

AGENDA

ASSEMBLY BUDGET COMMITTEE NO. 3 RESOURCES AND TRANSPORTATION

ASSEMBLYMEMBER RICHARD BLOOM, CHAIR

WEDNESDAY, APRIL 26

9:30 A.M. - STATE CAPITOL, ROOM 447

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VOTE-ONLY**3720 CALIFORNIA COASTAL COMMISSION**

VOTE-ONLY ISSUE 1: Protect Our Coast & Oceans Fund-Local Assistance Grants & Outreach

The Governor's budget requests a one-time appropriation of \$271,000 from the Protect Our Coast and Oceans Fund for local assistance to support the Whale Tail Grant Program (\$206,000) and to promote the "Protect Our Coast and Oceans" Fund (\$65,000).

Types of projects that have been funded by Whale Tail grants include school programs emphasizing stewardship of the coast and ocean, marine science summer camps, community and student-led coastal habitat restoration, trips to the beach for children from inland and underserved communities, coastal and waterway cleanups, ocean-related museum exhibits, water pollution prevention programs, and beach wheelchair purchases.

Staff Recommendation: Approve as Budgeted

3760 STATE COASTAL CONSERVANCY

VOTE-ONLY ISSUE 2: State Operations Funding Realignment

The Governor's budget requests an on-going appropriation of \$420,000 from various sources for state operating expenses. Specifically, \$120,000 from the Environmental License Plate Fund, \$230,000 from Proposition 12, \$15,000 from the State Coastal Conservancy Fund, \$50,000 from the Coastal Access Account, and \$5,000 from Proposition 1.

Over the past five years, the Conservancy has reduced its authorized support budget by 24 percent in an attempt to stabilize its long term funding. The Conservancy used to receive General Fund support, but since 2001, began relying on Bond funding. Despite decreasing its support budget, the Conservancy continues to experience state operation costs shortfalls due to increased workload.

This funding shift seeks to resolve ongoing state operation costs and does not change the Conservancy's baseline budget for state operations.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 3: Appropriation for Public Access

The Governor's budget request a one-time appropriation of \$89,000 from the California Beach and Coastal Enhancement Account with provisional language to allow these funds to be used for local assistance and capital outlay in order to continue implementation of the Conservancy's Public Access, Education, and related programs. The Conservancy additionally requests for a baseline reduction of \$226,000 from the same account.

The requested funds would be used to develop, operate and maintain public access ways, including accepted offers-to-dedicate, to support public education related to coastal resources and to fund the Explore the Coast Grant Program. Funds will also be disbursed as grants to public agencies and non-profit organizations and for recreational and interpretive facilities, materials, and events.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 4: Federal Trust Fund and Reimbursements - Local Assistance

The Governor's budget a \$2 million increase in Federal Trust Fund authority and \$10 million in reimbursement authority for local assistance. The Conservancy anticipates an increase in federal, state and other grants over the next several years.

The Conservancy currently has Federal Trust Fund authority of \$6 million to accept and expend federal grant funds throughout the fiscal year. The Conservancy in recent years has received grant amounts that meet or exceed the current level of authority.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 5: Request for Federal Trust Fund and Reimbursements Authority

The Governor's budget requests a \$233,000 increase in Federal Trust Fund authority and a \$500,000 increase in reimbursement authority for state operations.

The Conservancy has received a higher volume of grants awarded from federal, state, and non-state grantors over the past several years, rendering current levels of reimbursement and Federal Trust Fund authority insufficient. Increasing the baseline authority to \$500,000 and \$1,000,000 for Federal Trust Fund and reimbursements, respectively, will better align the Conservancy's authority and the amount of grants received.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 6: Proposition 12 Reservation and Appropriation

The Governor's budget request to revert and reappropriate \$14.62 million from Proposition 12 for local assistance and capital outlay, and have the funds be available for encumbrance until June 30, 2020.

A reappropriation would allow for continued implementation of projects, which includes acquisition of land and rights-of-way, development, operation and maintenance of public access ways and trails, restoration and enhancement of wetlands and watersheds, and preservation of open space and scenic lands.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 7: Proposition 12 Technical Adjustment

The Governor's budget requests a reduction of \$3,100,000 from Proposition 12. This reduction will prevent a negative balance in Proposition 12 and bring the amounts appropriated to the Conservancy into alignment with available Proposition 12 bond funds.

Staff Recommendation: Approve as Budgeted

3560 STATE LANDS COMMISSION

VOTE-ONLY ISSUE 8: Records Digitization and Indexing

The Governor's budget requests a one-time appropriation of \$200,000 (\$100,000 from the Marine Invasive Species Control Fund, and \$100,000 from the Oil Spill Prevention and Administration Fund), for contracted records digitization services.

The Commission houses over four million, mostly paper-based, records dating from the mid-1800s. Many of these records provide the basis for the state's ownership of both its sovereign and school land assets. These records are frequently accessed by staff and by land management professionals. The current process for locating these records are built around a paper-based spatial reference tool developed in the 1950s known as the ZNE system (Zone Northing and Easting).

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 9: LONG BEACH OFFICE RELOCATION

The Governor's budget requests a one-time appropriation of \$1.2 million from various funds (\$382,000 General Fund, \$237,000 Marine Invasive Species Control Fund, \$808,000 Oil Spill Prevention and Administration Fund, and \$37,000 School Land Bank Fund) for moving and set up expenses for the relocation of the Commission's Mineral Resources Management Division and Marine Environmental Protection Division offices in Long Beach. The budget also proposes ongoing funding of \$235,237 (\$62,000 General Fund, \$38,000 Marine Invasive Species Control Fund, \$129,000 Oil Spill Prevention and Administration Fund, and \$6,000 School Land Bank Fund) for increased rent.

The lease for the current Long Beach office expires on November 30, 2018. The current owner indicated that they would not renew the lease under any circumstances. The Long Beach office needs a new location and the resources requested is consistent with this need.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 10: SELBY SLAG SITE REMEDIATION

The Governor's requests \$470,000 General Fund to support the state's obligation to pay a proportionate share of certain ongoing hazardous waste remediation costs at the Selby Slag site pursuant to a 1989 consent judgment.

The State's obligation to fund a portion of the cleanup at Selby arises from a 1989 federal court decision that the state and two private parties are responsible for the clean-up of contamination resulting from a lead, gold, and copper smelter that was in operation from 1885-1970.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 11: ABANDONMENT OF BECKER ONSHORE WELL

The Governor's budget requests \$700,000 General Fund to conduct Phase 2 activities related to the abandonment of the Becker Onshore Well.

