

TRENDS IMPACTING MONTEREY COUNTY NONPROFITS: A PESTLE ANALYSIS



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Foreword

The PESTLE Analysis conducted for this report is part of three studies designed and completed by the Monterey Institute research team for the Nonprofit Alliance of Monterey County. Through the PESTLE lens (Political, Economic, Social, Technological, Legal, and Environmental) our research identifies the most important trends that will impact Monterey County nonprofit organizations and their constituents over the next five to ten years and beyond.

The analysis conducted for this study is augmented with information drawn from another of the three studies conducted by the research team. The second study, *For the Common Good 2014*, obtained operating and financial data from IRS 990 Tax Report information for the approximately 400 501c3 nonprofit organizations in Monterey County. A selection of 320 of these organizations were further surveyed to gather information regarding their performance in a variety of best practice areas as well as information regarding their overall impact on the constituents that they serve in the County.

The third study conducted by the research team, *Survey of Policy, Procedure, and Practice Standards for Nonprofit Organizations*, provides a set of standards to help nonprofits compare their relative performance on factors identified in the literature and by input from nonprofit leaders to be key to successful policies and procedures in the nonprofit sector. The findings obtained for the Standards study were also augmented by data from the survey of nonprofits, and serve as a baseline of information on the policies and practices of Monterey County nonprofits. All three studies were completed in 2014 and copies may be obtained from the Nonprofit Alliance of Monterey County. There is a separate report available on each study. Copies may be downloaded from the website of the Nonprofit Alliance of Monterey County (<http://alliancemonterey.org/>).

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INTRODUCTION

There are more than 1200 nonprofit organizations in Monterey County that provide programs and services to address community needs and enhance the overall welfare of the County. A study published in 2005 by the Action Council of Monterey County (*For the Common Good*) provided an estimate of nearly \$1 Billion per year as the contribution to the County's economy provided by its nonprofit organizations (Action Council, 2005, p.2).

Of course, nonprofit organizations contribute in many other ways than just economic impact to the welfare of their constituents. For example, they may improve the health of those that they serve through medical services, distribution of nutritious food, physical therapy and sports activities, or by raising the awareness of the population about illness prevention and treatment approaches. Other organizations may help their constituents secure jobs or housing depending upon their particular mission.

As poignantly stated in the Action Council report, "The nonprofit industry plays a vital role in Monterey County's economic and social health. A strong economy requires a healthy, thriving community made up of individuals working and playing together – actively participating and engaged in improving their lives and the community as a whole. Nonprofits play a major role in building community, preserving culture and helping residents to prosper." (Action Council, 2005, p. 1).

In an effort to provide a broader picture of the overall impact to the many stakeholders of Monterey's nonprofits, The Nonprofit Alliance of Monterey County (NAMC) commissioned this study to go beyond the traditional economic impact analysis and extend it to include a variety of other factors. The analytical technique that serves as a framework for the study is a PESTLE Analysis. This technique and derivations of it are widely used by businesses and organizations to identify and understand the influences of global forces and trends that may have an impact on the performance of their organizations (see for example: Dcosta, A. Components of a PESTLE Analysis, 2011).

PESTLE is a mnemonic for **P**olitical, **E**conomic, **S**ocial, **T**echnological, **L**egal, and **E**nvironmental macro-environmental factors. It is common for organizations to analyze economic trends such as growth in certain industries or market segments or the impact of predicted economic downturns on their overall success. But it has become clear as environments become more complex and challenging that those areas such as new government funding and regulation, demographic and immigration changes, technological innovations, and climate change may have an equal or even greater impact than swings in the economy on organizations and their constituents.

In order to better convey the depth and breadth of involvement Monterey County nonprofits in the lives of the County's population, the PESTLE technique has been applied to analyze the trends that will impact nonprofits and their constituents over the next five to ten years. In addition, this study identifies and elaborates on the many impacts that nonprofits provide their constituents in the broader PESTLE framework that looks beyond the traditional economic impact study.

The methodology employed for this report included literature reviews of PESTLE trends and impacts, interviews with nonprofit organization leaders, and the integration of data from the 2014 survey conducted with nonprofit organizations in Monterey County (the details of the methodology are reported in the appendix). The report on the results of the study that follows presents the information obtained, analyzed, and summarized for each letter of the PESTLE framework in sequence.



PESTLE ANALYSIS

PESTLE - Political

The political arena is a constantly shifting terrain and can thus have significant impacts on nonprofits. In the same vein, nonprofits often work to strengthen community through public policy advocacy work and are significant stakeholders in terms of new legislation. Trends within public policy are important to consider when assessing the overall conditions in which nonprofits serve their constituents. The political atmosphere in Monterey is complex. It includes the government, Monterey County's major industry players, non-profits, and its residents.

While Monterey County provides an overarching umbrella to the cities within it, each city holds the legal power for self-governance which is reflective in the diversity in size, industry, shape and demographics found across the 12 cities of Monterey County (California State Association of Counties, 2014).

Voting in Monterey County

On the other side of the coin of the world of elected officials, are the voters. Over 50 percent of Monterey County residents currently vote for Democrats, with the remaining minority voting Republican or as an Independent in national elections (Homefacts, 2014). While it is clear from the mixed history of Monterey County residents voting predominantly for one or the other of the major parties (Monterey County was a Republican stronghold from 1952 to 1988), the County's voters appear to be headed in the same direction as most of California -- away from red. The state as a whole has seen a drop in Republican voter registration from 30.8 percent to 28.5 percent, and an increase in registered Independents (Southern California Public Radio, 2014). As the demographic make-up of California has changed, and moved to include larger populations of color, in particular Latino and Asian residents, the voter lean has steadily tilted towards the Democratic Party.

Another important trend occurring in Monterey County is its rising climb in the number of registered voters. In 2009, approximately 158,561 of Monterey County residents were registered voters within the five voting districts (County of Monterey, 2009). This number jumped up by 3%, equating to over 5,000 new voters in 2012, when Monterey County saw its highest voter registration numbers in its history (Vijayan, 2012).

Overall, 70% of Monterey County's eligible voters are registered to vote, which breaks down to roughly 52% of the county's residents over 18 years old (California Secretary of State, 2014). Seeing as only 52% of the population over 18 years old is active in voting, it will be important for nonprofits to continue to serve as an external arm of the government, working to engage Monterey County residents in the democratic process, so that the effects are not simply felt by them, but placed into effect with them.

Civic Engagement

The Law restricts nonprofit organizations from engaging in lobbying and political campaign activity, however participation in other forms of legislative activities is allowed. Clearly stated, this means nonprofits cannot provide political campaign contributions, endorsements, offer their facilities to political campaigns or place signage on the property of the nonprofit (Hopkins and Gross, 2009, pg. 10). Nonprofits can engage in non-partisan activities that include conducting non-partisan voter registration drives, voter education, and legislative advocacy and in issue advocacy.

Evidence of the county's enthusiasm for civic engagement, especially in issue advocacy can be seen in the array of advocacy activities occurring in Monterey County. According to the 2014 survey, 22 percent of nonprofits organizations that engage in advocacy activities do so by writing letters/emails to public figures, while 32 percent participate in political meetings and hearings, and 53 percent engage in education and outreach activities. This exuberance is also echoed in the high number of voters within Monterey County.

Looking at nonprofits nationwide, their ability to interact within political sphere has been granted due to their unique IRS status that allows for nonprofits to engage in limited political action and remain tax-exempt, if at least fifty percent of their money and time is spent on social welfare activities. For tax-exempt agencies with big wallets, this has allowed for nonprofits to be extremely influential in both local and national stages. Additionally, the law allows for nonprofits to keep donor names confidential.

While there is a lack of data pertaining to the nonprofit sector influence on politics in Monterey County, a study by the Center for Responsive Politics found that political spending by nonprofits nationwide has soared in the last couple of years reaching \$300 million in 2012 in comparison to just \$5.2 million in 2006 (Koch, 2014). Due to the large amount of political currency that nonprofits have recently provided, the IRS in 2014 proposed new restrictions to narrow the scope in which nonprofits can operate in the political arena and still maintain their tax-exempt status. The proposal was met with opposition from both left and right leaning parties, who cited that it would also limit civic engagement and would make it harder for nonprofits to be politically engaged (Hulse, 2014).

Diversity and Politics

Immigration into California has transformed both its culture and its local politics. Beginning in 1965, its Latino and Asian population began a rapid increase. It is projected that by 2030 no ethnic group will constitute more than 50 percent of California's population (PPIC, 2000).

However, Latinos, the nation's most rapidly growing minority, are underrepresented in public office. In 2013, although Latinos made up 17% of United States residents, only 6,011 Latinos held elective office. Eighty-nine percent of them were Democrats (Stolberg, 2014). The Asian American community in California makes up nearly 14% of its residents in comparison to consisting of just 5% of the population nationally. While a portion of this voter block votes conservatively, new findings by the University of California - Riverside found the majority of

Asian Americans are left leaning (GlobalNation, 2014). Similarly, Asian Americans are also underrepresented in politics. It is estimated that there are less than 1,000 Asian American elected officials serving in the U.S. in 2013. Therefore the method through which these communities interact with the democratic system is usually through voting or involvement with civic services.

The African American, Asian American and Latino American populations together make up about 40% of California's state voters in 2012 (O'Brien, 2012). In Monterey County minority residents constitute 74% of the population making up a substantial portion of the local voting base (U.S. Census, 2012). It is evident that these groups were pivotal in electing Democrats both regionally and on a national basis. As California becomes a *minority majority* state, the voices of these distinct communities will be heard, especially as these groups become more of a participatory member either as elected officials or through votes. Therefore, these ethnic communities are increasingly influencing politics in Monterey County and throughout the state.

Industry and Politics

Another major stakeholder involved within the government, counties, and voting system in Monterey County are its industries. Many of the concerns of local industries have been on water rights, environmental protection, immigrant rights, and land use. Some of the industries with the most political pull include agricultural companies, developers, contractors, land-use consultants, and health care companies and individuals.

Political Overview

Monterey County nonprofits place a clear emphasis in creating a well-informed community especially in the following five areas: environmental, health, education, and social. Understanding and engagement in fundraising legislation is also pivotal for nonprofit's constituents as well as their own financial health. Further, environment and human right protection organizations are particularly strong in Monterey County.

With California being the most populous state in the United States, the policies, laws, and legislation it enacts tend to have ripple effects that can influence political outcomes and issues across the nation. Therefore it is advantageous for nonprofits to continue to be purposeful in watching what laws are passed, what stakeholders are involved, as well as maintain their efforts to reach people across communities to become engaged in the regional political process.

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PESTLE - Economic

Monterey County is the state's 20th largest county, with a population of 426,762 (Monterey Economic Development Department, 2011). In 2008, as the nation fell into an economic depression, the county also experienced economic strife. With multiple sectors of the economy still struggling some six years later, nonprofit organizations play an important role in the economy, not only through the support they provide in their various social and political efforts, but also in their contribution to the overall economy. The county's nonprofits operate in many sectors of the economy, including a strong presence in health care, human services, education, and the arts. Given the role of nonprofits in the overall economy, it is important to consider how the economic conditions and trends can impact nonprofit organizations.

Economic Recovery and Its Implications

The state of California is still in the midst of a slow, steady recovery with relatively low employment growth (http://www.dof.ca.gov/finance_bulletins/2013/march/). Currently there are 173,000 wage and salary jobs in Monterey County (Schnneip, 2012). Job growth during the past 5 years has seen a pattern of alternating ups and downs with substantial annual decrease in jobs followed by a spike in growth the next year. This pattern continued most acutely from 2005 to 2013. Job growth was inconsistent in this way until 2013, which saw an addition of over 1,500 jobs in 2013. In 2010, the county saw the greatest loss in jobs with 7,000 jobs lost. In contrast to the sharp spikes and falls in rates, the number of jobs added every year from 2013 to 2018 is projected to maintain a steady rate of two to three thousand jobs added per year. Total employment is expected to increase by 1.4 percent in 2013. Between 2013 and 2018, growth will average 1.2 percent per year. During the same period, agricultural employment will increase by an average of 0.2 percent per year (Beacon Economics, LLC.).

From 2013 to 2018, the average number of jobs created is projected to be an estimated 2,700 per year. From 2018 to 2030, the number of jobs created per year is projected to have an average rate of an estimated 1,900 jobs per year. Nonfarm jobs are projected to expand the most in the next five years, relative to other sectors (Schnneip, 2012). Between 2013 and 2018, the largest employment gains will be observed in professional services, health and education, leisure and hospitality, and wholesale and retail trade. Together, these sectors will account for 66 percent of net job creation in the county. By 2030 the rate of jobs added in the economy annually is projected to hit 2,000 in the overall county (Monterey Economic Development Department, 2011).

The lack of job growth during the recession that began in 2008 had various implications for nonprofits in the county. As less constituents were able to maintain a steady source of income, the need for safety net providers increased and the number of individuals seeking out social services increased; job seekers were forced to adapt to the economic hardships through job training, social services, and assistance with basic needs provision. The demand for the services that nonprofits provide, of which many are free or low-cost, increased in the wake of economic collapse across the board in all sectors. As the economy improves, this relieves some of the pressure that nonprofits have felt in the past five years, in terms of the number of constituents seeking services in the face of limited resources.

Sector Growth and Trends

One of the main components of the economy is agriculture. Monterey County is the third largest agricultural county in California. Agriculture supplies the majority of jobs in the county at roughly 39 percent of all wage and salary job (California Department of Finance, 2013).

Tourism is a main component of the economy in Monterey County, especially given the number of preserved open spaces and marine access. Additionally, Monterey County is 14th in California out of 58 other counties in retail accommodation and food service sales (California, 2012). Overall visitation is projected to pick up in 2014, as growth slowly gains momentum heading into 2016. International tourism from Asia and Latin American will give growth a push, as China, Japan, South Korea, and Brazil are becoming key markets and will increasingly drive overall trends (Beacon Economics, LLC.). Domestic leisure travel to California will outpace business travel in the next decade, as confidence gradually improves and consumers gain a greater propensity for spending and greater disposable income. Monterey County will be set to see an increase locally as well.

Nonprofits that encompass preservation and conservation in their missions will certainly gain a greater constituency, and will be faced with challenges in terms of the dynamic between more visitor traffic balanced with the need for conservation. Those nonprofits that operate in the realm of conservation and natural resource management will be faced with the need to adjust strategic frameworks in the wake of greater pressure on the environment as tourism increases. These nonprofits will also gain a larger stake in public policy regarding natural resources and open spaces, as the need for greater advocacy arises from the need for maintaining protection in the face of higher natural resource consumption.

