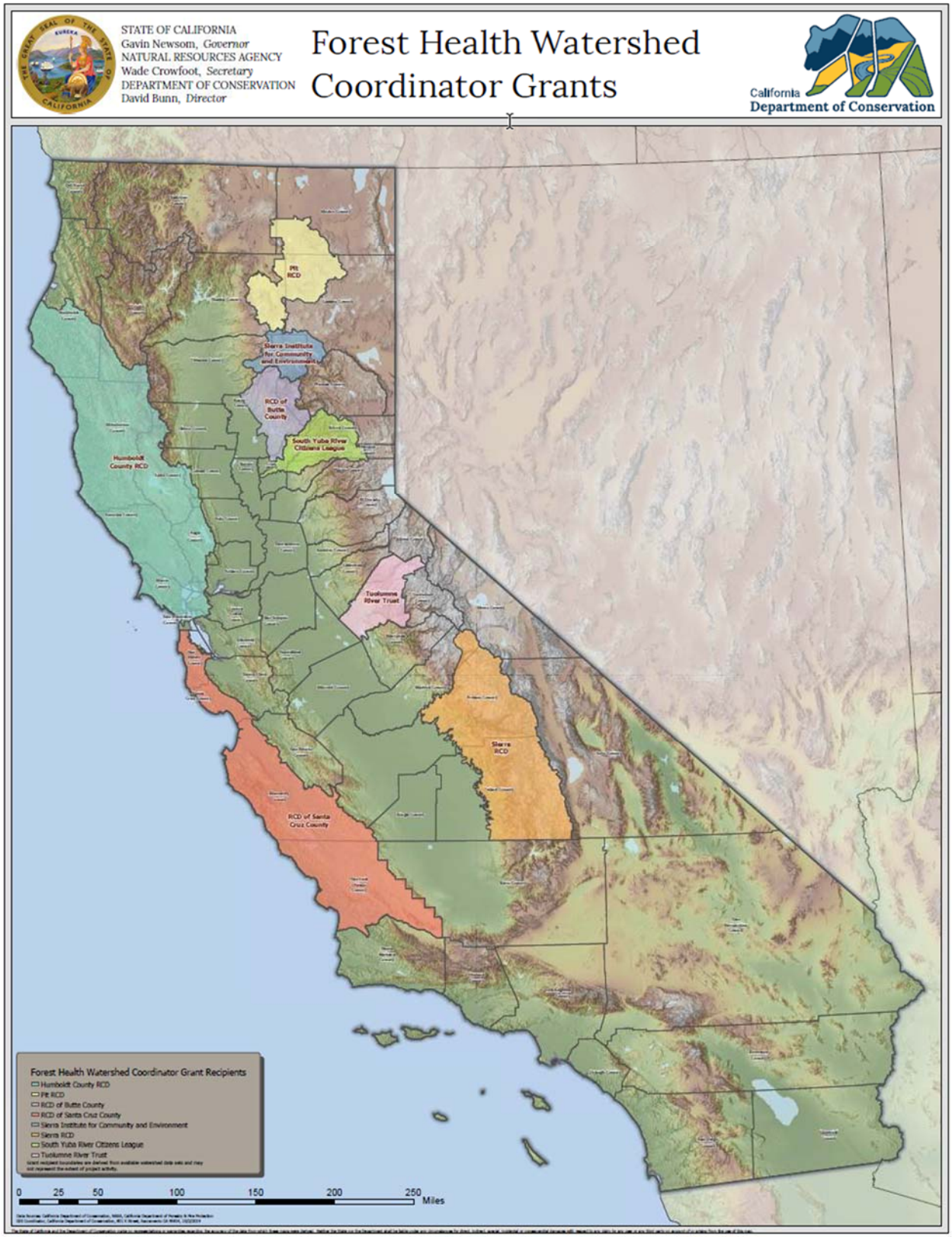
Map of Forest Collaboratives (Sierra Institute for Community and Environment)



Map of Climate Collaboratives (Alliance of Regional Collaboratives for Climate Action)



Map of Watershed Coordinators (Department of Conservation)



Map of State Conservancies

II. Overview of Conservation Funding in California

Introduction

California Natural Resources Agency (CNRA) departments, boards, and conservancies have been allocated more than $4.3 billion for bond-funded conservation projects statewide since 2006.[i] These investments have leveraged millions in private sector capital and public matching funds, and have made significant and lasting contributions to the environment and the quality of life of the State's residents and visitors. The Wildlife Conservation Board (WCB) alone has restored or protected over 800,000 acres of habitat, and visitation to state parks generates an average of $4.32 billion in related expenditures.

State Investments

Figure 1 shows the sources of funding for the annual budgets of WCB, the Department of Conservation (DOC), the Department of Fish and Wildlife (DFW), and the ten conservancies, all of which allocate the majority of their budget to conservation. (Data on the conservation-related investments of other agencies, including Department of Water Resources, Department of Parks and Recreation (State Parks), and others, is not readily available but would likely show a similar pattern.) While bonds are clearly the largest source, funding from dozens of special funds, including the license plate fund, habitat conservation fund, cannabis fund, cap and trade dollars (a.k.a., Greenhouse Gas Reduction Fund, now California Climate Investments (CCI)), and others has been steadily increasing. (Note these figures do not include more recent large allocations to the Department of Forestry and Fire Protection (CAL FIRE) from CCI funding, shown in Figure 5.)