The Becker Onshore Well, located along the coast of Summerland in Santa Barbara County, is part of the Summerland Oil Field that was developed in the late 1890s from shore and from wharfs that extended into the Pacific Ocean in an area of naturally occurring oil and gas seeps. The field was the first offshore oil development in the United States.

Fresh oil can be observed bubbling up through the beach sand during certain conditions. These conditions occur when the beach sand cover is removed by tidal action coupled with low tides. This condition persists in the spring and fall months after storms and the lowest tides of the year occur. Oil from the leaking well causes sheening to occur in the ocean off Summerland Beach.

Staff received numerous letters from members of the public requesting approval of this proposal. Local residents argue that the leaking and seepage of the improperly abandoned well has rendered the beach that surrounds the Becker Oil well unusable and the stench of hydrocarbons permeating the air.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 12: BOLSA CHICA

The Governor's Budget requests a one-time appropriation of \$1.0 million General Fund to fund operations and management costs for the Bolsa Chica Lowlands Restoration Project in Orange County.

The Bolsa Chica Lowlands is the largest coastal wetland restoration project in the history of southern California, with a total investment of over \$150 million dollars.

If the ocean inlet closes, the tidal connection would be lost and the wetlands cannot drain, resulting in a rise in the water levels. This could not only be catastrophic for the area habitat and wildlife, it could cause flooding in the adjacent residential areas and oil fields. The State has invested significant resources into this restoration, approving this proposal would allow the state to maintain this investment.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 13: LEGAL REPRESENTATION

A Spring Finance letter requests a one-time appropriation of \$580,000 from the General Fund to fund contracted legal services to represent California's interests in the bankruptcy proceedings of *In re: Rincon Island Limited Partnership* in Dallas, TX.

Rincon Island Limited Partnership (RILP) is a lessee of three state oil and gas leases offshore Ventura County. The Commission discovered multiple regulatory violations and breach of its leases in November of 2014. Since then, the Commission has committed a large amount of staff resources and funding to force compliance by RILP but has only seen minimal steps taken. Seeing no good faith effort by RILP to cure the defaults, the Commission calendared a public hearing to terminate RILP's leases on August 9, 2016. On August 8, 2016, RILP filed Chapter 11 bankruptcy in the Northern District of Texas

and received an automatic stay. Advice from the Attorney General's Office precluded the Commission was from terminating the leases.

The State has an interest in preventing its lessees from using the bankruptcy court as well as setting a precedent for other non-compliant oil and gas lessees. Adequate legal representation at the bankruptcy proceedings creates an opportunity for California to argue for the bankruptcy court to rule that the leases are terminated or to dismiss the case so that the Commission can do the same.

Staff Recommendation: Approve as Budgeted

3790 DEPARTMENT OF PARK AND RECREATIONS

VOTE-ONLY ISSUE 14: BOATING NEEDS ASSESSMENT

The Governor's budget requests \$300,000 from the Harbors and Watercraft Revolving Fund to expand the scope of the department's existing Boating Needs Assessment (BNA).

The BNA is a statewide research effort to gather boating facility data, law enforcement boating facility needs, the economic value of recreational boating to the state, and participant input on recreational boating in California. The requested resources would allow the Department to include an assessment of underserved populations and behavioral characteristics of future boaters.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 15: BORDER FIELD SP: RENOVATION FOR PUBLIC USE (COBCP)

The Governor's budget requests \$228,000 from the State Parks and Recreation Fund for the working drawing phase of this project. This existing mitigation project will resolve the seasonal flooding of the park entrance road and develop the outdoor educational plaza at Monument Mesa. The project will be funded using settlement funds from the federal government for impacts to Border Field State Park resulting from the recent Federal Border Infrastructure Project.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 16: CALAVERAS BIG TREES SP: CAMPSITE RELOCATION (COBCP)

The Governor's budget requests \$138,000 in reimbursement authority for preliminary plans to relocate approximately five existing campsites to a new location within the park which will include leach field replacement, as needed.

The total project cost for the Calaveras Big Trees Campsite Relocation is estimated to be \$1,847,000. The project includes demolition and restoration of the existing campsites, widening of the road access to the new loop and throughout the new campsites, extending utilities to the new loop and individual spurs, constructing an accessible combination building, and installing accessible site furnishings and access throughout all five sites.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 17: CANDLESTICK POINT SRA: YOSEMITE SLOUGH (NORTH) - PUBLIC USE IMPROVEMENTS

An April 1st Finance Letter requests an adjustment to the fund source for the Candlestick Point SRA: Yosemite Slough (North) – Public Use Improvements project.

Governor's budget requested \$4.1 million in reimbursement authority for preliminary plans, working drawings, and the construction phases to develop public access, parking, restrooms, and interpretive facilities, including an education center, to support public day use adjacent to a newly-restored wetland restoration project at Yosemite Slough (north side) in Candlestick Point State Recreation Area (CPSRA) on the San Francisco Bay.

The California State Parks Foundation has agreed to donate the design specifications for this project will provide funding to the Department to pay all state costs for design review, project management and construction.

The Governor's budget had originally requested for reimbursement authority, however since the funds are to be donated to the Department, it would need to be authorized under the State Park Contingent Fund instead.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 18: DIVISION OF BOATING AND WATERWAYS REIMBURSEMENT AUTHORITY

An April 1st Finance Letter requests \$156,000 in reimbursement authority (one-time) for local beach restoration projects. The authority will allow the department to receive funds from local project partners.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 19: EL CAPITAN SB: ENTRANCE IMPROVEMENTS (COBCP)

The Governor's budget requests \$378,000 in Proposition 84 bond funds for the working drawings phase to address safety and operational issues at the park entrance. This project will provide an alternate safe route for pedestrians and bicyclists, provide increased space for today's larger vehicles on the park road and entrance area, replace a culvert with a bridge to allow the endangered steelhead trout a barrier free passage, and replace the aging and damaged entrance kiosk.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 20: ENCUMBRANCE EXTENSION REQUEST – SAN DIEGO COUNTY – 1988 BOND ACT

An April 1st Finance Letter proposes to reappropriate the balance of \$2.1 million from a 2014 California Wildlife, Coastal and Park Land Conservation Fund of 1988 appropriation to extend the encumbrance period to allow for project scope changes related to the acquisition of natural lands in the Tijuana River Valley as well as time to obtain legislative approval.