Nonprofits and the local economy

The nonprofit community is a major part of the Monterey County economy trailing only the largest industry sectors that include agriculture, tourism, government, and wholesale/retail trade. Results from our 2014 survey (*For the Common Good, 2014*) determined that there are a total of 1152 nonprofit organizations in Monterey County; about 60 fewer than there were in 2002. This decline is consistent with the trends that have occurred at both the California and national levels. Following a period of growth from 2002 to 2010, the number of nonprofits began to decline at all levels and did so through 2012. Recent numbers reported at the national level for 2013 suggest that the numbers of nonprofits are again increasing (NCCS, 10/2013).

Despite the decline in the number of nonprofits in the County, the 2011 revenues (\$1.218 billion) and expenditures (\$1.168 billion) were up from 2002 numbers by around 40%. Nearly $\frac{3}{4}$ of the expenditures were spent in the County. The estimated economic impact of County nonprofit sector is now close to \$2.1 billion compared to \$1.5 billion calculated in 2002.

Even though the struggling economy was a challenge for all sectors, 58% of County nonprofits reported an increase in the number of programs and services that they offered over the last five years in contrast to 8% of programs that reported a decrease. An even greater portion, 80%, reported an increase in the number of individuals served. Greater resources,

more staff, and management efficiencies were reported as reasons for the increase in programs and services.

Respondents reported serving more than 5.7 million constituents in 2012 which is a large increase over the approximately 3 million reported in 2003. Close to 5%, or about 8,000 of the County's wage and salary jobs are provided in the nonprofit sector. These are about equally split among full time and part time jobs. The "hidden" portion of the labor equation is volunteer help. County nonprofits reported using over 13,000 volunteers who logged 41 hours per year on average. These numbers allow the typical nonprofit to add the equivalent of almost 4 full time employees by having volunteer help.

The economic development strategy in Monterey County includes an emphasis on commerce, infrastructure, and jobs (Economic Development Department, 2011). About 75% of County nonprofits surveyed expect their demand for programs and services to increase over the next five years and an equal number expect that the numbers of individuals served will continue to increase. Even though the overall economic trends appear favorable for both the County and the nonprofit community, there are many other forces at work that will continue to challenge the employees and volunteers that serve nonprofit constituents.

Other Economic Implications

Other overall implications for nonprofits include the role of volunteerism and activism on the part of community members. When economic downturn occurs, organizations often are forced to rely on their volunteer base to continue operations at the same level as before. Further, Monterey County is gradually diversifying economically, with high projected growth in business services, but its economic momentum is being affected by low labor force participation, a lack of a highly skilled workforce, and some of the highest costs of housing in the United States. These characteristics have significant implications for nonprofits, business leaders, government officials, economic development planners, and other key stakeholders who are involved in the provision of social services and the economic development of the county (The Economic Impact of Child Care in Monterey County, 2003).

Economic Overview

Monterey County has trailed the nation in regard to a variety of indicators of economic health such as lagging compensation, stubborn unemployment and underemployment, and housing sales, prices, starts, and overall availability. Nonetheless, there has been significant recovery in all areas of the economy of the County since the "great recession". Nonprofits actually outperformed the for profit sector during the downturn and all evidence from the data that we have gathered and reviewed projects a continuing improvement in the key economic measures over the next five to ten years.

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PESTLE - Social

Population Demographics (age, sex, and ethnicity)

Monterey County is comprised of 13 communities which encompass 3,281 square miles. These communities include Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, Soledad, and other areas comprised of 12 cities and 16 unincorporated areas. The total population of the county in 2012 was estimated at 426,762 with 51% male and 49% female (U.S. Consensus Bureau, 2012, p. 1). The four largest communities by population are currently Salinas at 35%, Seaside at 8%, Monterey at 7%, and Soledad at 7% (California Department of Finance [CDF], 2007). The overall population growth projection by 2020 is estimated to increase to 436,107 representing a 5% increase over 2010. Another increase of 5% is expected by the year 2025 (CDF, 2010-2060, Total Population Projections).

Hispanic or Latino ethnicity currently accounts for roughly 56% of the population in Monterey County. There are seven race segments identified within the county with Non-Hispanic Whites (33%), Asian (6%), and African American (3%) as the other primary segments. American Indian, Alaska Native, Hawaiian, and combinations of other races comprise the remaining 3% of the current population (CDF, 2010, P-1, Race/Ethnicity).

The Monterey County nonprofit impact study (Scalberg, et al., 2014) which surveyed 320 County 501c3 organizations indicates that 91% of our nonprofits serve individuals who speak Spanish which is the primary non-English speaking language in the County. Over 20% serve a variety of Asian languages (including Chinese, Vietnamese, Japanese and Korean), while 15% serve Tagalog and 15% serve Arabic language speakers.

Other languages were identified by 5 respondents such as several indigenous tribes of Mexico (*Triqui, Mixtec, and Zapoteca*). An additional 4 organizations identified European languages such as Russian, French, German, Italian, and Polish. Still other organizations identified serving less utilized languages such as *Khmer* of Cambodia, *Luganda* of Uganda; *Bambara* of Mali, Rwanda, Democratic Republic of Congo, and Uganda, and *sign language*. There were 3 respondent organizations that stated they serve 15-100 additional languages.

Historically, migration flows in and out of the county have netted close to zero. Population growth is almost solely driven by childbirth, giving Monterey County a greater youth population of Hispanic or Latino ethnicity with each passing year. This trend is expected to continue while white baby-boomers age and retire. By 2020, Hispanic or Latino ethnicity will grow to 63% and the Non-Hispanic White population will slowly decrease to 25% as it is not anticipated that they will be replenished by either high birth rates or a significant influx of white immigrants into the area. Fertility rates are low for the Asian population and immigration from Asia to Monterey County is expected to be minimal with no notable change in percentage of the population. The black population is also expected to slightly decline to 2% with a slight increase in the total remaining other segments of the population (CDF, 2010-2060, Populations Projections Press Release; CDF, 2020, P-1, Race/Ethnicity).

According to the 2014 nonprofit impact study, agriculture and real estate/housing sector nonprofit organizations in Monterey County serve the highest percentage (80%) of non-English speaking people. Large immigrant populations (primarily Spanish speaking) in the agriculture sector require housing, human services, health and mental health services. Survey

results also showed that all of these sectors are among the top four categories for the highest means and medians of non-English speaking recipients of these types of services.

Nearly ¼ of the organizations surveyed responded that they are unable to provide support for *any* of the numerous non-English or non-Spanish languages spoken in Monterey County. However, 70% stated that they *are* able to support the Spanish language. Others were able to support additional languages such as *Portuguese, French, German, Russian, Polish* (“*plus 15 others*”) and at least 5 indigenous tribes of Mexico (*e.g. Triqui, Mixteco, Zapoteca, etc.*). Modes of language support include *English Language Development (ELD)*, *Google translations for You Tube*, and “on an ad hoc basis”.

Immigration

The population by age in 2020 is anticipated to be approximately 26% under the age of 18 and 74% over 18 years old. The largest Working Age Group is estimated to total 215,800 or 50% of the population and accounts for individuals between the ages of 25-64 years of age (CDF, 2020, P-1, Age). These estimates are very close to the county’s 2010 age population statistics which showed a slightly higher Working Age Group of 51%. The overall decrease of 1% from 2010 to 2020 in the work force is primarily due an increase in ‘young retirees’ between the ages of 65-74 by 2020 (CDF, 2010, P-1, Age). In addition, according to the U.S. Census Bureau, of the percentage of the population living alone in Monterey County, 82% were white. The overall number of individuals living alone in the county is 9% higher than the California average and is an additional signal for Monterey County nonprofits to look forward and consider the increasing needs of the aging population in their communities (2012, p.1)

Immigration and related legislation have a significant impact on Monterey County due to the high percentage of non-citizens employed in agriculture. Comprehensive immigration reform is necessary in order to retain employees which currently have a questionable legal status. Employers will not be able to function or maintain their agriculture business operations without employees with legitimate citizenship. There is currently a real threat to the county’s agriculture production due to the lack of legal farm laborers.

There are two foreseeable trends that can result from labor shortages. First, the agriculture industry will be forced to automate a greater amount of its functions. Unfortunately, many of the primary crops in Monterey County such as strawberries, leafy greens, and other vegetables currently require a manual hand-picking process. The second trend would entail a greater amount of off-shore production which would have a profound negative economic impact on the county and its social structure as a whole (Monterey County Farm Bureau [MCFB], 2013, p. Immigration Reform). As the agriculture labor pool would potentially diminish, nonprofit organizations would likely see a decrease in the need for certain programs and social services. The county in general would also experience higher prices for fresh fruits and vegetables and nonprofits would need to redirect resources to cover the increased costs of food subsistence programs for the needy.

Monterey County currently employs over 73,000 workers in direct and indirect agricultural positions and produces over \$4.14 billion in agriculture products which had an estimated economic impact of \$8.7 billion on the local economy in 2012. The county is considered a “salad bowl of the world” with nearly \$1.6 billion in salad products produced annually (MCFB, 2013, pp. Economy, Economic Contributions, Annual Crop Report). Its agriculture economy is the fourth largest in California and would be categorized in the 50 percentile of

all U.S. crop producing states in 2012 (Burbank, 2013). A sustainable labor force is central to the success of the county and the state of California.

Poverty, food insecurity, wages, unemployment, and housing

Statistics show that 18% - 25% of the Monterey County population household incomes fall below the federal poverty line depending on their location in the county. Single-mother families with younger children are even greater, reaching between 30%-39% depending on the number and age of the children (National Economic Development and Law Center [NEDLC], 1999, p. 13). Wages in the county are approximately 17% lower than other counties in California and the cost of living is higher. Over 50% of the jobs in Monterey County pay less than the amount required to sustain a single adult with one child (NEDLC, 1999, p. 11). The aggregate percentage of Monterey County residents living in poverty in 2009 was reported at 18% which is 4% higher than the average for the state of California (City-Data.com, 2012, p. 5).

Published results of the 2011 homeless census and survey conducted by Applied Survey Research (ASV) revealed a conservative count of 2,507 homeless individuals in Monterey County. Although only 1% of the population, this was an overall annualized increase of 14% in the homeless in Monterey County from 2009 (p. 16). The actual figure is estimated to be closer to 3,472 because homeless individuals are often hidden from plain view (p. 12). More of the survey respondents were unsheltered (73%) than sheltered and the majority was males (61%) between the ages of 31 and 50. Females account for 38% of the homeless population (p. 13). Of that 'middle of life' age group which accounts for nearly half the homeless population, "69% are White/Caucasian, 37% Hispanic/Latino and 11% Black/African American" (p. 13). The majority of the survey respondents were unemployed (88%). The primary reasons for homelessness were due to job loss (44%) and alcohol or drugs (39%) (p. 16). An estimated 13% of the respondents were U.S. Armed Forces Veterans over 18 years old. Another 12% were members of a family unit with at least one children under 18 years of age and 11% were unaccompanied children and youth under 24 years old (p. 15). A very high percentage (57%) of the respondents had one or more physical, mental, or long-term health disability to include substance abuse (p. 14). According to the study, 38% will remain homeless indefinitely. To fight this growing problem, the Homeless Prevention and Rapid Re-Housing Program (HPRP) has assisted and prevented 1,895 individuals and families from becoming homeless (p. 16). Another successful program in Monterey County is MCHOME which provides all levels of rehabilitation support (physical, mental, and emotional) for approximately 100 homeless adults annually (p. 44). Despite the successes of these programs, more services are needed. According to a more recent 2013 Monterey County Homeless Census and Survey, there was a 3.3% increase in homeless between 2011 and 2013 (as cited in Monterey County Community Action Partnership – Community Action Plan [MCCAP-CAP], 2014-2015, p.11).

"Food insecurity" which includes *food insufficiency* has historically been a concern in the county's farming communities and will continue in the future if wage rates do not rise to meet or exceed the self-sufficiency standard. In an NEDLC (2003) study, Dr. Diana Pearce defined the self-sufficiency standard as the amount needed to meet basic needs (food, housing, child care, health care, transportation, etc.) without outside aid (as cited in Harter + Company Community Research (H+CCR), 2005, p. 14). Nord et al. (2007) found that "36% of households with incomes below the federal poverty level experience food insecurity, the case for nearly 20% of all Hispanic households" in similar farming communities (as cited in Wirth, Storchlic, and Getz, 2007, p. 4). In the 2005 study conducted by H+CCR, the self-

sufficiency standard in Monterey County had risen to between “\$45,923 and \$52,052 with a median family income of \$55,274; 45% of families earned \$49,000 or less” (2005, p. 3). The Monterey County self-sufficiency standard as of 2013 estimated at \$56,852 (MCCAP-CAP, 2014-2015, p. 5).

An article entitled “How Much is enough in Monterey County?” presented by the Insight Center for Community Economic Development (I-CCED) was based on a 2008 study. The data revealed that for a family of three (one adult and two children), the parent would need to work more than three full-time jobs (at minimum wage of \$8.00 per hour) to meet their basic needs. One 40 hour per week job paying \$24.42 per hour would just barely meet the self-sufficiency standard in Monterey County. Each additional adult and child added to the household increases the basic self-sufficiency need. ICCED further cite that in the years between 2003 and 2008, “food costs have increased by 15%, child care costs have gone up 31%, and health care costs have climbed significantly, up 36%” (2013, p. 1). According to the MCCAP-CAP report (2014-2015, p. 6), 69.2% of school children in Monterey County were eligible to receive free meals or meals at a reduced price.

Social services are offered in the county but are very limited due to government budget constraints. The poverty situation is further compounded by transportation shortfalls which are needed to bring potential aid recipients from remote rural locations. This current social structure is not sustainable and will require a concerted effort to find appropriate solutions for reform. Future activities could include immigration reform, increases in the minimum wage, aid from non-profit organizations, and other funding sources (philanthropic and/or social enterprise) in order to adequately improve this current social situation. In particular, child care, child health and development, wages, access to (healthy) food, and affordable housing.

The larger employers in the county are agriculture firms that provide seasonal employment which may account for the county’s historically higher unemployment rate (11%) compared to other counties in California (averaging 7% in 2002). As of November 2012, the overall unemployment rate in Monterey County was 9.8% but rates vary across the county. For example, the unemployment rate in Salinas is over 23% while other areas in the North and South County have unemployment rates over 30% (MCCAP-CAP, 2014-2015, p. 9). Agriculture is expected to continue providing the greatest number of jobs and new job growth but will most likely result in less female workers if affordable child care and housing is not available.

