STATE OF CALIFORNIA
OFF-HIGHWAY MOTOR VEHICLE RECREATION COMMISSION
MEETING MINUTES SYNOPSIS - UNAPPROVED

March 14, 2011

DoubleTree Hotel
Salon C
2001 Point West Way
Sacramento, CA 95815

IN ATTENDANCE:

OHMVR COMMISSIONERS:

Gary Willard, Chair    Eric Lueder, Vice Chair
Brad Franklin        Breene Kerr
Diana Perez          Kane Silverberg
Paul Slavik          Stan Van Velsor

CALIFORNIA STATE PARKS OHMVR STAFF:

Daphne Greene, Deputy Director, OHMVR Division
Phil Jenkins, Chief, OHMVR Division
Tim La Franchi, Legal Counsel, OHMVR Division
Bill Herms, Deputy Director, Legislation
Department of Parks and Recreation

OTHER OHMVR STAFF AND REGISTERED VISITORS
AGENDA ITEM I - CALL TO ORDER
Chair Willard called the meeting to order at 9:34 a.m.

AGENDA ITEM I(A) - PLEDGE OF ALLEGIANCE
Commissioner Lueder led the meeting attendees in the Pledge of Allegiance.

AGENDA ITEM I(B) - ROLL CALL
Six Commission Members were present at time of roll call.

AGENDA ITEM II - APPROVAL OF AGENDA
CHAIR WILLARD: Motion to approve today's agenda.

COMMISSIONER LUEDER: Motion to approve today's agenda dated March 14, 2011.

COMMISSIONER SILVERBERG: Second.

CHAIR WILLARD: All those in favor?

(Commissioners simultaneously voted.)

CHAIR WILLARD: Motion approved.

I'd like to welcome two new Commissioners. It's been quite awhile since we've had some vacancies filled, and I'm very glad to report that we have two new Commissioners, Diane Perez and Breen Kerr.

Commissioner Perez, why don't you tell us a little bit about yourself, your background.

COMMISSIONER PEREZ: Thank you. I'm certainly pleased to be here. I live in Santa Maria. I have a
terrific husband and three great kids. I've worked in the field of education for the last 20 years as a counselor and also as an administrator most recently. And I'm honored to be part of this Commission. I'm looking forward to learning some new things. I'm an ATV instructor. My kids love motorized vehicles, and certainly we are a family that enjoys this type of activity. And I'm looking forward to representing the thousands of families that enjoy OHV recreation. And I want to thank you for allowing me to represent you and being part of this Commission. Thank you.

COMMISSIONER KERR: Thanks, everybody, for welcoming us this morning and glad to see everyone is here for this special meeting. My background is I'm actually an energy project director at a large commercial contractor. My interests include sustainable building practices, solar energy and other environmental causes; however, I'm also a lifelong motorcyclist, and I have been to most of the OHV riding areas in the state primarily with my son, Caylen. And he and I have participated in off-road vehicle activities for the last 15 years. I also have a background in public service, two-time mayor of the Town of Los Altos Hills and served on a number of regional agencies in the Bay Area. So I look forward
to working with my fellow Commissioners and serving the needs of the OHV community.

**AGENDA ITEM III(A) - BUSINESS ITEM**

CHAIR WILLARD: So the purpose of this meeting is to discuss the very recent budget conference committee's recommendation, the $10 million be transferred from the OHV Trust Fund to the State of California General Fund. So we're going to have staff reports, and the Commission will be able to have Q and A with staff. Most importantly, we want to hear from the public. So we hope that you will be able to come up and give us your thoughts on this situation. And in order to do that, you need to fill out one of these forms, and you can find them over here. Vicki has them at this desk over here, and you get two minutes if you're an individual, four minutes if you represent an organization.

Before we get started, I think I want to make some comments. I've been reviewing the very, very thorough documentation the staff report has for us in the binders. The State of California is in a very difficult period right now, and it seems to get worse every year. This one is really a challenge, and the state is faced with making a lot of very difficult decisions, some of which I'm sure will lead to very
draconian measures. And there's going to be cuts in services, and I think all parts of state government need to play a role in providing a solution to this important crises.

That said, the State of California OHV program has been contributing to this crisis, the last few years to a very huge degree. And I think we'll get into that a little bit more, but I think it's important for us to keep that in mind that while we have a crises, everyone needs to participate. You need to do that in a manner that's equitable, reasonable and also doesn't cause long-term harm and damage to a program that's taken 40 years to create.

Obviously, I've got a lot more to say on this. Right now, I'll turn it over to staff to give us a report.

DEPUTY DIR. GREENE: Good morning, Commissioners, members of the public. In particular, welcome to the two new commissioners. We are delighted to have you on board.

Obviously, I want to just thank members of the public. I'm Daphne Greene, Deputy Director, Off-Highway Vehicle Recreation Division. I would like to thank everybody. When we received this request from the Commission, we had a very short time frame in which
to prepare. I recognize that everybody has commitments, and so to make time on a Monday morning to be here, we appreciate.

I would just like to take a moment to introduce to my left Deputy Director Bill Herms, who's the Deputy Director for Legislation for the Department of Parks and Recreation; Tim LaFranchi on my far left, legal counsel, for the OHV Division; and to my right, the Chief of the Division, Phil Jenkins. So at this time, I'm going to turn it over to Phil, he'll walk through some of the issues that we highlighted in the staff report, provide some clarification throughout the day, and then turn it back over to the Commission.

CHIEF JENKINS: Thank you. I'm going to try to go through fairly briefly and summarize what's in the staff report, just to get us all up to speed with how we got to where we are today. There were a series of meetings that were held about the budget, and at various times, depending on which day you were watching, paying attention or looking on the web, we were looking at loaning or having taken out of our budget anywhere from $4 million to $27 million. Naturally, that leads to quite a bit of confusion about how and why.

Very briefly, and for those of you that just
want to torture yourselves you can look under tab five, there is the process of how the budget is created. The first one here under tab five is the process from 1998. I should point out the process, the flow of events is correct there. But since that's an older version of that, it doesn't have a few things updated. For instance, it says that it takes a two-thirds vote still to approve the budget. That's no longer the case, but they didn't have anything more recent than that up on the website.

Essentially, though, what happened as we got towards in our budget, the first process, as the state is developing the budget, the Governor puts out his proposed budget on January 10th. The budget that was proposed by the Governor, by the administration, on January 10th funded the OHV program essentially at the levels that we had been funded out at in the past. There is a flowchart further back in the packet that shows where our budget would be for this coming year. Actually, that's under tab three, and we can go over that in more detail later.

But we were funded at similar levels to last year for both operations, which is the operations of the SVRAs, and then that overhead costs for running the program, as well as for grants. And then in addition
there were some special projects in there that we had
been approved to do.

That budget then goes over to the Legislature
and begins going through the Senate and Assembly. The
Senate, when they considered the OHV budget, they
approved the Governor's budget as it stood for the
OHMVR program, so that was one positive step there that
they had concurred that that budget was appropriate.

On the Assembly side, the Governor's proposed
budget was first reviewed by Assembly Subcommittee 3.
When the Assembly Subcommittee looked at it, there were
several questions that came up. On February 7th, there
was a hearing of the Subcommittee, and at that hearing
they discussed two items related to the State Parks
budget. One was they discussed the $11 million cut
that's being done to department as a whole, $11 million
cut in the General Fund support portion of their
operations budget.

And then they also discussed the OHMVR program
budget. When they got to the OHMVR program budget,
there was discussion at that meeting at that time about
whether or not monies from the OHMVR program could be
directed over to the department, which they just
discussed was losing $11 million of General Fund
support, whether or not some OHV Trust Funds could be
directed toward the department to offset the cost of enforcing OHV trespass -- or preventing, I should say, OHV trespass into parks that would be closed as a result of the $11 million loss in funding. At that time Park Director Coleman was at that meeting and discussed with them the possibility that might not be an appropriate use of funds. So that item was left open, and they carried it forward.

They met again on February 9th. If you look at the notes it will say February 9th, but it was a two-day meeting, so actually when they discussed our item it was on the 10th, so don't let that confuse you. At that meeting they began to discuss the item again.

I skipped a step. One step that led up to the next meeting was the Governor announced that they were going to be not selling property back as they had previously intended, which left a hole in the budget. And as a result of that lack of money coming in from the sale, they were going to be sweeping money out of reserves of various funds. As it turns out, the plans were announced at the following budget meeting that they planned on taking $21 million from the OHV Trust Fund Reserve, which the Governor's budget was projected to be $25.8 million. So they were going to take a bulk of the money from the reserve as a loan to assist with
closing some of the budget gaps this year.

Then on February 10th, the Subcommittee met again. And at that time they looked at specifically $5 million was proposed as an ongoing take from the OHV program. So that would be every year, $5 million would go from the program to State Parks to assist with these closures, enforcing these closures. The item was discussed. Chief Deputy Director Michael Harris was there at that meeting, and he testified that the department did not, in fact, support that, that there was perhaps not a need for that, there wasn't a demonstrated need, and we didn't support that.

The option was held open, and then carried forward into a subsequent meeting. They met again. The full committee then took that recommendation that was held open, and the full Assembly Budget Committee met on February 18th. At that time when it was introduced, what had left the Subcommittee as a $5 million recommendation -- and they also had discussed possibly $10 million at that time. It was a lot of discussion in that Subcommittee without a really firm resolution at the end. But they came into the February 18th meeting with a recommendation for $27 million. And so somewhere between the close of the February 10th meeting and the opening of the
February 18th meeting, they decided that it was appropriate to take $27 million.

In their literature that was handed out that day, it turned out that that was actually an error in calculation. They had intended to look at taking 20 percent of our operating budget, which they said would be proportional to the cut that was being contemplated for State Parks. And somebody miscalculated essentially. Nevertheless, they had the $27 million number, and that's the number they discussed at that meeting. The item once again was held open for further discussion.

Finally, then the budget went to the Conference Committee. The Conference Committee is the group that meets when there is a difference between what happens with the Assembly's version of the budget and the Senate's version of the budget. So anything that there's not agreement on goes to Conference Committee, and they try to sort it out.

So the Conference Committee met, looked at the $27 million recommendation of cut from the program, and in their agenda that day was the note that this had been miscalculated, that they intended to do only 20 percent, not the $27 million which was actually 40 percent of our program operation budget. At the end
of the day when that meeting closed, the final recommendation the final vote was for $10 million to come out. At that time they were saying $4 million to be transferred to State Parks to once again assist with these closures and then $6 million to the General Fund. Once again at the end of the day, they left it open for consideration.

And then finally, at the end of a long story, on March 4th they met. Our item came up very briefly, and they decided there and voted finally to take $10 million, and they didn't say whether it was going to go forever. It just said to take $10 million, $5 million from the operations' portion of the OHMVR program and $5 million from the grants portion of the OHMVR grants program, that they would take that money, and it would all be directed to the General Fund. None of that was to be directed to State Parks. That's the conclusion of the Budget Committee's works.

I don't know if you have any questions at this point. I've been talking a long time.

DEPUTY DIR. GREENE: If I may, just for clarification purposes, on the staff report under the February 18th meeting, it identified that Subcommittee 3 had voted in favor of the $5 million cut. I just want to make it clear at that February
10th meeting, they actually voted to continue the item for discussion. So my apologies for any confusion related to that item.

I would also like to clarify the comments made by Michael Harris, Acting Chief Deputy, at the February 10th meeting. He identified that there was seemingly a lack of evidence to support the idea that closing parks would lead to a spike in unauthorized OHV use. He also expressed some concerns that the department had as a whole about the legality of the use of those monies, and then he also indicated that without looking at the trailer bill language -- and perhaps Bill Herms might be able to clarify some of this. But without the trailer bill language, it was difficult to make a determination about whether or not that was something that Parks would be able to support. And then, finally, obviously, because it was not in the Governor's budget he could not support it.

Chair Willard, do you have any questions, or would you like to keep going through some of the items.

CHAIR WILLARD: Maybe if we could have some questions that are relevant to the part of the report you just covered, the Budget Conference report and this Assembly Committee meeting. Because I have some questions on those, so maybe we can get into that.
I was reading that Section 13, page 18, I believe it's the March 3rd conference report, it makes the statement that this reduction is proportional to the cut being made to vehicle parks -- to non-vehicle parks. So, in other words, the $10 million cut to the OHV program it's saying is proportional to the $11 million cut that the Park and Rec Department is facing.

And I just can't seem to get that math to work. I believe that the OHV Trust Fund budget amount is approximately $67 million, and $10 million is about 14.9 percent. That's the math I get on that.

And then if you look at the State Parks, and you have to kind of get into their budget and sort of do some internal math on that, because I think that there is a line item -- again, you would have to go to Section 4, pages three and two, and total state operations for 2011/'12 is $415 million, but that includes the $67 million from OHV. So if you back that out, you've got $348 million that is the total budget for State Parks, and $67 million is the total budget for the OHV program.

And so if you just do the math of $10 million on $67 million and $11 million on $348 million, you come up with 14.9 percent versus 3.1 percent. And then even
if you look at the following year where it's considered that there would be a $22 million or double that, it would be 6.2 percent. So that statement is either wrong or I'm missing something, if you could help me there.

DEPUTY DIR. HERMS: My name is Bill Herms, and I'm the Deputy Director for Legislation, State Parks. I watched that process, and I talked to staff, and I guess the short answer is the statement was wrong. There was a great deal of confusion from the very beginning as the Legislature began to have discussions on attempting to come to some value of what they wanted to take out of the operating budget of OHV.

Initially, it was our understanding that staff had been directed to take 20 percent of the $67 million from the OHV side. That would have yielded $13.4 million. An error that was made by staff had them recalculate this, and it came out as $27 million. So initially what the Legislature had intended was a $13.4 million reduction to operating out of OHV.

However, when the Conference Committee met and Senator Leno made a motion to alter the proposal, which you have to remember was in error at 27 million, was meant to be 13.4, his motion suggested 10 million. $10 million was not connected to any formula that
anyone saw. It was simply Senator Leno saying, as I have looked at this, this is a number that I think the Conference Committee should be considering. And so the Conference Committee began to discuss $10 million. The initial idea of a formula of 20 percent was, as I said, based on $67 million and would have yielded 13.5, but a staff error made it 27 million. Ultimately, Senator Leno's motion put $10 million before the Conference Committee, and ultimately that's what was adopted.

