

**CALENDAR ITEM
95**

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**INITIAL RELEASE OF DRAFT COMMISSION STRATEGIC PLAN AND
OPPORTUNITIES FOR PUBLIC COMMENT**

INTRODUCTION:

The purpose of this calendar item is to provide the State Lands Commission (Commission) with the initial draft of the Commission Strategic Plan. The Strategic Plan identifies the Commission's priorities within available resources to protect, promote and enhance the state's valuable public trust and school land resources. The Plan's goals and strategic actions include:

- Affirming transparency through a strong, active, and engaged public process in Commission's practices and operations;
- Providing the highest level of safety and environmental protection for the lands and resources under the Commission's jurisdiction;
- Ensuring current and future uses of sovereign lands are consistent with public trust principles and values;
- Enhancing revenues from the sustainable use and development of state lands and resources; and
- Increasing investment to develop and retain qualified and committed staff together with stable and secure funding sources and resources required to fulfill the Commission's mission.

PROPOSED SCHEDULE:

The following is a proposed schedule of opportunities for the Commission to receive comments from the public on the Strategic Plan.

- **June 22, 2015 – Publish Draft Plan**
 - Began distribution of Draft Strategic Plan via email, mail, and posting on the Commission's website at www.slc.ca.gov.
- **June 29, 2015 – Commission Meeting, Sacramento**
 - Roll-out of Draft Strategic Plan at Commission meeting
 - Initial opportunity for public comment on Strategic Plan
- **August 19, 2015 – Commission Meeting, Los Angeles**
October 16, 2015 – Commission Meeting, San Diego
 - Opportunities for public comment on Draft Strategic Plan

CALENDAR ITEM NO. **95** (CONT'D)

- **December 18, 2015 – Commission Meeting, Sacramento**
 - Commission action on Final Strategic Plan

Staff has circulated notice of the availability of the plan on the Commission's website through our various email and mailing lists of constituents and interested parties. Comments can be made in writing, via a dedicated email address strategicplan@slc.ca.gov or at the Commission's regularly scheduled meetings noted above.

EXHIBIT A



CALIFORNIA STATE LANDS COMMISSION
DRAFT STRATEGIC PLAN
2016-2020



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MESSAGE FROM THE CHAIRPERSON



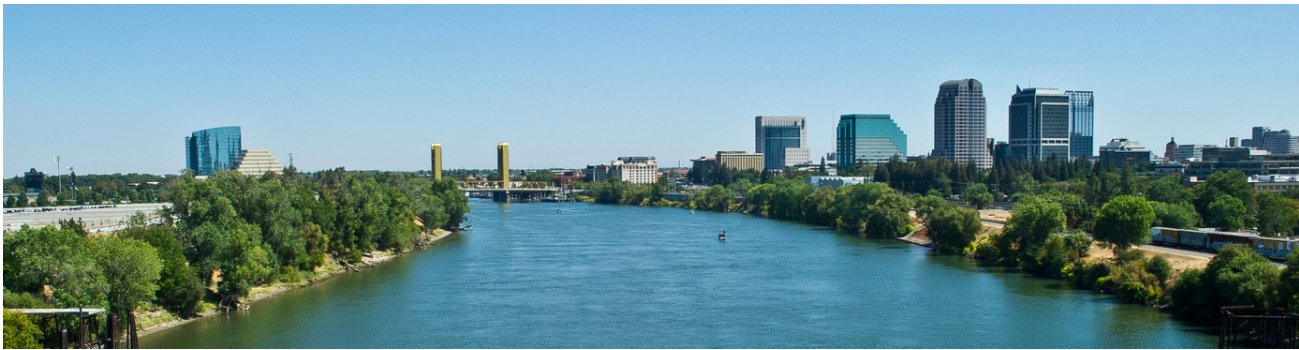
MISSION STATEMENT

The California State Lands Commission serves the people of California in the stewardship of the lands, waterways, and resources entrusted to its care through protection, preservation, restoration, and economic development.

VISION STATEMENT

The California State Lands Commission is committed to sustainable public land management and balanced resource protection for the benefit of current and future generations.





GUIDING PRINCIPLES AND VALUES

The core principles and values of the Commission guide its implementation efforts to achieve its mission in accordance with its vision.