According to the National Association of Home Builders, Monterey County continues to rank in the top 5 nationwide for least affordable housing when considering median income (NEDLC, 1999, pp. 9 & 12). This can be partially explained by the 41% increase in rent for a 1-bedroom apartment and a 34% increase for a 2-bedroom unit between 2001 and 2005 (H+CCR, 2005, p. 3). Apartment rental prices in 2006 were approximately \$930 for a 1-bedroom, \$1070 for a 2-bedroom, and \$1,510 for a 3-bedroom apartment. In 2009, detached houses and townhouses had a median price of \$402,700 (up from \$254,800 in 2000) and were still \$60,000 to \$130,000 more expensive in Monterey County compared to the state average (City-Data.com, 2012, pp. 3 & 5). Baseline rental prices are currently at least \$300 higher and increase similarly for each (additional) bedroom. The prices are even greater for more desirable locations (Craig’s list, 2014). Housing and policy analysts believe that the high housing prices in Monterey County are due to existing land-use regulations that restrict commercial builders from developing the housing required to meet the needs of the community. Limitations on housing development generally reduce the availability of housing facilities and drive up housing prices making the market less affordable (Powell, Stringham,

& Summers, 2004, p. 3). A limited number of housing development projects are planned for specific locations in Monterey County but overall, these are not expected to satisfy the demand for more affordable housing in the next 5 years.

There is also a growing lack of qualified and skilled employees to meet the current and future work force needs of the child care, education, technology, and business services industries in Monterey County. In 2000, 32% of adults over 25 lacked a high school diploma and 73% lacked a 4-year degree (NEDLC, 1999, p. 10). As of 2013, the percent of those individuals lacking a high school diploma or GED is closer to 40% in the city of Salinas and 30% have less than a 9th grade education (MCCAP-CAP, 2014-2015, p. 10). Since these business sectors will need to significantly expand in order to support the population growth, education and work programs must be recognized as a priority for the youth and young adults. Nonprofit organizations can play a significant role and have greater impact in the communities by expanding existing programs or developing new ways to meet these increasing needs. The Boys & Girls Club of Monterey County is one example of a nonprofit organization that is already expanding its education programs, after school activities, facilities, and locations within the county to meet the growing needs of the families they serve (D. Ferarro & M. Slade, personal communication, October 23, 2012).

Health

Monterey County residents are generally health and food conscious. Food safety and good agriculture practices are a high priority for Monterey County due to the significant produce production in the region. The Farm Bureaus and local growers associations have taken an active role in leading research and establishing improved procedures for food safety. Yet, farm workers and county residents remain concerned about pesticides, illness outbreaks, and harmful effects on the local environment. A recent survey by the Charlton Research Group showed that even though cost is a factor, safety concerns significantly affect purchasing decisions. Once survey respondents became aware of the health hazards due to pesticides, they readily chose organic products despite their income level (as cited in The Alliance for Food and Farming [TAFF], 2012, p.4). These concerns will most likely continue to boost sales and demand for organic products.

Conversely, other individuals are choosing to eat less fruits and vegetables even when they have access to them. Negative messaging by the media and certain activist groups are having a significant impact on consumer purchasing attitudes. The TAFF study already revealed that only 19% of the overall population currently follow the USDA's recommendation of 50% fruit and vegetables in the daily diet (2012, p. 5).

Both of these trends could negatively affect Monterey County which has historically used high amounts of pesticides in traditional farming methods. The county will need to find alternatives to pesticides and start producing more organic and non-genetically modified organism (non-GMO) crops in the very near future to maintain current economic profits. Otherwise, those individuals who desire to purchase organic products and can afford them will seek out other available organic produce sources in order to meet their health and safety concerns. The remainder of the population will continue to grow more aware of the pesticide dangers but may not be able to afford nor want to choose organic options and will just eat less produce.

Researchers (McLeroy et al., 1988; Stokols, 1992; Green et al., 1996) found "that social, physical, and environmental factors interact to affect health and health behavior" (as cited in Salvatore et al., 2008, p. 8.). Based on these facts, it appears that there will be a greater need

for nonprofit organizations to promote healthy balanced diets among their service communities while at the same time supporting agriculture product re-imaging over the next five to ten years.

In reaching those in need, Monterey County surveyed nonprofits stated reported that 55% use printed materials for education outreach provided in languages other than English. Websites (24%) and translation services (23%) are provided in languages other than English. Other language services provided by video/audio modes ranked the lowest (11%) for education outreach materials.

Unfortunately, approximately 1/3 of the organizations surveyed responded that they had no education outreach materials of any kind in languages other than English. This is a significant shortfall for such an important aspect of communication and service to the community and is further amplified by the vast variety of different languages in Monterey County as identified earlier in the demographics section above (Scalberg, et al., 2014).

Obesity, overweight, and lack of physical exercise

Obesity, overweight, and lack of physical exercise are growing issues in the county. This is a concern that is disproportionately affecting Latino children and families in low-income neighborhoods (H+CCR, 2005, p. 36). These characteristics are largely attributed to *food insufficiency* problems such as the inability to gain access to healthy, less processed food, including fruits and vegetables. Access is often limited due to cost, transportation issues, and food preparation time requirements.

According to the Surgeon General, overweight children are increasing at an alarming rate nationwide. Health issues associated with obesity include “high blood pressure, high cholesterol, asthma, and Type-2 diabetes, among other serious problems” (as cited in H+CCR, 2005, p. 35). Additionally, a study conducted by Dr. Grissom for the California Department of Education, revealed that there is a strong relationship between physical fitness and academic achievement (2005). These dietary and exercise failures will lead to ever increasing health problems as the younger generation matures.

Nonprofit organizations can aid by purposefully developing physically active programs and sports events for youth. They can also positively influence their members by promoting good dietary habits through periodic open-houses that are focused on healthy food choices and/or cooking lessons. Hosting clinic events with local medical volunteers are also very effective in bringing awareness to the community.

Child health issues

Monterey County has experienced high percentages of child health and disability issues. According to Head Start, 13% of the children in Monterey County had special needs in 2003 (as cited in H+CCR, 2005, p. 20). Of these special needs, the most predominant disabilities included speech and language impairments at 64%, mental retardation at 12%, and multiple disabilities at 5% (H+CCR, 2005, p.19).

The Latino farm workers and their children in Salinas Valley of Monterey County are considered a high risk population for exposure to pesticides. One recent study on this topic revealed that children were more highly exposed to pesticides due to contaminated clothing brought home from their parents without taking proper precautions (Salvatore et al., 2008, p. 9). According to the Pesticide Action Network North America, pesticides can cause childhood cancer, birth defects, asthma, and disrupted metabolisms. Other significant

findings include damage to the brain and nervous system development. “Neurotoxic pesticides are clearly implicated as contributors to the rising rates of attention deficit/hyperactivity disorder, autism, and widespread declines in IQ and other measures of cognitive function” (2012, p. 1).

Although awareness of child health issues in Monterey County is mounting, there is still much to be done to mitigate and protect the children in these over-exposed communities. Nonprofit organizations can become advocates for increased legislation that would protect this population group and augment government programs that meet the needs of children that have been adversely affected by pesticides.

Crime and Family Functioning

According to the California Department of Justice, Monterey County was the most violent county in California in 2010 due to the high homicide rate (as cited in MCCAP-CAP, 2014-2015, p.11). The county has been classified as “a High Intensity Gang Activity Area” (HIGAA) with the city of Salinas as the most dangerous. Hispanic male gang members between the ages of 18 and 29 are the highest group of fatality victims (p. 11).

Domestic-violence and child abuse have continued to rise in Monterey County and are expected to continue assuming household incomes remain below the federal poverty line. There was an increase in domestic violence of 35% between the 2002 and 2003 alone and an increase in child abuse of 11% from 1999 to 2003 (H+CCR, 2005, p. 4). The highest child abuse categories included general neglect (32%), caretaker absence (17%), physical abuse (16%), and sibling abuse (13%) for the fiscal year ending 2004 (H+CCR, 2005, p. 43). There is strong evidence that overcrowded and unstable housing situations expose children to more strangers and unhealthy environments that easily lead to abuse. Given the housing situation in Monterey County, this issue will be an ongoing challenge in the community.

Although the figures fluctuate from year to year, the Monterey County of Social Services 2013 County Self-Assessment statistics show an overall decrease in the number of referrals for these types of allegations (as cited in the California Department of Social Services (CDSS), 2013, pp. 39 & 41). One example of successful intervention is seen in the *Pathways to Safety* program. This is a child abuse and neglect “differential response” program that offers early prevention and support services to children and families in Monterey County. In 2012-2013 alone, this program assisted 1,309 families of which 47% showed measurable improvements in the areas of parenting capabilities, child well-being, and family interactions (Pathways to Safety, 2013, p. 2).

Head Start also offers family education and counseling but resources and government funding for these types of services are extremely limited. There is a clear need for the public and nonprofit organizations to intervene in this social situation. As the cost of living continues to increase and households require dual earners in order to survive, there will continue to be a greater need for these services. New start-up nonprofit organizations could help address this social need by establishing additional services, working with human rights advocacy groups, and by rallying aid from qualified health care volunteers now and in the future.

A community Action Needs Assessment Survey was conducted between December 2012 and January 2013 among food bank recipients. The results from the survey indicated and confirmed that the top 10 county –wide service priorities were Food Resources/Access, Rent/Utility Support, Violence Protection, Homeless Services, Financial Education, Health

Services/Support, Child and Youth Services, Adult Education/Literacy, Parks and Recreation, and Employment Resources/Services (as cited in MCCAP-CAP, 2014-2015, pp. 38-39).

The 2014 Monterey Nonprofit Impact study requested the survey sample to identify needs in the County that were inadequately served by the nonprofit community. Between 25-30% of respondents identified each of the following concerns: housing issues, rising costs of living, inadequate services for the mentally or physically challenged, health issues and access to health care, and unemployment or underemployment of the workforce.

Lifestyle and Social Events (Agriculture, Wine, Seafood, and Golf)

According to the California Farm Bureau Federation, the region is the fourth largest agriculture county in California and produces more agriculture revenue than 21 states together (2013). For Monterey County residents, agriculture is not just business, it is a way of life. In addition to producing 60% of all spinach, lettuce, and other greens and growing approximately 45% of the strawberries in the U.S., Monterey County continues to increase its vineyards which currently surpass Napa and is now considered one of the top ten international wine regions (MCFB, 2013, Immigration Reform). The county's fishing and seafood industry also plays a key social role in the larger community not just with local restaurants but with neighborhood cook-outs and barbeques.

For much of the population, hard work, perseverance, and cooperative organization are fundamental lifestyle characteristics. Social events focus around Food and Wine Festivals (Pebble Beach and Salinas Valley) and the famous Castroville Artichoke Festival. The Farm Bureaus for Monterey County and California sponsor meetings, golf tournaments, and trade shows which also play a dominant role for social outlets. As the vintner industry continues to develop and solidify in the county, the community will undoubtedly respond to a greater number of vineyard concerts and tasting competitions. All of these activities promote future sustainable economic and social growth while the population continues to value their rural traditions. This trend will be enhanced and further secured if the county focuses on continuing to developing new agriculture products and promoting organic crops.

These types of social events are excellent opportunities for nonprofit fundraisers to expand their networks and establish new streams of funding that may aid in supporting the growing social needs of the marginalized and less privileged population within the county.

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PESTLE – Technology

Information Management and Technology systems

In Monterey County, the leading industrial sector continues to be agriculture, followed by tourism. The tech sector in Monterey County is extremely small, making up just 1 percent of the total jobs in the county. However, forecasts predict that professionals with post-secondary education and specialized business skills will help to sharpen Monterey County's technology sector, and that growth in this sector may catch up to the growth seen in the agriculture sector (Monterey County, 2010, pg. 3).

Starting in 1990's the information and technology sector in Monterey County had steadily declined, until 2009. Beginning in 2009, the statewide tech sector began to see the end of the hiring freeze, and a return to hiring and the development of local start-ups (Abate, 2010). A few of these new tech start-ups relocated to Monterey County, often to be in close proximity to their target clientele: Hispanic Americans (Crocker, 2013).

The new breed of tech companies are focused on providing services for a bilingual customer base, such as Frontera Computers, a company launched to provide office networking and computer technology in Spanish. Proximity to universities such as Monterey Institute of International Studies, a graduate school that provides students with bilingual education, helps local tech companies build their bilingual staff. Additionally access to 23 institutes of higher education in which fourteen offer courses and majors in Technology also serves useful for recruitment purposes (Monterey County Business Council [MCBC], 2011, pg. 9).

Beyond Information Technology (IT), Monterey County is also expanding its technology sector to include film and the arts. Bolstered by the Monterey Film Commission and the Arts Council for Monterey County, the Monterey County Creative and Technology sector is experiencing a high level of growth. In 2011, film production within Monterey County reached \$4.1 million. (MCBC, 2011, pg. 10) The Arts Market in Carmel is also contributing to the growth of Monterey County's Creative and Technology sector, and helping to attract more tourists and business to the county. Collectively, Monterey County's creative and technology sector represent 7 percent of all local jobs and has an annual output of one billion dollars (County of Monterey, 2011).

As more technology focused industry moves to Monterey County, there will an increasing need for a workforce with technical skills. This will be important for not only keeping tech jobs in Monterey County, but for drawing more of the tech market to the region.

Social Media Trends

Ten years ago there was no Facebook, Twitter, YouTube, Instagram nor many of the other social media platforms now used in our personal and work lives. Today over 66 percent of U.S based Internet users are connected to one or more forms of social media platforms (Social Media Today, 2012). With the first social media or community focused sites beginning as early as 1994, social Media and networking technology is changing how and where conversations are being conducted.

Social Media is not only used by millions of individuals, but millions of businesses and non-profits that operate their own social media campaigns and platforms using Wikipedia, YouTube, Facebook, Second Life, and Twitter, and a series of other social media tools. Social media is often coupled with an organization's website and occasionally a blog. The Weber Shandwick Social Impact survey found that 88 percent of nonprofits experimented with social media, with 51 percent being active users (Massey, 2010). Those surveyed said their online presence raises awareness of their organization, reduces costs relative to traditional media, and allows them to engage with their external audiences. Similarly, Monterey County's nonprofit organizations also utilize social media for the same purposes. The most common social media tools used by non-profits include Facebook, Twitter, and LinkedIn. The 2014 survey also revealed that 92 percent of respondents have an organizational website, 89 percent use email, and 60 percent utilize a digital newsletter. The uses of the Internet and Social Media tools have entered the mainstream and such technologies are having a transformative effect on how nonprofits fulfill their missions.

In the big picture, there are over 200 million Internet users in the United States, which is roughly equivalent to 68 percent or two-thirds of the national population. Established in 2004, Facebook has now registered 850 million users. To put that number into perspective, that's four times the population of Brazil (200 million), and over ten times the population of Germany (80 million). LinkedIn, Facebook's professional counterpart, has roughly 200 million users with around 44 percent of its user employed at a company of 10,000. It is primarily used as a method to keep in touch and broaden ones professional network and potential sponsor base. The arrival of the next most popular social media tool shortens language into brief 140 characters sentences, and now is a global platform for information sharing and conversation. Twitter has over 500 million registered users, but only 170 million active users.

According to the Pew Research Center's report titled *The Internet and American Life Project*, as of December 2012, approximately 67 percent of adults online used social networking sites, such as Twitter and Facebook, with the slight majority of users being women. If Monterey County follows statewide trends, within its population of 426,762, there is an Internet usage rate of almost 80 percent, whereas about 50 percent are on Facebook (Miniwatts Marketing Group, 2013). Of the Monterey County nonprofits surveyed in 2014, approximately 80 percent of the nonprofits surveyed have a Facebook account.

