



**OHMVR COMMISSION MEETING
Costa Mesa, CA**

September 20, 2013

STAFF REPORT: Budget Update
STAFF: Maria Mowrey, OHMVR Administrative Chief
SUBJECT: Funding and Capital Outlay Update

Summary

Governor Brown signed into law the 2013/14 Budget Act. Funding to support the SVRAs remains the same as last year's appropriation, the Grants and Cooperative Agreements funding increased to \$26 million, and no new capital outlay funding was approved this year. Furthermore, the Budget Act extends the repayment of the \$21 million OHV Trust Fund loan in 2010 to the General Fund.

Discussion

The 2013/14 Budget Act was signed into law by Governor Brown on June 27, 2013. The following OHV Trust Funds were appropriated to California State Parks.

Support - \$59,068,000 for the SVRAs, division headquarters, and departmental overhead.

Local Assistance - \$26,000,000 for the Grants and Cooperative Agreements program.

Capital Outlay – No new projects were approved for 2013/14. However, project funds were reappropriated for the Southern California Opportunity Purchase to finalize a new acquisition \$30 M and Carnegie SVRA Road Reconstruction \$6 M. Although there are no new projects approved for facilities and infrastructure, there are several projects currently in the works. See attached spreadsheet.

Loans and Transfers Update

It remains to be seen if the loans and transfers of funds from the OHV Trust Fund to the General Fund of \$132 million will be repaid. The repayment date for the 2010 loan of \$21 million has been extended from June 30, 2014 to June 30, 2016.

Commission Action

For information only.

Attachments

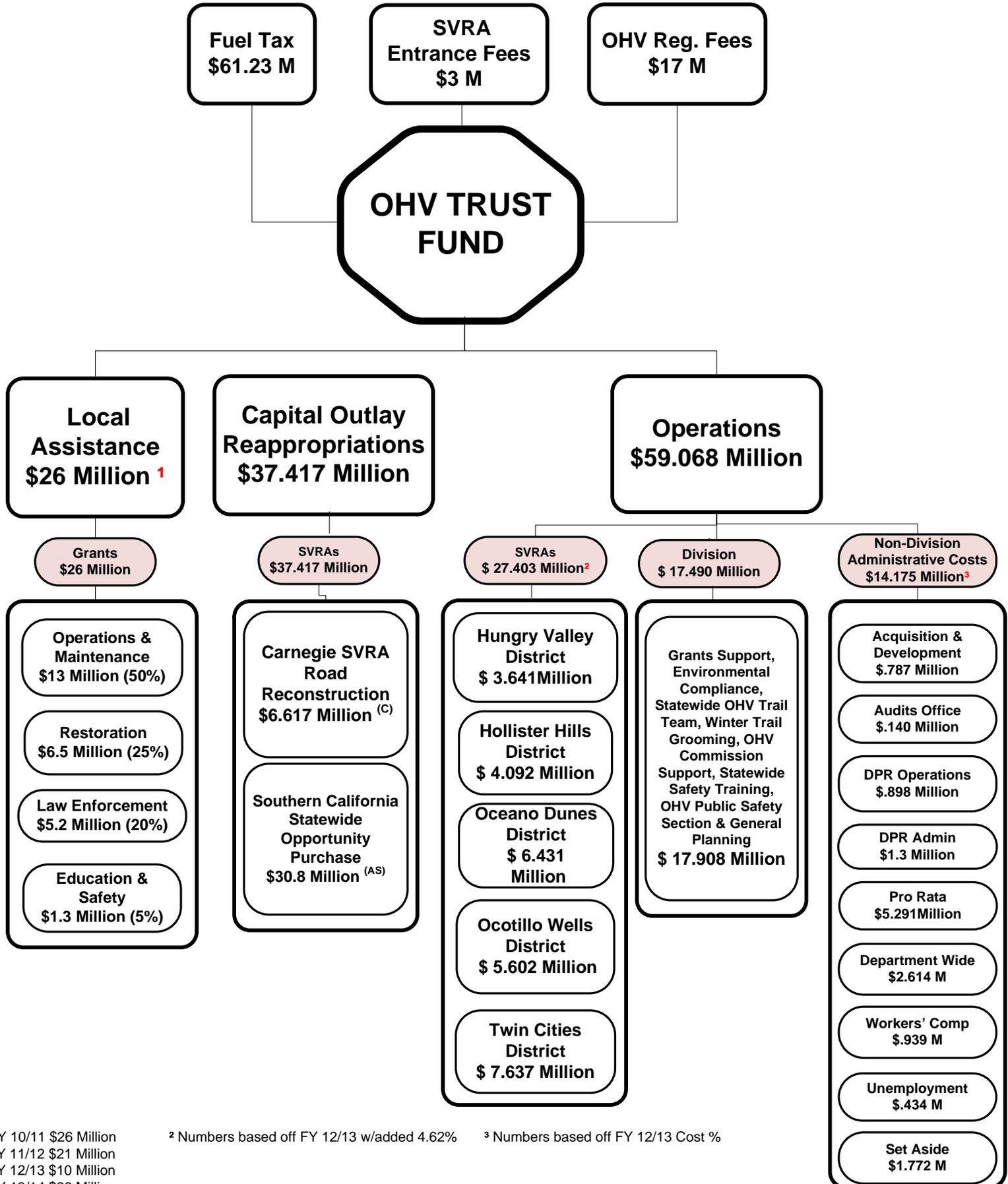
Chart of the Governor's Budget as of August 30, 2013