- ▼ **Integrity** – We adhere to the highest ethical standards in dealing with the public, our partners and each other.
- ▼ **Transparency** - We leverage technology to achieve transparency and efficiencies in our operations to ensure public engagement in the decision making process. We continuously strive to improve our processes and capabilities.
- ▼ **Solution oriented** - We operate as a team, utilizing our unique and expansive staff expertise to work toward a common vision and purpose and are committed to providing quality customer service.
- ▼ **Objectivity and Science** – We are committed to using the best available science and technology in all decision making.
- ▼ **Leadership** – We seek to lead in facing the challenges of climate change, sea level rise, sustainable land and resource management, and responsible environmental stewardship.
- ▼ **Accountability** – We strive to maximize revenues from the sustainable use and development of our lands and resources.
- ▼ **Collaboration** – We seek partnerships with other agencies, governments and organizations to implement the Commission’s strategic goals.
- ▼ **Fiduciary** - We respect the trust relationship which governs the land and natural resources entrusted to our care and seek to fulfill those fiduciary responsibilities in administering the Public Trust Doctrine and managing the School Lands Trust.
- ▼ **Balance** - We seek a balance among competing uses and long term protection of lands and natural resources. We are sensitive to the long-term impacts of our decisions.
- ▼ **Staff Resources** – We recognize staff as our greatest asset and encourage personal and professional growth by ensuring succession and increasing investment to develop and retain qualified staff.



STRATEGIC GOALS

OPERATIONAL EXCELLENCE



ACCOUNTABILITY and TRANSPARENCY



PUBLIC ENGAGEMENT



COMMITMENTS AND STRATEGIES

I. OPERATIONAL EXCELLENCE

- ▼ The Commission's management of the sovereign lands and natural resources entrusted to its care is based on the highest standards of public health and safety, environmental protection, financial responsibility, consistency with the Public Trust Doctrine, and whether proposed uses affecting these lands and resources are in the State's best interests.
- ▼ As the state agency entrusted to manage and protect ungranted tidelands, submerged lands, and the beds and banks of navigable lakes and waterways, the Commission is uniquely situated to protect the people's rights in and to these irreplaceable resources.
- ▼ It is vital that the Commission have the tools, based on rigorous and best available science, to address current and emerging challenges to its land and resource management responsibilities.

Strategies to Achieve this Goal

- 1.1 Provide the highest levels of public health and safety and the protection and preservation of lands and resources under the Commission's jurisdiction.
- 1.2 Ensure current and future uses of granted and ungranted sovereign lands are consistent with public trust principles and values.
- 1.3 Expand public use and access to and along the State's inland and coastal waterways.
- 1.4 Incorporate into the Commission's planning, project analyses and decision-making processes strategies to address climate change, sea level rise, greenhouse gas emissions, water conservation, and the generation of litter and marine debris.

II. ACCOUNTABILITY AND TRANSPARENCY

- ▼ In managing lands under its jurisdiction, the Commission strives to protect these lands and their associated resources for current and future generations, while also ensuring that the State is compensated for the use of its land and resources.
- ▼ The Commission is committed to using the best available technology within budget limitations to enhance the transparency, efficiency, and effectiveness of its activities.
- ▼ The Commission is dedicated to increasing investment to develop and retain qualified and committed staff. Additionally, stable and secure funding sources and resources are required to fulfill the Commission's mission.

In 2014, the Commission became the first state agency in the nation to present its entire financial picture on the Internet at CAStateLands.OpenGov.com. Through this website, California residents can learn how government works for them by seeing how the State generates and administers nearly half a billion dollars in revenue from oil and gas contracts, mineral royalties, and leasing programs.



Strategies to Achieve this Goal

- 2.1 Maximize returns in the use and development of State lands and resources by consolidating school lands inholdings and encouraging and facilitating the development of renewable energy facilities and mineral development.
- 2.2 Ensure timely receipt of revenues and royalties from use of State lands and minerals.
- 2.3 Leverage technology to manage the state's lands and resources in a more transparent and efficient way to improve project timeliness, customer service, and revenue generation.
- 2.4 Align budget and policy initiatives and staff resources with the priorities of the Commission and State.

III. PUBLIC ENGAGEMENT

- ▼ The Commission values highly the significant benefits to the Commission's responsibilities and benefits that derive from a strong, active, and engaged public process.
- ▼ The Commission strives to use its website (www.slc.ca.gov), public meetings, targeted outreach efforts, and other tools to provide the public, lessees, applicants, regulated community, and its partner agencies with up-to-date information on its responsibilities and programs.

Strategies to Achieve this Goal

- 3.1 Foster relationships to engage the Legislature, public, other state and federal agencies, legislative grantees, Commission lessees, potential applicants, and the regulated community.
- 3.2 Maximize coordination and collaboration with other agencies and California Indian Tribes.

GOVERNANCE AND AUTHORITY



GAVIN NEWSOM
Lieutenant Governor



BETTY T. YEE
State Controller



MICHAEL COHEN
Director of Finance

The California Legislature established the California State Lands Commission in 1938. The Legislature, in forming the Commission, determined that fiscal integrity and accountability together with necessary checks and balances could be assured by selecting, as Commissioners, the Lieutenant Governor and the two principal financial officers of the State – the State Controller and Governor’s Director of Finance. Transparency through public awareness and participation is assured in that all Commission actions are taken at properly noticed public meetings.

