



DEPARTMENT OF PARKS AND RECREATION

Off-Highway Motor Vehicle Recreation Division
1725 23rd Street, Suite 200
Sacramento, California 95816
Telephone: (916) 324-5801 • Fax: (916) 324-0271

Armando Quintero, *Director*

**OHMVR COMMISSION MEETING
Sacramento, CA 95816**

August 26, 2021

STAFF REPORT: Off-Highway Vehicle Trust Fund Update
STAFF: Desiree Goyette, Staff Services Manager II
SUBJECT: Fiscal Year 2021/2022 Budget and Oceano Dunes Mitigative Costs

Fiscal Year 2021-22 Off-Highway Vehicle Trust Fund Summary

The summary funds below have been appropriated from the Off-Highway Vehicle Trust Fund (OHVTF) for FY 2021-22:

| | | |
|------------------|-----------|-----------------------|
| State Operations | \$ | 63,346,000.00 |
| Local Assistance | \$ | 30,000,000.00 |
| Capital Outlay | \$ | 25,573,000.00 |
| <u>Total</u> | <u>\$</u> | <u>118,919,000.00</u> |

Fiscal Year 2021-22 – State Operations

The Budget Act of 2021 was signed by Governor Gavin Newsom on June 28, 2021 for the 2021/2022 fiscal year (FY).

The budget appropriates \$73,208,000 for State operations which includes State Vehicular Recreation Areas (SVRA's), Division Headquarters, statewide projects, and administrative costs. This represents an increase of \$821,000 from last FY. The Off-Highway Motor Vehicle Division has allocated \$63,346,000.00 of these funds for State operations for FY 2021-22.

Local Assistance

The Grants and Local Assistance program appropriation is \$30,000,000. Local assistance funding includes a \$1,000,000 transfer from the State Parks and Recreation Fund made possible by increased fuel tax revenues per Item 3790-14-0392, Various Budget Acts.

The Grants and Local Assistance program also administers a federal assistance program of the United States Federal Highway Administration – Department of

Administration. The Governor’s budget includes spending authority of \$9,000,000 for the department from the Recreational Trails Fund. The OHMVR Division Grants and Local Assistance program administers approximately \$1,700,000 of these funds to support motorized recreation.

Capital Outlay

Capital Outlay Projects in the amount of \$25,573,000 is authorized and are as follows:

Diablo Range District

Hollister Hills SVRA – Waterline Expansion

Working Drawings 62,000.00

Construction 1,305,000.00

Hollister Hills SVRA – Martin Ranch

Acquisition 5,000,000.00

Gold Fields District

Prairie City SVRA – Initial Erosion Control

Working Drawings 298,000.00

Construction 2,667,000.00

Great Basin District

Carnegie SVRA – Road Reconstruction

Construction 6,617,000.00

Oceano Dunes District

Oceano Dunes SVRA – Pismo SB Track-Out Prevention

Construction 827,000.00

Oceano Dunes SVRA – Grand Avenue Lifeguard Tower

Working Drawings 146,000.00

Construction 1,022,000.00

Equipment 4,000.00

Oceano Dunes Lesage Bridge Replacement

Working Drawings 144,000.00

Ocotillo Wells District

Heber Dunes SVRA – Water System Upgrades

Working Drawings 96,000.00

Construction 990,000.00

Ocotillo Wells SVRA – Holmes Camp Water System Upgrade

| | |
|--|--------------|
| Working Drawings | 109,000.00 |
| Construction | 1,186,000.00 |
| Ocotillo Wells SVRA – Holly Corp Acquisition | |
| Acquisition | 3,500,000.00 |
| Ocotillo Wells SVRA – Auto Shop Addition | |
| Working drawings | 105,000.00 |
| Construction | 1,495,000.00 |

Not all projects above will be realized. Some due to impediments, others due to difficulties related to COVID-19 and a desire to reduce expenditures from the Off-Highway Vehicle Trust Fund (OHVTF).

Off-Highway Vehicle Trust Fund Condition

Over the past four years OHVTF Revenue has averaged about \$84,000,000 with FY 2016-17 being an outlier due to the repayment of loan from the General Fund:

| | FY 2016-17 | FY-2017-18 | FY-2018-19 | FY 2019-20 | FY 2020-21 |
|---------------|--------------|--------------|--------------|--------------|--------------|
| OHVTF Revenue | \$170,353,00 | \$81,970,000 | \$84,786,000 | \$90,871,000 | \$78,934,000 |

Impacts to FY 2020-21 OHVTF revenues due to the COVID-19 pandemic have been marginal and is approximately a 13% decrease in revenues from FY 2019-20. However, Motor Vehicle Fuel Tax Revenue, the main source of revenue for the OHVTF, is trending an increase in FY 2022-21 restrictions were lifted and the public was able to drive more:

| Motor Vehicle Fuel Tax Revenue | July (*May) | August (*June) |
|---------------------------------------|--------------------|-----------------------|
| Fiscal Year 2021 | \$ 5,625,805.86 | \$ 5,749,975.12 |
| Fiscal Year 2020 | \$ 3,029,446.17 | \$ 4,700,434.21 |
| Percentage Increase | 46% | 18% |

*Revenue earned in July and August and represents actual revenue from approximately two months prior.