While the vast majority of Americans are online, the mediums that different demographics segments are drawn to can differ. For instance, 70 percent of Facebook users are 25-54 years old, 60 percent have some college, and 65 percent have an income that falls between \$25k-75k annually. The Facebook audience is almost identical to the Twitter audience, as its users are roughly the same age, income and education bracket. This is a slightly different audience from Tumblr where over 60 percent of users fall between ages 18 – 44 years, 60 percent of users have incomes of \$0k-50k, and 60 percent have some college education.

If Monterey County follows national trends, then its Hispanic Americans population has the highest usage of social media (Nielsen, 2012). Social media is used by 72 percent of Hispanic Americans, followed by 68 percent of African Americans, and 65 percent of Caucasians (Dopp, 2013). As Social Media becomes a common way to communicate with family, friends, organizations and businesses, it is becoming a vital platform for making information readily available to both English and Spanish speaking populations. The Latino

population continues to lead in the use of social media because of the Hispanic population's early adaption to smartphones, online videos and social networking (Romano, 2013).

Further, at least 50 percent of persons between 50 to 64 years old use social media, with that number rising to 77 percent of users between 30-49 years old, and 83 percent for users between 18 – 29 years of age (Dopp, 2013). The amount of education attainment tends to have little effect on how much social media is used, and those with income levels less than \$30,000 annually are among the highest social media users. Social media usage differs greatly between rural and urban residents. Approximately 70 percent of urban residents use social media in comparison to 61 percent of rural residents. Additionally, where cable network television used to be the best way to reach across demographics, the best method to reach adults between 18- 34 year olds is now YouTube (Cooper, 2013). According to Alexa, YouTube is the third most visited website online, and social media is now the most common thing we do on the Internet. The challenge now for organizations can be administering the right tool to reach one's target audiences.

Social Media, Fundraising and Sharing

In 2009 “unfriend” was added to the New Oxford American Dictionary. Social media is doing more than changing how we have conversations; it has also changed how we work. This multi-usage tool can be used for collaborative projects, connecting communities, distributing information and organizing events. For instance, the Monterey County Free Library (MCFL) issued a social media policy, whereas it allows for its current employees to utilize social media to promote two-way communication between the library users and the MCFL staff (Monterey County Free Library [MCFL], 2012). This tool is being utilized by many of Monterey County's non-profits as well.

According to our 2014 survey results, in Monterey County, 80 percent of nonprofits use Facebook and 25 percent use Twitter. The survey found that nonprofits view social media to be important for staying connected with their communities (80%), as a medium for publicizing announcements (79%), and to publicize or gather fundraising support (65%). It is also an important tool in increasing visibility of an organization, increasing community participation, and increasing the reach of a nonprofit's programs and services. Therefore it is not surprising that only a scant 15 percent of respondents do not use social media. Reaching out to constituents through social media has become an ingrained method through which most Monterey County nonprofits stay engaged with those they work with and for in the community.

In 2013, small nonprofit organizations showed the most growth in online giving, with one-third of overall charitable giving happening over the last three months of the year. In this way, online fundraising mirrors traditional fundraising with 34% of online giving occurring beginning in October and peaking in December. However, online donations currently only provide about 7% of overall fundraising, meaning online fundraising initiatives are not a stand-alone option for the majority of organizations (Barry, 2013).

The Blackbaud's Charitable Giving Report revealed that online giving grew by 13.5% in 2013, overall charitable giving only grew at 6.4% (Blackbaud, 2013) showing that individuals and organizations are getting more comfortable with providing donations through online and social media channels. Similarly in Monterey County, just 13 percent of nonprofits use social media/crowdsourcing tools for fundraising purposes. When asked how social media had impacted their organization, ten percent reported that it was a tool that

increased funding opportunities and eight percent said it increased the amount of funds received. Although email outreach is used by about 38 percent of our 2014 survey respondents, traditional methods of fundraising such as fundraising events, business partnerships, and membership fees still serve as fundraising staples.

In addition to helping to restructure how non-profits conduct their business, social media marketing is now being used by non-profits to deepen relationships and engagement with their constituents, as well as show their activities to current and potential sponsors and donors. Social Media is helping individuals and small groups self-organize around causes, allowing for NGOs to conduct virtual fundraising events over platforms such as Twestival (twestival.com) or utilize Facebook apps such as the Facebook Causes Birthday Application to raise money for NGOs. It also provides an open source medium by which NGOs can effectively share their story (Kanter, 2009).

Smartphones and Tablets

A Nielsen study published in 2012 shows that smartphone users are the reported majority among US cellphone users (Forhad, 2012). This is indicative of the changes in the way that most people access information, especially as browsing the Internet is now the most popular smartphone activity (Latif, 2012). In addition, the introduction of tablets to the US has become an alternative to using the personal computer (Evans 2012). Likely in Monterey County, as well as in most of America, communication is no longer limited to online access via laptop or PC. Increasingly people are using their smartphones and tablets for Internet browsing, social media, and occasionally to make calls (Latif, 2012). The Internet is also helping nonprofits better utilize online platforms like social media and apps to improve their impact. As an increasing larger base of people turn to mobile devices rather than computers, nonprofits are responding by broadening how they reach out to their audience and possible donors.

Some nonprofits are creating Mobile Applications that do just that. Software/Mobile Applications, commonly known as Apps, are mobile software programs created for use on mobile devices such as phones, tablets, etc. They are increasingly becoming popular tools not only for games, but also as educational and engagement tools. One local nonprofit that is well known nationwide for its App is the Monterey Bay Aquarium. The Monterey Bay Aquarium created the award-winning Seafood Watch iPhone App that allows users to look up a list of sustainable seafood (PRweb.com, 2010). It has even partnered up with Project FishMap to add an engagement feature into the app that rewards (via online badge) users as they visit sustainable seafood locations. The YMCA has also created an app called the YMCA finder (YFinder). As the YMCA has over 20 million members nationwide, its app is helpful in informing its members of not only how to locate the nearest YMCA, but also provides healthy eating and exercise advice (YMCA, 2014).

While the creation of an App may not work for every organization due to the costs of production, Monterey County will likely see an increasing number of Apps from its nonprofits. In fact, the YMCA and Monterey Bay Aquarium are not alone in utilizing apps; nearly 31% of all respondents to the 2014 survey use Software Applications (apps) to better deliver their services. As more and more residents turn to their phones and tablets rather than their computer, it will serve as an important tool in keeping in contact with and better serving the local community.

Big Data and other New Technology

The tools of the private sector such as Big Data, GIS, and the cloud are finding more common use in the nonprofit sector due to their ability to help drive decision making, assist with tracking nonprofits progress, and provide insight into the areas in which nonprofits are creating impact. Organizations are using mapping tools like GIS (Geographic Information Systems) as tools for planning, advocacy, management, and identifying their audience or their reach. GIS tools most frequently used by nonprofits to analyze data and create maps are Excel Geocoder, ArcGIS, and ArcExplorer (Spiker, 2011). The Monterey County Information Technology page offers GIS mapping that provides access to geographic information relevant to lands and properties within Monterey County (Monterey County IT, 2014). In addition, many facilities of Higher Education in Monterey County are offering courses in GIS, making expertise in the Monterey County accessible. Despite more widespread use of mapping tools, our 2014 survey revealed that Monterey County nonprofit organizations utilizing either available local expertise or the tool itself were low. Currently, only about four percent of local nonprofits, according to the survey, use GPS or GIS tracking.

Along with a rise in online tools available for nonprofits, the amount of data now available to organizations and companies has exploded. Big data – large pools of data that can be captured, aggregated, housed and analyzed is now a useful tool that can be found in every sector (Brown, Bughin, and Byers, 2011, page iv). Data analytics allows for those who are able to read, track and understand the stream from Pandora's Box to benefit in their decision-making. For example, there are 30 billion pieces of content shared on Facebook every month and 40 percent projected growth in global data generated per year that can be mined for useful information (Brown, Bughin, and Byers, 2011, page 7). While this area is still undiscovered for most nonprofits throughout Monterey County (only nine percent of our survey respondents use Big Data), data tracking is helping those who apply it to better understand their impact and reach.

Outside of using technology to improve reach and increase a non-profit's audience, technology is also helping nonprofits create more sophisticated and transparent financial records. A new array of financial tools that have cropped up over the last 10 years are helping organizations connect directly with their supporters and donors to make giving easier. Likewise, tools such as QuickBooks for nonprofits and Mint.com are providing tools to assist nonprofits in managing their books and their money, with many Monterey County nonprofits taking advantage of this. Nearly 3/4 of respondents to our survey said they used financial tools at their nonprofit. Financial software and hardware like the Square, a plastic device that plugs in smart phones or iPads, allows for these devices to become mobile credit/debit card swipe machines. Use is growing rapidly as it allows for nonprofits to process donations at events, at conferences, at a booth and beyond (Amen, 2011).

These financial tools are integral for enabling nonprofits to better manage their resources, just as marketing tools are now necessary for many Nonprofits to reach their audience. As organizations have become increasingly pressured to generate more of their own finances, they have responded by reaching out to wider audiences through building an online presence (Boeder, 2002, pg. 2). Now email marketing tools such as EMMA, MailChimp, and Constant Contact allow organizations to reach out to and stay in contact with vastly more groups and individuals than previously was possible. These tools often offer analytical features that allow

them to measure their effectiveness as well as help nonprofits track which posts and emails had or lacked impact. Further, free technology and software programs such as OpenOffice and Notepad++, utilized by 49 percent of our survey respondents, are helping nonprofits take charge of their finances and lower their technological overhead.

Within all the technological tools available, the perhaps most commonly used and least noted is the cloud. The cloud lets nonprofits operate out of the box or rather outside of the limitations of their Personal Computers. Online file-sharing services like Dropbox provide organizations a way to share, save, and modify files from various computers. In addition to providing nonprofits with hardware and software for free or at reduced pricing, a recent national trend has been to donate licensing to nonprofits as technology has moved to the “cloud” (Sullivan, 2012).

The cloud represents technology that is hosted remotely and accessible through an Internet connection, such as Gmail, the Google email service. A study conducted by NTEN found that the majority of nonprofits surveyed were already using Cloud software, but were largely unaware of it. In most cases cloud software utilized by nonprofits fell into three categories: staff email solutions, broadcast email, and office software. Nearly 80% of nonprofits that used one cloud tool were also using one or more additional cloud-based tools with main reasons for using the cloud being cited as ability to use “remote access” and “ease of maintenance” (NTEN, 2012, pg. 2). While some had misgivings about the security of cloud solutions, cloud solutions are typically no less secure than any other computer program connected to the Internet (NTEN, 2012, pg. 2).

For nonprofits in Monterey County, those organizations using Gmail, EMMA or Constant Contact (an email marketing services) as well Dropbox are already utilizing cloud technology. These tools will continue to serve as important platforms for Monterey County nonprofits looking to make use of new technology, especially as its new payment system can lower technology costs. Further, outside of financial considerations, cloud technology is useful for the way organizations currently operate. As many Monterey County nonprofits utilize a part-time staff and large volunteer bases that are not always present at the office, the ability to share information and work collectively from remote locations is vital to keeping operations moving smoothly.

According to The Nonprofit Times, operating one’s programs through the cloud not only cuts down on packaging waste, but also cuts out warehousing cost, shipping and handling, and can be instantaneously delivered. An additional difference between the old model of software and the emerging cloud model lies in the costs. Traditionally the expensive part of software and hardware has been installation, customization, implementation, and tech assistance. Cloud solutions often are less expensive in the beginning, but have long-term costs because you pay into perpetuity (Sullivan, 2012). However their constant lower payments can be more affordable for nonprofits. This transition to cloud systems can be easier for smaller organizations, rather

What is the Origin of the Cloud?

The cloud, the term, can find its origin in its techie roots. A cloud is a visual icon used in a network diagram to describe the Internet. In cloud computing, a large number of computers are connected through a network, such as branches are connected to a tree trunk. Generally speaking, however, any software accessed online can be considered cloud software.

than middle and large organization which may have already invested in on premise systems, and migration may take more time as bigger organizations have to apply the change over a series of departments and possibly branches (Sullivan, 2012).

Overall, as new developments in IT such as online software, mobile technology, and cloud solutions increase, our local nonprofits are finding new ways to adapt. Utilizing new media, e-commerce, and software and hardware tools is integral to allowing nonprofits to become more efficient, intensify cooperation and engagement, and take advantage of economies of scale (Boeder, 2002, pg. 2). While these tools do come with a learning curve, as technology usage becomes widespread among residents, nonprofits that can also use the same technology will be better positioned to keep connected with these communities and therefore will benefit in a myriad of ways that include higher engagement, more access to donors, and heavier impact.

Technology Overview

Unlike its neighboring technology giant Silicon Valley, the technology industry is only just emerging in Monterey County. The sector as it is developing is focused on providing technological services to the large local Hispanic community or for Film and the Arts. While a small and gradually emerging number of technology companies and organizations are finding themselves in Monterey County, the most drastic change is coming from within organizations across the nonprofit sector that are increasingly utilizing technology in their everyday operations, in engagement, and in fundraising purposes. It's clear from the survey that technology for nonprofits is an important medium for connecting Monterey County nonprofits with their constituencies, their donors, and their communities.

Particularly, the Internet and social media tools have had a transformative effect on how nonprofits fulfill their missions. As organizations have become increasingly pressured to generate more of their own finances, social media and online tools have become a powerful force in creating additional streams of funding for nonprofits, while social media marketing and outreach is oft utilized by non-profits to deepen relationships and engagement with their constituents.

Overall for a society that is becoming more tech savvy, there will be an increasing need for a workforce with a range of technical skills. This will be important for not only keeping tech jobs in Monterey County, it will also assist in drawing more of the tech market to the region. The ability to provide instructions, guidance and to utilize these tools internally will be equally vital for nonprofits, as the new economy calls for a skilled workforce able to navigate the world of computers, the cloud, and beyond.

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PESTLE – Legal

Nonprofits provide a voice in the democratic system. Some of the local and statewide policy issues taken up by Monterey County nonprofits include working to strengthen state and federal policies on marine protected areas, non-lead ammunition laws, extending foster care benefits and more. According to our 2014 survey, fifty-three percent of the local nonprofit community that engage in advocacy work use education and outreach as an advocacy platform, followed by a thirty-two percent that use participation in local, state and federal political meetings to have their voices heard. However engagement with the legislative system is impossible without an understanding of new trends and policy shifts within it.