The Commission, in its duties, may reasonably be thought of as a land and resource trust manager. The Commission has the same concerns as any landowner in the preservation and protection of its assets, while making sound economic and environmentally responsible judgments to maximize revenue. It also assumes responsibilities as a trustee for the lands and resources under its care. The Commission employs a variety of management and regulatory tools to ensure a sustainable, balanced, deliberative approach to protect and enhance the State’s resources while allowing the use of those lands and resources for the benefit of all Californians. These include the resolution of boundaries between public and private lands, issuance of surface and mineral leases, cooperative management agreements, regulatory compliance programs, and when necessary litigation to enforce the protections of the Public Trust Doctrine, the State’s property rights, the Commission’s authority, and other relevant environmental quality laws.

The Commission is entrusted with the authority and responsibility to prudently manage and protect the important natural resources on public lands within the State. The land area under the control of the Commission is equal to that of the states of Connecticut and Delaware combined.

The Commission’s management functions are carried out as a comprehensive land and resource management program. A professional staff of 231 supports the Commission, including engineers, environmental scientists, land managers, surveyors, appraisers, auditors, attorneys and other specialists.



PARTNERSHIPS

The Commission is a member of several state boards, commissions, and conservancies, including:

- ▼ Ocean Protection Council (OPC)
- ▼ California Coastal Commission (CCC)
- ▼ San Francisco Bay Conservation and Development Commission (BCDC)
- ▼ Delta Protection Commission
- ▼ Baldwin Hills Conservancy
- ▼ San Joaquin River Conservancy

The Commission also works to solve complex natural resource problems with multiple agency partners, including the California Natural Resources Agency, OPC, BCDC, CCC, Department of Fish and Wildlife, Department of Parks and Recreation, State Coastal Conservancy, Bureau of Land Management, Bureau of Reclamation, Bureaus of Ocean Energy Management and Safety and Environmental Enforcement, National Oceanic and Atmospheric Administration, U.S. Army Corps of Engineers, and U.S. Fish and Wildlife Service.

In addition, the Commission is a signatory to various cooperative interagency agreements with state and federal agencies such as the agreement for implementation of the California network of marine protected areas, agreement for development of the Desert Renewable Energy Conservation Plan, and the San Francisco Bay Materials Management Program.

STRENGTHS, CHALLENGES, OPPORTUNITIES, THREATS

Both internal and external factors can influence the Commission's success in achieving its mission and goals. The Commission has evaluated these factors and identified the following critical strengths, challenges, opportunities, and threats (SCOTs).

Strengths

- ▼ An engaged, committed, and knowledgeable independent Commission comprised of two constitutional officers and a gubernatorial appointee.
- ▼ A unique repository of historical information regarding land ownership and water boundaries.
- ▼ Effective record of collaboration with local, state, federal, regional, and international entities to ensure balanced land and resource management.
- ▼ Accountability and transparency through a public decision-making process.
- ▼ Strong field presence of marine pollution prevention programs in ports, at offshore oil facilities, and at marine facilities.
- ▼ Global leadership in marine oil pollution prevention and safety programs, environmentally responsible resource recovery, and prevention of marine invasive species introductions.
- ▼ Efficient, effective project management and negotiation strategies, including innovative ways to maximize returns while protecting and enhancing the environment.
- ▼ Significant non-tax revenue generating agency.
- ▼ Commission capable of quick, efficient, and effective responses to emerging program challenges.
- ▼ Commission committed to continuously improving efficiency and productivity through multi-divisional and cross-disciplinary teams.

Challenges

- ▼ Leveraging technology to improve efficiency and transparency given budgetary and resource constraints.
- ▼ Integrating Geographic Information Systems (GIS) into divisional programs and business processes.
- ▼ Improving lease compliance and enforcement, including monitoring of compliance with lease conditions, performance of mitigation measures, and other regulatory requirements.
- ▼ Preserving historical documents and maps relating to the ownership and management of State lands.
- ▼ Limited resources to address immediate threats to the public health and safety and the environment.
- ▼ Adapting to changes brought about by climate change, especially sea level rise.
- ▼ Developing regulations to implement statutory authority to effectively enforce lease provisions and respond to trespass violations.
- ▼ Marketing for land and resource development opportunities.
- ▼ Strengthening relationships with, and oversight of, the State's grantees of public trust lands.
- ▼ Attracting and retaining qualified professional staff given state hiring processes and salary limitations.
- ▼ Succession planning to address the loss of institutional knowledge caused by staff attrition.
- ▼ Improving communication and coordination within the organization.

Opportunities

- ▼ Land exchanges with the federal government to satisfy objectives of the School Land Trust and to facilitate the State's renewable energy goals.
- ▼ New technologies and business practices to improve project timeliness, transparency, customer service, and revenue generation.
- ▼ Increasing State revenues through auditing and improving valuation processes and practices.
- ▼ Leveraging technologies, including the Commission's website, to engage the public.
- ▼ Encouraging the use of State lands for sustainable, environmentally-responsible purposes.
- ▼ Legislative and public awareness of environmental threats presents an opportunity to update and enhance regulatory and safety standards and programs.
- ▼ Lessee turnover presents opportunities to revise economic, environmental, public access, and safety conditions of leases.
- ▼ Incorporating into lease terms and environmental analyses measures to:
(1) address impacts of sea level rise/climate change; (2) reduce greenhouse gas emissions; (3) require best management practices to reduce litter and marine debris; and (4) encourage applicant use of sustainable practices.