The 1988 Bond Act provided \$9.9 million to the county for the acquisition of natural lands in the Tijuana River Valley. The county used the funds to acquire approximately 430 acres of land in the Tijuana River Valley, of which 127.6 acres was taken by the federal government through eminent domain.

In December 2012, a settlement agreement was approved whereby the federal government provided \$2.1 million as compensation for the acreage seized. These funds were returned to the 1988 Bond Act fund, and then appropriated to the county in the 2014-15 fiscal year for the acquisition of natural lands in the Tijuana River Valley. The extension is necessary to allow time for the change of the project scope from acquisition to development as well as time for the County of San Diego to obtain Legislative approval as required by the 1988 Bond Act.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 21: FORT ORD DUNES SP: NEW CAMPGROUND AND BEACH ACCESS (COBCP)

The Governor's budget requests \$3.2 million Proposition 84 bond funds to develop public facilities, including camping and day use beach access, at the Fort Ord Dunes State Park in Monterey County. In an effort to control costs and limit the need for additional funds, the department also proposes to eliminate a number of non-essential project features. The additional funds are needed to cover increased construction costs based on an updated design estimate and escalation costs caused by extensive delays. The majority of the delays can be attributed to difficulties in obtaining a coastal development permit and additional tasks required by the Coastal Commission.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 22: GENERAL PLANS PROGRAM

The Governor's budget requests a one-time appropriation of \$2 million from Proposition 84 and ongoing \$120,000 from the Off-Highway Vehicle Trust Fund to fund planning projects under the General Plan Program.

The Department uses the general plans to guide the management and improvements of each state park. Of the 280 units, over 75 have no general plan or general planning document and others have plans older than 30 years old. Without these plans, park improvements may be disorganized, less efficient, and have no overarching guiding plan. The requests Prop 84 funds will be used to implement and complete the General Plan Program planning projects. The Department is requesting OHVTF funds to develop a general plan and EIR for a new OHV park, Onyx Ranch. Statute requires the department to develop a general plan for OHV parks before it can develop OHV recreational opportunities at that park.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 23: HOLLISTER HILLS SVRA: MARTIN RANCH ACQUISITION (COBCP)

The Governor's budget requests \$5 million from the Off-Highway Vehicle Trust Fund to acquire a 1,800 acre in-holding at the Hollister Hills State Vehicle Recreation Area (SVRA). The property separates the upper and lower portions of Hollister Hills SVRA. The upper ranch portion of Hollister Hills SVRA is approximately 810 acres in size, while the lower ranch portion of the park is approximately 4,300 acres. The property could potentially be purchased by developers and developed, which would conflict with the park use. Construction of housing could negate millions of dollars of funding already invested into the existing park.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 24: HUNGRY VALLEY SVRA: 4X4 OBSTACLE COURSE IMPROVEMENTS (COBCP)

The Governor's budget requests \$74,000 from the Off-Highway Vehicle Trust Fund for preliminary plans to upgrade and enhance an existing four-by-four obstacle course at Hungry Valley SVRA. Improvements to the facility will broaden the relevance of the park and will provide a variety of experiences and challenges to meet the growing demand of the Off-Highway Vehicle community. The existing facility is very old and dated making it increasingly difficult to maintain with existing resources. An enhanced facility will encourage OHV enthusiasts to use the obstacle course instead of searching for more challenging terrain, possibly off limits to OHV use resulting in excessive resource damage.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 25: LAKE DEL VALLE SRA: BOAT RAMP REPLACEMENT (COBCP)

The Governor's budget requests \$132,000 from the Harbors and Watercraft Revolving Fund for the preliminary plans phase to replace a boat ramp at Lake Del Valle State Recreation Area. The existing boat ramp is over 40 years old and its current condition poses a public safety risk.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 26: LAKE OROVILLE SRA: GOLD FLAT CAMPGROUND UPGRADES (COBCP)

The Governor's budget requests \$216,000 in Proposition 84 bond funds for preliminary plans to upgrade Gold Flat Campground's old and failing infrastructure. This project will replace the outdated electrical and water distribution systems, install data conduit for future use, and overlay campground roads and campsite spurs at this popular campground. Pursuant to the Americans with Disabilities Act, up to three accessible campsites will be created, along with accessible paths of travel and accessibility upgrades to the existing combination building.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 27: LOCAL ASSISTANCE PROGRAM – HABITAT CONSERVATION FUND

An April 1st Finance Letter proposes to revert and reappropriate \$2 million from the Habitat Conservation Fund (HCF) appropriated in 2009-10 and 2010-2011 for local assistance program compliance.

The HCF was created by the California Wildlife Protection Act of 1990 and provides \$2 million on an annual basis for a competitive grant program administered by the Office of Grants and Local Services.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 28: LOCAL ASSISTANCE PROGRAM – VARIOUS GRANT FUNDING

The Governor's budget requests \$32.4 million, on a one-time basis, and \$119.2 million, ongoing, from special and federal funds for various local assistance programs. Additionally, the budget includes \$300,000, annually, for four years from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 for local assistance program compliance.

Funding includes:

- \$300,000 Proposition 12 annually for four years
- \$30 million Off-Highway Vehicle Trust Fund (one-time)
- \$32.2 million Recreational Trail Fund ongoing (\$7.1 million for OHV grants and \$25.1 million for Recreational grants.)
- \$53.7 million Federal Trust Fund ongoing (\$12 million for boating and waterways grants, \$40 million for recreational grants, and \$1.7 million for historic preservation grants)
- \$30.5 million Harbors and Watercraft Revolving Fund ongoing (\$20 million for boating facilities, \$11.5 million for boating operations safety and enforcement)
- \$1.75 million Abandoned Watercraft Abatement Fund ongoing
- \$2.4 million Public Beach Restoration Fund (one time)

The various local assistant programs provide federal and state funds to local and state agencies and other organizations for grants that are generally for parks, recreation and resources related projects.

This request also includes trailer bill language to remove the requirement that Boating and Waterways must submit recommendations to the Governor for inclusion in the budget bill before it makes any loans or grants.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 29: MARSH CREEK – SHEA SETTLEMENT AND MATCH FUND REAPPROPRIATION

The Governor's budget requests a reappropriation of \$700,000, the unencumbered balance of settlement funds (Shea Settlement) deposited into the State Parks Recreation Fund (SPRF) to mitigate damages at Marsh Creek State Park and a reappropriation from SPRF for matching funds related to projects at Point Sur Lightstation (Big Sur). The total estimated balance requested for reappropriation is \$700,000.