Every year, a range of laws pass through Monterey County courts ranging from enforcing the availability of EBT systems at farmer's market to providing funding to expand mental health programs. Monterey County nonprofits are affected by both local, state and national legislation and legal happenings. As nonprofits operate within the broader legal context of the law, changes in the law can either directly affect nonprofits or those they serve. For that reason, this legal section will address the following areas: Environmental, Health, Nonprofit, Human Rights and Technological Advances. Laws in each of these following areas can greatly impact the economic and social atmosphere in which nonprofits operate in Monterey County.

Legal Issues – The Environment

There are a series of trends and historical precedents in California that have shaped Monterey County's legal regulation of the environment. This section will discuss not only key statewide legislation pertinent to Monterey County's environmental status, but will also look at some local cases.

The California Environmental Quality Act

California has been a visionary in creating protections and legislation in regards to the environment. In the United States there are just 59 national parks, whereas nine are located in California. California resident's attitude towards conservation coupled with key legislation has enabled it to protect tracts of undeveloped mountains, forests and seashore (Halper, 2013). This is evident in Monterey Bay a place long able to keep large areas of seashore, forest, and hills clear of construction.

A portion of this local beauty has been sustained and protected by national decisions. In 1970, Ronald Reagan signed the landmark environmental law, the California Environmental Quality Act (CEQA), making California one of the strictest nationwide. The law requires local and state agencies to identify all potential effects of public and private construction projects, whereas if found, the project must take the appropriate steps to mitigate or avoid them.

In 2013, Governor Jerry Brown began a push to weaken the law, stating that it was interfering with California progress. However, mounted against strong environmental nonprofits pressure and a lack of support from the Democratic Party, in 2013 only a small number of adjustments to the law were made (CLI, 2013). The changes came through the signing of SB 743, a bill designed to speed up construction of the proposed Sacramento

Kings arena. Consequently, a new metric for measuring the traffic impact of development projects was added to the California Environmental Quality Act (Kasler, 2013).

Overall, the fact that the CEQA remained largely intact was due to the support of nonprofits that continue to work to maintain California's high standards for environmental protections. In keeping with the sector across California, Monterey County's environmental organizations also have a strong presence. According to our 2014 survey, Monterey County environmental nonprofits are extremely active in this sphere with all but one environmental organization participating in political/law advocacy. In fact, environmental advocacy activity was among the top three foci of local nonprofits, along with fundraising and social issues.

Now with CEQA securely in place, the most current focus for legislators in regard to the environment, has been finding solutions to California's drought. In 2013, California saw the least amount of rainfall since its history of becoming a state in 1850 (Rogers, 2014). Monterey County, the third largest agricultural county in California, is continuing to feel the impact of the water shortage as the region deals with the driest period in its history.

Water Laws

In order to address both the social and economic ramification of water rationing and other water conservation solutions, Governor Jerry Brown has signed two drought relief bills into law. The bills allow for provisions for both housing and food to be available to residents directly impacted by extreme dry conditions, and for the award of \$1 million for the Save Our Water awareness campaign. It provides \$687 million to assist communities affected by drought, to educate communities on better use strategies for local water supplies, and to secure emergency drinking water supplies for drought-affected communities. It also supports the enforcement of standing water right laws, including applying penalties for those who illegally divert water during droughts (ABC Local, 2014). On a more local level, Monterey County, the Board of Supervisors and county Water Resources Agency board members are considering a project that uses recycled irrigation water for farm fields in the North County coastal area and are also looking at some long-term alternatives (Johnson, 2014).

Fracking and Land Conservation

Outside of water issues, Monterey County is working to protect and conserve its lands from fracking. In 2012, the National Environmental Policy Act was used in a local case to protect 2,500 acres in South Monterey County (near the Salinas River Valley) from fracking. The ruling by U.S Magistrate Judge Paul Grewal declared that the U.S Bureau of Land Management violated a key environmental law when they auctioned off the rights to drill for oil and gas "fracking" on Monterey County Public lands.

The ruling delivered the first court opinion in the nation finding a federal lease sale invalid due to the failure to address the unique risks to air, water, wildlife and potential human health in fracking (Hennessey, 2013). While the ruling only directly addressed the fate of 2,500 acres of the 19,500 acres lease sold in 2011, which included tracks of land utilized by cattle ranchers and vineyard farmers, roughly four weeks after the ruling filed by the Center for Biological Diversity and the Sierra Club, the Bureau of Land Management postponed all California oil and gas lease sales (Cummings, 2013). The postponement that is likely long term, not only protects land from fracking, but also stops fracking from interfering on land currently being utilized by farmers whom already rely on tight water supplies to irrigate their

pastures and vineyards (Hennessey, 2013). This ruling was fueled by the support of national and local nonprofits. It indicative of the influence and strength of environmental organizations in the area, but also provide deep insight into how changing environmental laws and happenings can affect agriculture, the economy, and residents rights in Monterey County.

Pesticides in Monterey County

In another area linked to agriculture and water, Monterey County is seeing the revitalization of cases pertaining to pesticides. A big environmental issue in a region where the economy is based on agriculture, pesticides have the ability to not only harm those working directly in the field, but also those in proximity to these workers or the fields themselves. Recently, an old case has brought this back to the forefront of conversation in Monterey County.

In 1999, a Salinas-based attorney Michael Meuter helped Angelita C. sue the U.S. Environmental Protection Agency (EPA). Her case looked into California pesticide records showing Latinos are exposed to disproportionately high levels. Following the investigation, the California Department of Pesticide Regulation (DPR) officials voluntarily implemented tougher regulations (Rubin, 2013). These changes in regulations brought DPR to expand its air monitoring for pesticides to cover areas such as Salinas and Watsonville.

While some progress was made in providing protection to those potentially exposed by pesticides, lingering gaps lead to the case being reopened. In 2011, the EPA made an agreement with DPR to move more aggressively in this area, as well as to protect and advance civil rights of those affected. The 2013 case is calling upon Title VI of the 1964 U.S. Civil Rights Act, a law that prohibits using tax payer funds for racial discrimination. The recent case hopes to use Title VI to provide a larger buffer zone and tougher restrictions on pesticides from children in public schools in close proximity to agricultural regions. At present, 82 percent of the students in 21 public schools within a 1.5 radius of the most heavily fumigated areas are non-white. Half of these students live in Monterey County (Rubin, 2013).

While the verdict of this case has not yet been decided, once made, it is conceivable that it will have repercussions that reverberate throughout Monterey County, especially as pesticide fears and actual affects continue to go largely unaddressed. The attention on this case and similar cases are usually tri-fold, as they focus on both immigrant and labor rights, inequality, and lack of pesticide protection. If this case fails to gain traction, or if there is a lack of collective voice on this issue, the negative effects will likely include bad press for the county and more importantly an increasingly unhealthy population and work force. It is likely that local nonprofits will continue to step into this conversation, as the issue of pesticide exposure is both a pressing environmental and social problem.

Cap and Trade in Monterey County

Lastly, California hopes to move more aggressively towards meeting its goal of its Cap-and-Trade program, also known as the AB 32 Scoping Plan, which requires an 80% reduction in greenhouse gas from 1990 levels by 2050. The law that took effect in 2012 will see enforceable compliance beginning this year in 2014 (CEPA, 2014). California has the only Cap-and-Trade tax in the nation. The law was enacted by California to address and reduce greenhouse gas (GHG) emissions that cause climate change (Ride, 2012). As a model for the country on how to apply Cap-and-Trade, the state and local government will feel pressure to

place emphasis on its Cap-and-Trade tax and compliance. In what shape or form, is yet to be seen. Nevertheless, it's likely that organizations and companies will be called to task more on how they use energy.

Legal Issues - Health Legislation

By 2014 eight million Americans had signed up for Health Care that President Barack Obama signed into law. California became the first state to create an Affordable Insurance Marketplace under the Affordable Care Act called Covered California in 2010 (Covered California, 2014).

Nationwide, the Affordable Health Care Act that began registering individuals for subsidized healthcare and expanding Medicaid in 2013, went into effect in 2014. This new policy has been one of the largest sweeping reforms in contemporary health care, and could potentially take some pressure off nonprofits that operate in the area of health care provision, especially those serving households and individuals in the lowest income bracket (Rosenthal 2012).

A quick overview of California enrollment in 2014 shows a sign-up of almost 1.4 million people for the Covered California health care plan in which the Latino communities were especially targeted. In addition, nearly 2 million Californians signed up for Medi-Cal, the state health care program for the very poor (Seipel, 2014). According to the demographic information released by the White House, about 35 percent of enrollees (across the nation) are under the age of 35, and in California, young adults between 18 and 34 made up 29 percent of enrollees. The Latino population constituted 28 percent of California's total enrollment. Furthermore, in California, approximately 88 percent of enrollees are eligible for financial subsidies to help cover the cost of health care premiums (Seipel, 2014). This could potentially play an important role in reducing the number of emergency care admissions from those in the lower economic brackets, as well as be helpful in supporting the middle class.

In fact, one of the objectives of the new healthcare law was to reach these poorest households who could not afford healthcare insurance prior, as well as those who are disadvantaged in ways that prevented them from paying for basic health care, i.e. those individuals that had pre-existing conditions. The next five years will be a critical timeframe in which to examine whether the new government legislation will help improve healthcare into the future. In the interim, nonprofits may still be called upon to fill in the gaps while the policy is solidified.

Another area, in which nonprofits are touched by this new health law, is in insurance. Sign-ups for nonprofit providers of insurance continue to lag behind major insurers in offering insurance plans on California's health care exchange throughout California. In most cases, community nonprofits and co-op insurers suffer from lack of brand recognition, and some struggle to offer prices comparable to big insurance companies although one of the goals of the Affordable Care Act was to drive down costs by increasing competition (CBS SF, 2014).

These types of nonprofits account for less than 5 percent of state enrollments (by end of February 2014), but can offer specialized care and services not seen in bigger insurance providers. For instance, San Francisco based Chinese Community Health Plan offers plans that appeal to the city's Chinese-speaking popular with information in-language and it provides familiar health centers in its network. Some co-ops and nonprofits are doing well however, and are changing their model to accommodate the larger scale in which they find themselves operating after the sign-ups (CBS SF, 2014). In summary, for nonprofit insurance

providers that exist in Monterey County, without proper marketing and outreach, they will likely see their customer base moving to bigger nationwide insurance providers.

In one last area of health law which affects Monterey County's bi-lingual and non-English speaking population, a 2013 law titled SB 353 requires health plans and health insurers that market or advertise their products in a language other than English to also provide translated coverage materials, if existing laws do not already require it (Klinger, 2013). This law will no doubt take pressure off of nonprofits providing translation materials concerning medical policies and health insurance. Instead their roles may move to making sure their constituencies know that this new policy exists and how to find the information on websites or otherwise.

Legal Issues - Nonprofits Legislation

Nonprofits are affected by various state and federal legislation. This section will look at how nonprofits are impacted by Form 990, the state budget, as well as changes to law pertaining to the criminal system and immigration.

The Changing role of Form 990

The nonprofit sector in the United States predates the formation of the republic. Nonprofits have long been viewed as an important tool in ensuring that entities important to the populations remain in place such as hospitals, fire departments, orphanages, and more (Arnsberger, Ludlum, and Riley, 2008). Before the start of the 20th century, likely around 1894, nonprofits were first granted tax-exempt status. Today, decades after the original tax-exempt organization was created, nonprofits now operate under a series of legislative acts outlined in federal law, whereas nonprofit status is obtained through meeting a series of legal requirements that include filing of Form 990 which enable them to retain tax-exempt status (Flaherty, 1996, pg. 4).

The two major points in recent history that have had an effect on Monterey County occurred in 2008 and 2011. In 2008, the downturn of the economy affected nonprofits through reduced donations, leading to nonprofits downsizing their staff, freezing hiring, while outside their doors the need for nonprofits increased (Lovely, 2010). The IRS in that year announced its three-year initiative that allowed for many organizations not eligible to file Form 990-EZ in 2007, to be able to file either Form 990-EZ or Form 990 in 2008 (IRS, 2008). With the three-year transitional policy in place small tax-exempt organizations with an annual gross receipt less than \$25,000 were required to file an electronic notice annually (Form 990-N) (Nonprofit Expert, 2014). Many charities capitalized on the three-year transitional window the IRS offered to small organizations (organizations with gross receipts of \$25,000-\$1 million) to file Form 990-EZ rather than Form 990.

Between 2008 and 2010, the IRS incrementally lowered the gross receipt threshold effectively broadening the amount of tax-exempt organizations required to file Form 990 or 990-EZ (Nonprofit Expert, 2014). That same year, the IRS also ramped up efforts to determine whether tax-exempt organizations and businesses were correctly complying with employment tax laws (Godard, 2012). This increased attention caused some nonprofits to lose their tax-exempt status.

In 2011, state budget woes coupled with a nonprofit crackdown lead to a growing number of nonprofit groups being denied their former property tax exemption status. Throughout California, county assessors were given the tasks of determining if property owned by nonprofits was being utilized to benefit residents of the community and state (Strom, 2011). The Internal Revenue Service (IRS) decided to again apply a greater level of scrutiny on nonprofits, as it looked into whether they paid sufficient employment taxes and also took a harder look at federal form admissions, especially Form 990 cases, and delivered monetary penalties to organizations that did not provide correct reports. It also terminated, revoked, or proposed revoking the tax-exempt status of groups that failed to show proof of charitable service (Frazier, 2011).

Legally nonprofits are both governed by the broader national laws, in addition to, state laws. As Monterey County falls under California's jurisdiction it follows the Nonprofit Corporation Act of California (Bennett, 2014). Thus organizations that fail to file information returns such as Form 990 and 990-EZ for three consecutive years will automatically lose their tax-exempt status (Nonprofit Expert, 2014). This combination created a fall in organizations filing Form 990 and a decreased number of tax-exempt organizations in Monterey County.

Form 990 for the foreseeable future will continue to have an impact on nonprofits and their ability to receive tax-exempt status. The new Form 990 requires organizations to list detailed information concerning governance policies, executive compensation. As an emphasis on transparency comes to light, it is also increasingly becoming an important vehicle for nonprofits in communicating responsible governance practices internally and to the external community (Giannini, 2011). The change allows an organization to use Form 990 to promote their image and their benefits to both their local community and a broader national audience.

Laws Related to Nonprofit Operations and Fundraising

The California state budget proposed in 2013 showed marked improvements in the state's financial resources, as state leadership showed signs of potentially loosening state spending. Budgets in the past involved high deficits and called for reductions in various services and social programs, tax increases, and borrowing. The budget of 2013, in contrast, included a 5.0% growth in expenditures while maintaining a \$1.0 billion reserve.

Recovery at the state level, as well as the recent voter approval of Proposition 30, a proposition to raise tax rates on higher-income earners in the state and temporarily increase the state sales tax by a quarter of a cent to fund public education from elementary to college levels, contributed to a less constrained budget (Monterey County Board of Supervisors, 2013). The surplus will allow for California to increase spending by 8.5 percent, as well potentially pay off state debt, deferred payments to schools, and the recovery bonds issued by former Governor Arnold Schwarzenegger (Medina, 2013). While the current proposal does not include restoring program cuts, it would provide some important additional funds to educational facilities.