Threats

- ▼ Unauthorized occupation and use of State lands and resources.
- ▼ Climate change and the impacts of sea level rise and greenhouse gases.
- ▼ Volatility of resource market forces.
- ▼ Depletion of non-renewable resources.
- ▼ Threat to public health and safety and State liability from abandoned mines and other hazards, legacy contamination, and past use or storage of hazardous waste on State lands.
- ▼ Legal challenges to the State's ownership of its sovereign lands.
- ▼ Introduction of marine invasive species and Commission ability to manage those.
- ▼ Reductions in staff resources resulting from ongoing State budget constraints.
- ▼ Attracting and retaining qualified and dedicated employees.
- ▼ Focused cyber-attacks on governmental resources.





STRATEGIC WORK PLAN



I. OPERATIONAL EXCELLENCE

Strategy 1.1 – Provide the highest levels of public health and safety and the protection and preservation of lands and resources under the Commission’s jurisdiction.

Key Actions

- 1.1.1 Incorporate best management practices (BMPs) and other provisions into new and renewed leases to promote public health and safety and protect the environment.
- 1.1.2 Ensure oil spill prevention and protection programs attain best achievable protection using best available technology.
- 1.1.3 Review existing safety standards and regulations for continued relevance and use the public rulemaking processes to amend or adopt new regulations to enforce lease compliance, and promote environmental protection and public health and safety.
- 1.1.4 Implement Ballast Water Discharge Performance Standards and biofouling management strategies.
- 1.1.5 Identify and abate hazards and associated liability on sovereign and school lands using available resources.
- 1.1.6 Refine Mitigation Monitoring Program (MMP) tracking to ensure compliance by lessees.
- 1.1.7 Enhance Lease Compliance Enforcement Program to ensure efficiency and efficacy.



Targeted Outcomes

- ▼ Develop and incorporate into new and renewed leases strict provisions to ensure that leaseholds are maintained during the lease term and are left in safe, uncontaminated condition upon lease termination.
- ▼ Conduct two to three Safety and Spill Prevention Audits annually while maintaining a 5-year audit cycle at all offshore and onshore marine facilities.
- ▼ Review and Update Pipeline Integrity Inspection Program.
- ▼ Update regulations for the following:
 - Marine Terminal Operations and Safety
 - Oil and Gas Drilling and Operations
 - Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS)
 - Vessel Biofouling
 - Enforcement of the Marine Invasive Species Act
 - Trespass/Lease Enforcement
- ▼ Establish Systems Safety Audit Team to identify systemic risks based on actively conducted risk assessments at marine oil terminals.
- ▼ Develop and implement a “near-miss” reporting program; define scope of “near-miss” and, if needed, obtain statutory authority for the program.
- ▼ Evaluate available ballast water treatment and biofouling management technologies, present technical information to address concerns and misinformation on new technologies, develop an outreach program, and identify enforcement strategies.
- ▼ Identify, monitor and track legacy oil and gas leaks/seeps.
- ▼ Expand efforts to inventory and remediate legacy abandoned mines on lands under the Commission’s jurisdiction.
 - Develop a prioritized inventory and remediation list annually.
 - Conduct 6 or more abandoned mine inspections annually (perform internal inspections when safe) and complete biological/cultural resources review and permitting.
 - Remediate or post signs at 4 or more sites annually.
- ▼ Review and update dredging, marina, and grazing BMPs; incorporate BMPs into applicable new/renewed leases.
- ▼ Track compliance with mitigation measures adopted by the Commission through the development and use of a MMP Tracking and Audit System.





Strategy 1.2 – Ensure current and future uses of granted and ungranted sovereign lands are consistent with public trust principles and values.

Key Actions

- 1.2.1 Provide guidance to grantees, lessees, and applicants on the elements of the Public Trust Doctrine, fiduciary duties, and use of trust lands/assets.
- 1.2.2 Provide comprehensive oversight to ensure proper management of granted public trust lands consistent with the common law Public Trust Doctrine and statutory trust grants.
- 1.2.3 Promote trust consistent waterfront development and revitalization.
- 1.2.4 Prioritize the use of sovereign lands for habitat preservation, restoration, and enhancement pursuant to habitat management plans or mitigation agreements with public agencies or private parties, consistent with applicable law.

Targeted Outcomes

- ▼ Establish guidance for waterfront redevelopment projects to assist ports, harbor districts, and other grantees and applicants with their waterfront development and revitalization programs and needs.
- ▼ Ensure that the public’s trust needs, values, and principles are analyzed for each proposal for the use or development of public trust lands.
- ▼ Increase the amount of sovereign lands used for restoration projects.
- ▼ Maintain a Natural Resource Damage Assessment (NRDA) team to participate in, and share expertise between, NRDA restoration planning and implementation activities.
- ▼ Pursue stable, long term funding source for the Bolsa Chica Lowlands Restoration Project.
- ▼ Incorporate the state marine protected area network into Commission planning and leasing practices.