The department had project permit delays related to the Shea settlement at Marsh Creek State Park. This reappropriation will allow the department to complete construction projects. The department awarded a construction contract for Point Sur Lightstation Bridge rehabilitation for five bridges in spring 2014, but the contractor was unable to execute the project. Rebids came in much higher than expected. The department requests the balance of this funding to complete 4 of the originally proposed 5 bridges to stay within the original budget.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 30: McARTHUR-BURNEY FALLS MEMORIAL SP: GROUP CAMP DEVELOPMENT (COBCP)

The Governor's budget requests \$868,000 in reimbursement authority for the construction phase to develop two adjoining group camps at McArthur-Burney Falls Memorial State Park as identified in the June 1997 General Plan. Development of the group camps is expected to increase the park's group camping capacity by a total of 100 campers. This new project is to be fully-reimbursed with non-state funds from Pacific Gas and Electric obligations.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 31: McGRATH SB: CAMPGROUND RELOCATION AND WETLAND RESTORATION (COBCP)

The Governor's budget requests 1.3 million from Proposition 40 bond funds for working drawings to relocate the existing McGrath State Beach campground, relocate the maintenance yard, employee housing, campfire center, and day use parking.

The campground and associated facility relocation/rehabilitation, including utility infrastructure replacement, is required due to yearly flooding, resulting in loss of major revenue generation and disruption of access to the operational and visitor use facilities.

This project will assist the department in avoiding significant costs for ongoing clean-up and repair of deteriorating facilities due to regular flood damage.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 32: MENDOCINO HEADLANDS SP: BIG RIVER BOAT LAUNCH (COBCP)

The Governor's budget requests \$205,000 from the Harbors and Watercraft Revolving Fund for preliminary plans to improve the existing beach launch by constructing a concrete boat ramp, paving the dirt boat launch parking lot, repaving the park road connecting the highway with the boat launch parking lot, constructing handicapped parking spaces, and adding required signage and pavement markings.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 33: OCEANO DUNE ENVIRONMENTAL COMPLIANCE

The Governor's budget requests \$880,000 in 2017-18 and \$815,000 ongoing from the Off Highway Vehicle Trust Fund (OHVTF) and eight positions for staffing, equipment, and ongoing support of environmental conservation programs and regulatory compliance at Oceano Dunes State Vehicular Recreation Area.

This SVRA is an active Off-Highway Vehicle recreation park, but it is also home to extremely sensitive resources like the state and federally listed endangered California Least Tern and the federally listed threatened Western Snowy Plover. The workload for the endangered species and dust control programs has increased substantially in the past five years, and resources have not kept up with the demand. In addition, breeding activity for Western Snowy Plover and California Least Tern has increased almost 20 percent in the past five years, and dust control activities and the number of monitoring sites and the acreage treated for dust control have increased since Rule 1001 was adopted in 2011.

Staff Recommendation: Approve \$880,000 for 2017-18.

VOTE-ONLY ISSUE 34: OCEANO DUNES STATE VEHICULAR RECREATION AREA GRAND AVENUE LIFEGUARD TOWER (COBCP)

The Governor's budget requests \$91,000 from the Off-Highway Vehicle Trust Fund for preliminary plans to develop a Lifeguard tower headquarters at Oceano Dunes. The project would provide a permanent observation tower to allow for preventative and responsive aquatic public safety response activities, provide medical and first aid to park visitors, serve as an information center for visitors, and an office location for

lifeguards to perform administrative functions and to satisfy mandatory training functions and activities required of the classification.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 35: OCEANO DUNES SVRA VISITOR CENTER PROJECT (COBCP)

The Governor's budget requests \$1 million in 2017-18 and \$805,000 ongoing from the Off Highway Vehicle Trust Fund and three positions for facility staffing and maintenance for the Oceano Dunes SVRA, Pismo State Beach Visitor Center and Equipment Storage projects.

The Budget Act of 2014 authorized \$6.1 million for capital improvements for these projects. The improvements included a multi-purpose facility that will serve as a visitor center to accommodate the increased demand for interactive interpretive exhibits, an education program, Junior Ranger programs, training facilities, campground hosts, dune patrol volunteers, and other park staff. This project also includes an equipment storage building which will protect high-value equipment and 6 vehicles. It is anticipated that revenue will increase each fiscal year the state beach campgrounds are fully operational.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 36: OCOTILLO WELLS SVRA: HOLLY CORPORATION ACQUISITION (COBCP)

The Governor's budget requests \$3.5 million from the Off-Highway Vehicle Trust Fund for the acquisition and related costs of acquiring 18 parcels of land adjacent to Ocotillo Wells SVRA near Salton City totaling 1,900 acres. The objective of the project is to acquire immediate possession of the property. This acquisition will: 1) reduce illegal off-road activity; 2) protect natural and cultural resources; and 3) cultivate cooperative relationships with adjacent land managers.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 37: OCOTILLO WELLS SVRA: HOLMES CAMP WATER SYSTEM UPGRADE (COBCP)

The Governor's budget requests \$107,000 from the Off-Highway Vehicle Trust Fund for preliminary plans to provide for the construction of a new water treatment and distribution system to meet current demand and health department standards, comply

with the California DHS-DWFOB Check List of Security Measures for Water Utilities, and provide storage and protection from the desert environment.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 38 : PISMO SB: ENTRANCE KIOSK REPLACEMENT (COBCP)

The Governor's budget requests \$124,000 from the Off-Highway Vehicle Trust Fund for the preliminary plans to replace an entrance station kiosk in the North Beach Campground at Pismo State Beach. This project aims to reduce deferred maintenance by removing and replacing an entrance kiosk that is rapidly deteriorating and causing an undue burden on maintenance staff due to seasonal flooding. The entrance kiosk will be relocated to a higher elevation to prevent flooding damage and ensure continued operation.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 39: PROPOSITION 12 STATEWIDE BOND CLOSE-OUT (COBCP)

The Governor's budget requests \$81,000 ongoing from Proposition 12 and one half-time position to provide statewide bond oversight and cash management during the bond's final years.