CHAIR WILLARD: I was concerned that the Conference Committee's intent was for it to be proportional, but it really isn't. So the proportional is just some staff commentary after the fact that, oh, yeah, it's proportional?

DEPUTY DIR. HERMS: I think that there was some discussion about it being proportional. Assembly Member Huffman did make some comments where he noted the reduction to State Parks' budget and felt that perhaps a proportional kind of reduction to the OHV budget should be made. In Subcommittee 3, they took no action. Assembly Member Huffman simply made those comments. I think those comments were then communicated to staff. Had staff done the calculation correctly, we would have seen at the full Budget
Committee and the Assembly a 13.4 million reduction, but they made an error, and it came out 27.8 million, I think was the incorrect number at the Budget Committee that ultimately ended up over in the Conference Committee.

So, as I said, there was a great deal of confusion from the very beginning as to what the appropriate amount was. In the end it was not driven by a formula. In the end it was Senator Leno making a motion for $10 million.

CHAIR WILLARD: Thank you. One more question before I yield to my colleagues here.

On page one of the budget -- again this is an arithmetic problem I'm having -- if you look at the General Fund, and this is for State Parks 2010/2011, it's 121 million, and then for 2011/2012, the next year, it's almost 119 million or a little over $2 million left. But if you look at the footnote, it says that the budget includes the reduction of 11 million from the General Fund. So shouldn't the subsequent year be $11 million less or shouldn't it be approximately 110 million in the 2011/'12 budget?

DEPUTY DIR. HERMS: And, again, the short answer would be no. These numbers don't necessarily track directly to reductions that you see in the Governor's
There's a great deal of off budget administrative reductions that all departments during these times have been taking. As a result of that, the workforce cap piece and the sweeping of some vacancies, and a number of other both reductions and expenses that not just State Parks but all departments have taken, there has been somewhat of a disconnect between the prior year and the prior administration and the current year that the current administration is putting out.

In essence what the current administration has done is corrected a number of assumptions that had been made in prior years. So what you'll have difficulty doing is tracking from the previous year to the current year. We are as frustrated as everyone else. It is not clear. It is not direct line of sight from one year to the next, but there is a solid accounting connect the dots that can clearly get you there, and we can provide the Commissioners with that information if you'd like. It is complex, however, but we do have that; because we obviously, working with the administration, wanted to ensure that those numbers were correct.

CHAIR WILLARD: Okay. It is very frustrating trying to look at this stuff and understand what's going on. I mean I guess you really have to have a ton
of background stuff and then you have to be intimate with the understandings of what's going on in order to really make sense of it, so it is frustrating. I have more questions, but I'll wait.

Chief Jenkins, you have a comment?

CHIEF JENKINS: Just one issue on the 20 percent portionality issue, your question originally was how do they get 20 percent out of State Parks' budget as a whole. If you look at the cuts they're taking, the $11 million and the $22 million in the subsequent year, and look at that budget on page two of the Governor's budget, you can see that the General Fund support for the program for State Parks for the coming year is $118 million, and so the $11 million this year and then the $22 million next year, slightly less than 10 percent this year, 20 percent next year. So when they were talking about proportional cut, it was proportional to the portion of the General Fund that's being cut for State Parks, not the operations budget.

CHAIR WILLARD: But that's not apples to apples; that's not right.

CHIEF JENKINS: That's a very valid observation.

CHAIR WILLARD: The OHV Trust Fund includes fuel tax, users fees, concessions and there's a whole half of a page here a list of other revenue sources for the
state. So that's why you need to look at the larger number, not it's just the General Fund. That's not a relevant comparison.

DEPUTY DIR. HERMS: I believe that you're absolutely right. As I suggested earlier, the need to try and come up with a formulaic justification for a number, ultimately was set aside by Senator Leno's motion.

CHAIR WILLARD: I heard that, okay.

COMMISSIONER KERR: I just had a comment on the item we were discussing about five minutes ago when you were talking about comparing a prior year's budget. Because in the materials on the web, you listed your prior year budget and then this budget after the cuts. And just quick sort of 30,000-foot viewpoint of that, the budgets appeared relatively flat. In other words, what I got for the 2009/2010 budget looked very similar to the proposed budget for this coming year. And then what you just spoke of, some contracting changes, so what is the 30,000-foot viewpoint here for the agency? Is your budget being cut on an operating and grants side or not?

DEPUTY DIR. HERMS: Is your question is State Parks being cut or the OHV?

COMMISSIONER KERR: I don't care about
State Parks. I care about OHV.

DEPUTY DIR. HERMS: The proposal that was passed does reduce the OHV dollars to the Trust Fund by $10 million.

COMMISSIONER KERR: That wasn't my question.

DEPUTY DIR. GREENE: $5 million to the grants program and $5 million for operations.

COMMISSIONER KERR: But when I look at the prior year, the numbers even after the cuts, you're saying that you were cut $5 million in both of those sides as opposed to what you were planning on getting or planning on doing, and so they're taking away some revenues. My question is the expenditures of the agency in both grant programs and operating it appears fairly similar to last year, even under the reduced budget as proposed by the Legislative Conference Committee.

DEPUTY DIR. GREENE: I think keeping in mind, Commissioner Kerr, that in the Governor's budget, what we have up on the web would be the Governor's budget. That doesn't reflect the cut that has been proposed and voted upon by the Conference Committee. Does that clarify?

COMMISSIONER KERR: Actually, I would disagree with that. The total amount, what is it, 58 million
it's item one that you have that listed, you didn't include last year's budget in the packet that we've got up here. So I'm trying to compare the sort of flowchart that you had for this year's budget, which has a bottom line of, what, 58 million or something, and then last year's fiscal expenditures which would appear to be in the same general order of magnitude. Is that correct?

CHIEF JENKINS: Yes, if you look under tab number three, is that where you're looking?

COMMISSIONER KERR: Right. So it's equivalent to last year.

CHIEF JENKINS: Right. So the one that's shown for this year, what we did was put in the top half of that right up through the income there, the $122 million, is what was proposed by the Governor's budget. And then you can look over in the red, for instance, local assistance, you can see $27.1 million we put in there proposed cut of $5 million. And then when you look down at the individual amounts that are given out to operations and maintenance restoration, et cetera, and compared that to the next chart which shows the current year, you'll see that each of those categories receives less funding as a result. And then similarly if you look at the operations box, and you
can see there that there is a $5 million cut proposed out of the operations budget, and then you can see the three columns down below. And we have to figure out where we're going to take that $5 million across those three columns.

What we did essentially for this exercise was take it out of the Division line of the budget. Whether or not we can actually sustain all of the cuts at the headquarters level is yet to be determined. But just for the purposes of getting this out, that's the way it was there, the reason it looks fairly flat from operations of the Division, that Division in the middle column there.

Because this year also included a number of one time support BCPs, so that artificially made it look higher by $10 million than it would normally. So when you take $5 million out of that, it's hard to look and see the cut because we included those extra projects this year.

COMMISSIONER KERR: Where was the money coming from for that, from the Trust Fund?

CHIEF JENKINS: Money was coming from the reserves. We had a fairly high amount of money from the reserves.

COMMISSIONER KERR: Is that still coming from
the reserves, has that been sort of prevented by this action?

CHIEF JENKINS: When the Governor did this original budget and on his budget showed the $25.8 million in reserves, that was after he had taken out the $10 million and put it in our operations budget. So that money was still in our operations budget from the previous year's reserves. When the vote was taken to take this extra $5 million from operations, that reserve amount had already been plugged into the operations number and is part of what would be available to take the cut from.

COMMISSIONER KERR: I'm going to try to yield the floor here. So you've got two years' budgets here, but compared to prior year, which are what most people in this room are used to, how does the operating budget compare?

CHIEF JENKINS: I'm not trying to be obtuse.

COMMISSIONER KERR: How about not being obtuse? How about a really general statement: We spent $55 million last year on operations. What is the number?

CHIEF JENKINS: This year it would be -- on the Governor's budget it's $67 million for operations. They're taking 5 million of that, so it would be
$62 million.

COMMISSIONER KERR: What was it last year?

CHIEF JENKINS: $57 million.

DEPUTY DIR. GREENE: If I may explain, for those of you in the audience, if you look at this flowchart. So under the Division column under operations down at the bottom of that, you'll see, "FY '11/'12 Support BCP." That's a budget change proposal. So these, as Phil just alluded to, are a one-time bump in the budget from $57 to $67 million. It will go back to 57 million next year, but just this one time was a bump for special projects that we needed to do.

Number one would have been, for instance, many of you had heard over at Carnegie that we were trying to make sure that we're compliant with all of the storm water requirements. One of the items that we had this year was for storm water compliance to ensure that we're being compliant at all of our parks. The other one was for the general planning project so we can ensure all of the parks have current general plans. In some cases some of them are out of date upward of 20 years. And then the third one was for land surveys where we may have conflicting views from different agencies, whether or not it be BLM down at Ocotillo Wells thinking that they want to develop geothermal
development, whether or not that's on State Parks property or BLM property; whether or not at Hollister Hills the property owner who may believe that we're on his parkland, we may believe that his property is on our parkland.

So there are some of these disputes that we were trying to take a proactive approach for a one-time budget change proposal that we could then take that $10 million, do these projects to ensure that the Division and the Parks are stronger. So that's why, Commissioner Kerr, you'll see that one time, thus it bumped to $67 million versus the typical 57 million.

CHIEF JENKINS: And the impact of that is last year our operations budget was $57 million. They approved those three projects for $10 million, so that $10 million goes to those three projects. So in effect our $57 million operating budget is still 57 million for this year, it just looks like $67 million because there are three projects that got tagged on.

The $57 million we were planning to use for operations is where we're taking a $5 million hit. So in real terms, practical money available to us at the Division to distribute to run the program we've gone from $57 million to $52 million. So that's why I was saying you've got to look at that three project bump as
a separate issue because I can't play with that money. They put that money there for a very specific purpose, and we either do those projects or we don't. They approved the projects, so this $10 million is reserved for those projects, not available for mixing with all of the other things we do.

COMMISSIONER LUEDER: I have a couple of questions getting back to, Deputy Director Herms, when you were discussing the calculations and you stated that staff made some errors. Could you define staff? Is that staff for State Parks or?

DEPUTY DIR. HERMS: No, that would be legislative staff. It was Assembly Subcommittee 3 staff.

COMMISSIONER LUEDER: I think it's obviously an error, but it set a precedent. It set the motion in play. If it had been calculated correctly at 13.whatever million, then perhaps the legislators would have negotiated or proposed -- instead of $10 million, maybe they would have proposed $5 million or 7 million. So I think it is relevant that that calculation, even though it was in error, it set a precedent for further discussion. So that concerns me, obviously.

And then I participated in the February 10th budget subcommittee hearing, and there was a discussion
with the Legislative Analyst's Office about the fund being fungible. And to this date I still have not heard whether there is a legal opinion to justify the position that some of our funds are fungible. And so that's a great concern because basically they're just stating that, and there is no justification to back it up.

DEPUTY DIR. HERMS: The Legislative Analyst has still not provided any written analysis to support the statements from that morning's subcommittee hearing.

CHAIR WILLARD: On February 3rd in the Assembly Budget Subcommittee report, staff states -- and I'll read it:

"These funds can only be used for the benefit of off-road recreation, and their proposed uses are consistent with efforts to reduce the impacts of SVRAs, on landscapes and on highways and on neighboring communities."

So here is the Subcommittee's own staff saying that they're not fungible, but yet the LAO comes out and says that they are. So what's going on there?

DEPUTY DIR. HERMS: I know that this is not a satisfactory answer, but there was a great deal of
confusion. The LAO continues to assert that those funds are fungible. Others, including State Parks and staff in some of the committees, believe that they are not. As to the legality, I would have to defer to a lawyer. There is debate over this. The LAO continues to assert that they are fungible.

CHAIR WILLARD: I can see how there can be a lot of debate. I personally think that they're illegal, it's not fungible. Just the fuel tax distribution in and of itself, I think it's mandated by the state constitution. How can you go in and just decide through a budget proposal how that gets allocated?

DEPUTY DIR. HERMS: And Acting Chief Director Harris in that Subcommittee hearing did say that he believed it was illegal, it's not in the Governor's proposal, and State Parks did not support the action. The debate over legality continues.

COMMISSIONER SILVERBERG: Deputy Director Herms, is this going to be an ongoing take from the fund?

DEPUTY DIR. HERMS: Normally in an agenda item, there is some note that says clearly whether this is going to be ongoing or not. In the final agenda item that it was voted on, there was no such note. However, and I will simply speak from my own experience, in the past as I have seen budget committees take action
similar to this, it is their intent that any reduction be ongoing unless they specify that it is one time. They neither specified that it was one time nor that it was ongoing.

If I had to advise as to whether I thought it was ongoing, I do believe that it is the intent of the Legislature that it is ongoing. We will only know that for certain once it is embedded in a final budget and that budget is passed by the Legislature.

COMMISSIONER SILVERBERG: Since it seems reasonable it's going to be an ongoing take, what can we do to protect the fund?

DEPUTY DIR. HERMS: I think that there are still -- there remains political process for the budget to continue to move through. The budget right now is still in the Legislature. That process will continue to move through the Legislature and provide access points for people of the State of California to communicate to their representatives, both locally and leadership, as well as the process will continue onto the Governor's office once the Legislature passes a budget. So this is not done yet. There remains an open process, a process that people still have access to.

COMMISSIONER FRANKLIN: Even though some of
these hearings were closed to the public, it's going to be open somehow?

DEPUTY DIR. HERMS: I don't believe any of the hearings were closed to the public. Certainly there was staff discussion that the public was not involved in, but the Subcommittee Hearing was open to the public, as well as the Conference Committee.

COMMISSIONER FRANKLIN: Are you sure about that? I don't think that's the case.

DEPUTY DIR. GREENE: I think for clarification purposes, perhaps, Commissioner Franklin, there was no public testimony taken.

COMMISSIONER FRANKLIN: Thank you.

DEPUTY DIR. HERMS: That's correct. In the Conference Committee, although it was open to the public, you are correct there was no public comment invited.