Status of OHMVR Division Construction Projects

List of OHMVR Division Construction Projects

Loans and Transfers Addendum

Governor's Budget as of August 30, 2013 FY 2013-2014



¹ FY 10/11 \$26 Million
FY 11/12 \$21 Million
FY 12/13 \$10 Million
FY 13/14 \$26 Million

² Numbers based off FY 12/13 w/added 4.62%

³ Numbers based off FY 12/13 Cost %

Status of OHMVR Division Construction Projects

as of September 2013

The OHMVR Program has several construction projects in the works throughout the state. There are four Major Capital Outlay projects (Majors) are active, totaling approximately \$6.5M. Majors cost more than \$750K or take longer than one year to complete. There are thirteen active Minor Capital Outlay projects (Minors) totaling approximately \$7.85M. Minors cost less than \$750K and must be completed in less than one year.

Majors Highlights

Heber Dunes Ranger Station and Maintenance Facility

Starting November 2012, construction on the new Heber Dunes SVRA Ranger Station/Maintenance Shop began. This new 3000 square foot building will house the Heber Dunes Visitor Services, Maintenance, Administrative, and Interpretive staff.

For nearly a decade the maintenance staff had to use a small sea container for their shop facility. Until just a few years ago, this facility didn't even have adequate air conditioning. Working in the summer months, with temperatures reaching 120 degrees, was extremely difficult, to say the least. The new facility is expected to be completed in the Fall 2013 and the maintenance staff will have the ability to work in a proper shop with air conditioning. Storage and work areas will be increased so that tools and supplies are stored in a single area and protected from the desert's harsh environment.

The visitors to the park will also benefit greatly from this project. Not only will they have a central location to contact park staff, but a new day use facility is also being constructed in front of the new building. This new facility will provide shade for visitors, a raised area for visitors to watch their family and friends ride, a place to have picnics, and place for children to play in the desert. Lighting in the day use area will help improve safety and the visitor experience during nighttime hours.

Hollister Hills SVRA Infrastructure Project:

Three of Hollister Hills' campgrounds are scheduled to undergo major infrastructure upgrades. Lodge Camp, Bee Camp, and Madrone Camp in the Lower Ranch will be rehabilitated to bring them to a consistent level-of-service for the visitor. Work will include upgrading water systems, bringing electricity to all restrooms, replacing vault toilet buildings with flush toilets and showers, replacing campsite furnishings, improving vehicle circulation, correcting drainage, and providing other amenities. We were able to work with the Northern Service Center to delay the start of the construction until June 2014 to ensure the majority of the work taking place will occur during red-sticker closure thereby providing the least amount of impact to park visitors.

Minors Highlights

The Ocotillo Wells SVRA District Solar Electrical project is substantially complete. Due to upgrades to comply with new electrical code changes, the District Solar Electrical project will be completed in October. This will be a great example of alternative energy projects within the

Division and helps us move forward to meeting Strategic Plan Goal 1.3 to reduce carbon footprint by 25% by 2020.