The requested resources will assist with the final years of Proposition 12 oversight, which includes the closeout of a small portion of bond funding still unencumbered, tax compliance, cash management, and post-expenditure reporting needs that have grown in the last few years.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 40: PROPOSITION 40- RECREATION AND FACILITIES PROGRAMS (COBCP)

The Governor's budget requests a one-time appropriation of \$16 million, from Proposition 40 to provide grants through a competitive youth soccer and recreation development program. Additionally, the budget requests a one-time appropriation of \$10 million from Proposition 40 for grants through a competitive outdoor environmental education facilities program.

In 2015-16 Governor's budget, the Administration announced its intent to fund a \$26 million youth soccer program in 2017-18, utilizing an available Proposition 40 balance in accordance with PRC Section 5096.633. The Legislature approved the youth soccer and recreation development program concept, but indicated its intent to authorize \$10 million of the funds for a separate outdoor environmental education facilities program.

This proposal will implement both the youth soccer and recreation development and outdoor environmental education facilities programs.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 41: REAPPROPRIATION FOR ORANGE COUNTY BEACH RESTORATION PROGRAM (COBCP)

An April 1st Finance Letter proposes to reappropriate \$4.5 million from a 2016 Public Beach Restoration Fund appropriation for beach re-nourishment of the Orange County Beach Restoration Project because the primary funding partner, the US Army Corps of Engineers, is unable to execute the contract within state encumbrance deadlines.

In 2016-17, the Department received an appropriation of \$5.3 million, of which \$739,000 was encumbered to complete engineering and design of this project. The remaining \$4.5 million is budgeted for construction, but will be encumbered under a different agreement. Based on the most recent schedule from the Corps, this construction agreement will not be executed for a minimum of three months beyond the state encumbrance deadline.

An additional \$739,000 in construction funding for this project is already proposed in the Governor's budget. If this reappropriation is approved, the total amount for construction of this project would be \$5.3 million.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 42: REAPPROPRIATION: CAPITAL OUTLAY PROGRAM (COBCP)

An April 1st Finance Letter proposes the reappropriation of \$54.6 million (\$3.6 million General Fund and \$51 million in special funds or bond funds) in existing capital outlay appropriations to allow for the completion of 24 projects that are currently in progress.

Reasons for delays include: State Fire Marshall and/or ADA requirements, finalizing approvals and permits, extended construction timelines, modified working drawings or design changes, delays in the acquisition process.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 43: SAN LUIS RESERVOIR SRA: SAN LUIS CREEK RAMP REPLACEMENT AND PARKING IMPROVEMENTS (COBCP)

The Governor's budget requests \$142,000 from the Harbors and Watercraft Revolving Fund for preliminary plans to improve visitor throughput at this facility by widening the existing two-lane boat ramp by two lanes, adding a third boarding float, and reconfiguring the parking lot. The project will also upgrade outdated fish cleaning and parking lot lighting systems.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 44: SOUTH YUBA RIVER SP: HISTORIC COVERED BRIDGE (COBCP)

The Governor's budget requests \$2.8 million in Proposition 84 bond funds to supplement construction funds to restore and rehabilitate the world's longest single span historic covered bridge located at South Yuba River State Park. This bridge has spanned the South Yuba River in Nevada County for over 150 years.

The project will require temporary protection of the river corridor beneath, and, downstream of the bridge; exterior and interior shoring; removal and replacement of damaged or compromised iron and wood structural components, and the removal or replacement of damaged siding and roofing. During the development of preliminary plans additional studies were conducted and revealed significant structural issues prompting the increase to construction costs.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 45: STATEWIDE: DBW MINOR CAPITAL OUTLAY PROGRAM (COBCP)

The Governor's budget requests a one-time appropriation of \$676,000 from Harbors and Watercraft Revolving Fund for the Division of Boating and Waterways minor capital outlay program. The requested resources would be used for boating and waterway enhancements to enable or enhance program delivery for the following projects:

- **Picacho SRA: Paddlewheeler and Upper Dock Restrooms** - \$332,000 - This project will install a single-unit prefabricated concrete vault restroom at the Paddlewheeler Boat-In Campground and two single-unit prefabricated concrete vault restrooms at the upper dock boat ramp.
- **Salton Sea SRA: Salt Creek Kayak Camp Restroom and Showers** - \$344,000 - This project will replace the existing portable chemical toilet and existing wood

shower stall building with a prefabricated concrete vault restroom and prefabricated concrete shower building.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 46: STATEWIDE: VEP MINOR CAPITAL OUTLAY PROGRAM (COBCP)

The Governor's budget requests a one-time appropriation of \$124,000 in Proposition 84 bond for the Volunteer Enhancement Program Minor Program. The requested resources will address park operations, public recreation/access, energy efficiency, and resource protection/restoration for the following projects:

- **Kenneth Hahn SRA: Baldwin Hills Subunit Greenhouse Renovations** - \$50,000 - This project will renovate existing greenhouse by adding photovoltaic panel/system, porous apron and shade structure. This will increase native plant cultivation capacity by volunteers and students.
- **Mt. Diablo SP: Upgrade Camp Host Sites** - \$74,000 - This project will make needed improvements to the Camp Host sites at the Juniper campground and Mitchell Canyon. These improvements will assist in attracting volunteer Camp Hosts to maintain and monitor the campgrounds for these locations.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 47: TOPAGANA SP: REHABILITATE TRIPPET RANCH PARKING LOT (COBCP)

The Governor's budget requests \$219,000 in Proposition 84 bond funds for working drawings to rehabilitate the Trippet Ranch parking lot and surrounding area. This project will rehabilitate the parking lot and surrounding area damaged by erosion and storm water in order to reduce the safety risk to the public, reduce maintenance costs and better support interpretive uses of the historic zone.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 48: TORREY PINES SNR: SEWER AND UTILITY MODERNIZATION (COBCP)

An April 1st Finance Letter proposes to appropriate \$1.3 million in Proposition 84 funds for the working drawings and construction to connect the Torrey Pines State Natural Reserve Park to the local sewer system. The requested funds would also upgrade the aging water and utility infrastructure to address significant public health and safety

concerns, to avoid sensitive habitat degradation, and to reduce deferred maintenance and ongoing repair cost.

The proposal also requests for a reappropriation of the existing working drawings and construction appropriations.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 49: VESSEL OPERATOR CARD AUGMENTATION

The Governor's budget requests \$497,000 from the Vessel Operator Certification Account to implement certification and card issuance for vessel operators, pursuant to SB 941 (Monning, Chapter 433, Statutes of 2014).