The California budget that includes Proposition 98 funding (also known as the Classroom Instructional Improvement and Accountability Act) will see an increase of \$6 billion over the 2013 Budget Act level to California schools, and an increase of \$1.1 billion to higher education institutes. In 2014-15, the Middle Class Scholarship program will phase in, providing an offset to a percentage of tuition and fee costs for CSU and UC students with

incomes under \$150,000, and there will be an added focus on providing community colleges with more funding (State of California, 2014).

The education component is vital for helping Monterey County keep up with the trend of providing a more skilled workforce that is able to adapt to the changing economy. As the region transitions into an area where more tech skills and technical knowledge will be needed, Monterey County will need more skilled workers. For nonprofits, this increased emphasis in education means that nonprofits will continue to be the gatekeepers who make their constituents aware of coming and available opportunities. In addition, for those in the middle and lower income strata, this change in educational access allowing for more education to be within reach financially, will likely increase the number of students from Monterey County who will receive community college and college level education.

Higher levels of government operating funds can have substantial effects on nonprofits. Nonprofits typically sustain their operations through receiving charitable gifts and donations, which is why Monterey County nonprofits are involved with advocacy activities surrounding fundraising. The issues supported by local nonprofits range from supporting increased funding for senior programs to following state laws concerning charitable giving according to the 2013 survey.

Additionally, these organizations also seek government grants and assistance through programs that match funds and allow for subsidized funding and resources through government partnerships. Government recognizes that nonprofits often have an advantage in their capacity to provide services and resources to constituents; therefore government can allot such grants & public funding as a means of investing in a community as a whole.

New Laws

Some of the new bills passing through the California legislation include “AB 491: Corporations Bylaws – Emergency Powers,” which would authorize corporations in California, including nonprofits, to adopt emergency powers and bylaws allowing them to operate and govern themselves even during disasters, catastrophes, and emergencies. Signed by the California Governor, the bill has been supported because it acknowledges the crucial role nonprofits play in helping to address and respond to emergencies. The law enables nonprofits to operate effectively during disasters while remaining in compliance with related California laws (CalNonprofits, 2013, page 1).

Another series of new bills allow individuals to connect with nonprofits through their tax returns. AB 511 American Red Cross, California Chapters Fund, AB 754 California Beach and Coastal Enhancement Account, and SB 571 Arts for Kids Fund bills signed into law enable individuals to donate to select nonprofits via their tax returns. Bill AB 511 allows for individuals making donations via tax returns to give to either American Red Cross or California Chapters Fund. In the case of bill AB 754, organizations that preserve, protect, or enhance coastal resource can receive grants sourced from the donations that individuals gave via their tax returns (CalNonprofits, 2013, page 2). The last of this trio, SB 571 would allow individuals to make donations to the Arts for Kids fund, which is allocated to the Arts Council for grants (CalNonprofits, 2013, page 2).

Overall this collection of bills that are also available in other states may be indicative of future bills that may make it easier for non-profits to receive donations via tax returns. While

it unlikely that all not-for-profits will be able to benefit from this new laws, some organizations are better positioned than others to be on the tax return form. As a result, funding for many nonprofits will likely change in the future (CalNonprofits, 2013, page 1).

Another bill, AB 594 Continued Authority for Nonprofit Operation of State Parks, signed by the Governor in 2013 supports the joint operation of state parks in conjunction with the State Parks Department (CalNonprofits, 2013, page 2). This law acknowledges that there are already four state parks co-run by nonprofits, and allows State Parks department to enter into an operating agreement with nonprofits and others to operate parks even in instances when they are not scheduled to be closed due to state budget cuts (CalNonprofits, 2013, page 2). Since Monterey County has the following four national parks -- Los Padres National Forest, Pinnacles National Monument, Salinas River National Refuge, and Arroyo Seco Recreation area -- this region will potentially see more joint partnerships in the future with the introduction of this law.

Fundraising bill, SB 777: Allow December Sales of Fireworks by Nonprofits has been verified and is now a 2-year bill which allows for fireworks to be sold from December 26th to December 31st. According to this bill, the lucrative selling of fireworks that can on average gross over \$70 million annually is only legal for nonprofits to sell during a period of one week in July. As fireworks can be dangerous, nonprofits are provided with several provisions to ensure and enhance the safety of the public, while also allowing the mostly volunteer and small-staffed nonprofits the ability to significantly increase their revenue through the selling of fireworks (CalNonprofits, 2013, pg. 3). This bill supported by some of the Monterey County's nonprofits and survey respondents will be helpful in sourcing important funds for those involved.

Legal Issues - Human Rights Legislation

New legislation relating to wages, discrimination, immigration status, and more can have ripple effects through a community. Particularly in vulnerable communities, policies can increase or decrease the demand for services offered by the nonprofit sector. Therefore this section will discuss a series of recent legislative initiatives that will likely affect some of the core groups that Monterey County Nonprofits serve.

Monterey County Wages

In Monterey County wages are 17% lower than other California counties, but the costs of living are higher (City-Data.com, 2012, pg. 5). A shocking 18% - 25% of Monterey County resident's household incomes fall below the poverty line (depending on where they live in the county), (National Economic Development and Law Center [NEDLC], 1999, pg. 13). In order to fill in the gaps, residents depend on nonprofits for support, as well as work longer hours or multiple jobs to try to make ends meet. Further, welfare reform and the increase of low-wage jobs in Monterey County dramatically exacerbates the problem, as low wages are not a good mix with expensive childcare (The Economic Impact of Child Care in Monterey County, 2003). This is an area where nonprofits can continue to play an important role in affecting the community and filling the needs gap, although the overarching problem lays in low-wage jobs in the County.

A new law, however, may be easing that burden. AB 10 increases California's current minimum wage from \$8 per hour to \$9 for 2014, and then up an additional \$1 increment (to

\$10 per hour) by 2016. This law triggers the first minimum wage increase in five years. While there will be exception for tipped employees, some student workers, and some other exempt cases, all waged workers will benefit (Klinger, 2013). This statewide wage increase will help loosen up the budget of wage-earning Monterey County residents bringing their annual income up to \$16,430 in 2014 and \$18,065 in 2016 from the former annual income of \$14,718 (\$8 an hour). For wage earners, some may decrease their use of certain external resources; however there will likely not be a major pull away from the resources that nonprofits provide. Additionally, as non-wage earners will not benefit from this law and part-time workers will only partially benefit, many will continue to need the support of nonprofits. Additionally, for the illegal immigrant community, the direct benefits will be few if any.

Immigration Legislation

There are presently sets of new laws that grant illegal immigrants a series of protections from being reported or threatened by their employers that will affect Monterey County's illegal immigrant community. AB 263 protects employees asserting their rights from retaliation by their employer (prohibiting unlawful discharge and discrimination). This law also prohibits an employer from threatening to contact immigration authorities if an employee complains they are paid below minimum wage (CEPhr, 2014). AB 524 builds on this law as it states that if an employer reports or threatens to report an employee's immigration status or that of his/hers family member(s), s/he can be charged with criminal extortion (CEPhr, 2014). The penalties for threatening or reporting the immigration status of a current or former employee (or his/her family members) because the (former/recent) employee made a complaint about employment issues allows for an employer's business license to be suspended or revoked according to AB 666 (CEPhr, 2014). As these laws are relatively new, and may change the focus of police officers from deportation to protection, there will likely be an important role for nonprofits to play watchdog, as well as to inform those they serve that these laws are in place.

This year, there has also been a broadening of laws regarding physical labor and breaks. SB 435 expands on the current meal and rest break law that allows for employees to be given a "recovery" period so they can be protected from heat illness. An employer can no longer require an employee to "work through" the recovery period. It is legally acceptable for the recovery period to range from 5 minutes to as much time as needed. This is commonly applicable to employees working outdoors (CEPhr, 2014). For the vast number of residents in Monterey County that work in agriculture, laws like this offer protection or at least break periods for those performing strenuous labor. For nonprofits, this law serves as an indication that the rights of those who work in physically demanding jobs will be granted the time necessary to recover from illness or injury, or that those laws will emerge. For those fighting to ensure the rights for those working in agriculture these laws will be important to supervise. This is potentially an area where nonprofits can play an important role in supporting the community and filling the information gap.

Additional laws recently placed on the books to protect illegal residents include: AB 35, which specifies that only attorneys, consultants, and notaries public and organizations accredited by the U.S. Board of Immigration Appeals can charge a fee for services associated with filing an application under the deferred action program (Klinger, 2013); and AB 1024 that allows for illegal residents to practice law in California (Klinger, 2013).

Expanded rights for Residents

Other areas of law that will affect Monterey County residents and nonprofits include expanded rights for transgendered students. California has become an early state to grant the right of choice to transgendered students in this controversial law. AB 1266 allows for transgendered students in public schools to choose which restroom they use, and whether to participate in boy or girl sports (Klinger, 2013).

Further, as Monterey County is home to over 22,000 veterans as well as several educational facilities which bring and keep large veteran student populations to the area. A new bill in 2013, AB 556, which pertains to those holding “military and veteran status”, protects this group from employment discrimination under the Fair Employment and Housing Act. It will also exempt veterans from inquiries by an employer on the military or veteran status while continuing to award veteran’s preference as permitted by law. Others protected under this umbrella includes race, religious creed, national origin, medical condition, sexual orientation, gender, age, etc., (Klinger, 2013).

Changes to the criminal system in Monterey County

While California is seen as a pioneer for its environmental laws and in many of the above areas, the Three Strikes Law has been considered controversial in its application. California has a high incarceration rate, with one in four inmates in California serving a second or third strike sentence. Two recent laws are changing how California and Monterey County are arresting, imprisoning, and treating criminal activity. The first is the realignment law created to lower the prison population by delivering shorter jail terms or alternative measures to non-serious, non-violent, and non-sexual felonies. The second law is the Three Strikes Reform Act.

In 2012, proposition 36 which is also known as the Three Strikes Reform Act, once enacted removed the condition that a third strike would automatically deliver the offender with a 25-years-to-life sentence. Proposition 36 applies to offenders who’s third strike is neither “serious” or a “violent” felony, and allows for people sentenced under the old Three Strikes law to petition for a reduced term (Shouse California Law Group, 2014).

Since the law went into effect, Monterey County has seen prison admission rates fall by 33 percent although its adult incarceration numbers still remain among the highest in the state, ranking fourth for prison admissions compared to felony arrests in the nation. In Monterey County, people arrested for felonies are 4.6 times more likely to go to state prison, rather than if they were arrested in San Francisco (Reynolds, 2013). Any decline that Monterey County will see in incarcerations means there will be a need for supplemental access to job training for adult women and men who are now less likely to cycle through the prison system.

This issue also extends to local youth. While Monterey County has seen a decline in youth arrests, incarcerations remain relatively high. In 2010, Monterey County had the third-highest rate in the state for minors serving time in state youth facilities (also known as juvenile prisons). Among California’s larger counties, including those that encompass Los Angeles and San Francisco, Monterey’s rate of sending youth to state facilities was the highest – almost triple the state average (Reynolds, 2012). Through fuller application of these laws and the support of youth and crime reduction focused nonprofits, Monterey County can continue

to lower its youth arrests, create more traction on lowering youth incarcerations, and continue to develop more opportunities for its young people.

Legal Issues – Technology Law

Technology is changing the landscape of how companies and nonprofits operate and communicate. The 2014 survey revealed that 92 percent of Monterey County nonprofits utilize an organizational website and that approximately 80 percent manage a Facebook account. This is reflective of the important role that these tools play in helping nonprofits stay connected to their constituents. However, in doing so, it is vital to understand the legal implications of these tools because the technology is still relatively new.

As technology evolves legislation is changing to adapt to safeguard both individual and company level protections. This section therefore will discuss some of the legal implications of changing technology and technology usage as well as some of the legal issues behind commonly used technology, particularly related to the Internet and computers, smart phones, and tablets.

Communications and Marketing

Nonprofit branding, acronyms, logos and slogans are helping nonprofit organizations solidify their identity in the same way that companies do. As branding and marketing become more ingrained in nonprofit promotions of its services, trademark disputes have become more common, especially claims related to the web. A particular area that is seeing more lawsuits initiated from nonprofits and towards nonprofits is in the realm of marketing and fundraising.

While raising money for similar causes, arguments are erupting over the use of similarities concerning font, logos, design, slogans and other branding components (Marks, 2010). Organizations that rely on their brand are now more likely to pursue look-alikes, stating that brand confusion can cost an organization sizable donations. An example is a lawsuit brought up by Wounded Warriors Project against Wounded Warriors Inc. The lawsuit has resulted in an ongoing legal battle stretched over three years, the claim being that Wounded Warrior Project lost millions in donations when individuals mistakenly gave donations to Wounded Warriors Inc., (Marks, 2010). Clarity in identity can make the difference in whether an individual is giving a donation to Wounded Warrior Project or Wounded Warrior Inc., especially in cases of disputes over lost donations (Tenenbaum, 2011, pg. 4).

In today's court, an organization found guilty of inappropriately using someone else's trademark online could draw charges amounting to \$100,000 per infringement. Additionally, if a patented idea appears on an organizations website from another company or nonprofit, damages could be up to three times the amount of profits made by the site. Nonprofits are responding by acquiring liability insurance coverage, and seeing higher policy limits. In a nonprofit world where branding and marketing laws are becoming more integral to finding and securing sources of funding, this is one area that organizations should be developing a keen awareness of their brands, how to safeguard it, and how to use other brands, logos and trademarks of other organizations appropriately (Schall, 2003).

Another area where organizations are coming under closer scrutiny is when participating in cause-related marketing (Jdsupra, 2012). Legally, organizations that establish these commercial co-ventures (i.e., enter into a cause marketing campaign) with a business entity,

are bound according to the Better Business Bureau Standards, to clearly disclose how the charity benefits from the sales campaign, the actual or anticipated portion of the purchase that will benefit the charity/charitable purpose, the time-duration of the campaign, and any minimum or maximum contribution amount. Both the charity (or nonprofit) as well as the business entity participating in the joint sales campaign must be in compliance of the law. In most regulating states, a contract between both parties is required, which outlines required terms and legal protections (Tenenbaum, 2011).

Twenty-seven states have commercial co-venturer defined in their solicitation laws, with 11 states, including California, requiring registration or reporting. California also requires commercial co-venturers to have written contracts in place with the charity whereas the company transfers all assets raised for the charity every 90 days through the term of the campaign. Those who do not abide by this must pay an additional fee of \$350 and complete a registration to the Attorney General in lieu of the contract (Lackritz, 2012).