Strategy 1.3 – Expand public use and access to and along the State’s inland and coastal waterways.

Key Actions

- 1.3.1 Ensure public access and dedication through private and public agency leases.
- 1.3.2 Conduct outreach highlighting the importance of protecting and promoting public access to the State’s navigable waterways.
- 1.3.3 Acquire lands that enhance access to, or resource value of, sovereign lands as Trustee of the Kapiloff Land Bank Fund or through title settlements and existing land exchange authority.

Targeted Outcomes

- ▼ Prepare a Public Access Guideline document and brochure for inland waterways.
- ▼ Include terms in leases that provide for, protect and enhance public access where applicable.
- ▼ Through partnerships and joint ventures, combine adjoining public and private land or resource holdings to enhance access to sovereign lands.
- ▼ Collaborate with agencies and private entities to increase public access to and along sovereign lands.





Strategy 1.4 – Incorporate into the Commission’s project analyses and decision-making processes strategies to address climate change, sea level rise, greenhouse gas emissions, water conservation, and the generation of litter and marine debris.

Key Actions

- 1.4.1 Provide applicants and grantees with the best available science on the impacts of sea level rise.
- 1.4.2 Coordinate with lessees and agency partners to implement actions to address impacts of sea level rise/climate change, promote water conservation, and reduce greenhouse gas emissions and the generation of marine debris and litter.
- 1.4.3 Adopt flexible, adaptive approaches to address sea level rise that protect vulnerable populations and give priority to natural infrastructure solutions consistent with the public’s trust needs and the State’s climate change adaptation strategy “Safeguarding California” and Governor’s Executive Order B-30-15 on climate adaptation.



Targeted Outcomes

- ▼ Revise Commission's surface leasing application to serve as a guide for lease applicants to assess project impacts pertaining to sea level rise, climate change, greenhouse gas emissions, and generation of litter and marine debris and address water conservation.
- ▼ Assist legislative grantees with preparation of sea level rise preparedness reports in response to AB 691.
- ▼ Coordinate with agency partners to develop a framework that details how the State can best support local sea level rise adaptation and coastal resilience in Humboldt Bay (pilot project) and other coastal communities.
- ▼ Monitor developments and science of climate change and identify strategies to address and, where possible avoid, shoreline armoring, ocean acidification, and generation of marine debris.
- ▼ In the review of proposed projects for coastal protective structures, include an analysis of natural alternatives to engineered solutions.
- ▼ Incorporate terms into new leases to effectuate or complement the AB 32 Scoping Plan.
- ▼ Incorporate BMPs to encourage recycling, reduce litter generation, and water conservation into applicable new/renewed leases.
- ▼ Prioritize consideration of water conservation proposals consistent with the Governor's Executive Order B-29-15.





II. ACCOUNTABILITY AND TRANSPARENCY

Strategy 2.1 – Maximize returns in the use and development of State lands and resources by consolidating school lands inholdings and encouraging and facilitating the development of renewable energy facilities.

Key Actions

- 2.1.1 Consolidate school lands inholdings through exchanges or acquisitions, including leveraging the School Land Bank Fund, to increase marketability and revenue from lands and mineral interests.
- 2.1.2 Maximize holdings to promote renewable energy and other environmentally responsible resource development projects.
- 2.1.3 Identify sovereign and school lands and resources that have renewable energy or other development potential or are suitable for mitigation purposes.
- 2.1.4 Continue to actively participate in the Desert Renewable Energy Conservation Plan process to ensure leasing of school lands for renewable energy is efficient and transparent.
- 2.1.5 Lease, exchange, or sell school lands with sensitive resource values for mitigation purposes.



Targeted Outcomes

- ▼ Develop criteria to identify Commission lands suitable for development and/or mitigation; using Geographic Information Systems (GIS), identify lands meeting these criteria, and identify parcels with potential for exchange or acquisition.
- ▼ Complete one or more land exchanges with the U.S. Bureau of Land Management to decrease inholdings and increase consolidated parcels in the California desert area for revenue generating opportunities.
- ▼ Lease one or more school land parcels for mitigation purposes and/or employ existing exchange authority to acquire lands with valuable commercial resources.
- ▼ Conduct a thorough mineral inventory, publicize unleased lands' mineral potential, and promote lands for development or exchange.
- ▼ Leverage existing unique staff expertise to work with lessees to ensure safe and environmentally sound oil and gas recovery techniques, including those technologies consistent with SB 4.





Strategy 2.2 – Ensure timely receipt of revenues and royalties from use of State lands and minerals.