SB 941 requires all motorized vessel operators in California to become certified. The department was tasked with developing the operator card and certification program. The Budget Act of 2015 included funding and positions authority for three staff to create the new program. This new funding will allow the division to contract with a vendor to administer a required vessel operator exam and issue operator cards. Applicants are charged a \$10 fee for certification, which supports this fund. The department projects revenue of approximately \$700,000 in 2017-18 and \$1.3 million in 2018-19 and 2019-20.

Staff Recommendation: Approve as Budgeted

VOTE-ONLY ISSUE 50: REVERSION OF GRANT FUNDS FOR MICKE GROVE ZOO

The Governor's budget request to revert grant funds for Micke Grove Zoo in the amount of \$500,000.

The Budget Act of 2016-17 included \$500,000 for deferred maintenance, capital outlay, and new exhibits projects for the Micke Grove Zoo.

Staff Recommendation: Reject

ITEMS TO BE HEARD

ISSUE 1: SEA LION CRISIS - UPDATE

The Subcommittee will receive an update from Dr. Jeff Boehm, the executive director of The Marine Mammal Center, a founding member of California's Marine Mammal Stranding Network, on the sea lion crisis and how the funds appropriated last year were utilized on rescue efforts.

BACKGROUND

2017 is the 5th year since NOAA Fisheries declared an unusual mortality event (UME) regarding the extraordinary deaths and strandings of California sea lions. In 2013 and 2014, the story was one primarily of stranded, starving California sea lions. In 2015 and 2016, the story was more complex with a continued stream of malnourished California sea lion pups, as well as increased strandings of northern fur seals and, most notably, Guadalupe fur seals, a threatened species. NOAA Fisheries declared an additional UME for Guadalupe fur seals in 2015 when strandings occurred at a rate of eight times the historical average. Both of these UME investigations are ongoing.

Changing climates are leading to unusually warm waters along the West Coast. This has affected food availability for many marine mammals, resulting in increased mortalities for animals like California sea lions, northern fur seals and Guadalupe fur seals, as well as increased strandings of other species including northern elephant seals and harbor seals. The El Niño conditions we experienced last year only exacerbated the situation.

The eight* almost-exclusively nonprofit organizations that comprise California's Marine Mammal Stranding Network work tirelessly with limited and donated resources to rescue and rehabilitate stranded marine mammals and conduct important research that helps the scientific community better understand ocean health, the cause of mass marine mammal strandings, and disease manifestations that impact both marine wildlife and humans.

The Budget Act of 2015 and 2016 approved \$1 million and \$2 million from the General Fund respectively for the Wildlife Health Center, University of California at Davis, to administer grants to California marine mammal stranding networks to help with these rescue and research efforts.

STAFF COMMENTS

The sea lion crisis is akin to the canary in the coal mine. In this fifth year since the UME began, it is important to shift from reactionary support of emergency activities to ongoing and sustaining support for organizations that work to surveil and conduct research for the benefit of both humans and wildlife in addition to their rescue activities.

Advanced detection through the ongoing surveillance that these organizations conduct could help the State better understand and therefore manage the changing conditions of the ocean, fisheries decline, toxicities, cancer and more.

The Subcommittee may wish to appropriate funds for this effort.

Staff Recommendation: Informational

3790 DEPARTMENT OF PARK AND RECREATIONS**ISSUE 2: BASE FUNDING – MAINTAIN OPERATIONS**

The Governor's budget requests \$12.6 million from the SPRF and \$4 million from the California Environmental License Plate Fund (ELPF), on a one-time basis, to maintain existing service levels throughout the state parks system. This proposal is intended to allow the department to complete implementation of operational efficiency initiatives, enhance revenue generation opportunities, and explore additional partnerships, including an outside support organization as specified by Chapter 540, Statutes of 2016 (SB 1111). The proposal sustains the current level of service at parks, while acknowledging the need to solve the long-term structural shortfall.

BACKGROUND

The state park system, administered by DPR, contains almost 280 parks and serves about 75 million visitors per year. State parks vary widely by type and features, including state beaches, museums, historical sites, and rare ecological reserves. The size of each of park also varies, ranging from less than one acre to 600,000 acres. In addition, parks offer a wide range of amenities including campsites, golf courses, ski runs, visitor information centers, tours, trails, fishing and boating opportunities, restaurants, and stores. Parks also vary in the types of infrastructure they maintain, including buildings, roads, power generation facilities, and water and wastewater systems.

Over the past several years, the department has relied on one-time augmentations to sustain core operation service levels. In 2014-15 and 2015-16, the department received one-time augmentations from its SPRF fund balance; however, in 2016-17 a one-time transfer of fuel tax revenue initially slated to go to the Off-Highway Vehicle Trust Fund (OHVTF) was needed to both sustain operations and keep SPRF solvent.

Service-Based Budgeting (SBB)

The Parks Forward Commission (PFC) was appointed in July of 2013 to recommend improvements for ensuring the state park system's long-term sustainability. The Commission's primary purpose was to look beyond the immediate crisis and toward a broader vision for California parks - a vision of a focused and modernized department positioned to lead a park system that:

- Values and protects the state's iconic landscapes, natural resources, and cultural heritage;
- Remains relevant and accessible to all Californians and welcomes visitors from around the world;
- Engages and inspires younger generations; and

- Promotes healthy and active lifestyles and communities that are quintessentially Californian.

In anticipation of the PFC report, the California Natural Resources Agency and the department's director commenced a state parks transformation process by retaining an advisor with extensive state and local government organizational development experience to identify a series of initiatives that will result in many positive changes in the department's organization. To accomplish these changes, the department has assembled a transformation team that has taken on several important transformative initiatives, including Service-Based Budgeting (SBB). SBB was established to improve allocation of resources, increase service consistency across parks, monitor spending across programmatic areas, and understand under-met programmatic needs.

In May 2016, the department completed the data collection effort for SBB that documents all functions, across each district and park to enable analysis of the resource requirements for each task the department needs to perform to achieve its mission (optimum service level). This process also revealed which tasks are currently performed and to what extent (current service level). This data is captured in hours by classification and can be converted to cost using current salary, benefit, and operating equipment and expense information. The department has been able to analyze this information through high-level analytics, and for the first time can articulate through a qualitative analysis the service levels it currently provides and how it allocates its resources. The department has begun the process of setting service level standards that align to the department's mission and goals.