COMMISSIONER FRANKLIN: So my question is: How do we as public make comment if it's not open to comment? That's a question I have.

And I'm confused, you made a statement that while there was no note specifically whether this is ongoing or not, it's open to interpretation, but then again there is no specific note as to whether it's a flat fee of $10 million or if it was a percentage. And
so we're deciding one way or another how it best suits somebody else. So I'm confused there.

DEPUTY DIR. HERMS: Senator Leno made his motion as to the amount that he felt was appropriate. The Conference Committee had some discussion. The discussion did not seem to follow any kind of a formula. And as I said earlier, the Conference Committee ultimately acted on something that was close to what Senator Leno proposed but wasn't exactly what he proposed either.

As to your earlier point of how do we access our political process as we go forward given that the Conference Committee, I believe, has completed its work, at any time, I have to also say, if the Legislature determines that it does need to return to Conference Committee, it will reopen the committee. I do not see any plans for that right now, but it could certainly happen, and the public would not have an opportunity to testify at another Conference Committee even if it did open.

Short of that, there are a wide variety of ways that the citizens of the State of California can communicate their interests to their local members, to leadership, to the Legislature, to the Governor, and I am a firm believer of the open democratic process and
would encourage everyone to engage the government on whatever issue.

COMMISSIONER FRANKLIN: I think you can see we have a lot of people interested in this and have spent their own personal time to see that this process is finally working right.

COMMISSIONER SILVERBERG: Deputy Director Herms, in following suit with my question earlier, is there any legislation that could help to shore up the Fund or protect the Fund from the future to stop quote/unquote raids like this?

DEPUTY DIR. HERMS: There are things that the Legislature could do to strengthen the Trust Fund, but I would say that the Trust Fund is about as strongly protected as it can be because it is a Trust Fund. The Legislature makes laws, and they can change that law if they choose. There is nothing that a sitting Legislature can do to prevent the actions of a future Legislature. They can enact legislation. They can enact statute that will strongly signal their intent that they don't want a particular fund raided in the future, but there is nothing that that Legislature can do to guarantee that a future Legislature cannot come back and undo what they have done. And that's the nature of democracy.
COMMISSIONER SILVERBERG: So then we need to look maybe at a statute, a modification of an existing or something along those lines.

DEPUTY DIR. HERMS: Something along those lines. Just, again, as a personal note, probably the strongest protection that any statute can receive is to be approved by the initiative process because when that has been done, in order to alter it, it must then go back to the people through the initiative process. That is a very high bar. Most programs aren't able to get that kind of language, but that would be the strongest that you could do. But even that can be undo through another initiative that would come before the people. There are no guarantees. There are only things that the Legislature and the people of State of California can do to express their current desire, but the people and the Legislature in the future can take other actions.

COMMISSIONER SLAVIK: I have a follow-up question to Commissioner Silverberg, and I was thinking along the same lines you were. In enabling legislation for this program, it seems to me that we went to great lengths to protect the Fund, and that's one of the reasons we call it a Trust Fund. Is there wording within that legislation that you're aware of or staff
is aware of that says that this fund can be raided at the discretion of the Legislature? I don't believe we're changing law here, are we? We're basically making a discretionary determination without changing law, it seems to me.

DEPUTY DIR. HERMS: What we don't know is the trailer bill language, and Deputy Director Greene referred to this earlier. We have not seen precisely how the Legislature is going to word this particular reduction. They may very well be changing law. At this point, we simply don't know. You've heard us refer to questions of legality at any point. I could defer to counsel for some discussion of that, but I know the counsel is fairly limited on their comments, as well. But the debate over legality continues.

COMMISSIONER SLAVIK: I have another question of Chief Jenkins, kind of stepping back a little bit. When this process got started and the Division's budget was fairly intact at the beginning of the process and then at some point somebody got an idea -- and I wasn't clear whether it was the Budget Committee or State Parks that -- in fact, I think it was the Budget Committee, now that I remember -- that the State Parks needed to be protected from trespass. Do you have any idea where that idea came from, how that germinated
within that group of people? Because that seems awfully familiar to things we've heard in the past. And the fact that State Parks said we don't believe that that's necessary, it seems a little kind of dirty games playing there. I don't know. That's a bad term. I'm sorry.

CHIEF JENKINS: It probably rings a bell with you for a reason. Years back, now we are going back to previous administrations to what we have today, before Deputy Director Greene was in the Division, when State Parks was in financial straits years back, and I'm thinking eight years back or more, in that range in any case, there was a loan, a one-time loan, as these things often start, from the Division Trust Fund to State Parks of $3 million. And the leadership at the time -- and I was out in the field not in the Division at the time -- called around and asked all of the parks if they had OHV incursions. Some places had a little bit of issues, some didn't. So they decided systemwide to look at $3 million going over to Parks to help them out addressing these incursions.

Subsequent to that, the BSA Audit looked at that practice and determined that it was inappropriate. And as a result of that determination and as a result of watching where the money was actually going, which
didn't always track with where there may or may not be issues, the department, Director Coleman, decided to halt that practice. And so that $3 million no longer goes across to the department. It just didn't pan out the way that the people who initially had set that up, had envisioned. It was not working. It was not tracking to supporting OHV recreation in any way or in many cases even addressing OHV incursions.

That's why when both the Director and the Acting Chief Deputy Director testified in front of the Subcommittee, they said that they didn't feel that that was an appropriate use of the funds, referring back to we've gone down this road and we already know that that's really not needed and nor is it appropriated as from the BSA audit.

DEPUTY DIR. HERMS: Commissioner, if I may, there seems to be a concern that somehow State Parks was involved in the beginnings of this idea. I was at that subcommittee. I talked with our Acting Chief Deputy Michael Harris. We were as surprised and taken aback by it as everyone else was, which is why Chief Deputy Harris got up and made the comments that he did, and his comments were strong and they were direct. State Parks, as we testified in public at that time, did not support this action; did not see any evidence
for that. As the Chief has alluded, we've been down this road before, and we understand what is appropriate and not appropriate for OHV Trust Funds. So I just wanted to reiterate that State Parks, from the moment we saw this proposal, opposed it.

COMMISSIONER VAN VELSOR: For Deputy Director Herms, I'm curious, and I may have missed this in the earlier conversation. What is the 20 percent used for? Why is 20 percent being used? Is that the amount or is that the percentage that other departments are being asked to cut? Where does the 20 percent come from?

DEPUTY DIR. HERMS: No, other departments are not. There is no general formula for reductions across departments. This is a reduction that is occurring to State Parks. The Chief walked you through a little bit to show you how that reduction to State Parks' General Fund is approximately 20 percent, that's where the number came from.

COMMISSIONER VAN VELSOR: So there was no predetermined --

DEPUTY DIR. HERMS: No, there was no number that I'm aware of that the Legislature was using. And, remember, this was not part of the Governor's budget, so this didn't come from the Governor or State Parks.

COMMISSIONER VAN VELSOR: Then a question for
Chief Jenkins. You mentioned that money, one-time monies that were used in the past last year's budget were taken from the reserve, correct?

CHIEF JENKINS: The way that we're funding in this year's budget, both the $27 million in capital outlay and those one-time budget items in the operations budget, that money comes from the reserve. This is a longer answer than you were asking for. The reason I say that, for context, generally the program makes about 85 to $87 million a year. Our ongoing budget items, which are operations and grants, equal about that amount of money. So any time we spend more than what we're making in a year, we're pulling that from the reserves. And so when we do capital outlay or acquisition or these support BCPs to catch things up or make improvements, we're pulling that out of what showed in the previous year's reserve budget amount. That's how we are able to spend more money in a year than we actually have included in the revenue.

COMMISSIONER VAN VELSOR: So the reserve then is what you show as the balance in the flowchart that you've given us. So in 2011/'12, you're bringing a balance of 62 million, roughly, from 2010/'11.

CHIEF JENKINS: Correct. And you can correlate that number back into the Governor's budget and find
those numbers there.

COMMISSIONER VAN VELSOR: So that is our reserve? That's extra money.

CHIEF JENKINS: That was the money that was in reserve unallocated, if you will, going into the Governor's budget. If you look at the end of the Governor's budget for this year, the reserve that's indicated there is $25.8 million of which the Governor's proposing to borrow $21 million, which would leave $4.8 million in reserve for economic uncertainty.

The reason they call it reserve for economic uncertainty, I might add, every year we base our budget spending on projections of income. So we're projecting what to do with money that we don't yet have on hand. That's the way the state budget works. The reason there is a reserve for economic uncertainty is because in any given year they may have overestimated income.

So if we don't actually make the $85 million we're projecting that we'll make from gas taxes, gate fees, and Green Sticker sales, there needs to be that buffer on the bottom. In the past they kept it a little bit higher. This year they're taking it down to $4.8 million so that if our income doesn't meet projections, there is enough money to cover the difference.

COMMISSIONER VAN VELSOR: Thanks.
CHAIR WILLARD: I want to make sure I understand how the $10 million amount was determined. So it seems like there were four budget meetings where staff made a few math errors and some misstatements, and then at the end of the day, the $10 million amount was simply a number that Senator Leno picked out of the air?

DEPUTY DIR. HERMS: Correct.

CHAIR WILLARD: Thank you.

COMMISSIONER LUEDER: Just a brief follow-up question. Now that the budget subcommittees have met, done their business and come up with the $10 million concept, who is responsible for generating the trailer language to actually make that happen? I think that's very important for all of us to know because if it just appears out of the air at some point, there's no chance for the public to have input on it.

DEPUTY DIR. HERMS: The language is being developed by Legislative Budget staff, and I know that they are working with the Department of Finance. I do not know that there is an open forum for the public, but certainly, as I said earlier, there are many access points to government.

COMMISSIONER SLAVIK: Is that the same people that made the $13 million error?

DEPUTY DIR. HERMS: I'm not aware exactly who is
working on the language.

COMMISSIONER LUEDER: So Legislative Budget staff is producing that language. Once it's drafted, then it's brought back to the State Senate and Assembly? Can you explain that process. Because obviously we want to contact our legislators, make our case, try to influence that language to be beneficial to us the best it can be.

DEPUTY DIR. HERMS: The process as it stands now is the Conference Committee has put together the best budget that they have been able to do, and they have sent that back to the Assembly and the Senate. Both the Assembly and the Senate have to take up the budget on the floor and pass it to move onto the Governor's desk. At this point, the budget remains in both the Assembly and the Senate as each considers their budget actions.

CHAIR WILLARD: At this point it might be good to continue with the staff report.

CHIEF JENKINS: Through the series of questions, we've covered a lot of the remaining materials in the staff report. But just briefly, under tab three, as has been referenced, the first sheet in tab three represents the proposed budget for the coming year. And as you can see, we've indicated how much money
would be cut there and how those would be applied. I might point out on the grants portion of that, the local assistance column on the far left, when I asked for this sheet to be prepared, I asked them to just take the $5 million from local assistance out, cutting out first the $1.1 million that is an add-on every year to the restoration program, and then divide the rest across the percentages.

I don't know if that's the correct way or not. There's two ways to approach it. The grants budget is made up of an ongoing allocation of $26 million. In any given year, we get $26 million for the grants program, and then per the Public Resources Code we divide that up into four pots by a predetermined percentage, 50 percent for ops, 25 percent for restoration, et cetera. Then once we've made those divisions and filled those pots according to that percentage, based on an agreement that was come to when SB 742 was negotiated, we add up to $1.1 million. And so for the past several years, we put $1.1 million additional into the restoration pot.

My assumption going into this, since the reserve is being swept clean except for a very small amount as a safety buffer, was that that $1.1 million wouldn't be going in as an add-in this year. Subsequent
conversations with various budget consultants indicated that if it is in the end an ongoing sweep that it's more appropriately taken from the $26 million and doesn't have anything to do with the $1.1 million add-in for restoration. So that would slightly change the percentages in those pots, the percentage breakdown on that grants column. So that's just a caveat to what we're looking at there.

Behind that is a spreadsheet that shows what we had past years, just so you can compare back and forth about how much money was in grants and operations, et cetera, in previous years. I might add, if you look there at the far right of operations box, and you can see the various amounts of money that are taken out right here. You can see $4 million taken out right there of the operations before we ever have access to it. When the administration decided to put employees on furloughs and have them not work on certain days and therefore not be paid on those days, they took the salary that normally would have been paid to those employees and didn't distribute it out to the departments. That's why even though we may start with our same number in operations that we've had in previous years, both this year and the coming year right off the top we're going to lose a little over
$4 million for those furlough days. So that's just a caveat on the budget.

The next tab, of course, is the Governor's budget, which we included for reference. It's rather difficult to read the Governor's budget, not because the Governor wants it that way, that's just the way these budget things are, are very difficult to read. So happy to answer any questions about it, but I'm not going to attempt to go through it, other than to say on page 11 of the Governor's budget is what's called the Fund Condition Statement for the OHMVR program. So you can see there on page 11, Fund Condition Statement. The reason the Fund Condition Statement is the easiest way to look at the OHMVR budget is because it's very basic. First it shows your incomes, below that it shows your expenses, and then finally it shows your remaining reserve for economic uncertainty. So if you want a snapshot of what's been going on in the OHMVR budget, the Fund Condition Statement in any year's Governor's budget is going to be your fastest reference. There are references to the OHV budget throughout the Governor's budget, but this is the place where it's all collected into one spot.

COMMISSIONER SLAVIK: I can't see it here, but in several other pages there was reference to the
Recreational Trails Fund. And I notice that -- I don't remember the numbers exactly now, but there was a considerable change in that number from last year to the proposed '11/'12 budget, like $22 million. And I don't see that reflecting anywhere else in some of these sheets here. First of all, how did all of a sudden we get $22 million out of Recreational Trail Funds?

DEPUTY DIR. GREENE: I wish we got $22 million.

COMMISSIONER SLAVIK: More magic.

DEPUTY DIR. GREENE: For the motorized side of the budget, I think we get 1.3 million a year that comes into the motorized. The non-motorized side does get considerably more, but also, as you well know, that program is always in flux being administered from D.C. So we never know year to year, but we typically just have about 1.3 million.

COMMISSIONER SLAVIK: So State Parks gets $22 million on their side?