The OHMVR Division anticipates revenues to stabilize or increase should operations remain the same; however, revenues have the potential to be impacted by the COVID-19 pandemic should things change.

Bird Conservation Mitigative Costs -Oceano Dunes SVRA

Projects are implemented each fiscal year to comply with the Federal and State Endangered Species Acts and the provisions of a legal settlement with the Sierra Club dating back to 2004. These management activities are also implemented each year as part of annual agreements with U.S. Fish and Wildlife Service and the California Department of Fish and Wildlife.

Bird Conservation efforts rely heavily on a labor workforce for daily monitoring of shorebird populations, fence maintenance and installation, enhancement of habitat for nesting areas, and the gathering and entering data for annual reports. In the current fiscal year of 2021-22, you will notice an increase in costs as seasonal staff have been added in an effort to better maintain and install bird fencing. Thanks to these efforts, the Plover and Tern program at Oceano Dunes SVRA is one of the most successful programs on the west coast.

Bird Conservation Expenses at Oceano Dunes District
FY 2011-12 through 2021-22

| Fiscal Year | Bird Conservation Expenses |
|-------------|----------------------------|
| 2013-14 | \$875,220.27 |
| 2014-15 | \$972,437.72 |
| 2015-16 | \$1,023,164.99 |
| 2016-17 | \$1,151,914.75 |
| 2017-18 | \$1,240,154.13 |
| 2018-19 | \$1,658,255.10 |
| 2019-20* | \$1,743,202.19 |
| 2020-21* | \$1,328,605.85 |
| 2021-22** | \$1,920,031.03 |
| Total | \$11,912,986.03 |

*FY 2019-20 and 2020-21 expenditures and encumbrances have not been finalized and may be adjusted.

**FY 2021-22 are estimated expenditures.

FY 2021-22 Oceano Dunes Bird Conservation Estimated Expenses

| | |
|--|-----------------|
| Predator Management | \$ 259,683.00 |
| Bird Banding | \$ 150,000.00 |
| Labor – Bird Monitoring; Seasonal and Permanent Intermittent Staff | \$ 1,070,172.89 |
| Labor – Fence Installation and Maintenance; Seasonal, Permanent Intermittent, and Contract Staff | \$ 329,175.14 |
| Materials - Fencing, Binoculars, Supplies | \$ 111,000.00 |
| Total | \$ 1,920,031.03 |

Air Quality Mitigative Costs -Oceano Dunes SVRA

In April of 2018, the Department entered a Stipulated Order of Abatement (SOA) (Case No. 17-01) with the Hearing Board of San Luis Obispo County Air Pollution Control District. The SOA requires the establishment of the Scientific Advisory Group (SAG) to evaluate, assess, and provide recommendations on the mitigation of windblown PM10 emissions from Oceano Dunes SVRA. In addition, the SAG is involved in the development of the particulate Matter Reduction Plan and annual Report and Work Plan. You will notice this resulted in an increase

of costs to administer agreements for the Scientific Advisory Group and the projects that came forth from these efforts. You will notice this resulted in an increase of costs to administer agreements for the Scientific Advisory Group and the projects that came forth from these efforts.

These efforts are necessary to support operations that are viable for continued OHV recreation. Projects include installing foredune vegetation, removing wind fencing and replacing with native dune scrub vegetation, collecting field data on meteorology and air quality parameters, performing scientific analysis on data collected during field work, rental of equipment needed to implement projects and labor crews to assist with activities.

Air Quality Expenses at Oceano Dunes District
FY 2011-12 through 2021-22

| Fiscal Year | Air Quality Expenses |
|--------------|------------------------|
| 2011-12 | \$860,262.80 |
| 2012-13 | \$1,398,060.00 |
| 2013-14 | \$1,480,397.63 |
| 2014-15 | \$1,671,675.81 |
| 2015-16 | \$1,295,593.36 |
| 2016-17 | \$1,380,027.51 |
| 2017-18 | \$927,186.53 |
| 2018-19 | \$3,795,327.40 |
| 2019-20* | \$3,521,584.48 |
| 2020-21* | \$2,762,518.06 |
| 2021-22** | \$2,938,709.78 |
| Total | \$22,031,343.36 |

*FY 2019-20 and 2020-21 expenditures and encumbrances have not been finalized and may be adjusted.

**FY 2021-22 are estimated expenditures.

FY 2021-22 Oceano Dunes Air Quality Estimated Expenses

| | |
|---|------------------------|
| Scientific Advisory Group | \$ 300,000.00 |
| Restoration Services/Data Collection | \$ 311,920.00 |
| Scientific Analysis, Project Design, Technical Assistance | \$ 528,060.00 |
| Fencing installation and restoration activities | \$ 594,980.00 |
| APCD Bi-Annual Monitoring Fees | \$ 88,000.00 |
| Instrument Operation, Data Hosting, troubleshooting | \$ 165,000.00 |
| Street Sweeping | \$ 60,000.00 |
| Warehouse – Air Quality Equipment Storage | \$ 34,502.00 |
| Labor – Seasonal and Permanent Intermittent Staff | \$ 229,847.78 |
| Materials - Fencing, Restoration, Greenhouse, Instruments | \$ 411,400.00 |
| Equipment - Heavy Equipment Rental | \$ 215,000.00 |
| Total | \$ 2,938,709.78 |

Commission Action

For information only.

Attachments

FY 2021-22 Budget Chart