Maintaining Existing Service Levels

According to the department, any decrease in funding would mean reductions to core operations and could ultimately impact visitor services, natural and cultural stewardship, community engagement, or park infrastructure. Over the past two years \$80 million has been invested in addressing state parks infrastructure. It is critical that support functions be maintained and preserved as well. While SBB will inform the allocation of existing resources, resources in many areas are already stretched thin to address critical health and safety, infrastructure, and revenue generation mandates. To the extent that funding to maintain existing services is depleted, the department will lose flexibility to reallocate internally to either fill service gaps or promote revenue generating activities.

Revenue Generation Projects

The department's request includes \$477,000 in SPRF to support four revenue-generating projects at Hearst Castle within Hearst San Simeon State Historical Monument (Hearst Castle), Morro Strand State Beach (SB) and South Carlsbad SB. These four projects are vital to adhere to the Legislative mandate and create revenue for the Department as part of its Transformation Team efforts and are self-supporting from the revenue they generate.

LAO COMMENTS

The LAO's overview of this proposal included the following addition background related to funding for the department:

- **Major Funding Sources for State Park Operations.** Park operations are ongoing activities necessary to run the park system, including staffing, management, maintenance, fee collection, and administration. Other activities performed by the department, such as capital outlay projects and grants provided to local governments, are not considered part of park operations. The state park system receives funding from many sources to support its operations. The major sources for funding include:
 - **SPRF.** In recent years, the department's largest fund source for operations has been SPRF, which has provided about 40 percent of the department's operations funding. The fund is supported primarily by revenues collected from fees charged to park users. Parks frequently charge user fees, including for parking, park entrance, and specific recreational activities (such as the use of overnight campsites). The fund also receives revenue from contracts with state park concessionaires that provide certain services, as well as some revenue from the Highway Users Tax Account and the Motor Vehicle Fuel Account for constructing and maintaining public roads in state park units.
 - **General Fund.** With a few exceptions, state parks cost more to operate and maintain than they currently generate in revenue. For this reason, state park operations are partly funded from the state General Fund. The Governor's 2017-18 budget includes \$137 million in General Fund support for DPR operations. The amount of General Fund support for the parks has declined since 2006-07.
 - **Off-Highway Vehicle (OHV) Trust Fund.** The department also receives roughly \$60 million annually from the OHV Trust Fund for operations of the Off-Highway Motor Vehicle Recreation Division of DPR. Revenue for the OHV Trust Fund primarily comes from 1) fuel taxes that are attributable to the recreational use of vehicles off highway, 2) OHV registration fees, and 3) fees collected at State Vehicular Recreation Areas (SVRAs). This fund primarily is spent to operate and expand the state's eight SVRAs, to acquire land for new SVRAs, and make grants to agencies for OHV trails on other public lands.
 - **Other Special Funds.** State parks also receive support from various special funds, including revenue from the state boating gas tax, federal highway dollars for trails, and various state revenue sources earmarked for natural resource habitat protection. Historically, DPR has also received funding from ELPF, which collects revenue from specialty license plate sales. However, this funding was eliminated as part of a solution to ELPF's structural deficit in 2015-16.

- **Recent SPRF Shortfalls.** Changes to DPR's budget since 2011-12 have resulted in a SPRF operating deficit and depletion of the SPRF fund balance. During the recent recession, the 2011-12 and 2012-13 budgets reduced baseline General Fund support for the department by a total of \$22 million to achieve General Fund savings. In response to the reduction, the Legislature provided additional SPRF funding on a temporary basis rather than close state parks. The Legislature also took other actions to encourage parks to become more self-sufficient through increased revenue generation. This also increased expenditures and transfers from SPRF to provide funding for new projects and activities intended to generate revenue.

These changes, coupled with other one-time and ongoing spending, caused expenditures from SPRF and its subaccounts to increase by more than \$66 million between 2011-12 and the projected 2017-18 level. Revenues and transfers to the fund did not increase at the same rate over that period. These trends resulted in a structural deficit and the virtual depletion of the SPRF fund balance.

- **Legislature Created Revenue Generation Program.** State parks have historically relied on park-generated revenue to help support operations. In recent years, the Legislature has directed DPR to improve its revenue generation. Specifically, Chapter 39 of 2012 (SB 1018, Committee on Budget and Fiscal Review) directed DPR to maximize revenue generation activities (consistent with the mission of the department).

A major component of Chapter 39 is the District Incentive Program. This program sets annual revenue targets for each district based on how much revenue that district earned in the previous three years. If both the state as a whole and an individual district exceed revenue targets, half of the district's revenue earned above its target is allocated back to that district. The remainder stays in SPRF—in the Revenue Incentive Subaccount—to be used for specified purposes, including new fee collection equipment and projects to improve the experiences of visitors. A district that does not exceed its target does not receive an allocation under the program. Chapter 39 also created and transferred bond funds to the State Park Enterprise Fund to be used for infrastructure and facility improvement projects designed to increase revenue.

The LAO found that the Governor's budget proposal is a reasonable way to address the shortfall on a one-time basis. The Governor's budget projects that SPRF will have a year-end fund balance of only \$4.6 million (3 percent of revenues and transfers) at the end of the budget year. In addition, while ELPF is projected to have a fund balance of \$10.8 million at the end of 2017-18, it could not sustain the proposed funding for parks on an ongoing basis without putting that fund into a structural deficit. In fact, the ELPF had its own structural deficit until a series of budget actions was taken last year that included eliminating ELPF support for DPR. One reason ELPF could support this expenditure in the budget year is because of a proposed one-time transfer of \$6.3 million from the Motor Vehicle Account into ELPF. This transfer is related to past overcharges to the ELPF discovered in a 2013 audit by the California State Auditor. The

LAO noted that using ELPF to support DPR in the budget year delays rebuilding the fund's balance and reduces the amount available for other ELPF-supported activities.

STAFF COMMENTS

Staff notes that the current transportation funding proposal, SB 1 (Beall), beginning November 1, 2017, would transfer the gasoline excise tax revenues attributable to boats and off-highway vehicles from a new \$0.12 per gallon increase, and future inflation adjustments from that increase, to the SPRF, to be used for state parks, off-highway vehicle programs, and boating programs. This is projected to result in approximately \$45 million in the first year growing to \$60 million annually for the department. This new revenue should significantly impact the funds ongoing structural issue and raises the question of whether a portion of the Governor's budget proposal, one-time funds from the ELPF, is still necessary.

The Subcommittee may wish to ask the department its plans to utilize SB 1 revenues to the extent that they exceed the level required to maintain current operations.