DEPUTY DIR. HERMS: I don't believe the amount was nearly that much this year, as Deputy Director Greene has alluded to. Changes in the amount that comes from Washington, D.C., it has been in great flux recently. I don't know the numbers off the top of my head, but I'd be glad to get those for you.
COMMISSIONER SLAVIK: I just saw a number going from the far left-hand column was around 6 million, middle column was 22 million. I'm sorry, I can't find that right now.

DEPUTY DIR. GREENE: Here we go, page one the Rec Trails Fund FY '09/'10 6.4 million; '10/'11, 23 million.

COMMISSIONER SLAVIK: Yes.

DEPUTY DIR. GREENE: So we'll get clarification for you.

COMMISSIONER SLAVIK: The question I have is that a projection or is that actual monies coming into State Parks?

DEPUTY DIR. HERMS: Well, remember that this is a proposed budget, so these are projected numbers. So this is a projection that was put together by the Governor's office when they put the budget together; however, at that time the actions in D.C. has not been completed and still are not completed, so it's not clear as to how much money is going to be received on the rec trails.

COMMISSIONER SLAVIK: That's a considerable number compared to what you've gotten in the past, and if it's just a projection, that's more black magic.

DEPUTY DIR. HERMS: Well, it is a projection.
We have to wait for D.C. to take its action before we can plug in the real number.

CHIEF JENKINS: So other than the Governor's budget, the other items in here are just the flowchart of the process of developing the budget that we indicated, and then all of those items from the various committees in great detail. So I'll close the staff report at this point and am available for questions.

CHAIR WILLARD: I have one more question. Perhaps, Deputy Director Herms, you might be the best to answer this. I'm just curious as to the level of the deliberation that the various committee members have taken an action like this. Obviously, they've got to make a lot of very difficult decisions. They've got to find the money somewhere, and it can be real easy to look at a line item, here is some money, let's take $10 million off of it. Did they get into some of the workings of the program and not only the impacts. But, for instance, this program just went through a major redo in SB 742. And during this whole process, the OHV community was at the table with the lawmakers and negotiated certain things that were in the bill. And so here we are just a short period later almost forgetting that happened. Do they consider the potential violation of public trust that happens in a
situation like that? That's just one instance.

And the other might be taking money out of the OHV program to prevent trespass, but, in essence, what that does is it has less money for the program in grants where some of that money is less likely to be going to local law enforcement. One can argue that trespass may increase in some areas because of that. But more importantly, if you're cutting from operations, we may have to reduce the riding opportunities to the OHV community, and that in and of itself may stimulate trespass.

Plus, getting back to the violation of public trust, I think people are just generally going to be very upset with having their registration fees doubled only to find that now after an agreement was put in place whereby, okay, you guys agreed to double your fees and then you're going to get the program, and then just a year or two later, well, no, we're going to whack the program. I mean if I'm just the average OHV user, I might say to myself, heck, why do I want to pay these licensing fees. Then we're going to lose income from that. So I'm just curious did they get into that level of consideration, or do they understand the program well enough?

DEPUTY DIR. HERMS: As I watched the
deliberation across the Subcommittee to the Conference Committee, there was some discussion of the impacts to the grants program. I did not see a great deal of discussion about the impacts to the programs, to the operations side.

As to your comments as to the appropriateness of the legislative action and the extent to which they deeply explore programmatic impacts, the Legislature has the authority to do these things. Sometimes they publicly discuss things at length, as we all know, and sometimes they choose not to. I think the Chief alluded to the fact that at the last Conference Committee where this item was voted on and adopted, it took perhaps less than ten seconds for them to do so.

There is no doubt, however, in defense of the Legislature because I do work with them a great deal, there is always a great deal of conversation that takes place on the backside between staff, there is analysis that's going on. Do I believe that a more public conversation needed to take place, I would have preferred to have seen more, yes. But the Legislature has the authority to move forward in ways that it feels best, and this is the way they chose to do it.

COMMISSIONER LUEDER: I'll try to speed this up and be quick about this. When we look at the State
Parks and Recreation budget on tab four, we get to page RES 11, and it highlights our three major funding sources, off-highway vehicle registration fees, park entrance fees, and then motor vehicle fuel fees. So that makes up the lion's share of our revenues; am I not correct?

CHIEF JENKINS: That's correct.

COMMISSIONER LUEDER: And then as I flip the page over to page 12, I see under State Parks and Recreation Fund similar motor fuel vehicle taxes. Could you enlighten me on what programs those taxes go to?

CHIEF JENKINS: Generally speaking, the Parks Department operates a number of reservoirs and boating areas, so they do receive gas taxes from the fuel burned and, of course, recreation through boating, and then they also receive highway taxes for maintaining their road system throughout the parks. So there are two different avenues by which they get money out of fuel taxes, for recreation in boating and then to maintain the highways, if you will, that are located inside State Parks.

COMMISSIONER LUEDER: And as I see on page one where it has the overall balances of all of the funds, the OHV Trust Fund has been going up and down the last
three years. And I'm sure some of that is due to the
loans that have been taken, but the State Parks and
Recreation Fund has been steadily increasing. Can
anybody tell me if any of these other funds within
State Parks have been borrowed from at all or reduced
in any way over the last couple of years and
particularly this year?

DEPUTY DIR. HERMS: State Parks has not
maintained a large enough reserve for the
administration to borrow from State Parks, so there has
been no borrowing.

As to State Parks' budget going up, over the
last few years, the administration has chosen to reduce
State Parks' budget. In the current year, we took --
I'm not a budget expert, I'm the legislature guy, but
it is my understanding that it was a one-time
$14 million reduction that the administration reduced
to 7 million for current year.

In this proposed budget for the budget year,
that reduction is going to be increased by an
additional 11 million, so the hole gets deeper, and in
budget year plus one, another 11 million will be taken
out. So State Parks' budget has actually been
decreasing over the last few years.

CHIEF JENKINS: I might add for context, in the
history of my relationship with State Parks, which spans back to my father beginning in 1964, the department has gone from being supported almost exclusively by the General Fund to receiving cut after cut after cut until today the General Fund support is just a portion, a small portion, if you will, of what State Parks receives in overall support. That's why you've seen State Parks fees increase because there has been more expectation by the government for State Parks to raise fees and have the actual users of the parks pay a higher proportion of the fees.

And so Deputy Director Herms is exactly correct, while the General Fund portion of the budget has been going down, you're seeing that increase in SPRF, or State Parks and Recreation Fund, partly due to increased fees, partly due to finding other sources. Sometimes you'll get grants, and those will show up there, so it will make it look like there is more income sometimes. That's just a one-time deal.

COMMISSIONER LUEDER: I want to be clear, I'm not trying to throw State Parks under the bus at all. I mean we're all part of the State Parks team, but I'm just trying to understand how it is that our fund keeps being borrowed from, and there doesn't seem to be a lot of proportionality, for lack of a better word. I
understand State Parks has been cut severely over the years, and it's tragic that it has, because it should not be on the chopping block, and it should be a growing portion of our state.

But I'm just concerned that the other funds within this budget are not necessarily being looked towards for reductions, for cuts, for sharing the pain. And we've clearly over the last few years shared a lion's share of the pain and made several loans to the General Fund out of our Trust Fund, and now we're facing severe cuts that could have severe consequences to the program dependent on how they're carried out. So I'm just trying to get to the bottom of it, and I'm fully supportive of State Parks, so thank you.

COMMISSIONER FRANKLIN: Just so I'm clear, Chief, over the last three years or so, we have had a number of one-time-only loans, right? Where are we up to just so everybody knows the total of all of the one-time loans that we've issued out of the OHV budget?

CHIEF JENKINS: If you're just looking at the last several years, there was the 90 million, followed by the $22 million loans. So that was $112 million in loans. If the 21 million is added this year, that would bring it up to 133 million.

If you look back at the history of the program,
the total amount of loans taken through the General Fund is closer to 160 million in the past. That's not counting this year.

COMMISSIONER SILVERBERG: How much has been repaid out of that?

CHIEF JENKINS: There have been loans to Fish and Game that have been repaid. There have been some loans to the State Parks and Rec funds that's been partially repaid. None of the loans that have gone to the General Fund have ever been repaid.

CHAIR WILLARD: One more question from Commissioner Kerr, then we'll take a break.

COMMISSIONER KERR: That was my question. There have been a number of state budget crises since I've been in public office and a lot of loans to cities around California. But those loans generally have either been paid back by the state or have been in some cases resold on the secondary market to other investors who have been paid back. So I'm a little confused about why this large loan balance exists and what the options are for the agency to market these on the secondary financial markets and basically fund some of the park expansion I know many of you have talked about.

CHIEF JENKINS: The first large loan that I'm
aware of that is recorded clearly, kind of the history of it, was back in the '80s, $21.5 million. There was a series of lawsuits and legislative actions surrounding that loan that resulted in language being in the legislation that says if the program ever goes into the red, that's when that loan will be repaid. So far that program has not gone into the red, so that money is outstanding.

The more recent loans, when they borrowed the $90 million, they put in language that said it would be paid back in four years. And then the following year when they borrowed the $22 million, they didn't say when it would be paid back, so the legislation that exists requires it to be paid back in two years.

So the $22 million would be due back to the program next year. And then the following year, we would be owed back the $90 million. Now whether or not anything can be done, such as you suggest, to sell the loans and those types of activities, that exceeds my knowledge of what's possible of these things.

CHAIR WILLARD: I think we're going to take a ten-minute break right now, and then open the public comment.

(Returned at 11:15 from break commencing at 10:58.)

CHAIR WILLARD: Public comment.
DEPUTY DIR. GREENE: Chairman Willard, if I may clarify for the record one point to Commissioner Slavik's question. Last year, and apparently this year as well, the RTP Fund, the Recreational Trail Fund, was 4.68 million, 1.4 million going to the OHV program and 3.2 million going to the non-motorized.

JIM BRAMHAM: Good morning, my name is Jim Bramham representing the American Sand Association. We're an organization about 35,000 family members strong that primarily is doing recreation in the Imperial Sand Dunes, as well as the other sand dune recreation areas in California.

Having followed these processes for years, I again am concerned about the kind of answers that we got today about how we can keep reinventing the law. I certainly would ask the Commission to be diligent in their question about whether or not there is a legality to the action that has been taken; stay on that diligence.

The other thing I'm concerned about is how this will affect the grant process going forward. Will this be simply the ranking will then fall off a lower number based on you'll have the ranking of the grants, and then there will just be so much less money available to some of those qualified grants that would otherwise
have been funded would not be funded or will a percentage of each grant be reduced so that you would end up with say a six percent overall grant. You would also work the evaluation process, but you would come up to a point where you would then reduce each grant by what that would have otherwise qualified to a specific less amount so that all of those that would have otherwise been funded still be funded but at a potentially whatever that percentage is lower amount?

But certainly appreciate all of the efforts on staff's part to try to move this in a more positive direction for OHV. Still concerned tremendously that the shuffle game continues, and what happens in a trailer bill and how that can be influenced by the public. ASA and I'm sure every other organization is extremely interested to know how it is that we can communicate with the specific people who will write and/or make decisions at the trailer bill level.

CHAIR WILLARD: Deputy Director, perhaps you can give us a quick answer on the impacts specifically on how the grants are going to be funded? I mean is it going to be degrading the process and then just your people will make the cut, so to speak, or as Jim has suggested or could it be reduced just a percentage off of everybody?
DEPUTY DIR. GREENE: We're still in discussions regarding that, but essentially what we looked at initially was simply taking it as identified in statute. So O&M would be at 50 percent, restoration at 25 percent, law enforcement at 20 percent, and education and safety at five percent. So we would simply be dealing with a program now that is reduced in funds by $5 million, and take those same percentages. So certainly those grants that have been funded heretofore, that cut line would simply move and many of those projects would not be funded.

CHIEF JENKINS: I might add as well just for clarification, the grant cycle that we're going through right now, because people are applying, turning in applications currently, it doesn't affect this grant cycle. This money would be the money that people would be applying for a year from now.

CHAIR WILLARD: Thank you.

MICHAEL DAMASO: Good morning, Commissioners. Michael Damaso, President of Merced Dirt Riders and member of Four By Four Motion and other organizations. This budget process really concerns me, and you have a letter that covers several different things. But when we get together as a community and fight and support for Senate Bill 742 that says our funds would
be protected and then we come back and get cut like this. I've got several vehicles right now that are Green stickered, and I'm paying double fees on it, and they're sitting in the garage. This is one thing we keep losing more and more ground and then we still lose money this way. It's very disheartening to see that our legislators do not abide by the rules that we thought was set up to protect our funds and go ahead and rob those funds from us.

I do have a couple of other things off away from the budget thing, which is the most current, but a lot of travel management plans have cut way back on trails and stuff, and we still need to support them. But when you take legal riding trails away from the public, the public is still going to find places to ride, and this is what concerns me the most. And I've already seen it in the Stanislaus National Forest where because of the travel management plans, there is a lot more riding in areas that are not open, and we see a lot more proliferation of trails and stuff. So I really hopefully and will support whatever Commission says to try to get their budget money back.

The other thing is we've got grants to go to the national forests, and then as an organization we go in to try to put on an event, and the Forest Service comes
back and hits us with cost recovery. We had our event changed to January 8. We was running in April, and we had a fire in Stanislaus. So in the next few years they did an EA said, well, we go to June, so we would try to eliminate some of the concerns. Since 1996 or '97, we've been trying to get our event back into May or April and have not been able to do that. We've been stuck with this June date for many years.

Two years ago when we went in, really pushed the issue, they picked it. And Nick Haris and us got together with Forest Service and went in and pushed the issue pretty hard. They come back with the cost recovery. To get our event back into April, the cost recovery was $19,000. Our total income of our event has never ever even come close to 19,000 or exceeded 19,000. The cost recovery is one that's really killing our local clubs and being able to put on events. And I think our grant money should help support some of that and should not be cost recovery for our events. Thank you very much.

KEVIN MURPHY: Members of the OHV Commission, thank you for hearing our comments here today. First, I'd like to say that what's happening here is not a borrowing of funds from the OHV community because to borrow as defined by Webster's dictionary is to receive
with the implied or expressed intention of returning
the same or equivalent. Since the State has only
returned a paltry amount of the funds previously
borrowed, we can only surmise that the funds under
current consideration will not be returned any time
soon or if ever. With this in mind, I come to my next
point.