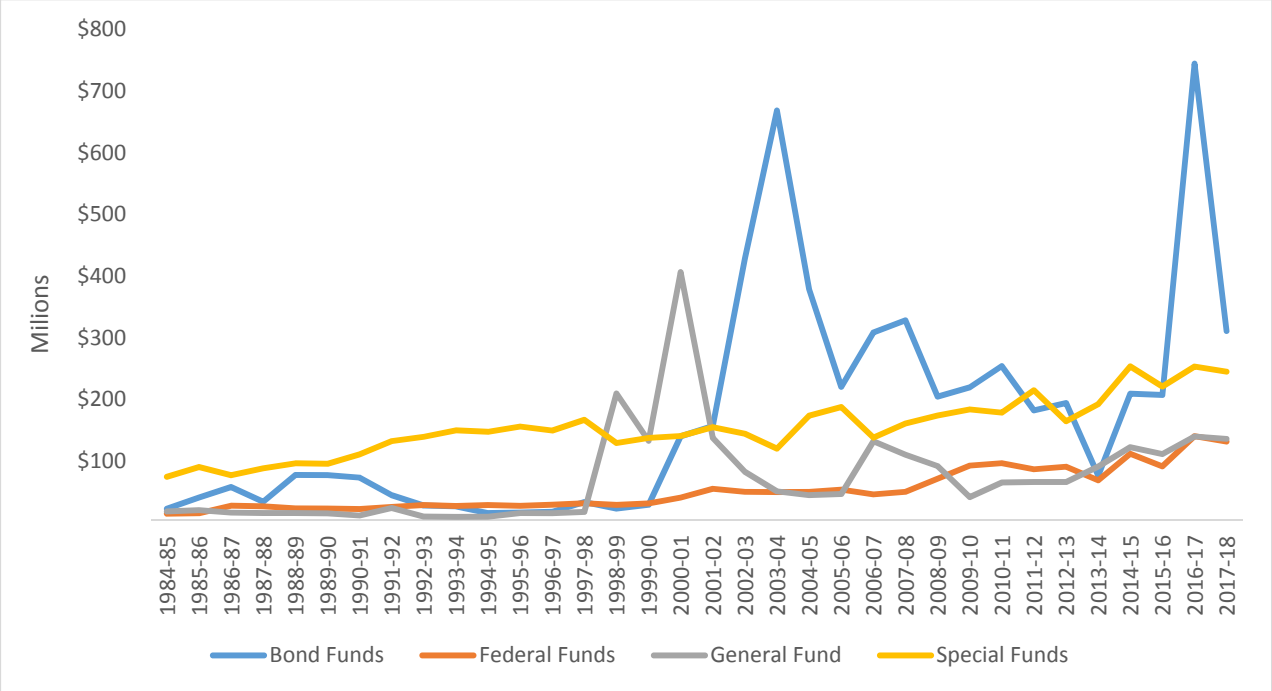


Figure 1: *California natural resource expenditures summed annually for the following departments: all ten State conservancies, Department of Conservation, Department of Fish & Wildlife, and Wildlife Conservation Board. Figures for Fiscal Year (FY)2015-16 and prior years generally match program actuals, FY 2016-17 and FY 2017-18 data match estimates as of the FY 2017-18 Budget Act. General Fund does not include general obligation bond debt service payments. Source: Legislative Analyst's Office State of California Expenditures, FY 1984-85 to FY 2017-18 data. (https://lao.ca.gov/PolicyAreas/state-budget/historical-data)*

Figure 2 shows voter-approved natural resource, water, and parks bonds since 2000. All were approved during periods when the economy was strong. Six bond measures were approved as the economy boomed before the last recession, and two have been passed in recent years.