Staff Recommendation: Hold Open

ISSUE 3: AMERICANS WITH DISABILITIES ACT COMPLIANCE

The Governor's budget requests \$4.1 million General Fund and an equal reduction of Proposition 12 funds for 2017-18, growing to an ongoing shift of \$12.3 million beginning in 2018-19, to support the Americans with Disabilities Act (ADA) Program. This proposal reflects the end of the life of the bond.

Additionally, this proposal includes \$1 million General Fund and five positions beginning 2018-19 for the maintenance of completed ADA improvement projects.

BACKGROUND

DPR is subject to a 1990s federal consent decree (Tucker Consent Decree) that requires the department to complete a list of barrier removal projects for ADA compliance. The most recent transition plan for project completion includes deadlines that range from 2016 to 2028. The department has completed 1,089 of 3,064 listed items and has an additional 431 in progress. The department is required to complete these projects within a specific timeline, and this funding request will allow them to proceed largely on schedule.

The Tucker Consent Decree prioritizes the work in the transition plan by park level based on public attendance, geographic location, and variety and uniqueness of park activities. Level 1 parks are the highest priority, while Level 4 are the lowest. In Level 1 parks, the department agreed to make all activities and supporting facilities physically and programmatically accessible. In Level 2 and 3 parks, the department agreed to make the major activities and supporting facilities physically and programmatically accessible.

The ADA Program has three types of projects:

- **Accessibility Construction Unit (ACU):** Projects that are completed by the ADA program's own 4-8 person construction crews. These are smaller projects that do not require full design and engineering documents because the ACU crews are highly experienced in accessibility codes and requirements and are able to complete work with conceptual designs only. ACU projects average \$200,000 each.
- **Trail:** Trail projects designed by the ADA program's landscape architects and completed either by departmental trail crews or with labor from the California Conservation Corps. Trail work is labor-intensive and completed by hand. While trail layouts are designed in-house before construction, topographical challenges require much flexibility in the final design and layout. Regardless of labor source, all trail projects are supervised by the department's trail experts. Trail projects average \$400,000 each.

- **Contracted:** Large projects that require full design and engineering documents. The department designs, engineers, monitors, and inspects the projects, while the construction work itself is contracted to private companies through the public contracting process. Contracted projects average \$1,000,000 each.

ADA projects related to the consent decree were previously funded by Proposition 12 but the resource need for these projects is greater than the amount of Proposition 12 available funding, so the balance will be funded by General Fund. The latest ADA barrier-removal cost estimate, completed by the department's Acquisition and Development Division, estimates that \$175 million will be needed to address the presently identified ADA barrier-removal projects.

STAFF COMMENTS

The Tucker Consent Decree requires the department to complete a list of barrier removal projects for ADA compliance. The most recent transition plan for project completion includes deadlines that range from 2016 to 2028. The department has completed 1,089 of 3,064 listed items and has an additional 431 in progress. The department is required to complete these projects within a specific timeline, and this funding request will allow them to proceed on schedule.

Staff Recommendation: Approve as Budgeted

ISSUE 4: HAZARDOUS MINE REMEDIATION

The Governor's budget requests \$14.5 million General Fund for environmental remediation at Empire Mine State Historic Park, Malakoff Diggins State Historic Park, and Mount Diablo State Park. All three parks are currently under cleanup and abatement orders and these funds allow Parks to comply with the orders. Additionally, this proposal includes \$2 million General Fund ongoing for Empire Mine monitoring and maintenance requirements and future clean-up costs.

BACKGROUND

These state parks bring their own respective uniqueness to the State Parks System. Mount Diablo is located in Contra Costa County at the eastern fringe of the San Francisco Bay Region, is a unique 19,600-plus acre "Island Mountain" girdled by suburban development. Rising 3,849 feet above the neighboring lowlands, Mount Diablo offers 360 degree views that, on clear days, can take in 35 counties and 200 miles. In 1851, the mountaintop was selected as the starting point for a survey of the public domain and is used to this day in official land surveys. This proposal is a one-time request to remove the contaminated materials from the park to an appropriate disposal facility. It will include bringing a consultant on board to assist with the implementation.

Malakoff Diggins is a Historic Park Unit and is subject to Public Resources Code (PRC) 5024. PRC 5024 requires state agencies to take a number of actions to ensure preservation of state-owned historical resources under their jurisdiction. Malakoff Diggins is also listed on the National Register of Historic Places and subject to Secretary of the Interior's standards for historic preservation. The North Bloomfield Historic District at Malakoff Diggins is a national historic landmark and, by direct association, the Diggins pit itself could be considered a significant contributing historic feature. Proposed remedial solutions may impact protected cultural resources and risk delisting. In light of this, the department has completed a park-wide cultural resources inventory which is the first step in obtaining a better understanding of the vast resources at the park and provides a baseline to assist in determining impacts. Tasks in this proposal will build from the previous appropriation and initiate consultation with permitting agencies, control agencies, continuing the water monitoring and sampling and implement approved remedial alternatives.

Located in Grass Valley, Empire Mine is the site of one of the oldest, largest, deepest, longest, and richest gold mines in California. In operation for more than 100 years, the mine produced 5.6 million ounces of gold before it closed in 1956. The park consists of 856 acres, including forested backcountry and 14 miles of trails. Additionally, the park contains many of the mine's original buildings, the mine owner's home with restored gardens, and the main shaft entrance to 367 miles of abandoned and flooded mine shafts. Attendance at the park exceeds 110,000 visitors each year. Recreational opportunities at the park include picnicking, hiking, biking, horseback riding, and guided tours. The requested funds for Empire Mine is the department's estimate of what will be

needed each year to fund continued evaluation, analysis, design, and maintenance of remedial action projects required. This proposal excludes the construction costs of future remediation projects because the timing and cost of these projects cannot be meaningfully anticipated at this time.

As a result of historic mining activities and operations, there are environmental hazards which are violating the Clean Water Act at these parks. The regional board has issued Waste Discharge Requirements to Malakoff Diggins and Empire Mine; and also issued a cleanup and abatement order for Mount Diablo and Empire Mine.

STAFF COMMENTS

This funding will fully meet the orders for Mount Diablo, meet the interim measures at Malakoff Diggins, and satisfy the multiple orders at Empire Mine, which, like Malakoff Diggins, will have ongoing monitoring and maintenance requirements and potential future clean-up costs.

Staff Recommendation: Approve as Budgeted