For nonprofits that are developing their brand and participating in cause and other types of marketing, it is going to be increasingly vital for an organization to understand the laws surrounding proper conduct, as nonprofits will become more vulnerable to liability as legislation becomes solidly outlined. While in the past it was more common to see in the private sector, as nonprofits enter an aggressive marketplace because the economy has not completely recovered, maintaining brand clarity will be tied to the financial health of a company, and therefore more assertively protected.

According to Venable LLC, commercial co-venturer is defined as an arrangement between a charity and commercial entity under which the commercial entity advertises in a sales or marketing campaign that the purchase or use of its good or services will benefit a charity/charitable purpose (Tenenbaum, 2011).

Legal Risks of Social Media

The legal risks of using social media, along with other areas of the Internet are still developing as legislation is catching up with the ways that social media can affect individuals, companies, and nonprofits' image, monetary value, and reputation. Much as social media has entered the mainstream, the ramifications for using it are just beginning to be outlined under a legal lens.

The National Labor Relations Act, a foundational statute that guarantees basic labor rights, is seeing a raising number of issues arise concerning employees conduct via Facebook and other social media. The main claims center around the following topics: safeguards against intellectual property theft or misuse, defamation, harassment (cyber-bulling, etc.), compliance to political campaign restrictions, charitable solicitations, and keeping confidential information uncompromised.

Social network posts are generally discoverable and admissible in litigation, and can be recalled on the witness stand. All laws that apply for the “real world,” also apply in the virtual world. In the case of harassment/cyber-bullying, current law can hold employers and supervisors liable for harassment conducted on social media that is directed at employees. Actions taken by an organization’s employees can adversely affect and be held against the organization as personal and professional life can blur on social media platforms (Liu, 2011).

The rules on charitable solicitations are also static and affirm that if an organization asks for charitable donations online it must also be prudent in following California nonprofits laws (Liu, 2011). Nonprofits should also be prudent in expressing their political opinions. The same laws that hold organizations to compliance on political campaign restrictions, also concern their opinion expressed on social media. Due to the above laws, nonprofits have to become savvier in understanding what conduct is necessary to stay on social media and out of the courts.

These same laws follow employees into their personal time. In cases where employees are writing their own opinions on a topic that relates to the field of their employer in an employee’s personal blog, posts, and otherwise, the employees should distinguish their views from the employer. An example is, “*The opinions expressed on this blog are my opinion and do not reflect the views of my employer,*” (Liu, 2011). Additionally, employers can be held liable for disclosing confidential information on social media, such as in the New York case where a patient is suing a clinic because a clinic employee intentionally disclosed the patient’s confidential health information (Smith, 2013).

As social media behavior falls more commonly under the scrutiny of the law, a prominent trend is in nonprofits creating their own internal social media policies to make sure their staff and volunteers understand appropriate social media conduct (Liu, 2011). A local example is the Monterey County Free Libraries memorandum on its social media policy. Writing these employment policies are useful guides for clarifying organizational beliefs and employee conduct, however, organizations must be careful to respect personal freedoms and avoid underwriting policies that could constitute unfair labor practices (Jdsupra, 2011).

As social media continues to serve as a mainstay method to communicate as well as to promote and educate, the medium will increasingly be held to higher societal and legal standards of conduct. Overall, trends in technology law show that organizations that are aware of pertinent legislation on social media usage are less susceptible to using social media inappropriately and are better able to protect themselves against liability.

Many nonprofits have seen growth in the collection of online donations. According to new legislation, donations from a donor’s phone via text message now meets the Sec. 170(1)(17) requirement of a reliable written record if it contains the organization’s name, date and amount of contribution. (This note is listed as an Amendment to Appendix K), (Singletary, 2012). Beyond how nonprofits are fundraising, nonprofits are seeing an increased scrutiny placed on who and how they market and brand themselves.

One last piece of important social media legislation concerns adolescents. SB 568 California Internet Eraser Law addresses minors and the Internet. According to the law that goes into effect in January 2015, operators of internet web sites, online services, online applications, mobile applications are prohibited from marketing or advertising specified types of services and products to minors. Operators are prohibited from knowingly using, compiling, or disclosing personal information of a minor or allowing for a third party to do the same. It also requires that an operator obey requests from a minor (and registered user of the operators website) asking to remove and/or obtain materials posted on the operators website by the minor (Klinger, 2013).

Enter the Cloud

While technical legislation lags behind technology innovation, legislation and legal organizations are working to provide nonprofits with the information they need to best utilize new software, hardware and cloud technology within the current boundaries of the law. A prominent emerging technology that is transforming how and where nonprofits work is the Cloud.

There are three ways organizations are utilizing the cloud. The first, Infrastructure as a Service (IaaS) delivers information technology infrastructure assets that include computing storage and power. Platform as a Service (PaaS), is the second type, it provides a computing platform with capabilities that can include database management, workflow management and security. PaaS allows end users to develop and execute their individual applications. Last, Software as a Service (SaaS), provides software applications on a remotely accessible basis, and is the most widely used type of Cloud technology.

The cloud is gaining momentum as it provides an alternative operating system for nonprofits whereas they can escape the traditional need to invest in computer software and hardware resources. Cloud technology allows for organizations to reduce their technology infrastructure, personnel, and software licensing costs (Zottola, 2012). However the benefits come with their own set of risks (Godard, 2012). These legal risks are varied, and fall into the following categories:

- Payment Structure

Unlike the traditional payment system with hardware and software, the payment for cloud solutions differs in fee structure, term length and available warranties.

- User Experience and Security

Information security and privacy law concerns will increase with cloud usage, especially when it comes to the need to have ownership and privacy concerning an organization's data

Payment Structure

An important element is checking whether the cloud provider holds insurance that would cover organizational interruption caused by vendor failure. This good measure is in keeping with what organizations should do when choosing a web host for their website, when installing new software, or changing its operation systems. (Zottola, 2012)

and materials (Zottola, 2012). Therefore these terms should be discussed upfront before making the decision to utilize a cloud technology.

- **Contract Flexibility**

Many cloud solution agreements provide limited negotiability, which means to gain a mutually beneficial contract, as service level agreements vary, some offers can be inadequate or inflexible. This means that greater emphasis should be placed on the pre-negotiation analysis (Zottola, 2012).

Additionally, existing laws, governance policies, and models have not kept up with technological advancements that leave the contract the only means for dispute resolution (Zottola, 2012). Therefore organizations should be cognizant of regulatory compliance laws that still apply to cloud providers, in particular for organizations that deal with health, financial, education, children's data.

Legal Overview

Overall the legal sphere that nonprofits and society must navigate these days is multifaceted and requires constant review. The voice that nonprofits provide within the democratic system is an important one, but also is supported with an organization that has an understanding of its economic, social and legal environment. Crime, immigration, discrimination, and other social issues do not occur in a bubble. The environment in which Monterey County citizens live is as important as its major players, its nonprofits, and the organizations that support it. Without the support of nonprofits crucial new legislation such as break rights and declining youth incarceration will not occur at the same rates or be implemented at the same level. At present, both California's and Monterey County's environmental legislations are linked. As long as nonprofits continue to show a commitment to environmental advocacy, it will continue to be a priority for the state and county alike.

Further, while it clear, that new online, mobile, software, and cloud tools are helping nonprofits and their constituents better stay in touch, it is equally important that nonprofits understand the new rules of using these tools. As technological, fiduciary, environmental and other legislative changes come into effect, the organizations with a better understanding of their legal environment will better be able to utilize new legislation. Greater understanding will help them to become stronger organizations as well as be better equipped to protect themselves against liability.

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PESTLE – Environment

Climate Change presents a series of unprecedented challenges likely unparalleled in our modern history. The Environment is arguably Monterey County's most important economic pillar. Due to Monterey County's dependence on its natural resources and agriculture sector, climate change poses a series of risks and challenges to the economic and social stability of the county. This section will discuss the main issues effecting the environment in Monterey County, as well as map out what to expect over the upcoming years.

Agriculture

Monterey County is the third largest agriculture county in California. According to the California Employment Development Department Current Employment Statistics report of 2010, over 27% of all Monterey Employees work in an environmental related field (from agriculture to logging) (Monterey County [MC], 2010, pg 1). The agriculture sector alone generates 70,000 jobs for the County, whereas one in five of every resident is employed directly or indirectly in the local agricultural sector (Agricultural Commissioner's Office [ACO], 2011, pg. 5).

Collectively, the Agriculture sector contributes over \$8 billion to the local economy (ACO, 2011, pg. 5). About \$5 billion from the agricultural sector is in direct economic output representative of almost 20% of the county's total economic output, making agriculture the county's single largest economic sector by far. Along with providing economic output, the agricultural sector also brings over \$100 million in indirect business tax payments to the county every year. Forecasts suggest that this sector will continue to grow just as it has over the last five years. As it grows it will continue to provide stable jobs and the greatest output of new jobs (MC, 2010, pg. 2).

The farms of Monterey County provide produce and livestock for all 50 states as well as 26 countries. The agricultural jobs are mainly stationed in Salinas Valley, whereas about 79% of the agriculture workers are employed, and it serves as the location for roughly 70% of food and wine processed and produced in Monterey County (ACO, 2011, pg. 6). While Monterey County produces a wide range of fruits, flowers, nut crops as well as livestock and poultry, it is known as the "salad bowl of the world", and perhaps not surprisingly approximately 66% of what is produced in Monterey County is vegetables (ACO, 2011, pg. 2).

As produce production and quality is important in the agriculture sector, exposure to pesticides poses an occupational risk for approximately three million farm workers across the USA (Salvatore and Bradman, 2008). A report that observed the behavior of farmers exposed to pesticides in Monterey County's strawberry farms hinted at the likely widespread problem of high levels of pesticide exposure to those working directly on the farms. When this study took place, in 2003, 497,383 pounds of OP pesticides were applied in Monterey County whereas approximately 30,000 farm workers were employed (Salvatore, 2008). Findings indicted that farm workers exposure was significantly higher (61 to 395 times higher) than the national average for adults in the USA (as assessed through the National Health and Nutrition Examination Survey). The report also found that low levels of farm workers actually complied with recommended behavior that decreased take-home exposure, likely because 40% of workers had never received information or training on pesticide exposure prevention techniques, and many of the remaining 60% had not received extensive

training (Salvatore, 2008). With most farm workers living in a household with a child, residue from work clothing or even a high-five (skin) could expose children living in the home to pesticides.

Additionally, other factors likely to affect the farm worker communities include disproportionate exposure to ozone. Farmers for instance work in fields adjacent to roads are often more exposed to ozone, since roads are where ozone is the highest. Exposure to this air pollution can lead to high instances of asthma, lung disease, atrial fibrillation, and other health conditions along with increased vulnerability to infectious diseases.

With high percentages of Monterey County's agriculture sector workforce being immigrants, with little or no access to health care, clinics, and wellness centers, the growing need to fill in the health services gap is vital. The well-being of those who work in the agricultural sector, as well as their families, is increasingly at stake. In addition to providing access to health services, NGOs in Monterey County also play an important role in providing information pertaining to worker's rights, pesticide exposure laws, pesticide exposure prevention measures, and other work safety percussions.

Climate Change and Vulnerable Communities

The role that agriculture plays in Monterey County economy cannot be understated. It is vital for maintaining the health of the Monterey economy, and is unfortunately very vulnerable to changes in climate. Monterey County is known nationally as one of the top agricultural producers, and over the last decade its value has continued to grow despite a nationwide recession and a national food-borne illness outbreak linked back to the agriculture sector of the Central Coast (ACO, 2011, pg. 3). Part of the agricultural food production web that trails down from North to South California, includes Salinas Valley, located partially in Monterey County, an area noted as the most vulnerable farm producing area within the top four largest counties of California (Roberts, 2012, pg. 4). There are various reasons for its vulnerability. One of the factors is the slow but steady climatic changes occurring in the Monterey County area. Since 1895, the annual temperature of California has increased by about 1.5 degrees Fahrenheit, with those trends touching Monterey County as well. This area can expect to see an increase of days warmer than its historical high, but fewer hot days than its fellow counties. It will also see increases in heat spikes, frequency of heat extremes (particularly in summer) and nighttime heat waves which have steadily increased since 1950, with the coastal north experiencing some of the greatest increases in daytime heat waves (Kadir, Mazur, and Milanes, 2013, pg. iii). Winter chill, an element instrumental for growing fruit and flowers, has also been decreasing since 1950. While there is a lack of data on precipitation trends, Monterey County has battled water shortages since the 1990's with rapid urban development and agricultural growth (Cline, 2012).

In Monterey County where the livelihood of so many is dependent on the natural ecosystems, there is also a strong link between what happens to the land and communities. Overall Monterey is seen as having a moderately low social vulnerability to climate change in comparison to Merced County (Pacific Institute, July 2012, pg. 24). A Los Angeles report by the Pacific Institute found that 58% of the residents in Monterey County were at a high level of vulnerability from climate change and 25% were at medium level vulnerability (Pacific Institute, 2012, pg. 25).

In this context, social vulnerability is defined as “the susceptibility of a given populations to (come to) harm from exposure to a hazard, directly affecting its ability to prepare for, respond to, and recover” (Pacific Institute, July 2012, pg. ii). Studies show that social variables such as socio-economic, housing condition, isolation and demographic factors can affect a community’s sensitivity to climate change (Pacific Institute, 2012, pp. 1, 4). Therefore, county residents that live in high crime areas, that are socially isolated, that are without health insurance, that have limited English language skills, that are aging, and that live alone are more susceptible to climate impacts. These vulnerable communities may also be exposed to extreme heat and coastal flooding.

Therefore climate change in Monterey County will have repercussions for the land, possibly the agriculture industry, as well as the residents of the county. Climate change has the ability to lower the productivity of farms in Salinas Valley, which would prove detrimental to the work force. Further, individuals without financial ability cannot adequately prepare their homes for changing climate, meaning that their homes are less comfortable and that their value reduces because of the inability to address normal maintenance requirements, much less make energy efficient upgrades that would improve comfort and reduce utility costs.

Natural Resources

Monterey County’s natural resources serve as both economic and environmental pillars upon which the county stands. The health of its natural environment is vital for attracting visitors as well as the health and happiness of the citizens (ICF International [ICF], 2013, pg. 1-2).

Tourism is the second pillar of Monterey County’s economy. The area’s natural beauty, along with its array of facilities for both leisure and professional groups draws visitors from across the nation and the globe. Tourism is the county’s second largest industry. Annually Monterey County welcomes 8 million visitors to the region that generates \$2 billion in spending and supports 22,000 local jobs (Palacio, 2011).

Loss of tourism to Monterey County brought on by environmental degradation, steep declines in wildlife, and loss of beautiful scenery would have trickle down effects for those working in the service industry. For those service workers who lose their jobs or face a reduction in hours, many will need support to help them meet their needs.

Further, Monterey Bay is renowned around the world for its pristine nature. It is also one of the most consistently monitored coastlines in California (Monterey Bay Aquarium Research Institute [MBARI], 2011). The Monterey Bay Aquarium Research Institute reports have revealed that along with climate changes in Monterey County, the ocean is experiencing alterations as well.