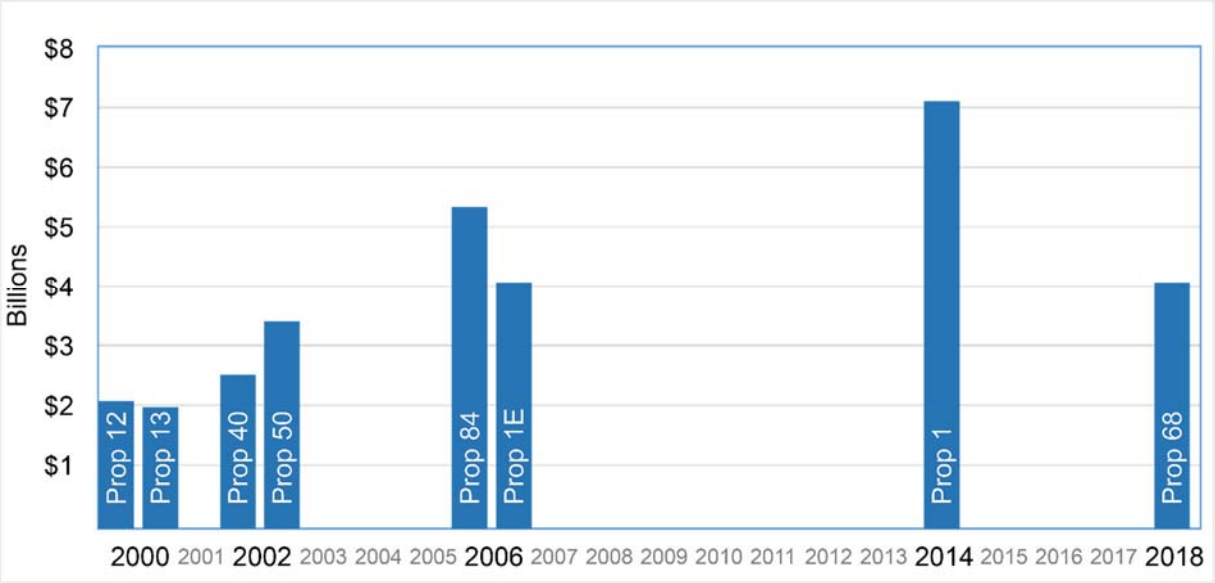


Figure 2: *Natural resource bonds in California passed by voters since 2000. Source: Legislative Analyst's Office overview publication and CNRA Bond Oversight records. (http://resources.ca.gov/bonds_and_grants/statewide_bonds_oversight, https://lao.ca.gov/handouts/state_admin/2013/Overview_State_Infrastructure_Bonds_2_26_13.pdf)*

Figure 3 shows allocations of the eight bonds shown above by agency.

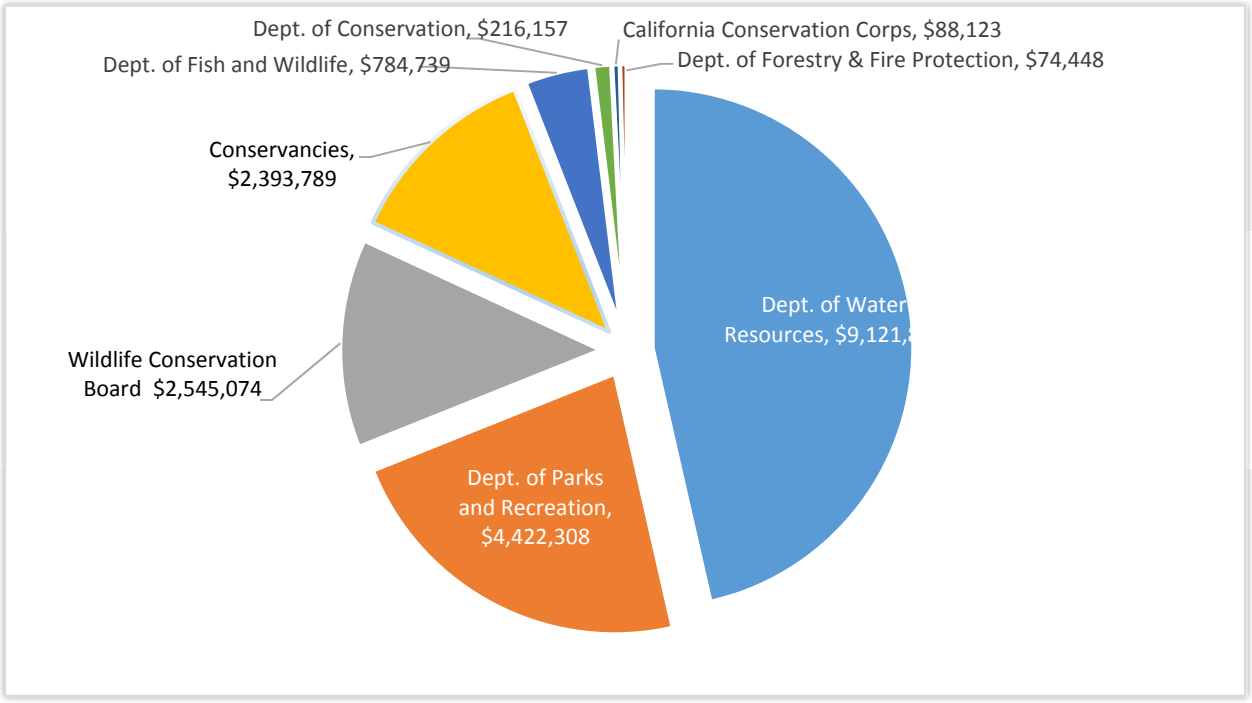


Figure 3: *Source: Legislative Analyst's Office State of California Expenditures, FY 1984-85 to FY 2017-18 data. (https://lao.ca.gov/PolicyAreas/state-budget/historical-data)*

Figure 4 shows the bond funding allocated to each of the ten State conservancies since 2000.