The Hollister Hills Day Use Facilities Enhancement at the Windmill is an example of park maintenance staff doing the majority of a project rather than contracting outside and resulted in a significant cost savings. We have done this at several of the SVRAs and are looking at doing more in the future. This fulfills Strategic Plan Goal 3.2 by allowing staff to participate in diverse work assignments.

Other Projects

The Round Valley Snow Park Project is a joint partnership cost-sharing project between State Parks and the U.S. Forest Service. It consists of a paved OHV staging area, parking lot, and restroom at Round Valley. It is scheduled for completion by the opening of the SNO Park season of November 1, 2013.

Please see attachment for a list of active projects.

Status	Project Type	Park Name	Project Title	Initial Budget	Projected Cost	Next Milestone	Milestone Date	Scope & Status	Project Manager
Active	OHV/DSP	Off Highway Vehicle Division	Round Valley Snow Park USFS-DPR Cost Share	\$ 300,000	\$ 284,000	NOC	11/01/2013	Project in construction, 65% complete, NOC expected in November. USFS is satisfied with construction progress. CXT restroom expected in October. Starting reimbursable invoicing.	Rao
Active	OHV/DSP	Oceano Dunes SVRA	Solar Panel Base	\$ 20,000	\$ 20,000	Preliminary Plans	08/30/2013	Provide Drawings to District for installation of solar panel ground mount.	Rao
Active	MAJOR	Carnegie SVRA	Carnegie SVRA Road Reconstruction/ Working Drawings	\$ 239,100	\$ 153,190	CD	10/01/2013	Consultant developing new drawings based on comments from Army Corps; 6/25/2013: Meeting scheduled with Fall Creek and Carnegie to submit revised Army Corps permit; 5/30/2013: rec'd comments from Army Corps - District to address comments. Expect to take one month to respond.	Rao
Active	MAJOR	Heber Dunes SVRA	Initial Developments/ Construction	\$ 5,109,874	\$ 5,089,970	NOC	12/01/2013	New inspector on-site and new CM for project; 8/19/2013: Contractor falling behind on schedule, approximately 60% complete; 3/23/2013: Rec'd latest construction progress update, 25% complete. No major issues.	Rao
Active	MAJOR	Hollister Hills SVRA	Infrastructure & Rehabilitation / Working Drawings	\$ 415,460	\$ 430,290	Bid	02/01/2014	Project on hold to proceed to bid until spring to avoid rainy season - District request	Leach
Active	MAJOR	Oceano Dunes SVRA	Visitor's Center and Equipment Storage Building / Working Drawings	\$ 734,000	\$ 729,380	Proc To Bid	06/01/2014	DOF Augmentation review expected in September, county and state CDP permits expected this winter. Proceed to bid expected in June 2014; 7/27/2012: CDP issues will require re-design. Schedule dates pushed out for 1 year delay; 6/11/2012: Waiting to resolve CDP issues.	Leach
Active	MINOR	Carnegie SVRA	Track Sediment Ponds / Staging Area Resurfacing	\$ 718,000	\$ 697,994	NOC	09/01/2013	6/11/2013: NSC Encumbered Labor charges and advised District they could use them after 6/30/13. Also advised District that they could purchase materials until 6/30/13. 4/15/2013: Agreement was executed 4/8/13 & construction began today. District is aware that funding for labor will expire on 5/10/13	Brown
Active	MINOR	Carnegie SVRA	4x4 Area and MX Track Restroom	\$ 334,000	\$ 314,555	NTP	08/28/2013	6/11/2013: Project was bid in tandem with Carnegie Wash Station; due to significantly high bids (exceeded Minor Cap \$) we rebid the project as single project. Funds have been encumbered for CM and Inspection, and Construction Admin. Bert needs to provide updated estimate for inspection only, DPR will encumber Staff CM funds.	Brown
Active	MINOR	Hollister Hills SVRA	Day Use Facilities Enhancement at Windmill	\$ 399,000	\$ 325,150	Mon-Fix	10/01/2013	Construction 95% complete, waiting for interpretive panels; 9/20/2012: Project work about 50% complete; 7/27/2012: Two failed bid attempts. District performing the work in-house.	Leach
Active	MINOR	Hungry Valley SVRA	Middle Group Camp Improvement	\$ 752,000	\$ 718,100	NOC	09/19/2013	1/30/2013: bids opened 1/17 - 15 bids received. all exceed engineer's estimate however apparent low bidder within the original project budget amount. 1/8/2013: prebid meeting held on site on 12/12/12. Approx. 16 individuals signed in. Addendum #2 issued today extending bid period to accommodate questions received.	Brown
Active	MINOR	Hungry Valley SVRA	Water Well System Improvements	\$ 519,000	\$ 153,800	CD	05/30/2013	5/7/2013: Issues at Smith Forks well not resolved. Park is addressing. Consultant finalizing report. 1/29/2013: Issues at Smith Forks well resolved. Waiting for final report from consultant.	Lahitte
Active	MINOR	Ocotillo Wells SVRA	District Solar System	\$ 707,000	\$ 668,237	Complete-Open	06/30/2013	8/6/2013: Shanks electric will make changes in September due to heat. 7/23/2013: CFO signed, Shanks Electric is scheduled to be on-site by August 5th to make changes.	Rao