Since 1993, the coastal waters of Monterey Bay have increased in acidity. These changes were caused by an increase of carbon dioxide that alters the chemistry of seawater. Sea rise is also occurring, particularly in the La Jolla area where sea level has risen considerably (by 6 inches) over the past century and the water has become steadily warmer (Kadir, 2013, pg. ii). With heightened regularity a warming ocean can also alter ocean conditions and will directly affect biological productivity and/or the marine food web (Kadir, 2013, pg. vi). These changes to the ocean’s chemistry and temperature

are already beginning to impact the marine ecosystem and its populations, and are also a danger due to potential flooding in the county.

At present, disruptions to the food web have the ability to affect every species that relies on the food web, although the degree of response may vary. Already California sea lion pup mortality rates and stranding rates have increased due to these irregularities. The damaged food web has forced lactating females to travel further and further in search for food for their pups (Kadir, 2013, pg. v). However, the most noticeable trend has been in the decreased calcification rates in shell-forming organisms, including coral, mollusks and plankton (Kadir, 2013, pg. 33). In the future, as more economically and ecologically important species show a direct response to acidification or mortality, shellfish hatcheries, fishermen will see declines in production (Kadir, 2013, pg. 34). There are nonprofits focused on marine and coastal protections. About 11% of respondents to our 2014 Survey whose work is to preserve the environment are working to protect either Monterey County's marine environment and/or its wildlife. However, there will need to be countywide support to help protect these natural and economic resources, especially as a reduction in marine based wildlife, a main attraction for those who visit Monterey County, could also lead to declines in the local economy.

Countywide issues: Water and Energy Use

Climate change and rapid urban development have had significant effects on the sustainability of many natural resources including water. A study by the Natural Resources Defense Council found that more than 1,100 counties or at least one-third of all counties in the U.S would face water shortages, with 400 counties facing extreme high risks for water shortages (Natural Resources Defense Council [NRDC], 2010, pg. 1). The report illustrated that the three categories of water use that produce the most demand for water are the following: agriculture, power plant cooling, and domestic residential use (NRDC, 2010, pg. 2). Monterey County has the fourth largest agricultural production in the state, 415,057 residents, and power plants. Therefore it comes as no surprise that Monterey County has a history of water shortages.

Since the 1990's, Monterey County has been battling water shortages caused by the dual occurrence of rapid urban development and agricultural growth (Cline, 2012). In part these water supply issues were amplified with the decision by the State Water Resources Control Board (SWRCB) to order California American Water to reduce the amount of water diverted from the Carmel River. The combination of complying with this order and present pumping restrictions meant that roughly 70% of the Monterey Peninsula community water supply had to be replaced (California American Water, 2013).

As can be imagined, the farming industry faces some of the most serious repercussions for a water shortage, whereas agricultural crop yield, variations in plant tolerance, prevalence to crop diseases, and instances of weed and pest invasions can be affected according to available water supplies (NRDC, 2010). Therefore Monterey County officials have worked hard to preemptively develop water usage and sourcing strategies to avoid the multifarious economic and environment consequences of a severe water shortage.

In the summer of 2013, sixteen parties participating in the California Public Utilities Commission (CPUC) review signed a settlement on issues pertinent to Monterey County's water management. The group made up of environmental, political, consumer and advocacy

professionals came to an agreement on water financing for projects related to supplying Monterey County with a steady water supply (California American Water, 2013, pg. 1).

While a severe water shortage has been averted, the water bill for an average Monterey County resident is slated to rise. At present the average bill for a customer's monthly water usage in Monterey County is \$75.74. That average bill will see an increase of 41% in 2018, so that the average bill will be \$106.73 (California American Water, pg. 1). The rise in the cost of water is directly related to the need of the county to produce funding for its future desalination facility.

At present, construction is set for 2018 (Johnson, 2013). Although a variety of local sources are still being considered such as the use of the Salinas Valley groundwater and aquifer storage and recovery; the construction of an additional desalination plant has been deemed necessary for the county to be able to consistently meet its water needs (California American Water, 2013, pg. 4). Further, keeping salt water from entering the Salinas Valley has been a challenge as salt water kills crops, therefore two of the main goals for the desalination plant include producing potable water that can be used by the county's domestic and business usage, but also keeping salt water from crops.

Monterey County has limited fresh water sources due to its population size and its water intensive agricultural industry, and there are few avenues to access fresh water. The hike in water will affect both residents and non-profits alike. The rise in the price of water and potentially energy will increase the overhead for non-profits, and the living expenses for county residents. At present, climate change, and sustainability have come into the radar of many nonprofits; some nonprofits have even begun to respond by integrating sustainable habits into their business practices. Approximately 20 percent of our survey respondents (Scalberg et al., 2014) participate in water conservation tracking and six percent operate out of LEED certified buildings. However integration of water and energy conserving activities still seems to be on the periphery for many nonprofits. Further, there is a clear need for residents to understand methods to conserve and preserve water, if Monterey County is to continue to be able to provide enough resources for its agriculture industry and its residents.

Energy and Electricity

California, since the early 2000's, has had challenges in providing an adequate electricity supply to keep California's lights on, particularly in the Southern California region. The state's under-investment in transmission has created higher prices for consumers and reduced reliability (California Energy Commission, 2004, pg. xiii). Many of the reliability issues that California has faced stem from aging power plants, difficulties in transmission planning, and the uneven distribution of renewable energy development. Increasing energy prices and an unreliable energy supply can affect Monterey County; however the most transformative component of California's energy mix is state-mandated initiation of the integration of more renewable energy generation. California's ambitious Renewables Portfolio Standard requires that renewable electricity equal an average of 33% of a total electricity provided to retail customers by 2020 (California Energy Commission, 2004, pg. xiii). This has the potential to lower the cost of electricity over the long run for areas where renewable energy is installed. For those who depend on natural gas and fuel or coal based electricity, the price may increase if environmental regulations become stricter and penalize more environmentally harmful sources of electricity.

There are several power plants in Monterey, which include the Aera Energy LLC-San Ardo (Aera San Ardo Cogen Facility) (QAERA, 2011), the Moss Landing Power Plant, Calpine Corp-King City (King City Peaking), Duke Energy North America LLC (Moss Landing Power Plant), Monterey County Water Res Agency (Nacimiento Hydro Project), Monterey Regional Waste Mgmt. (Marina Landfill Gas), Monterey Regional Water Cogen Facility, Calpine King City Cogen LLC (King City Power Plant), and the Calpine Gilroy Cogen LP (Gilroy Power Plant) (Power Plant Jobs, 2014).

Monterey County uses natural gas as its main energy source in producing electricity, with the supply of natural gas coming from the Moss Landing Power Plant located on Monterey Bay. The plant has the capacity to generate as much as 2484 megawatts, enough to power over 2 million homes. County residents are primarily dependent on natural gas for electricity and their other energy needs, which include heating, cooking, and powering the local power plants. At present nearly 88 percent of natural gas is imported from out of the state (California energy commission, 2012, pg. 9).

Fracking is the main recovery system used to secure natural gas, a procedure that is raising environmental concerns across the country, especially for its potential to contaminate water. Stricter regulations on fracking could lead to higher costs and reduced supply of natural gas in Monterey County. The power plant located on the coast is also vulnerable to flooding (Roberts, 2012, pg. 4). Changes in the frequency and scale of extreme weather events are also likely to affect the County's energy demands, as Monterey County continues to get warmer and drier (California energy commission, 2012, pg. 16).

In addition to the fracking done out of state, there has been recent discussion about beginning fracking locally as technological advances in oil and gas coupled with billions of potential petroleum revenues have helped spur extraction and exploration (Senate Bill 4, Chapter 313, 2013). The oil industry plans to expand fracking and other extraction techniques in the Monterey Shale, a rock formation potentially containing billions of barrels of oil, in an area that runs from Monterey County down to Los Angeles, cutting through Kern, Los Angeles, Fresno, Orange, Ventura, Santa Barbara, Monterey and a few smaller counties. The Formation has been producing oil in California for decades, peaking in 2002. However, the rock formations in some areas of the Monterey County region have yet to be explored fully and potentially hold large amounts of shale oil (Hughes, 2013, pg. 58).

It is unlikely that the Monterey Formation will be further developed because of its thicker, more complex shale deposits, less predictive nature, and due to research stating much of its usable shale oil has already been extracted (especially in comparison to those that exist in Eagle Ford and Bakken). If further exploration does occur, Monterey County may be a target, especially as Monterey has received the least amount of drilling activity out of all the counties in California. Kern County has witnessed the most drilling activity, followed by Los Angeles, Fresno and Orange counties (Hughes, 2013, pg. 7). If fracking were to begin in Monterey County, it could bring jobs, along with a myriad of environmental and public health repercussions (Hughes, 2013, pg. 46).

The process of fracking requires extensive use of fresh water and high pressure/chemical based tools. Each Fracking well is estimated to use between 4 and 5 million gallons of fresh water, which is pushed deep into the earth to shatter rock that releases gases that travel to the surface (Garthwaite, 2012). Ground water can be contaminated by spills or faulty oil well casings, which are filled with fluids from the fracking process. Being extremely water

intensive, fracking could pull resources from the agriculture industry (Bean, 2014). The demand for oil could even increase the price of water, as water used for residents and the agriculture sectors will have to be further spread to share with the fracking industry.

The violent blasts needed for the fracking process might affect earthquake-prone regions such as Monterey County that are located on the San Andreas Fault line (MTY County.com, 2013). There are fault lines that cut through Gilroy, Watsonville, Soledad, and areas which if triggered could produce harm to residents and crops (Department of Conservation, 2007).

In addition to the above, the fracking process could release billions of tons of carbon dioxide into the air, further exacerbating the climate change experienced throughout the County. This would not only effect air quality, but could potentially have ramifications on the agriculture sector, which would have wide implications on non-profits, as a population of the county depends on the income from agriculture sector jobs. Without this income, or with reduced income, likely non-profits will have to fill in more and more of the gaps.

Overall, non-profits play an important role in propagating responsible environmental legislation, as well in providing community welfare opportunities for those without access or ability to gain resources. While the environmental future is still unwritten, having a strong non-profit community sector with a clear idea of Monterey County's issues, and a plan for engaging the public helps to keep Monterey County's community informed and involved in the decisions that affect it.

Renewable Energy in Monterey County

While there have been great strides in California's renewable energy development strategies and implementation, these benefits are still often not felt as much in Northern California (California energy commission, 2012, pg. 5). Monterey County like most of Northern California has engaged in only sporadic participation in renewable energy programs. In 2010, Monterey County participated in a statewide clean and green economy initiative (Property Assessed Clean Energy (PACE), 2010). This local program, titled MontereyFirst, offered a way to help residents install and finance energy efficient and renewable energy home upgrades (California First, 2010).

More recently, in 2012, local government initiated the installation of a solar photovoltaic energy system which is now located on the Laurel Yard Complex in Salinas. The new solar array is expected to save the county an estimated \$222,000 in energy costs during its first five years of operation, and the county has plans to install PV systems at additional county-owned sites (Rewey, 2012). The renewable energy sector has seen little development in the Monterey County nonprofit sector; however our 2014 survey revealed that organizations are working to promote the usage of renewable energy through educational workshops, printed materials, and environmental advocacy. Some nonprofits are even taking it step further by helping schools and public spaces install renewable energy sources such as solar, or are using electric vehicles and installing solar themselves.

On a statewide scale, the ambitious California Renewables Portfolio Standard requires that renewable electricity equal an average of 33% of total electricity provided to retail customers by 2020, however it is likely that Monterey County like many Northern Californian counties will fall behind Southern California in being able to produce a varied energy mix. While there are few short-term ramifications, in the long term, as energy prices rise and renewable energy

prices lower, the county could be missing an opportunity to be an early adaptor for cheaper and cleaner energy. Adding renewable energy sources, which lower carbon emission and can be produced locally, would not only contribute to local energy dependence, but would help in keeping Monterey County's large agricultural and tourism sector healthy.

Transportation

Monterey County's residents like most California residents use cars as their primary mode of transportation. Gasoline prices therefore have the power to affect how often, and when and why people travel. Generally, West Coast prices can be as much as 70 cents higher per gallon than East Coast rates, with Monterey County citizens often paying higher than the national average. (Richards, 2013) Yet forecasts predict that national gasoline prices will continue to decrease, which means cheaper gasoline is likely on its way to Monterey (Gas Buddy, 2013).

Public transportation continues to provide an alternative to those who cannot or choose not to drive. However, the price of public transportation has increased locally and statewide due to more rapid expansion in transit routes and services rather than ridership. According to a California Transit Association report, California transit has become less cost effective between 2000 and 2009, whereas costs have increased while ridership per vehicle has actually gone down (Caltrans, 2011, pg. 1).

Based on California's finance data, the number of individuals under the driving age will grow by 42.5% and the over 65-population will increase by 162%, making an affordable and well-planned public transportation system more vital than even today. Most areas forecast an increase in the use of public transportation; with predications that those under 16 years old and over 65 are likely to double by 2050 (Caltrans, 2011, pg. 13).

While these expansion plans might make public transportation more accessible for residents of Monterey County, this will likely not greatly impact county residents because almost one half of the Counties' population are estimated to hoover between 25-64 years of age for the foreseeable future (California Department of Finance, 2010). Nevertheless, county residents may see an increase in alternatives to automobiles, as the local government is also looking for ways to incorporate more bikes infrastructure into the county, to increase citizens' health and to encourage a shift to a less carbon emissive mode of transportation.

Environmental Overview

An overarching theme of this section is not only the vulnerability of the region, but also what actors must be present to ensure that Monterey County retains its pristine environment. This is not only tied to the intrinsic value of this County, but to its economic health. Key stakeholders in maintaining the environmental wealth of the region have been, and continue to be nonprofits. With environmental nonprofits making up roughly eight percent of our respondents, local organizations are working to protect and conserve the nature that draws people from across the world to Monterey County. Their present focus is on all areas of Monterey County, as well Monterey Peninsula, Big Sur and the Salinas's area. Our 2014 survey also revealed that the top three environmental foci include local environmental issues, open spaces, and land use areas, signifying that the environment in more than on the minds of local organizations.

The value that nonprofits place on the environment extends to all County nonprofits. This is reflective in the percentage of nonprofits that track their environmental impact in recycling/waste diversion

(29%) and water conservation (20%). Organizations are also working to incorporate more strategic sustainability measures into their office practices by recycling off-site, using compostable plate ware and utensils, using renewable energy, building new facilities to “Build it Green” standards and beyond. Nevertheless, the numbers of organizations incorporating eco-friendly practices into their organizations are still low, and only one organization had actual metrics tracking their impact. In the future, it is clear that nonprofits will have to become savvier on environmental issues in order to inform their constituents, to reduce their own overhead (with raising water and energy costs), and to become organizations that better respect people, planet and profits.

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