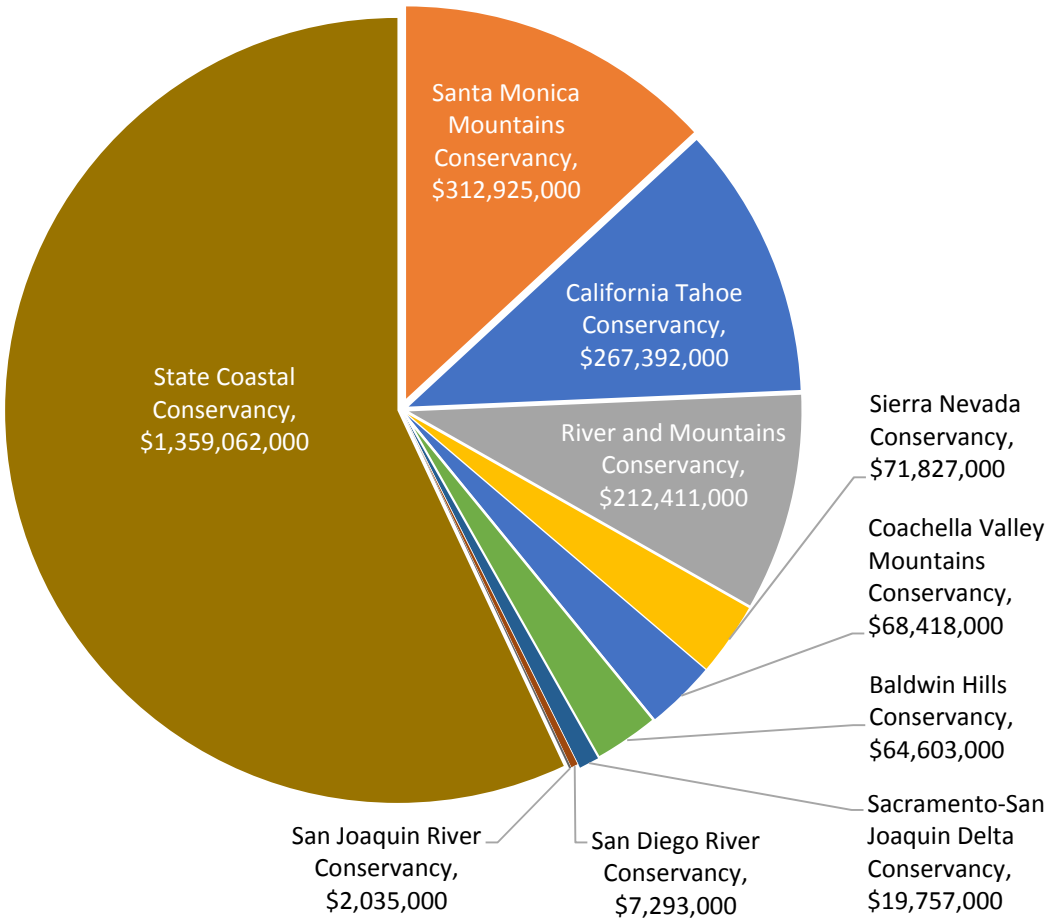


Figure 4: *Source: Legislative Analyst's Office State of California Expenditures, FY 1984-85 to FY 2017-18 data. (https://lao.ca.gov/PolicyAreas/state-budget/historical-data)*

Cap and Trade Funds

CCI funds have supported several conservation-oriented programs, including DFW's Wetlands Restoration for Greenhouse Gas Reduction Program, WCB's Climate Adaptation and Resiliency Program, DOC's Sustainable Agricultural Lands Conservation Program, and DOC's Regional Forest and Fire Capacity Program. In total, approximately $850 million in CCI funding has been allocated for conservation-oriented programs. However, as **Figure 5** shows, funding for these programs has been intermittent.