Status	Project Type	Park Name	Project Title	Initial Budget	Projected Cost	Next Milestone	Milestone Date	Scope & Status	Project Manager
Active	MINOR	Ocotillo Wells SVRA	Main Street Well	\$ 582,000	\$ 340,390	NTP	09/01/2013	7/29/2013: PM changed from Sri to JBrown 7/26 to simplify project management during construction.	Brown
Active	MINOR	Ocotillo Wells SVRA	Tamarisk Removal	\$ 690,000	\$ 555,017	NOC	06/30/2015	1/30/2013: Debbie Waldecker now State Rep as of 1/29. 1/18/2013: added CM section for Debbie to take over as State Rep as necessary.	Brown
Active	MINOR	Ocotillo Wells SVRA	Main Street Combination Building	\$ 588,000	\$ 692,783	NTP	09/01/2013	1/30/2013: Final plans delayed by electrical requirements provided to consultants by IID. Consultant confirmed receipt of information late last week and will proceed to completion.	Brown
Active	MINOR	Ocotillo Wells SVRA	Additional Shade Ramadas	\$ 326,000	\$ 216,333	Complete-Open	06/03/2013	4/27/2012: Contracts section has package ready to bid. Need prebid date coordination with District. 4/18/2012: Plans approved and returned to SSC. final package being prepared for submittal to bid.	Brown
Active	MINOR	Ocotillo Wells SVRA	Special Event Facilities at Main Street	\$ 746,000	\$ 702,127	NTP	09/01/2013	10/9/2012: Met with Dist. maint chief on 9/26/12. ok to proceed with VE modifications. coordination call with NSC on 10/2 held.	Brown
Active	MINOR	Prairie City SVRA	Water System Improvements	\$ 759,000	\$ 782,956	Complete-Open	06/30/2013	3/7/2013: Consultants met with subs and District staff yesterday. New plans and specs being developed. CD deliverable date: March 29th,	Rao
Active	MINOR	Prairie City SVRA	Training Range B & Shade Structure	\$ 743,000	\$ 722,129	Complete-Open	09/01/2013	Construction 95% complete, waiting for interpretive panels; 6/11/2012: Project awaiting new budget to go forward with bidding.	Leach

ADDENDUM A

OHV Trust Fund Loans, Transfers, and Redirects

FY Action Occurs	Amount and Type	Legislative Language (reference)
2008/09	\$90 million loan to General Fund DUE: June 30, 2013	SEC. 17. Item 3790-011-0263 is added to Section 2.00 of the Budget Act of 2008, to read: 3790-011-0263 – For transfer by the Controller, upon order of the Director of Finance, from the Off-Highway Vehicle Trust Fund to the General Fund ... (90,000,000) Provisions: 1. The amount transferred in this item is a loan to the General Fund. The repayment shall be made so as to ensure that the programs supported by the Off-Highway Vehicle Trust Fund are not adversely affected by the loan, but no later than June 30, 2013. (SBX3_2, Chapter 2, Statutes 2009)
	DUE date extended to June 30, 2015	3790-401 – Notwithstanding Provision 1 of Item 3790-011-0263, Budget Act of 2008, as added by Chapter 2 of the 2009-10 Third Extraordinary Session, the \$90,000,000 loan to the General Fund will be repaid in the 2014-15 fiscal year upon order of the Director of Finance. (AB 1464, Chapter 21, Statutes of 2012)
2009/10	\$22 million loan to General Fund DUE: June 30, 2012* *VC 38225(d). Any money temporarily transferred by the Legislature from the Off-Highway Vehicle Trust Fund to the General Fund shall be reimbursed, without interest, by the Legislature within two fiscal years of the transfer.	SEC. 227. Item 3790-011-0263 is added to Section 2.00 of the Budget Act of 2009, to read: 3790-011-0263 – For transfer by the Controller, upon order of the Director of Finance, from the Off-Highway Vehicle Trust fund to the General Fund ... (22,000,000) Provisions: 1. The amount transferred in this item is a loan to the General Fund. (ABX4, Chapter 1, Statutes of 2010)