Key Actions

- 2.2.1 Provide consistent and accurate revenue billing and reporting.
- 2.2.2 Promptly address and resolve delinquent accounts receivable.
- 2.2.3 Maintain timely schedule of audits and royalty verification reviews.
- 2.2.4 Prevent leases from transitioning into long-term holdover leases.

Targeted Outcomes

- ▼ Increase responsiveness and reporting capabilities through use of technology and staff training.
- ▼ Immediately process all accounts past due by 90 days.
- ▼ Improve royalty verification accuracy and reduce the number of unpaid royalties identified in lease audits.
- ▼ Increase the scope and frequency of audits of Long Beach Unit related extraordinary costs, capital expenditure, pension, payroll, and allocation of expenses.
- ▼ Engage expiring lessees early and diligently to complete renewals and avoid leases in holdover status.



Strategy 2.3 – Leverage technology to manage the state’s lands and resources in a more transparent and efficient way to improve project timeliness, customer service, and revenue generation.

Key Actions

- 2.3.1 Explore Web-based or other electronic notification/reporting solutions for the public or lessees and regulated community to submit reporting forms, and receive Commission notices.
- 2.3.2 Provide greater use of GIS and electronic databases in resource management, and integrate GIS into business processes, decision-making, and public outreach.
- 2.3.3 Improve administrative record-keeping practices and reduce reliance on paper files.
- 2.3.4 Implement processes and tools to respond to litigation discovery actions and Public Records Act requests in a prompt and comprehensive manner.
- 2.3.5 Leverage the OpenGov transparency platform to allow public access to additional fiscal information and reports.

Targeted Outcomes

- ▼ Develop Web-based or electronic notification/reporting systems for: Marine Invasive Species Program reporting forms; Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) audits; offshore geophysical surveys; public comments on rulemakings; and documents the Commission prepares as lead agency under the California Environmental Quality Act.
- ▼ Introduce a repository on the Commission’s website for GIS maps, data, historical documents and landmark case law.
- ▼ Maintain a single electronic database for all production, injection, royalty and net profit data for all leases/contracts.
- ▼ Preserve and digitize all high risk/high value maps, books, and other records.
- ▼ Prepare the Commission’s administrative records developed for its discretionary actions in a searchable, electronic format that can be easily assembled for public review.
- ▼ Reduce the time needed to respond to Public Records Act and comply with e-discovery requirements.

Strategy 2.4 – Align budget and policy initiatives and staff resources with the priorities of the Commission and State.

Key Actions

- 2.4.1 Use existing funding sources strategically and efficiently.
- 2.4.2 Explore strategies to fund all Commission priorities, including exploring options for reinvesting revenues from non-renewable sources into programs addressing climate change and sea level rise.
- 2.4.3 Maintain fully staffed and effective work processes by conducting succession planning to address the loss of institutional knowledge caused by management and staff attrition.
- 2.4.4 Increase investment in developing and retaining qualified and committed staff.

Targeted Outcomes

- ▼ Develop and implement an investment plan for the approximately \$60 million in the School Land Bank Fund.
- ▼ Ensure that all costs to process applications for the use of sovereign and school lands are reimbursed by project proponents.
- ▼ Through leasing and title settlements, incorporate requirements to acquire property for public access and habitat enhancement, restoration, and preservation efforts.
- ▼ Market and encourage the use of the Kapiloff Land Bank Fund for environmental mitigation offset projects and management and enhancement of sovereign lands.
- ▼ Require lessees to compensate the State for adverse impact to economic or Public Trust values of sovereign lands, compensation to be paid into the Kapiloff Land Bank Fund to be used to further Public Trust uses.
- ▼ Explore alternatives, in addition to its administrative penalty authority, to ensure the State is receiving appropriate compensation for the use of State Lands.
- ▼ Review and update relevant regulations to enhance the Commission's ability to levy penalties for regulatory non-compliance, where applicable.
- ▼ Secure funding to remove remnants of industrial infrastructure hazards.
- ▼ Seek grants for priority environmental planning and restoration activities.
- ▼ Modernize staff classifications used by the Commission to align with current required skills, knowledge and abilities.
- ▼ Prepare a management and staff Succession Plan.

III. PUBLIC ENGAGEMENT



Strategy 3.1 – Foster relationships to engage the public, legislative grantees, Commission lessees, potential applicants, and the regulated community.

Key Actions

- 3.1.1 Improve how the Commission disseminates information to the public, lessees, grantees, the regulated community, other agencies, California Indian Tribes, and industry.
- 3.1.2 Enhance public outreach through the use of technology and explore the benefits of utilizing social media (e.g., Facebook and Twitter) to engage the public.

Targeted Outcomes

- ▼ Continue the redesign of the Commission’s webpage to be a more informative, relevant, interactive, and modern public resource.
- ▼ Develop an online application form, including an option to pay the application fee online.
- ▼ Continue to hold the Commission’s Prevention First Conference every two years and annual Marine Facilities Stakeholder Meetings to facilitate engagement by the regulated community.