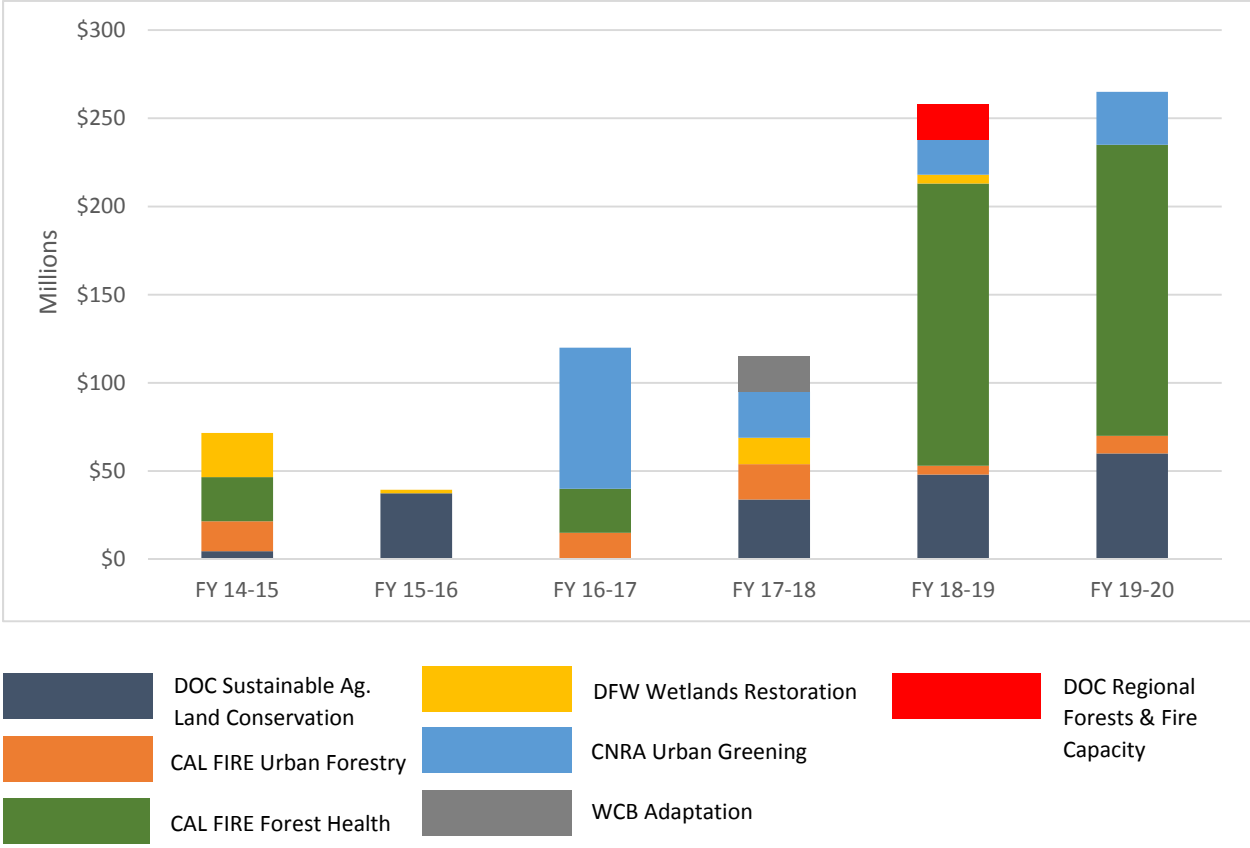


***Figure 5**: Source: Legislative Analyst's Office and Dept. of Finance budget summary data.*

Other Funding Streams

In addition to State investments, federal and local sources also contribute significant levels of funding for land conservation programs.

- **Federal agencies** have invested nearly $2.5 billion in California over the last 50 years from the Departments of Interior, Agriculture, Commerce, and Transportation. Example programs include the U.S. Fish and Wildlife Service's National Coastal Wetlands Conservation Program and the Natural Resources Conservation Service's Environmental Quality Incentives Program.
- **Local jurisdictions** have enacted sales or parcel taxes, development impact fees, or restoration bonds. In the San Francisco Bay Area, for example, Measure AA (2016) generates about $25 million annually for shoreline restoration; Sonoma County's Measure M (also 2016) generates about $11.5 million annually for parks; and Placer County's Legacy Program generates tens of

millions for open space protection, agricultural land conservation, and recreation through in lieu development mitigation fees, donations, and county funds.

Funding Alternatives

In recent years, the conservation community has proposed several alternative approaches to State funding of conservation programs, and is also pursuing innovative new funding alternatives.

Taxes and fees

- **Oil and gas severance tax.** An oil and gas severance tax would impose a tax on oil and natural gas extraction in California. A portion of the proceeds from the tax could be directed to conservation objectives given the nexus between environmentally-damaging oil and gas extraction methods and emissions from burning fossil fuels. California is the only oil-producing state in the nation that does not impose a tax on oil and gas extraction, and many attempts to pass a severance tax have failed in the Legislature.
- **Excise taxes.** Excise taxes could be imposed on a variety of products, including firearms, ammunition, outdoor gear, cannabis, cigarettes, or gasoline, with revenue directed to conservation purposes. Many excise taxes already exist in California with some revenues directed towards environmental restoration activities. For instance, Proposition 64 (2016) directs a portion of the revenue from taxes on recreational cannabis to DFW and State Parks for restoration of lands impacted by cannabis cultivation.
- **Public goods charge on water.** Similar to the existing public goods charge on electricity ratepayers, which funds a variety of energy efficiency, research, and renewable energy programs, revenues from a water charge could fund water quality, safe drinking water, and water supply programs throughout the State. Conservation projects with water benefits could be identified as eligible.
- **Public goods charge on outdoor recreational equipment.** Many states tax outdoor recreational equipment and goods to fund land-based conservation, connectivity, and wildlife conservation programs. Several models exist and the tax could generate up to $200 million annually depending upon the program.
- **Voluntary contribution funds (income tax checkoff programs)**. Voluntary contribution funds (also known as income tax checkoff programs) allow taxpayers to receive a deduction on the following year's income tax by making a charitable contribution to specific "checkoff" programs. Checkoffs exist for State Parks (directed to State Parks), rare and endangered species (directed to DFW), sea otter and coastal habitat restoration (directed to Coastal Conservancy and DFW), and coast and oceans (directed to the Coastal Commission).

General Funds

- **Replace debt service funds.** Debt service (principle and interest payments) on existing natural resource bonds is paid from the General Fund. A 2017 Legislative Analyst's Office report finds that debt service on existing natural resource bonds amounts to nearly $1 billion annually, making up about 36 percent of all General Fund expenditures in the resources area. The same report explains that for every $1 borrowed, the State pays about $1.30 in debt service (when adjusted for inflation).