ADDENDUM A

OHV Trust Fund Loans, Transfers, and Redirects

2010/11	\$21 million loan to General Fund DUE: June 30, 2014	SEC. 12. Item 3790-011-0263 is added to Section 2.00 of the Budget Act of 2010, to read: 3790-011-0263 – For transfer by the Controller, upon order of the Director of Finance, from the Off-Highway Vehicle Trust Fund to the General Fund as a loan ... (21,000,000) Provisions: 1. The Director of Finance may transfer up to \$21,000,000 as a loan to the General Fund, which shall be repaid by June 30, 2014. The Director of Finance shall order the repayment of all or a portion of this loan if he or she determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, or (b) there is not longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. (SB 84, Chapter 13, Statutes of 2011)
	DUE date extended to June 30, 2016	3790-401--Notwithstanding Provision 1 of Item 3790-011-0263, Budget Act of 2010, as added by Chapter 13 of the Statutes of 2011, the \$21,000,000 loan to the General Fund will be repaid in the 2015-16 fiscal year upon order of the Director of Finance. (AB 110, Chapter 20, Statutes of 2013)
2011/12	\$10 million redirect from MVFA to General Fund Ongoing – No Sunset Date.	SEC. 27. Section 8352.6 of the Revenue and Taxation Code is amended to read: 8352.6. (a)(1) Subject to Section 8352.1, on the first day of every month, there shall be transferred from moneys deposited to the credit of the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund created by Section 38225 of the Vehicle Code an amount attributable to taxes imposed upon distributions of motor vehicle fuel used in the operation of motor vehicles off highway and for which a refund has not been claimed. Transfers made pursuant to this section shall be made prior to transfers pursuant to Section 8352.2. (2) The Controller shall withhold eight hundred thirty-three thousand dollars (\$833,000) from this monthly transfer, and transfer that amount to the General Fund. (AB95, Chapter 2, Statutes of 2011)

ADDENDUM A

OHV Trust Fund Loans, Transfers, and Redirects

2012/13	<p>\$7 million redirect from MVFA to SPRF Transfer Complete December 2012.</p>	<p>I am signing Senate Bill 1018 with the following objection:</p> <p>Section 127. I am reducing the amount for transfer from the Motor Vehicle Fuel Account to the State Parks and Recreation Fund from \$21,000,000 to \$7,000,000. The remaining \$14,000,000 will be transferred to the Off-Highway Vehicle Trust Fund. I am sustaining \$7,000,000 of the one-time transfer and, in conjunction with the other amounts I am sustaining for the Department of Parks and Recreation (Department), these amounts will provide the funding needed to allow the Department to address its most critical operating needs.</p> <p>EDMUND G. BROWN JR.</p> <p>Original language from SB1018:</p> <p>SEC. 127. (a) The Controller shall transfer the sum of twenty-one million dollars (\$21,000,000) on July 1, 2012, to the Department of Parks and Recreation Fund from moneys in the Motor Vehicle Fuel Account in the State Transportation fund that would otherwise be transferred into the Off-Highway Vehicle Trust Fund pursuant to Section 8352.6 of the Revenue and Taxation Code. Moneys received from off-highway vehicle registration fees shall not be impacted by this section.</p> <p>(b) It is the intent of the Legislature that the Off-Highway Vehicle Trust Fund appropriations are not affected by the transfer in subdivision (a).</p> <p>(SB1018, Chapter 39, Statutes 2012)</p>
2012/13	<p>Fuel Tax Swap 2010</p> <p>This has no fiscal impact on the OHMVR Division. This action reverses unintended revenue previously distributed to the OHV Trust Fund.</p>	<p>“An act to amend Section 10140 of the Public Contract Code, to amend Sections 8352.3, 8352.4, 8352.5, and 8352.6 of the Revenue and Taxation Code, to amend Section 2103 of the Streets and Highways Code, and to amend Section 9400.4 of, and to add Section 42272 to, the Vehicle Code, relating to transportation, and making an appropriation therefor, to take effect immediately.”</p> <p>SEC. 5. Section 8352.6 of the Revenue and Taxation Code is amended to read:</p> <p>8352.6. (a) (1) Subject to Section 8352.1, and except as otherwise provided in paragraphs (2) and (3), on the first day of every month, there shall be transferred from moneys deposited to the credit of the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund created by Section 38225 of the Vehicle Code an amount attributable to taxes imposed upon distributions of motor vehicle fuel used in the operation of motor vehicles off highway and for which a refund has not been claimed. Transfers made pursuant to this section shall be made prior to transfers pursuant to Section 8352.2.</p>