Strategy 3.2 – Maximize coordination and collaboration with other agencies and California Indian Tribes.

Key Actions

- 3.2.1 Continue to devote staff resources to interagency policy development and implementation activities.
- 3.2.2 Conduct effective tribal consultations consistent with Executive Order B-10-11 and AB 52 requirements for consultation during CEQA review.

Targeted Outcomes

- ▼ Ensure Commission interests are represented through staff participation in agency working groups to such as:
 - Desert Renewable Energy Conservation Plan,
 - Marine Renewable Energy and Desalination Working Groups,
 - State Coastal Leadership Group on Sea Level Rise (includes Safeguarding California Plan implementation),
 - Marine Protected Areas Partnership,
 - Marine Spatial Planning, and Marine Aquaculture Development Committee,
 - Oil Spill Technical Advisory Committee,
 - U.S. Army Corps of Engineers Interagency Meeting collaborations,
 - Bay Conservation and Development Commission’s Engineering Criteria Review Board collaborations,
 - Oil Spill Technical Advisory Committee,
 - Southern California Wetlands Recovery Project,
 - Riparian Habitat Joint Venture,
 - Lake Tahoe: Lake Tahoe Science and Lake Improvement Account working groups, Aquatic Invasive Species Coordination Committee, Shorezone Review Committee, Tahoe Yellow Cress working group.
- ▼ In cooperation with the Native American Heritage Commission, develop and post a Tribal Consultation policy and incorporate the policy into applicable CEQA reviews and lease/permit considerations.
- ▼ Review and update applicable existing interagency agreements, memorandum of understanding and cooperative agreements to ensure that they address current Commission priorities.

APPENDIX A MANAGEMENT OF THE RESOURCES

THE PUBLIC TRUST DOCTRINE

The California State Lands Commission's guiding principles for the management of the lands and natural resources under its jurisdiction are based on the highest standards of environmental protection, financial responsibility and compliance with law including the common law Public Trust Doctrine. Many of the Commission's actions have as their basis the responsibility of a trustee of Public Trust lands and resources. Based on Roman Civil Law and British Common Law, this doctrine designated the reigning monarch as the primary trustee of the public's right to use the waterways of the realm. Following the English tradition, the beds of California's navigable waterways—or sovereign lands, as they are known—became state property at California's statehood in 1850, and were henceforth subject to the Public Trust Doctrine. Today, these lands are managed and monitored by the Commission to ensure that their use and management are consistent with Public Trust law, values, and principles.



Through the administration of its Public Trust responsibilities, the Commission enforces the public's right to enjoy access and use of California's waterways for commercial and recreational navigation, fishing, swimming and other forms of water-related recreation. The trust also allows the development of harbors, marinas and other water-related facilities to be developed on State sovereign lands. Trust lands may also be preserved for open space and environmental protection under provisions of the trust.

The Commission, in its duties, may reasonably be thought of as a land and resource trust manager. The Commission has the same concerns as any land owner in the preservation and protection of its assets, while making sound economic and environmentally responsible judgments to maximize revenue. It also assumes responsibilities as a trustee for the lands and resources under its care. Because sovereign lands and school lands are extensive and contain varied natural and cultural resources and are home to various endangered species, their management requires a wide variety of programs and expertise. State lands are used by public and private entities and leases or permits may be granted by the Commission for many purposes including marinas, pipelines, industrial wharves, marine terminals, dredging, timber harvesting, grazing, mining of sand, gravel, and minerals, and development and extraction of oil, gas, and geothermal resources.



THE SCHOOL LANDS TRUST

“School lands” are what remain of the nearly 5.5 million acres throughout the State originally granted to California by the Congress in March of 1853 to benefit public education. Today these lands are held in trust for the betterment of the common schools of the State and the revenue, by statute, supports the State Teachers' Retirement System. Over half of the “school lands” are located in the California Desert.

APPENDIX B COMMISSION PROGRAMS



Land Management

Lands under the Commission's jurisdiction are of two distinct types – sovereign and school lands. The Commission issues leases and permits for the use of public lands based on environmental, public health and safety, economic benefits, and public benefit considerations.

Sovereign Lands

The first type, sovereign lands, encompasses approximately four million acres. These lands include the beds of California's navigable rivers, lakes and streams as well as State tide and submerged lands that extend from the shoreline to three miles offshore along California's more than 1,130 miles of coastline. In short, the Commission's jurisdiction over sovereign lands extends to more than 120 rivers and sloughs, 40 lakes, and the State's coastal waters. Examples of sovereign land leases include marinas, boat launching facilities, recreational piers, industrial wharves, marine oil terminals, restaurants, and hotels. Revenues from these sources in the 2013-14 fiscal year were \$16.8 million. Commission revenues from its leasing activities on sovereign lands are predominately deposited to the General Fund.