Since the State has no real plan or perceived
ability to return this money, I think we should be in a
good position to take something in fair trade. I think
specifically Henry Coe Park would be something we could
take in fair trade. Now, I know this is an extremely
bold statement, but we need to get bold right now. Our
adversaries have been backing us into a corner over the
last few years, and I think it's time we start pushing
back. I think this issue and this time is as good as
ever to try to make this happen.

In my opinion there are many reasons this
transition would make sense, first of which is the fact
that Henry Coe Park does not operate in the black. The
State would like the park to operate at revenue
neutral. Currently this is not being accomplished as
the park operates in the red. I know the closing of
the park has been discussed in the past because of this
revenue shortfall. I'm not sure where that plan is
now, but I think opening Henry Coe Park to OHV would make the park at least revenue neutral and at best profitable. In this economic climate, that must speak for something.

Another reason to open Henry Coe Park to OHV is that the park is underutilized in its current configuration. The park's current website speaks to the trails that are very overgrown or nonexistent due to lack of use. The truth is the people of California prefer to visit State Parks on off-highway vehicles rather than with a 50-pound pack on their back and a ten-mile walk. Let's face it, this type of visitor is very rare. With over 87,000 acres, Henry Coe Park is the second largest park in California. The size of this park would make it ideal for a mixed-use configuration.

Another reason to open the park to OHV is the need for more OHV opportunities in the area. With the loss of Clear Creek Management Area, this has created the need for more viable alternatives for the OHV community. And with more and more OHV users visiting Hollister Hills, the OHV community needs more space to operate. During some weekends, Hollister Hills reaches maximum occupancy and actually does not allow anyone else in the gate for the day. We need alternatives for
the OHV community for safety and other reasons.

I know the Governor spoke of being good citizens and sharing what we have. I personally think that philosophy should go both ways. We have a small park with high usage. They have a very large park with minimum usage. We should share what we have, and they should share what they have.

I know we are here today to consider how to respond to the State borrowing $31 million of OHV funds. I hate to say this, but I don't think we will ever see that money again or the other money borrowed back anytime soon or if ever. I'm not trying to be a pessimist, but I'm trying to be a realist. And with that in mind, let's be real about what's happening here. This is a financial transaction, and I think we should treat it as such. By treating this like a financial transaction we should make sure that what we've getting is something for our side of the bargain. With OHV funds for property acquisition being depleted by the State, it's only fair and right that the State should provide an equitable piece of property for the funds. This should be done in the here and now, not later, not some day, but now. By taking these funds they have put themselves in a position for us to make this logic request of them and for them to be in a
position to grant it. They are in debt to us, not the other way around. That is why I would like to see Henry Coe Park opened to OHV.

KAREN SCHAMBACH: Karen Schambach, PEER. You know, times are hard. Everybody is taking a hit in this budget, and, yeah, OHV is taking a hit, too. They're not closing any SVRAs. They are closing a lot of State Parks. So if you talk proportional pain, I think OHV is getting off fairly easily.

You get the reserves swept because you have a reserve. You have a reserve because an overly generous allocation from the fuel tax funds, which is about double what the fuel tax survey showed that the program is entitled to. So, yeah, you have a lot of money, and when times are hard, they're going to look for places to take it. But OHV isn't being hit nearly as hard as some other programs. You know, 11-, 12-year-olds are now being proposed to be dropped from after-school child care.

So I don't think the public -- it would be interesting to see if you tried to do some kind of legislation. I don't think the public is going to be particularly sympathetic. Even though people in this room care passionately about their sport, people are passionate about other programs that are being cut, and
I think you would be surprised that they far outnumber those who care about OHV. Thank you.

DAVE PICKETT: Good morning, Commissioners, Commissioner Willard, and welcome our two new Commission members. You jumped in to one where your feet will get burned today, I think.

I really appreciate, District 36 appreciates you holding this meeting. I think it's important that you hear from the folks you serve. I know you've received many communications from members of District 36 advising the way they feel. They were a good cross section, a representative sample of what the folks that pay the bills are feeling right now.

I went to every Subcommittee meeting that took place during this process. And when I could find out when the Conference Committee hearings were taking place, I tried to attend those. I know Commissioner Lueder attended I believe two of these meetings, and I appreciate a member of the Commission being there representing OHV when we were allowed to speak. There was a lot of bad information that was passed on to the committee members. Mr. Harris from State Parks was there and did make a comment about State Parks not wanting the money. And I was quite surprised Senator Leno put forth that proposal for $10 million
after Senator Nielsen said 5 million would be about the maximum that he would feel comfortable going with. And then with the very last meeting that took place, if I'm not mistaken, I think State Parks got noticed about 20 minutes before the meeting even took place, and took the vote when Senator Nielsen took a restroom break. They did not pay attention at all to what the public had to say, the facts that were provided to them to give them a history of the program, and totally ignored what State Parks had to say.

Mr. Herms, I appreciate you being here today representing State Parks. And I know that you guys have been in a little bit of a pinch on the backside, and I have not been very nice to them via e-mail on this situation. But as I've been thinking about this on behalf of the members that I represent, we're a 40-year-old program now. And based on the 2011 Report, that Division put out, came out January 1, I believe you all have a copy of that, page nine, I heard discussion this morning about how much money has been taken from this program and not repaid. And if you use the transfer chart that's on page nine, it shows a little over 160 million. If you take into perspective the amount that they're trying to take right now, it's going to put it at $200 million of trust funds. Now, I
like playing with math, and I look at 40 years,
200 million, that's $5 million every year for the life
of the program that has been taken from us. And as I
walk the Capitol and I have Assembly representatives
tell me everybody has to pay their fair share,
everybody is hurting, I have two letters for it, but
today I'm going to be a gentleman and not use those two
letters. Because we have paid our fair share, and when
you break it down even further, that's $100,000 a week
every week for 40 years, these folks' money, they're
sitting behind me, the ones that took the day off to
come here and talk to you.

I'm not trying to beat up the Commission. I
know you guys are trying to do the best that you can to
protect us and the Division leadership, yeoman's job,
over the top. But it's now time to stand up and fight
back, and you folks are tasked with helping us, writing
letters, putting the pressure on to represent the folks
that look to you for leadership. Help us. It's unfair
that this money has been taken for this long for the
General Fund. Thank you. (Applause.)

CHAIR WILLARD: We're required to break at 11:30
to allow public comment for any topic, so I think we're
going to continue with the public comment, but I'll
just allow if someone wants to speak on different
subjects, just allow them to do so. Would that be
okay? So we'll just continue with the list we've got.

DON SKAGGS: As we're sitting here listening to
what you're saying, the questions you've asked, I think
a lot of people behind me feel that you are
representing us to do what we feel is right and to
treat us equally. The OHV program spends a lot of
money in the local economies that the other programs do
not. And so it will hurt everybody, not just a few, if
things are cut to the point that you can't do what we
want to do. So thank you for what you're doing.

CHAIR WILLARD: We're going to go into the
non-agenda position of the public comment.

DEPUTY DIR. GREENE: Chairman Willard, just as
an aside, what you could do is perhaps postpone the
public comment period as identified on the agenda on
non-agenda items, you can continue to take public
comments here on this agenda item, and then afterwards
be able to come back and take public comment on the
public comment.

CHAIR WILLARD: That's a great idea. Let's do
it that way.

DON AMADOR: First of all, I want to thank the
Commission and welcome the new members. As someone who
was at that February 10 hearing, I do feel that the
public was sort of locked out of being able to participate in the ongoing negotiations for the bill. And as one of the members of the negotiation team for SB 742 that met over that summer with representatives from the Governor's office, Legislature and State Parks, we did a lot of hard work, and we did talk a lot about trust. And we've heard the word trust spoken a lot today. And as part of that deal, we were asked to go out to the OHV community, us as OHV leaders, and ask the public to agree to having us double their fees, to having them increase their fees at some of the parks, and in return Senator Steinberg and others at the time promised them and we promised them that this would be a Trust Fund, that money would no longer be stolen from it. So it really disheartens me today to be up here fighting money being stolen from the program again. As I look at other user fees programs like Boating and Waterways, I don't see that money is being taken from them. So my question is why is it always that OHV is looking at a fund to be stolen from.

And it was referenced a little bit earlier that there was some 2009 memo, it was a Legislative Analyst decision that nobody has seen yet. And I don't know if the Commission can request a copy of that, but I would encourage the Commission to maybe consider sending in a
letter asking to see if such a memo exists. So I think that's important.

So we are not going to talk about the non-agenda items right now. We'll do that later on. Thank you very much for allowing the public to come, and I just wanted to say that we have a lot of OHV partners here. As I was looking through the room, we have representatives from Forest Service, BLM, county sheriff, county search and rescue, environmental community, OHV community, snowmobile clubs, business owners, and even a congressional office representative here. So you can see a lot of people are interested in this program. Thank you very much.

GREG McKAY: Good morning, Commissioners. Thank you for the opportunity to let me speak. I'd like to thank the Commission. I haven't been to a Commission meeting probably in eight or nine years. I thought your questions, conclusions, the areas where you were probing were right on spot. I thank you for the education. You have a fantastic program. There are problems with it; that's part of life. I think that these cuts have really negatively impacted the tax revenue situation that the State desperately needs. The multiplier effect of off-highway vehicle recreation is tremendous. A cutback on this may be a spiral you
don't want to have.

You may try to reverse engineer this problem, make yourself less attractive as a loan target for the State, find sustainable opportunities for off-highway recreation in the state and invest in those. It will serve your constituency better, and I think you'll serve the State better overall.

DAVE DUFFIN: Good morning, ladies and gentlemen. I'd like to speak for two different groups, and one group is a group that represents Carnegie Cycle Park. It's called Carnegie Forever. We began to form this organization last year when our park was being shut down, literally. We got a reprieve a day after a large rally that we held to support the park. But from our perspective, we understand the feeling deep down inside of what happens when we are being told that our park is being shut down. Now a few months or weeks back, we had received indications that maybe 27, $30 million would be taken out of the Trust Fund and that OHV parks could be shut down in the system. And, of course, it rang a bell to us at Carnegie because we went through that. We went through it down to the 11th hour. We got a reprieve the very afternoon when the park was going to be closed the next day. So representing the 13,000 people that have joined our
group ever since that park was being closed, I would like to express this to you.

One of the reasons why these monies are being taken away is because we have let them, collectively we have let them do it. It's been going on long enough when we had budget -- we had no problem with state budgets in California. There was a lot of money, everyone was flush. So sure we are the good guys, just take the money, we'll try to remember in a couple of years to get it back. Anyway, as time goes on, people forget about those things.

So at this point, I believe that this Commission is at a historic moment when they can be the ones who say no, not on our watch. I believe that you're the ones who could set some history. And so on behalf of the 13,000 members at the Carnegie Cycle Park I'm going to deputize you all to accept that responsibility. Your badges will be in the mail this week.

Second organization that I represent -- just give me a couple of minutes. I have a nonprofit group that I've run overall for about 40 years, started out as a school project. And so these youngsters have asked me to give a report on this meeting here today. So I have got to report to them what I observed and what I saw and the facts and the details of this
situation. Now, the majority of them I'd say might be around ten or eleven-years-old, so I have to give them a report about what happened and what I saw. These are youngsters that are very active. They've been to the days up in Sacramento, they've walked the halls, they've visited senators, they visited members of the Legislature and represented the importance of the OHV program for young people, because even though we in our age groups have enjoyed OHV, ultimately the people that are going to inherit what you have done and what everyone else has done around here, we forget that there are some younger people that are coming up and whatever we're doing now, we're doing it for them, not so much as ourselves but in a percentage.

So I have got to explain what I learned today to them. And so what I'm going to tell them is this: It's just like when you go to school, and you may have some jobs, you may cut lawns, you may wash cars, and you may end up with some lunch money, and it's your money. When you go to school, a bully takes the money from you. So anyway, that's the way that I will explain this situation to these young people, a bully has taken the money. And I think we need a different Leno as senator, the one from Los Angeles. (Applause.)

DIANA TWEEDY: Hi, Commissioners, thank you very
much for inviting us. I'm just a normal person. I don't represent anybody. My family and I ride at Carnegie and ride at other State Parks, mostly Carnegie because it's close and we like to save fuel. My daughter, my grandson, my brother, his daughter, and his son, we all ride there. And you know with the deficit the state is experiencing right now, I find it really appalling. It's appalling on a lot of levels not just our OHV funds, but funding for other programs that are critical in California. My feeling about that is I'm a California taxpayer. I pay money into the General Fund. My State Parks do not use General Fund money. My State Parks uses money from a user-financed Trust Fund, the OHV Trust Fund, which I am glad to pay into. At one point I paid $15 a bike for registration fees. Now suddenly I'm paying $50 a bike for registration fees. I have a large family. I have quite a few motorcycles. I'm willing to pay that. I'm willing to pay the entrance fees into the parks. I'm willing to pay the gas tax for the parks. But I'm not willing to be doubly taxed. I pay my general taxes, income tax, sales tax, other taxes, and I'm glad to pay that for other parks that I don't use that often. Yes, sure, I'm a hiker, I'm a bicyclist. I use other parks, but there are tons of other parks near where I live
where I can hike and where I can bicycle and take part in those activities, while there are only about two or three State Parks within driving distance where I can go and ride my motorcycles.

I've been a horseback rider, I've been a bicyclist, I've been a sailor, and a hiker. I've hiked hundreds of miles of trails in the Appalachian Park over here in California. I love all those things, but I also love my off-road vehicle park, and I love what it does for my family because my family can't always partake in these other activities that I partake in, but they love to go and ride their motorcycles. It's a way that I can tell my kids and grandchildren, hey, do well in school or else you're not coming with us or we'll not let you ride your bike. It's a really good way to get families to play together, to stay together, and to get the kids from staying at home and playing video games all day. I'm sorry, I'm an old person. That's my prejudice.

But, anyways, thank you very much for listening to our concerns, and it sounds to me like you're very a sympathetic group of people. Thank you.