ADDENDUM A

OHV Trust Fund Loans, Transfers, and Redirects

		<p>(2) From July 1, 2012, until June 30, 2015, inclusive, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 and otherwise to be deposited in the Off-Highway Vehicle Trust Fund pursuant to paragraph (1) shall instead be transferred to the General Fund. The revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 that were deposited in the Off-Highway Vehicle Trust Fund in the 2010-11 and 2011-12 fiscal years shall be transferred to the General Fund. Commencing July 1, 2015, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 and otherwise to be deposited in the Off-Highway Vehicle Trust Fund pursuant to paragraph (1) shall instead be transferred to the Highway Users Tax Account in the State Transportation Fund, for distribution pursuant to subdivision (a) of Section 2103 of the Streets and Highways Code.</p> <p>(3) The Controller shall withhold eight hundred thirty-three thousand dollars (\$833,000) from the monthly transfer to the Off-Highway Vehicle Trust Fund pursuant to paragraph (1), and transfer that amount to the General Fund.</p> <p>(b) The amount transferred to the Off-Highway Vehicle Trust Fund pursuant to paragraph (1) of subdivision (a), as a percentage of the Motor Vehicle Fuel Account, shall be equal to the percentage transferred in the 2006-07 fiscal year. Every five years, starting in the 2013-14 fiscal year, the percentage transferred may be adjusted by the Department of Transportation in cooperation with the Department of Parks and Recreation and the Department of Motor Vehicles. Adjustments shall be based on, but not limited to, the changes in the following factors since the 2006-07 fiscal year or the last adjustment, whichever is more recent:</p> <p>(1) The number of vehicles registered as off-highway motor vehicles as required by Division 16.5 (commencing with Section 38000) of the Vehicle Code.</p> <p>(2) The number of registered street-legal vehicles that are anticipated to be used off highway, including four-wheel drive vehicles, all-wheel drive vehicles, and dual-sport motorcycles.</p> <p>(3) Attendance at the state vehicular recreation areas.</p> <p>(4) Off-highway recreation use on federal lands as indicated by the United States Forest Service's National Visitor Use Monitoring and the United States Bureau of Land Management's Recreation Management Information System.</p> <p>(c) It is the intent of the Legislature that transfers from the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund should reflect the full range of</p>
--	--	---

ADDENDUM A

OHV Trust Fund Loans, Transfers, and Redirects

		<p>motorized vehicle use off highway for both motorized recreation and motorized off-road access to other recreation opportunities. Therefore, the Legislature finds that the fuel tax baseline established in subdivision (b), attributable to off-highway estimates of use as of the 2006-07 fiscal year, accounts for the three categories of vehicles that have been found over the years to be users of fuel for off-highway motorized recreation or motorized access to non-motorized recreational pursuits. These three categories are registered off-highway motorized vehicles, registered street-legal motorized vehicles used off highway, and unregistered off-highway motorized vehicles.</p> <p>(d) It is the intent of the Legislature that the off-highway motor vehicle recreational use to be determined by the Department of Transportation pursuant to paragraph (2) of subdivision (b) be that usage by vehicles subject to registration under Division 3 (commencing with Section 4000) of the Vehicle Code, for recreation or the pursuit of recreation on surfaces where the use of vehicles registered under Division 16.5 (commencing with Section 38000) of the Vehicle Code may occur.</p> <p>(AB 1465, Chapter 22, Statutes 2012)</p>
--	--	--