School Lands



The second type of lands, referred to as "school lands," is what remains of the nearly 5.5 million acres throughout the State originally granted to California by Congress in 1853 to benefit public education. The State retains surface and mineral ownership of approximately 462,830 acres of these school lands and retains the mineral rights in an additional 790,000 acres. The Commission manages all these properties for the benefit of retired teachers. As trustee of the School Land Bank Trust, the Commission has authority

to exchange or sell these lands with the proceeds deposited to the School Land Bank Fund for the acquisition of other lands with higher revenue producing potential. These lands are primarily in the California deserts and hold significant potential for renewable energy development.

Mineral Resources Management



The Commission manages energy and mineral resource development and use under approximately 130 oil, gas, geothermal, and mineral leases covering more than 95,000 acres of state-owned lands, both onshore and offshore. Resources managed by the Commission are diverse and range from commercially valuable minerals such as oil, natural gas, hard rock minerals, sand, gravel and geothermal steam to unique natural resources such as forests, grazing lands, wetlands, riparian vegetation, and

fish and wildlife habitat. These lands also have the potential as sites for tide, wave, wind, and solar renewable energy resources.

Since the establishment of the Commission in 1938 the Commission has generated over \$11.2 billion in revenues. Oil and gas revenues collected by the Commission in the 2013-14 fiscal year were \$461 million and revenues from the production of electrical energy using geothermal steam were more than \$5.5 million. An additional \$2.7 million was collected from mining of “hard rock” minerals and sand and gravel.



Granted Public Trust Lands

The Legislature has, since statehood, enacted nearly 300 statutes granting State-owned sovereign trust lands to over 80 local governmental entities, including California’s five largest ports, to manage in trust for the benefit of the people of California. Tidelands and submerged lands granted by the

Legislature to local governmental entities are public trust assets of the State that are managed locally. The Legislature delegated the

State’s residual and review authority for all granted tidelands and submerged lands to the Commission. In

performance of this responsibility the Commission has authority to investigate,

audit, and review the administration of all tideland and submerged land grants for compliance with granting statutes and other laws but primarily seeks to support grantees in their proper management of sovereign land and resources in the statewide benefit.



Granted public trust lands are publicly owned lands subject to the protections of the common law

Public Trust Doctrine, the California Constitution, and to the oversight authority of the State by and through the Commission.

Oil Spill and Pollution Prevention

The Commission is responsible for preventing oil spills by providing the best achievable protection of the marine environment at the State’s 58 marine oil terminals and at offshore oil platforms and production facilities through robust field inspection and process safety audit programs. The Commission also administers the State’s Marine Invasive Species Program and in that capacity is responsible for preventing or minimizing the release of invasive species in California waters from vessels calling on California ports that are over 300 gross registered tons.

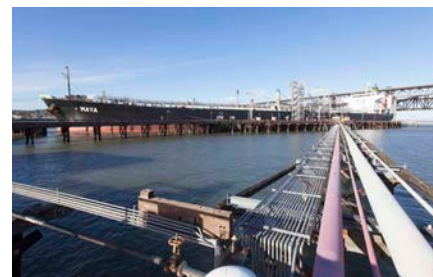




PHOTO CREDITS

Cover:

Top, Sacramento River.

L-R, Carmel coastline, Sacramento River Delta, Owens River in the Owens Valley, California Department of Water Resources.

- 1. Sacramento River Delta with Mount Diablo, California Department of Water Resources.*
- 2. Pacific Coast, David Swander. The Delta, California Department of Water Resources.*
- 3. Sacramento River, California Department of Water Resources.*
- 4. Elkhorn Slough, California Department of Water Resources. Surfers.*
- 6. Huntington Beach Pier, Andreas Hub/California Travel & Tourism Commission.*
- 10. Morro Bay, Marc Kurth.*
- 11. Suisun Marsh, California Department of Water Resources.*
- 12. Robert Holmes/CalTour. Fisherman at Thermalito Afterbay, California Department of Water Resources.*
- 13. Tom Paiva Photography.*
- 14. Avalon Harbor, Santa Catalina.*
- 15. Save the Bay. Speedboat Beach at Lake Tahoe.*
- 16. Pacific Coast, David Swander. Broad Beach.*
- 17. Robert Holmes/CalTour. Tom Paiva Photography.*
- 18. Owens Lake. Windsurfers and a kiteboarder, Sherman Island, California Department of Water Resources.*
- 19. Owens Lake Wetlands.*
- 20. Delta, California Department of Water Resources. Long Beach skyline, Port of Long Beach.*
- 23. Lake Tahoe. Rincon Park in San Francisco, Port of San Francisco.*
- 24. CSLC Prevention First Technology Exhibition.*
- 25. Fishing. Kayakers, Port of Oakland.*
- 26. Pacific Coast near Bodega, David Swander. Pacific Coast with the Golden Gate Bridge. Cattle grazing.*
- 27. Offshore oil island, Southern California. The Geysers. The Port of Oakland, Port of Oakland. Tom Paiva Photography.*
- 28. Offshore Santa Barbara County.*