JOHN ORTIZ: My name is John Ortiz. I own Faultline Power Sports. We've got a store in downtown Hollister. I'm also a concessionaire at Hollister
Hills SVRA. The taking of this money is going to cost jobs and hurt local economies. A major driver to the economy in Hollister is Hollister Hills SVRA. I employ nine people that ranges from high school kids, part-time jobs, to a couple of guys with kids raising a family. In addition to us in town, there is a Kawasaki dealer and Honda dealer that are supported basically because of the SVRA that's in town, not to mention all of the other money that's spent in town with restaurants, grocery stores, the hotels, gas stations, is a very significant part of the town of Hollister, and we really need a park there and don't need any cutbacks in it.

Also, I'd like to comment on kind of the disconnect between the Legislature and Off-Highway Vehicle Commission that you've alluded to a little bit today in that they just kind of quickly jumped over this budget issue, it's $10 million, sounds good, move on. We really need your help to kind of push them and let them know how family oriented this sport is, and how much it will affect the families of the state.

A couple of years ago there was a show and tell up at Hollister Hills when they were talking about doubling the Green Sticker registration fees. And they had a bunch of people from Sacramento come down, and I
was standing on the patio of the store, they made a stop there, and some of the comments I heard from people that came to Hollister Hills were amazing: I saw a couple of girls out there riding. Other people were surprised they saw families out there. They commented how beautiful the park was. The legislators don't always realize what they are dealing with and what a resource OHV is. I included a picture for you guys of a poker run we did two weeks ago up in the hills, and it shows I think it's about four-year-old Brody won third place in the poker run, he's being held by his dad, his two brothers are also there in the picture, and his mom won first place in the poker run. It's a family activity. We need to keep it going.

Thank you.

WAYNE FISCHER: Members of the California OHV Commission, thank you again for our opportunity to speak. I'm representing the Tahoe Sierra Snowmobile Club and we have all of the Tahoe Basin up the ways north and south Tahoe. Half of our members are California residents; half are Nevada residents. And I personally retire to Tahoe. I lived 25 years in San Jose and paid lots of state taxes. I'd like to make three comments.

Reduction of the OHV funds for grooming, as an
example for snowmobiling, would have a major effect on us. The more advanced snowmobilers can get out into the back country quickly and then disperse that activity. We have many snowmobilers that are senior citizens. They can't put on 25-, 50-pound backpacks, but they can go out and recreate outside on a snowmobile on groomed trails, so we do need that. And also there is a lot of beginners that need to get out there as well, just enjoy the environment on a snowmobile. So, again, that's very important we keep those funds.

Second comment is a lot of us feel for the California Legislature to take the money away from us is sort of criminal. It's just unconscionable. How can you collect money not only from the State Parks program, all of the other programs are being redistributing funds. That's just plain not fair. And the question you have to ask yourself: Where does it end? And we have to stop and say no today.

The third comment I'd like to make is the big picture, the 30,000-square foot altitude picture. Some of us are former, but most of us are hardworking taxpaying citizens. We work really hard during the week. We contribute to our employers. We come home, are good parents. We pay lots of taxes. And we need
to recharge the batteries. We use this outdoor recreation as a mechanism to charge our batteries. And then we can go back and be good workers, good parents, put our kids through college and so on. So please, please, do not let the California Legislature take away this money because we have to be able to recharge the taxes.

And the other thing that was pointed out earlier, especially in OHV, we buy these toys. We pay taxes on that. We pay a lot of gas taxes, go to hotels, pay a lot of food and so on. So we're putting money back into the California economy, and it's very important that we can be able to continue this on the scale we've had before. Yes, we all have to cut back a little bit, but, again, please, don't let them do this. Thank you. (Applause.)

BROOKE MURPHY: Well, my dad has a motorcycle store and because of the Clear Creek Management Area being closed, he has lost a million dollars in at least three years. And I know that if we close the rest of the motorcycle places, then my dad's store will lose even more money, and we'll go out of business.

And I really, really like OHV because it's really fun. You can meet friends. You can go out and just are ride and see things. Like one time my sister,
my mom, and I, we were riding on the Renz property in Hollister, and we saw a condor, and we told some newspaper, and they're like really amazed because we hardly ever see condors in California.

And also OHV can be a really great way to get out of the house and stop playing video games, especially for kids who play video games all day. Mind you, I know those kids. And also at Metcalf, they have a junior ranger program. I went to that one year, and it's really, really fun because it helped me really be able to ride a motorcycle because usually I ride a quad. And then I really liked it because I met some new rangers, and they were really, really nice to me, and also pretty fun to go out and just camp, meet friends, ride, go out on a ride for a little while. And you can have tons of people out on a ride, and they can be obese, they can be anything. They can just ride because there are different types. They can ride a quad, they can ride a motorcycle, they can ride a free tire thingamajigger, and that way they can get out, find friends.

And I also agree that it would be pretty cool if we opened up Henry Coe as a motorcycle place because the other place, Hollister Hills, is packed. Yesterday I saw like eight people with motorcycles just from
Hollister Hills, and I hardly ever see that many on the highway. So thanks. (Applause.)

ANTHONY GODRICH: Hi, Anthony Godrich, I think that's who you were calling. I don't write real clear. I'm a member of CERA, I have been for over 30 years now. CERA is California Enduro Riders Association. We put on enduro races. We've also put on air scrambles, and poker runs, and whatnot. I've been in the AMA as a life member now over 33 years in that. District 36, I'm a life member. I'm a life member of CERA. I've been riding for 42 years. My son has been riding now for 17 years.

I can sympathize with what we guys are going through as far as the Legislature. I don't agree with a lot of what they're doing as far as taking money. But the funds that they are trying to take from the OHV program that they have are not funds that they can use for General Funds, as far as I'm concerned. I've paid taxes in this state since I started working when I was 16, and my funds go into the General Fund and are there for their use. I also am funding through my OHVs, which I've had for years, and I've had a garage full of them, and now I've seen the fees double in price. My fees are being set aside from a specific purpose there, and it's not for the General Fund. I already pay into
that. I want my fees for the OHV to continue to go for what I'm having my sport. My son, like I say, he's been doing Motocross. We don't have to register Motocross bikes in the state at all. We can pretty much ride any of the private tracks we want. You don't have to register, but I've chosen to register all of our bikes every year for every year we've had them because I support the program. And like I say, he's ridden Motocross for years. It's a family sport, just as enduros are for me, and we've chosen to continue to support the systems through our OHV funds.

Now I'm looking at if they're going to continue to take money away from the funds, do I want to continue supporting funds through the Motocross circuit. I probably will, but I'd really like for some fight back from the Commission to stop the Legislature from trying to raid our fund all the time. So kind of that's where I'm coming from.

Our club has been putting up with cost recoveries on the part of the Forest Service right now to the tune of around $27,000 they're trying to hit us for. We can't afford that as a club, so we're looking for all alternatives now as far as how we're going to fund our activities. We paid over $10,000 into a five-year permit process only to find out that halfway
through the process when they were just about ready to
issue the permit they said, oh, by the way, we're not
going to issue the permit, you need to supply us with
another $17,000 to continue the process. That to me
was a bait and switch. We said perhaps we can pay as
we go sort of program, where the first year of revenue
that we get from our events, we can turn around and pay
a fifth of the proceeds towards that $17,000
additional. They wouldn't have any part of it. They
want all of the money upfront. For a small nonprofit
club, we can't afford that kind of money. So we're
being pushed into -- we're looking at venues in
Carnegie and places like that now to try to have our
events mainly because we're getting priced out. And
there's issues with the Legislature that we're taking
forth with that to try to push the thing back onto the
Forest Service that they can't price people out of
national forests. It's there for everybody's
enjoyment.

So most of us in this room are very passionate
about our sport. We are imploring you guys to take the
fight and push back on the Legislature to say, no, we
don't want our fund raided anymore. (Applause.)

JERRY FOUTS: Good morning, Commissioners,
Chairman, Deputy Director. My name is Jerry Fouts.
I'm AMA congressman for Northern California, Northern Nevada, and thank you for letting me speak.

Something that's pretty interesting, we talked a lot about it, and we didn't really settle out on it was jobs. This OHV self-funded Trust Fund creates jobs, creates a juggernaut, an economic engine in this state that nobody has really talked about. We've talked about it a little bit. That economic engine provides jobs. It provides discretionary spending. It provides taxes for those social things that Karen is so passionate about, and I agree with that. And any change in that tax structure, any change in taking money away from this program is going to dramatically change the participation and affect all of those things.

Look at the kind of businesses in the state that are driven by off-highway vehicle recreation, the RV people that build tow haulers, they build motor homes, they build enclosed trailers; look at the exhaust manufacturers that develop and build product in California, they build it here. The largest in the world, and they ship stuff all over the world. California is their largest market. Look at the Fox motorcycle apparel company, probably hundreds of millions of dollars of product a year, they're here in
California, Morgan Hill. They do a wonderful job. It's driven, an economic engine that's driven by our community, by our funding of our OHV program. Look at the mom and pop motorcycle stores, places where kids grow up learning how to work, places where kids grow up going to college being able to have a place to work, learning what good things are about.

At the end of the day, this program provides discretionary spending for those people that are employed by it. At the end of the day, this program provides tax benefits that provide social programs all the way from medical programs, all the way from indigent programs, all the way from school lunches, every social product that Governor Brown wants to invent, we're funding it through this program. We're doing it. And anything to cut that is going to diminish it, it really is. I have two kids that grew up in this sport, and they're awesome. And the reason they're awesome is because they developed problem-solving skills, self-reliance, a respect for environment, and respect for law enforcement from participating in this sport.

We are what it's all about, a self-funded Trust Fund, okay? Any changes to that in my mind is killing the goose that laid the golden egg. And anybody that
can't understand that in the room should go somewhere else because this is the perfect program in my mind.
We're paying for it, and we're paying for those social programs.

So, please, Commission, do whatever you can do, Deputy Director, legislative people talk to legislators, derailing that train is a horrible idea.
Even if you don't care about motorcycles, derailing that train is a horrible idea because it takes away from those social programs, that discretionary spending that all of those other people depend on us to do.
Thank you very much for your time. (Applause.)

TIM ADKINS: Tim Adkins, Butte Meadows Hillsliders out of Chico, also the owner of MJB Welding Supply and Industrial Power Products out of Chico. I'm wearing two hats today. I'm in charge of keeping the trails groomed for about 100 miles in the Chester/Chico area; also in charge of keeping the roads open by blowing, grooming up to the snow parks.

We take a look at everything that's going on here today and kind of get lost in the confusion. We have people that try to take money from things that we self-generate. And we talk about this gas tax, our county received two years ago $48,000 of gas tax generated by user deals through OHV. OHV found that
our users come from the Bay Area, Sacramento, and all over the State of California to come to our Chester area and ride snowmobiles in the winter.

Without these winter sports, a lot of people don't have an economy. Here we are worried about the economy, and yet we got to turn and have people that come around and want to kill our jobs and kill the economy. How do they expect these people to survive through the winter. The summer months pretty much take care of them in the mountains. The winter months, without this OHV money and without these groomed trails and all of these people coming up there who use hotels, food, lodging, buying gas, all those different things.

I come from an business standpoint. I couldn't manage my business any way the people manage the money around our state or be here, we all know that. For us to think that somebody can stick their hand in our pocket and take money from us, should be absurd. That can't be done. I've saved a lot of money through the past few years to make it through these economical problems. The OHV has done the same thing. Now we take users that have used their money, and used it in a very bad way, and they think they can walk over and use our money that we've saved. There is something wrong with this picture totally. I hope the legislators
learn and I hope they listen because we'll come at you from all directions, and we expect you, the people up here at the OHV Commission, you're doing a fabulous job, I hope you can get the word across to them that there is nobody in this room here that's not very upset with what's going on. I thank you for your time.

(Applause.)

JOHN STEWART: Now we can say good afternoon, Commissioners and Deputy Director. I'm John Stewart with California Association of Four-Wheel Drive Clubs. It's been an interested morning listening to the discussions and description of the California budget crisis. Yes, California is in a budget crisis, but I would also like to point out that over a number of years, people were giving their life savings into another fund, and that fund was entrusted to an individual to be managed properly. That fund broke down and found that it was mismanaged and fraudulent. That fund manager is well known today and that is the name of Bernie Madoff who now sits in federal prison on embezzlement charges. Listening to the obfuscation that the Legislature is going through it is again looking like you have a trust fund where people have been putting their money into with the expectation that they would receive a benefit and that it would be
managed wisely.

The OHMVR Division has been managing the Trust Fund, the people's money, the people that are participants in OHV recreation, they have been managing that wisely. State Parks overall has not been doing a good job of management of their funds. And the State Legislature has not been doing a good job of managing the funds from the General Fund taxes entrusted to them to manage for the social welfare programs.

Here we have a 40-year program that for year after year it has been protected by the Legislature as a viable option, as something that is important. The frequent raids have come and gone. We have never been repaid. Litigation has forced a payment under -- if the program falls into the red. Well, with the loss of this $31 million on the program now, it looks like very soon the program will go in the red. It remains to be seen, will that Legislature stand up to their promises or is it another fraudulent effort on their part, smoke and mirrors, where they would again avoid the real cost and the real issues of managing the public's money in a safe and in a responsible manner.

Overall, let's ask the State Legislature to keep their hands off of the OHV Trust Fund, which is from the people, from the recreationists. It is our money.
It is recreation money, and it is there, and it is there for an intended purpose, and they gladly pay it for that intended purpose. Let's see that it goes to that intended purpose. Thank you. (Applause.)

AMY GRANAT: It's a pleasure to address you. Thank you, Commission, Commission and Commissioners, for taking on this subject. You can hear all of the passion in the room, and as I was sitting listening deciding what I wanted to say, I was thinking that the young man in the back, Mr. Murphy really said it better than anything I can say. You can hear the passion in his voice. I think it was W.C. Fields who said you can't ever work with kids or animals, but I'm impressed with his passion. I'm impressed with what he has told you. I think that's the message that needs to carry on.