Rather than passing another resources bond, the State could direct General Funds in an amount equivalent to what would be spent on debt service to specific conservation purposes over 30 years (the amount of time bond-funded improvements must last). For example, instead of a $5 billion bond, the Legislature could allocate $217 million annually (($5 billion x $1.30)/30) for 30 years of General Fund to specified conservation purposes.

Innovative Financing Mechanisms

- **Green infrastructure revolving loan fund.** Modeled on the Clean Water State Revolving Fund, this program would establish a Green Infrastructure State Revolving Fund, which could be funded through a combination of annual, one-time, and/or invested funds, and be accessed by communities, local governments, private entities, and nonprofit organizations to install a broader variety of green infrastructure, at a very low interest rate over a term of 20-50 years.
- **Conservation revolving loan program**. Modeled on private sector "program-related investment" programs, this program would establish a fund through a combination of annual, one-time, and/or invested funds, refilled by repayment of loans, and be accessed by communities, local governments, private entities, and nonprofit organizations to finance the purchase and/or restoration of properties, collateralized by the subject property, other real estate held by the borrower, or operating reserves.
- **Environmental impact bonds.** Green, blue, forest resilience, and conservation equity bonds leverage private capital to rapidly expand the implementation of conservation in capital-constrained markets; these pay-for-success projects provide returns on investment by quantifying resulting benefits and avoided costs, including the access of low income and climate-vulnerable communities to open space and outdoor recreation. The Forest Resilience Bond concept is being piloted by Blue Forest Conservation in the Yuba River Watershed.
- **Enhanced infrastructure financing districts.** Based on authorizations in Assembly Bill (AB) 313 (2015) that allow cities and counties to create infrastructure financing districts (IFDs) and issue bonds to pay for community-scale public works projects, this program could be extended to include State agency partners, for the specific purpose of conservation and green infrastructure projects. Bonds could be repaid by diverting property tax increment revenues which are revenues generated from increases in property values within the IFD above property values in the base year when the IFD was formed. State agencies would be able to layer other funding sources with IFDs.
- **Watershed assessments.** An assessment at a watershed or similar scale on water ratepayers, property owners, and other beneficiaries could be used to fund water-related management and restoration actions within the assessment area.

Status of Current Bond Measures

In summary, while special funds, cap and trade funds, fees, and innovative financing measures are a growing share of conservation funding, voter-approved bond measures continue to be the primary focus of the Legislature and key stakeholders. Four measures have been floated in 2019: AB 352 (Asm. Garcia), AB 1298 (Asm. Mullin), SB 45 (Sen. Allen), and a citizen's initiative filed with the Secretary of State by Joe Caves, Principal at Conservation Strategy Group. Although these measures differ significantly, all have a focus on climate adaptation.

There is no question that bond measures have been a popular and significant source of funding for conservation programs, and recent polling suggests that the public support may be strong for a 2020 ballot measure. As a result, voter-approved bonds are likely to continue to be a primary source of State investments in conservation programs and projects.

At the same time, however, there are several drawbacks to relying too heavily on bonds to provide a sustainable source of funding for the next generation of conservation programs.

- While public support for bond measures appears to remain high when the economy is strong, natural resources bonds are less likely to be passed when the economy is weak.
- The "boom and bust" cycle of voter approval inhibits advanced planning. Agencies cannot develop strategic long-term investment plans without a dedicated source of funding. And even though bond-funded programs must last 30 years, agencies receiving bond funds are often encouraged to spend their allocations as quickly as possible to get results on the ground, leaving them without programmatic funding beyond early implementation years.
- Bond funding is largely restricted to capital expenditures. This limitation was less important when the State's primary focus was on acquiring private land for conservation and public access. But bonds are not the most effective or appropriate sources of funding for sustainable long-term conservation and public access programs.
- Voter and legislative priorities correspond with but are often not in alignment with executive branch strategic conservation priorities**.** Advocacy groups and their donors drive voter initiatives, while local interests often drive major elements of legislatively-adopted measures.

Key Questions

1. What funding strategies are needed to complement general obligation bonds? What are the most promising alternative sources of funding?

2. What role can CCI funding play in providing more consistent funding for programs that are not a good fit for bonds?

3. What roles should the legislature, the Newsom Administration, and key stakeholders play in shaping investment strategies for the State's major conservation priorities and programs?

III. Strategic Alignment for Conservation

Building upon the first two papers, this third paper focuses on how State agencies and programs are organized and aligned to address the State's conservation priorities. It summarizes the recent growth in both landscape-scale programs and more narrowly-focused programs, and the challenges State and local agencies face in administering such a broad range of programs and investments.

