



**OHMVR COMMISSION MEETING
Graeagle, CA 96103-1466**

June 3, 2016

STAFF REPORT: Fiscal Year 2016/17 Budget
STAFF: Jennifer Davis, Associate Governmental Program Analyst
SUBJECT: Fiscal Year 2016/17 Governor's Proposed Budget – May Revise

Summary

The Governor's Budget fully repays the outstanding OHV loans totaling \$112 million. The Governor's Budget also takes \$31 million in Fuel Tax Revenue that would have been deposited into the OHV Trust Fund and instead, for one-time, deposits it into the State Park and Recreation Fund to fund the state park system. The net effect of these actions results in a fund reserve totaling \$149 million. Through recent budget discussions reviewing the Governor's proposed budgets, both the Senate and Assembly Budget subcommittees have adopted this proposal with the addition of budget language stating legislative intent that the transfer be one-time in nature with the expectation that the Department will provide a sustainable solution to balance the State Parks and Recreation Fund as part of the Governor's January 10, 2017 budget proposal. Note that the budget is not final until both houses vote for the final plan on the floor and the resulting budget is signed by the Governor.

Discussion

Proposed Budget – May Revise

Governor Brown's Proposed Budget included new and continuing appropriations for the Operation Support, Capital Outlay, and Local Assistance budgets. The following are appropriations from the OHV Trust Fund as proposed by the Governor.

Operation Support – \$62,479,000 for SVRAs, Division headquarters, statewide projects and programs, and administrative costs.

Local Assistance – \$26,000,000 for the Grants and Cooperative Agreements program. (The Grants and Cooperative Agreements program also administers the Recreational Trails Program for motorized recreation. The Governor's proposal includes an appropriation of \$7,020,000 from the Recreational Trails Fund, a federal assistance program of the United States Department of Transportation's Federal Highway Administration.)

Capital Outlay – \$3,077,000 for Heber Dunes SVRA Water System Upgrade Project (working drawing and construction), Prairie City SVRA Erosion Control Project, Hollister Hills SVRA Entrance Improvements, Ocotillo Wells SVRA Autoshop Addition, and Prairie City SVRA Autoshop Addition.

Loan Repayments

Governor Brown’s January Proposed Budget calls for a repayment of all loans made from the OHV Trust Fund to the General Fund as listed in the following table.

Date Borrowed	Loan Amount	Projected Repayment Date
FY 2008/09	\$90,000,000	FY 2016/17 (\$31M repayment by 7/1/16)
FY 2009/10	\$22,000,000	FY 2016/17

In prior years, the following loan was repaid:

Date Borrowed	Loan Amount	Repayment Date
FY 2010/11	\$21,000,000	FY 2014/15 (\$10M) repaid 5/4/15
		FY 2015/16 (\$11M repayment by 6/30/16)

Note that in 1982/83 and 1983/84, \$21 million had been transferred from the OHV Trust Fund. Under current law, those funds would be repaid to the fund in the event that the Director of the Department of Finance determined that the OHV Trust Fund was over appropriated. Given that the fund has an estimated \$149 fund balance, this payment is not triggered.

Commission Action

For information only.

Attachments

None