In sitting in the Budget Subcommittee meeting there was an expression that one of the Assembly members used that everyone has to pay their fair share, and I heard the same thing echoed today, and that kind of bothered me because I thought about it. In essence, that's true, but the OHV community that I know is among the most generous of communities that I have ever seen. And the idea that it's not recognized that this money that we put into this Trust Fund is like a piggybank,
and everybody's activities and everybody's registration, and everybody's fees go into that piggybank, a special little piggybank put off to the side. And it goes in and it goes in, and then somebody comes and really looks at your piggybank and says, wow, you've raised all this money, and snatches it away. It is not everybody else's money. It is the OHV community's money and has to stay the OHV community's money because they have paid for it.

It is a self-funded program. I'm going to address this to everyone in the audience. I think everybody here understands that fact, but we in the OHV community now need to take it directly to our legislators, and take it to our politicians and say, hands off our money. We need to not only express it here in this room, we need to express it in the offices, to the staff, to everyone in the Legislature to let them know how we feel, and we can't stop. This is not a one-time thing. We've heard about all the money that has been taken. So I am empowering everybody in this room to follow the lead of the Commissioners, talk to the legislators, get your point across, have them understand that we are a generous community. We've given until it hurts. We've doubled our registration fees on our Green Sticker vehicles to
support our programs. So everyone, we have to leave here, take all of the energy and passion that's in this room, when we leave this meeting take it further and talk to your legislators. Together we can make a difference. One or two people working alone, it's really hard. Thank you. (Applause.)

JOEL OSOFSKY: Good afternoon, everyone. My name is Joel Osofsky. I'm with the Plumas National Forest. Thank you for taking the time to listen to my comments.

I wanted to start off by saying I appreciate and agree with what the Commission is doing and the advocacy you guys have for OHV community. Please keep that up. I want to speak to something that has been brought up by other people here. I feel that all of the messages have been very powerful and meaningful. As a member of the Forest Service, I would like to speak to what kind of impacts some of these cuts will have to our agencies, how the trickle-down effect can affect everybody.

I realize today after speaking with someone in the Division that there are current grant shortfalls even for this grant cycle. As a member of the Forest Service, we rely heavily on those grants just to get done even just our everyday work, let alone to develop
positive partnerships with some of these other groups that have come forward and said, hey, Forest Service is not working with us, we're having difficulty working with them and getting our goals accomplished. I just think it kind of demonstrates how important these grants are to community support for OHV management, which is obviously what you guys are here for. And this is also compounded by the other budget cuts as the federal government has had and just makes it a little more difficult.

I'd like to just also echo the concerns that many other people have had about how this budget process is not transparent and encourage you guys to take a strong stance with that. And also a more personal note, I admire the dedication that many of these people have in this room for the OHV community and for their OHV opportunities. I work with a volunteer group that does grooming in the La Porte community, and every year they volunteer over 500 hours of their time. I know members that -- Tim Adkins and his group probably volunteer that much, if not more. Please, when you guys go to bat for us and we go to bat for the OHV community, remember there are people out there who have that personal faith that this is what they're putting in this. So please remember that.
Thank you. (Applause.)

RYAN CHAMBERLIN: Good afternoon, my name is Ryan Chamberlin. I'm an ATV safety instructor, teach motorcycle ATV safety. I'm also a motorcycle technician. I'm also a motorcycle tech instructor. I'm highly involved with the motorcycle industry all the way around.

Over the past few years, OHV community has been hit over and over again by numerous different outside organizations. I'm currently a user, ten-plus OHVs paying Green Sticker fees on, and what's the whole idea behind what this trust is. The trust is funding in toward the future of OHV. We're trying to get enough to be able to get along for the next year, but what do we need this reserve for is what we really need to think about. Future trail compliance, other new rules and regulations, quite similar to what happened at Carnegie here in the past year. Could we have predicted that? I doubt that.

The current ban on motorcycles has been another big impact on the motorcycle industry, also, environmental impact, special events have been hurt, also other nonprofits. Nonprofits been attacking the OHV community for quite some time now. A lot of organizations rely on the OHV fund and grant fund for
their fiscal year and fiscal spending. We need to keep this going. We need to do what we can do to protect the future of OHV and the safety for generations to come. Thank you very much. (Applause.)

RANDY BURLESON: Hi, my name is Randy Burleson. Good morning, Commissioners and the public. Thanks for the opportunity to comment today. I'm representing the Sierra Treasure Hunters Four-Wheel Drive Club. I want to provide special thanks to OHMVR staff for diligent research and communication on this issue. They've really helped bring a lot of people up to speed.

I took the time to come down and testify at one of the budget committees and was turned away because of a full room from the Conference Committee, and I'm continuing to work to encourage our public to contact their electeds and lobby this issue; not giving up. And we need to keep the heat on the electeds to hopefully rectify the problem. That's you guys, all of the commissioners, and us in the room, and the users outside the room, we all need to work together on this. Ohmvr is kind of being treated like an ATM for state Parks and the General Fund. These aren't loans. This is borrowing without intent to repay. For most folks that's called theft or fraud. Politics makes things kind of less clear.
I've heard some folks in this room and other rooms say that we should share the pain. We've shared $122 million in the past few years, and 160 million overall. Sharing more pain than that would be crazy. Prop 21 was recently voted down with a pretty clear mandate of the California people not to support State Parks funding in that way. And State Parks' own census numbers show sporadic use at a lot of parks. At the same time our SVRA, OHV parks make money and show regular high census or census figures and just regularly filled by paying enthusiasts. To say that more clearly, OHV pays our own way. We even doubled our own fees through SB 742 to help cover some of these expenses. OHV pays its own way and right now State Parks users do not. Loaning further money there just doesn't make sense to me.

So I'd like to encourage us all, again, this side of the microphone and that side of the microphone, we need to work together to resist further drains, draws, and takes from the OHMVR funds. Commissioners, specifically, we need your help. We may be somewhat out of time for this particular budget, but I'm not done fighting. But more than anything, we can work together on accountability and repayment for the past $160 million. I hope the OHMVR Division continues to
challenge the legalities of some of these loans of
non-fungible funds, but we need to work together to
fight the take that is underway now and to get refunded
on the past loans. I appreciate the opportunity to
comment today and appreciate the special meeting to do
so. Thanks. (Applause.)

BRUCE BRAZIL: Good afternoon, Bruce Brazil. A
few of our previous speakers have mentioned the trust
part of Trust Fund, and there has been some comments
from the Commission also as far as how to hang on to
the money. A couple of weeks ago when all of this came
out, I sent an e-mail off to the Office of
Administrative Law asking if there is a binding
definition of Trust Fund, has to do with our state
government. The reply, no. It's up to individual
legislation to cover that. So we're kind of duped into
thinking that our money was protected by putting it
into a trust fund.

And for the borrowing, when we passed SB 742,
special wording in there says that if any funds
borrowed will be repaid in two years. That hasn't
happened, and they don't seem -- the Legislature
doesn't seem to want to follow that. If I recall
correctly, the $90 million that was borrowed has got a
four-year borrowing term on it? Okay. There is other
almost an umbrella statute that says funds borrowed will be repaid in three years. Now, I understand that the Legislature can change legislation, future legislators are not bound to previous legislation, but they have not changed any of the legislation in order to circumvent what is already on the books. So I think we've got a technicality here that we can work with.

Another part, fuel tax, under the fuel tax program, any fuel that is purchased at the pumps and used off-highway, other than for recreational usage, the user can apply for a rebate on the fuel tax on that fuel used. This is showing that the recreation community, because we cannot apply for that rebate, that money is definitely dedicated for a specific use; therefore, it cannot be considered fungible, which means applied for similar uses. We don't have that opportunity to do the rebate, so hopefully we can get the concept through to our legislators. Thank you very much. (Applause.)

TERRY HANSFORD: Good afternoon, Terry Hansford. I'm a native Californian, I grew up here. And I got the opportunity to be able to watch the Green Sticker program first implemented and how it's changed over the years. And as a taxpayer in this state for my whole life, I don't like it, and I've never gotten involved
at this point, but I feel it's time to speak up. There are a lot of sayings I live by, and one of them is those that don't learn from the crap they're doing are doomed to relive it.

I heard contradictions today, and the finance accounting department just scares me something horrible. They don't know what they've got, they don't know where it's going for sure, and they don't know how much is coming in. I don't know. But the point is with this there has been too much money borrowed from the program over the years without any kind of accountability by the State, and I haven't seen a business yet that was able to borrow out money to any one person, place, or thing under a we will pay you back whenever we feel like it and survive.

It's a bigger picture here, too. There's a lot more that needs to be done. But for now, just as a general consumer who grew up on bikes and snowmobiles, I love the sport. I don't want to lose it. The snowmobile community operates on a shoestring as it is. The majority of work on the trails and infrastructure is done by volunteers. I believe more privatization should be done because the systems are really suffering. And to take more money away at this point will make a bad situation even worse. We need to
expand systems. And, again, this is a bad message for
the kids growing up, too, find out how things are run
for the last 40 years since the Green Sticker program
started, the spirit of what it was originally intended
to be never happened.

But I thank you all very much for getting
involved. Thank you for your time. And I'm opposed to
any of this. I want no sweep of the accounts at all
because we'll probably never get it back, and it's been
already stated. No attack, just -- I know how it
works. Appreciate you people actually saying it.

Thank you.

Governor Brown himself, right here in black and
white, let's see if I can find it -- I should have had
more public speaking -- he thought the proposal to sell
the leased-back property by the state was shortsighted,
I don't believe that. I believe that the selling of
the property leased back could be very profitable, both
the short-term and long-term, especially like I heard
here from a couple of gentlemen taking some of the
properties that the State wants to sell and lease back,
hey, what about the money owed us, folks? There is a
solution. Put the value on the property, how much do
they owe us, give us the property. They owe us money,
millions and millions and millions of dollars. Does
the off-road vehicle community see any interest
payments for that? Have they? I haven't heard that.
All I've heard is the State saying we'll pay you back
when we feel like it. That's kind of status quo,
folks, and has been for as long as I've been in the
state. I ain't leaving. I still love it here. I have
to ride with a knee brace and back brace, but I'm going
to until I can't get on it anymore. Same with
motorcycles, I can't ride without a back brace, without
a bike brace, but I still ride. And I will until I
can't. I love the sport.

No matter what happens here today, I'm going to
stay involved. But it's getting more and more
expensive. Overall tax burden on the general public is
horrifying, it's unbelievable. Anyway, I'm
sidestepping again, but I believe a lot of
privatization could help all of the off-road vehicle
community. Just from what I've seen, specifically in
the school belt community seems to be like the unwanted
stepchild or whatever. We have very little funding and
very little done because there is no money. And I'm
reiterating saying most of what I seen done is strictly
volunteer. Money should not be taken away, especially
from OHV. I oppose taking any of this. Governor Brown
himself said all loans will paid back by fiscal year
'13/'14. Where is that? I had that here. It's one of the papers you guys had back here on the table, yet I heard here no, probably not. So too many contradictions. I ain't buying it.

Again, I have to say I'm opposed to this as a general taxpayer. If anything, we need more money coming in to the off-road vehicle community, not being taken out. And the whole state ain't going to make it until all of this stuff is changed, so thank you for your time. (Applause.)

TERRY McHALE: Good afternoon, members of the Commission, I'll be brief. I'll just start by saying that I've always been confused as to why the parks foundation and PEER and other groups want to close down OHV when over the years we've proven to be their most reliable slush fund. It seems to me that -- I will say that there's been a lot of criticism of the Legislature, some of it deserved, some not so much. It is true there is a point in the Legislature where it becomes a breaking point. For those of us who have attended all of the hearings, especially Budget Sub 3, I think that you saw this group, Commissioner Lueder was there, a great many of the people in this room, and I think there was an expectation that it would fly through and it didn't, and it was held over.
And when it went to the Budget Committee, it was held over several times. And it was held over because individuals in this group, because of the Commissioner, because of Deputy Director Daphne Greene, and Chief Phil Jenkins, and Bill Herms from Parks who was outside and made sure that testimony was heard that Parks did not want this money, all of it had an effect.

And I think if there's any lesson that can be taken from this, it is that there is a fatigue in the Legislature that this money continues to be taken and there is no money given back with respect that is due OHV isn't provided. I heard earlier someone say that the voters would not support off-highway vehicle recreation, and I find that ironic since that particular person supported an initiative that went before the voters in a democratic year, and it was rejected overwhelmingly, and then they returned and did a report as to what has to happen for our parks to become more viable. I don't know how many people saw the report, but it said, we need to reeducate people on how to use parks and we need more boats. Well, my answer would be that we don't need more boats, we don't need to reeducate people on how to use their parks, we need to look at the OHV program, which is a viable program that pays for itself and that people want to
use.

It is true there are enormous needs in the State of California. $500 million is being taken from higher education. They're protesting at the Capitol. $2 billion is being taken from redevelopment money. Firefighters in the State of California is being reduced by a quarter. There are profound cuts being made; however, OHV has paid their share. We need to tell the Governor, we need to tell the Legislature, yes, OHV has paid their share. It is time for those moribund parks that are not being attended by people, that are sitting up there without being used, it's time to say either close to them down or let's be so bold -- we may not get Henry Coe State Park, but a lot of those parks are out there dying to be used. And you have a program where they can be used, and they can be used well.

Let me close by saying this has been a terrible time to work in the State of California. The $12.5 billion cuts that have been paid are real cuts. This isn't a Schwarzenegger program of smoke and mirrors, we'll wait for the federal government to bail us out. These are genuine cuts. We know today the budget discussions have broken down again, which means the five republicans who said they may have been
willing to vote for the budget and to put on the ballot the extension of those taxes has said that it is broken, and they are not going to move forward on that. If that happens, Governor Brown has said, and I believe him, that he will do a $12.5 billion more in cuts. And so this $10 million we're talking about now, this $10 million that scares the shit out of everybody, if that happens, what we will be fighting for is whether or not there will be an OHV program at all, at all. The entire program gets shut down. And this worry with 70 and 90 state parks is real. They will close down those 70 and 90 state parks, and you're not going to get garage pickup at your house. You're not going to have police responding on anything except a call where people are being injured. You're not going to have firefighters come to your house without charging money for being there. They are real cuts.