Alignment of State Frameworks

As described in the first paper, the State has developed a broad range of policy frameworks, including:

- State Wildlife Action Plan
- California Water Plan
- California Water Action Plan
- Safeguarding California
- Forest Carbon Plan
- Climate Change Scoping Plan Update
- Biodiversity Initiative
- Natural and Working Lands Implementation Plan
- Climate Change Indicators for California
- General Plan Guidelines
- California Healthy Soils Action Plan

These frameworks have been instrumental in focusing attention on State priorities, but have largely been developed independently of each other. As a result, the State lacks a comprehensive vision for its natural resources management programs. Some argue that this is appropriate given the breadth and diversity of State priorities, while others propose that the State can and should do more to develop a State vision and integrate its conservation programs and priorities. Two Legislative Analyst's Office (LAO) reports in recent years, for example, have recommended development of a statewide conservation plan to guide State investments.

Supporters of this approach believe that such a plan is essential to ensure that conservation investments by Wildlife Conservation Board (WCB), the Departments, and the conservancies are consistent with statewide priorities. Others argue that this would create an unnecessary additional layer of State guidance. Still others propose that the emerging climate adaptation and biodiversity initiatives could provide a unifying focus for the State's conservation priorities.

Alignment of Regional Frameworks

At the same time, the State is increasingly promoting regional conservation planning frameworks to guide investments. As described in the first paper, these include:

- Regional Conservation Investment Strategies
- Natural Community Conservation Planning
- Integrated Regional Conservation and Development Program

- Watershed coordinators
- Regional water resilience strategies
- Regional climate adaptation collaboratives
- Regional forest collaboratives
- Regional work groups of the Forest Management Task Force

These regional frameworks have the potential to integrate various State mandates at the regional level through plans that address the full range of ecosystem services and related infrastructure priorities (e.g., housing, transportation, etc.) that are unique to each region. To date, however, most of these regional efforts are largely focused on single sectors (e.g., wildlife, water, forest health, etc.).

Some have argued that the Conservancies could play a key role in integrating these regional efforts, particularly since their boards are composed of State and local leaders. Because they don't cover the entire State, however, their boundaries would have to be expanded to cover each of the State's ecoregions for this approach to be most effective. In addition, the regional offices of Department of Fish and Wildlife (DFW), Department of Water Resources and other agencies could be co-located to increase the efficiency and integration of California Natural Resources Agency (CNRA) programs.

Alignment of Grant Programs

In parallel with the emergence of these State and regional frameworks, the State is also witnessing growth in more focused and specialized conservation programs, largely through grant programs. These include, for example, grant programs focused on:

- mountain meadows,
- monarch butterflies and pollinators,
- bird nesting habitat,
- urban streams,
- river parkways,
- riparian habitat,
- riverine stewardship,
- flood corridors,
- inland wetlands,
- recreational trails, and more.

In all, there are now more than 55 different conservation grant programs administered by CNRA agencies, up from about 30 in 2014 (see Table 1 below). These programs are funded largely by recent bond measures or one or more of the 45 special funds collected by CNRA agencies.

The strength of these mission-specific grants is that they are typically made available through centralized, statewide, or regional competitive programs to meet well-defined objectives. Proposals are also generally reviewed by staff with specialized expertise in these specific program areas. Centralized funding programs are also an effective way to ensure that funds are allocated to areas with the greatest need.

These programs are not without significant costs, however:

- They require the administering agencies to expend significant costs in preparing lengthy guidelines, holding workshops and taking comment throughout the State on the guidelines, and requiring applicants to invest significant resources in increasingly complex applications.
- Statewide grant criteria often don't account for regional differences, and Sacramento-based agencies rarely have the budget or staff to visit project sites, evaluate whether projects are working effectively, develop funding partnerships with local agencies, or consider them in the context of other regional or State priorities.
- The performance of these programs is rarely linked to the State's broader conservation goals, such as climate adaptation and biodiversity.
- The number and diversity of these programs puts a strain on local grantees, who often don't have the capacity to keep track of or closely follow the development of eligibility and performance criteria, which vary widely.
- Most grant programs are allocated through competitive grants, which favors experienced applicants and one-time funding awards over sustained investments in priority areas.

To be sure, State agencies also administer grants for broader landscape-scale and regional programs. But these are also split among several agencies. For example, forest health programs are funded by the Department of Forestry and Fire Protection (CAL FIRE), CNRA, Department of Conservation (DOC), WCB, and the Sierra Nevada and Tahoe Conservancies, each with their own guidelines and criteria. In addition, many of the State's smaller agencies, including most of the conservancies, invest considerable staff time in preparing grant applications to other larger State agencies, a highly inefficient use of State resources.

Bond measures have also created dozens of new programs, from large-scale efforts such as the Integrated Regional Water Management Program to smaller-scale efforts to promote mountain meadows and urban streams. As mentioned earlier, CNRA agencies now administer more than 55 separate grant programs.

Historical Alignment Initiatives

The Strategic Growth Council (SGC) has been in the forefront of efforts to align State policies and programs. Established in 2008, SGC charged its agencies with encouraging compact development while improving transportation, expanding affordable housing, and protecting public health and an array of natural resources. The ten members include the Director of the Office of Planning and Research; the Secretaries of Natural Resources, Environmental Protection, Business Consumer Services and Housing, State Transportation, and Health and Human Services Agencies, and Department of Food and Agriculture; and appointees of the Governor, Speaker of the Assembly, and Senate Committee on Rules.

Building upon its success in promoting Sustainable Communities Strategies, which link transportation, land use, and housing, SGC has recently launched two programs to help integrate State priorities at the regional level:

- The Regions Rising Program, which aims to focus and better align State funding programs in key regions throughout the State; and

- The Integrated Regional Conservation and Development Program, which aims to provide a common data platform for regional conservation programs.

In recent years, there have also been several attempts at alignment and consolidation of State conservation grant programs, but these are generally exceptions rather than a standard practice. For example:

- In 2013, the Legislature consolidated several State and federal bike and transportation funding programs, including the Transportation Alternatives Program, Bicycle Transportation Account, and State Safe Routes to School Program, into a single program—the Active Transportation Program.
- Earlier this year, DFW issued a consolidated request for proposals for several of its related programs.
- The Sierra Nevada Conservancy has launched a new initiative, the Sierra Nevada Strategic Investment Program, to better integrate federal, state, and local investments in forest and watershed health.

In summary, there is significant potential to better align and integrate State and regional conservation programs and funding sources. As the administration and Legislature resume discussions over the framework of the next bond measure and appropriations from cap and trade and other funding sources, they should carefully consider how State funding will be allocated among the State's conservation agencies and programs.

Key Questions

1. To what degree should we better align the priorities and investments of CNRA, the Legislature, and federal and local organizations?

2. What's the right mix of State strategic frameworks, individual State priorities (e.g., monarch butterflies), and regional conservation priorities?

3. To what degree can the conservancies and regional planning efforts help to integrate various State mandates and legislative priorities?

Table 1: Natural Resources Agency Programs with Grant Programs

Department	Programs
Natural Resources Agency *Restore, protect and manage the State's natural, historical, and cultural resources for current and future generations using creative approaches and solutions based on science, collaboration, and respect for all the communities and interests involved.*	• Environmental Enhancement and Mitigation Program (EEMP) grants • California River Parkways Program grants • Green Infrastructure grants • Cultural, Community, and Natural Resources grants • Trails and Greenways grants • Urban Stormwater and Waterways Improvement grants • Urban Greening grants • Ocean Protection Council grant/loan • Museum Grant Program
Department of Conservation *Balance today's needs with tomorrow's challenges and foster intelligent, sustainable, and efficient use of California's energy, land, and mineral resources.*	• Agricultural Land Mitigation Program (ALMP) • California Farmland Conservancy Program (CFCP) • Forest Health Watershed Coordinator Program • Regional Forest and Fire Capacity Program • Sustainable Agricultural Lands Conservation Program (SALCP) • Transformative Climate Communities (TCC) Program • Working Lands and Riparian Corridors Program • Watershed Coordinator grants
Department of Fish and Wildlife *Manage California's diverse fish, wildlife, and plant resources, and the habitats upon which they depend, for their ecological values and for their use and enjoyment by the public.*	• Environmental Enhancement Fund (EEF) • Fisheries Restoration Grant Program (FRGP) • Natural Community Conservation Planning (NCCP) Local Assistance • Endangered Species Conservation and Recovery Grant Program • Endangered Species Conservation and Recovery Land Acquisition • Ecosystem Restoration Program (ERP) • Habitat Conservation Planning Assistance • Habitat Conservation Plan Land Acquisition • Proposition 1 Restoration Grant Programs • Proposition 68 Grant Program • Wetlands Restoration for Greenhouse Gas Reduction Program • Cannabis Restoration Grant Program • CDFW Drought Response • State Wildlife Grants (SWG)

Department of Parks and Recreation *Provide for the health, inspiration, and education of the people of California by helping to preserve the State's extraordinary biological diversity, protecting its most valued natural and cultural resources, and creating opportunities for high-quality outdoor recreation.*	• Boating and Waterways Local Assistance • Habitat Conservation Fund (HCF) • Land and Water Conservation Fund (LWCF) • Recreational Trails Program • Outdoor Recreation Legacy Partnership Program • Regional Parks Program • Rural Recreation and Tourism Program • Recreational Infrastructure Revenue Enhancement (RIRE) Program • Statewide Park Program (SPP) • Per Capita Program
Department of Water Resources *Sustainably manage the water resources of California, in cooperation with other agencies, to benefit the State's people and protect, restore, and enhance the natural and human environments.*	• Integrated Regional Water Management (IRWM) Program • Urban Streams Restoration Program • Flood Corridor Program • Riverine Stewardship Program
Wildlife Conservation Board *Protect, restore, and enhance California's spectacular natural resources for wildlife and for the public's use and enjoyment in partnership with conservation groups, government agencies and the people of California.*	• Land Acquisition • Habitat Enhancement and Restoration • California Riparian Habitat Conservation • Inland Wetlands Conservation • Public Access • Natural Heritage Preservation Tax Credit • Ecosystem Restoration on Agricultural Lands • Forest Conservation • Oak Woodland Conservation Program • Rangeland, Grazing Lands, and Grassland Protection • Climate Adaptation and Resiliency • Stream Flow Enhancement • Lower American River Conservancy • Monarch Butterfly and Pollinator Rescue

[i] http://resources.ca.gov/bonds_and_grants/statewide_bonds_oversight/