So my advice to all of you is to take this passion, and there is place it can be directed. Eric, you'll join in with me on this, I believe in terms of what the response was in the committees, I think those of you who have gone to the Legislature and have spoken to your legislators will agree, we need to go to them and the message needs to be two-prong. First of all, take the money from where it deserves to be taken, and
that is the Parks that don't work. Second of all, if we're going to have -- these cuts should not happen at all. But in the future if there are going to be cuts, what we should do is have a program in place that only those parks -- and the new Secretary of Resources was asked what he was using as a standard to close down parks. He said the three most important standards are the historic parks, which need to be kept, and I think we're fine with those; second of all are those parks that pay for themselves need to be kept; and third of all those parks that are most used need to be kept. We fall under all of those categories. And so the message needs to be parks that can afford to pay for themselves need to be preserved. We fall in a category.

The last thing, someone said today that the reason we have a reserve is because we get too much money. That's reinventing history. I sat in on every one of those discussions with 742. There was an agreement on how that money was going to be shared. The reason we have too much money is because Daphne Greene and Phil Jenkins are not given opportunity to spend the money they have. So the daring young man who came up and talked about Henry Coe State Park, put that into an opinion piece, get that to your newspaper, call the individuals that represent
you, call the members of the Budget Committee, and of the Subcommittee Budget, cooperate with I think the most effective people in state government, Daphne and Phil, and make it clear there are options, there are recreational opportunities that can survive even the deepest budget cuts, and that is to follow the program that you, Commissioners, are in charge of.

And one more final comment, I do want to say that this Commission deserves particular praise. Part of 742 was to put together a Commission of people who understood and cared and realized that off-highway vehicle recreation is the best representative of people who recreate and recreate responsibly. And we wanted a Commission like you, and we would invite you to be as daring as possible in reaching out to the Governor, to those who appointed you to this Commission. Thank you very much for your patience. (Applause.)

NICK HARIS: Nick Haris, American Motorcyclist Association. Terry warned me that he was going to steal all of my thunder, so I'll echo a lot of what he said. I wanted to point out a few things. Number one, as Terry mentioned, the budget negotiations have broken down again. So for us to act like this is done, potentially it could be worse as he alluded to, but also it could be better. The fight is not over. We
had, the last time I checked, 1700 messages from our
website alone that have gone out. Anybody that's seen
their representative or walked the halls knows that
they're hearing from us. And I think Terry mentioned
to me a few weeks ago, you got down to like four things
left to get out of the Budget Committee, and we were
still on that list. That alone was very impressive.
We were making people realize this was something that
was not free, was going to be a cost politically.

And I guess the other comment I wanted to make,
I think we've all seen in the past State Parks
Foundation is very close to State Parks, as they should
be. They support them. They've got a website. They
worked on the initiative, and yet when the State Parks
folks got up at the Budget Committee hearing that I was
at as well, and said they didn't need the money, the
State Parks Foundation person got there immediately
afterwards and said oh, no, you should take it. So I
think that that is either very disingenuous or there
was a real lack of communication between them. I'm
kind of curious as to if there are any more details
about that that could be shared with myself and the
Commission.

Other than that, we have been including in our
messages from our website the message about let's
identify some State Parks units that are potentially
good candidates for OHV use and work with State Parks,
take that off their books, put them on our books, give
us some opportunities. And I'm not saying everything
going to be like Prairie City, but we can find and we
can identify a number of opportunities I believe. And
thank you all for being here. (Applause.)

DEE MURPHY: Hi, my name is Dee Murphy. I'm
here for two things. One will be my husband's store,
Zoom Cycles in Santa Clara. It's been opened about
40 years. Since Clear Creek closed in May of 2008, we
consistently at our store had monthly sales loss of 30
to 35,000. That's on the average of $500,000 in one
year. Now, that's three years we're going on that
closure. We have five employees right now, where we
used to have 17 to 21 employees. We were more like
John's store in San Jose, no more near a motorcycle
park at Metcalf. We are not paying the sales tax. If
we can't sell anything because there are no parks, how
do you think the state government will get that extra
money, not the OHV money but the sales tax money?
Customers come in, they say if the parks close we have
nowhere to ride, we'll just sell our bikes. No one
will buy them. We will have to sell them out of state.
There will be no Green Sticker fees to spend on
anything.

Over 14 percent of Californians own OHV vehicles that are registered. Many more are unregistered, farm workers, things like that. There are over 35 million residents. That's about 500,000 motorcycles. I own 11. I only have three of us, okay?

When you go to Hollister Hills, if you're not there by 9:00, you're not getting in most days. We were in Hollister, bought a house in Hollister for two reasons. I love Hollister Hills, and I love Clear Creek even more. They closed Clear Creek. I only can go pretty much to Hollister Hills. It closes at 9:00. The people that drive an hour and a half to get there can't even get in. Where will they ride? They move back to Metcalf, Metcalf closes. Metcalf has 438, just three digits, acres. Hollister has 4,000, plus the upper branch. Clear Creek has 70,000. Henry Coe has 87,000. Henry Coe State Park was a state park that was supposed to be state park for OHV in the '60s, but it wasn't made that because somebody had some upset, they didn't want it that close to Santa Clara County.

The largest county for OHV ownerships per capita are Santa Clara, San Joaquin, Alameda counties. They all have the dirt bike park. So if all of those riders are riding to there, except for Hollister Hills where
they ride to anyway, most of them go there, there will be no money, no money at all going into the Green Sticker fee if nobody buys any bikes. I know several people, I know John, I know Fred at Hollister Honda. They built Hollister Honda, Hollister Powerhouse for Clear Creek. It closed right after they opened it. That's what that big sale that sales. The number one store in the United States of America that sells Honda motorcycles is Hollister Powerhouse, and they aren't selling any dirt bikes.

Hollister Hills is the crown jewel of all OHV places. It is. People come from out of state to go to that park to see, well, how do we build a Hollister Hills in Alabama, back east. It doesn't matter where. They come to our parks to look at our ways that we build them. If Metcalf closes, which it fills up also and it gets OHV funds, there will be nowhere anywhere at all. You'll have to drive three hours or more from Santa Clara County. That's where we came from. We came from Hollister, my daughter and I. And I know other people came from much further away than I did to drive here.

Most of our customers own several off-road vehicles, especially dirt bikes, quads, and UTVs because everyone in the family rides. As I told you, I
have 11, and I know people have three, four. You'll have a track bike, you'll have a regular bike. Now more and more people are being looked out of public land such as Clear Creek. It is my land. I paid for it. I've been working since I was eight years old. All over America when they close land, people do go riding where they're not supposed to. I don't. I've never told my daughter to do that. We just have to not. That's not fair. Where does that leave the kids? That leads the kids, like my daughter told you, to sit at home and watch OHV, watch it on TV, watch Super Cross or play video games. I've talked to kids in San Jose and Cupertino, they don't go to the parks, they don't play on the grass, they don't go anywhere.

    I had a daughter that was in second grade, when she was in second grade, she did show and tell of a quad and a motorcycle. A boy told her girls can't ride a motorcycle. Well, that's pretty bad when your mom and daughter and your little sister all have been riding since before you were born, because I made sure that that was not going to go through any further than that.

    You need to fight for all of us to keep our land open. All of the Green Sticker fees need to stay in Green Sticker funds. Over $500,000 you're not getting
in sales from our store, that's a lot of tax base. We're not able to pay you to run anything, that's programs for kids, the 11 and 12-years-old. They should take the money away from prisons. That's where they should take the money from. Those guys are ridiculous. If you have all of these people that are hired at our store, five of them, 12 of them at John's store, a whole mess of stores are here, I know that, if they all closed or even 70 percent, where are all of those employees going to go? There is nobody hiring. You see signs all the time or you get somebody -- nobody will get it. You'll get someone with a college education trying to go to work at In-N-Out. So that's pretty much what I feel on Zoom standards there.

Now for me and my family, I've ridden in several State Parks and on BLM land. I currently own 11 dirt bikes. I've taught my daughters to ride and have all intentions of teaching my grandchildren to ride. But if Hollister isn't open, there is nowhere I'll be able to ride, other than maybe Metcalf. If they don't get OHV money maybe they'll close that, too. We want them to open UTC property into that. We want them to open Clear Creek back up. What I think the State should buy with our land money, UTC property; Clear Creek back from BLM, because they don't want to run it, ask them;
and Hollister Hills, expand it; and buy -- what was the other one, Henry Coe.

The OHV program created in California is by far the best there is in the U.S.A. All states come here and use it. They'll have them riding, you have kids riding. I have my kids in Junior Rangers, I can't wait to have them teach a Junior Ranger program, you just have to be a little older. Pretty much that's about it because, you know, we need -- and you guys are wonderful. It's really nice, and Daphne doing a wonderful job. What we need is to do our OHV sticker funds to stay here, and buy all of the State Parks like they say that is not monetarily making it because we'll make it make it. That's it.

RICHARD BRIGHTMAN: First of all, thank you, the Commissioners and Daphne and Phil for all of the wonderful work you guys are doing and supporting us.

I've been in the snowmobiling fun business for about 45 years. I started riding snowmobiles back in 1966. When I was sitting here earlier, I heard a woman get up, and I believe she was from PEER, and she was talking about child care suffering because of the budget cuts. I really don't care about child care and budget cuts. This is my passion. And I'm going to tell you, I think everybody in this room, we support
and we represent not one or two people, not 10 or 20, hundreds of thousands of people, millions across United States enjoy OHV. It's a way for us to find release. It's a form of recreation that we enjoy. I have a friend right now who has Stage IV cancer, and I'll try not to get emotional about this, but one of his last wishes is for me to take him on a trail ride on a snowmobile. And for people to take funds away so we can't have grooming so that I can give somebody their dying wish, I think is a sad state of times.

Then let's talk about a loan. Now, when I go to a bank, and I want to buy a vehicle every couple of years to haul the snowmobiles with, I take out a loan. When I take out that loan, there are terms and interest that I must pay back. So how can the Legislature -- and we can call them loans, we can call them robbing our funds, whatever you want. They're taking the funds and they're not paying them back. So why aren't they being held accountable? Not just you all standing up here and the staff over here, I think it's time for everybody that we represent, everybody that couldn't be here today, to get mad and to make our voice heard. You know we've been sitting back while we're being pushed around by the environmentalists and budget committees and stuff. It's time we stood up and had
our voice heard. We need to be mad. We need to be heard because we don't -- we won't be riding, we won't have a place to go recreate at. That young person who came up here and spoke won't have a place to have fun and take their kids to one day when they get old enough.

And most of us are volunteers. We volunteer. I'm involved as a volunteer with the California State Parks Snow Pal program. I'm by trade a safety consultant and trainer. I travel all over the country teaching people to deal with hazardous responses and stuff. So each year I give my time to that program because I very much believe in it. We take inner-city kids that are troubled youth that have earned their privilege to go to this program, and my portion of it is I train the instructors to train them. I don't do the hands-on with the kids anymore because I'm involved in so many other things. Do we want to put that at risk? I mean these kids come up here sometimes and they've never seen snow before. And you should see the looks on their faces and the fun they're having.

So I think it's important that we fight for our right to ride not only snowmobiles, which I do, but any kind of ways, be it dirt bikes -- I don't care what you ride, but we should be out there, and we should make
sure our voice is heard because you can darn well believe -- and I'm very involved with this -- that there are many organizations that would love to see the OHV completely shut down, that you would not exist, that they would not exist, and that they could go out there and do their recreating without having to deal with motorized vehicles. I think that's pretty much what I have to say. Thank you very much for your time. (Applause.)

MAURICIO MARQUEZ: My name is Mauricio Marquez. I'm a sergeant with the Kern County Sheriff's Office, and part of my duties is I'm the supervisor for our Off-Road Vehicle Enforcement Team, which is why I'm here. And as a sergeant for the team and supervisor, the grant process or the grant funding that we receive from OHV is a major part of our program. It keeps us going and supplies us with the funding for necessary equipment and obviously to put people on the ground in addition to what we already have. I've been the supervisor for about a year and a half. I'm not an OHV person; didn't have any experience with OHV. So I've had an uphill battle since the get-go trying to familiarize myself with OHV, the issues that surround it.

It's pretty interesting sitting here listening
to everyone. One thing that I was amazed during this year and a half is that this is a family sport, it's a family sport. And quite honestly, I didn't think it was before I actually got involved with it, so it's pretty neat to see that.

Now what's the focus of our off-road vehicle team and what happens in our county, we have a very large county, Kern County, and we do have many riding opportunities there and do have a large influx of people that come visit our county to take advantage of those opportunities. What that creates is small cities, I don't even know how else to put it. We have small cities that are created by the large quantity of people that show up, and we need to provide law enforcement services for them. That's really the bottom line with us. So we have to have law enforcement out there in order to maintain and make sure that we have safety and security for the people. That's our number one priority.

Also, along those lines, we also have many other issues that we have to address. We have the off-trail riding. We have other illegal activity. I know several people mentioned the trespass, environmental damage. Now, my personal opinion is that this funding -- or lack of funding or decrease in funding
would actually create more illegal activity, more
trespass, because you couldn't put the law enforcement
out there. You would not have the law enforcement
services out there to deal with this proactively and in
an efficient manner.

Just to close, I want to keep this short and
sweet, like I said, grant funding is extremely
important to law enforcement, and this is just a point
of view from one law enforcement agency that relies on
this funding. We're already doing more with less, and
I'd hate to see this happening. Thank you.

(Applause.)

CHAIR WILLARD: Before we break, I want to thank
the public for coming out and making statements. It
was tremendous, from snowmobiles to sand rails, from
people from the northern mountains to the southern
desert, we had some youngsters and senior citizens
talking. So it just shows the depth and breadth of the
program, and it was great to have all of you come out
and to have us listen to you, some very interesting
points made that I hadn't thought of and took some
notes on. So I think with that we'll just take a
ten-minute break. We could break for lunch but we have
just a little bit more to do so thought we'd take a
ten-minute break, come back, get it finished, and we
can be out of here.

(Returned at 1:06 from break commencing at 12:50.)

CHAIR WILLARD: Okay. Commissioners, we've heard a lot of valuable input this morning and afternoon. Any other comments, discussions? I think we should probably consider taking action which I believe would be writing a letter to appropriate legislators. But before I even consider a motion, I think we should discuss the situation. Comments?

COMMISSIONER FRANKLIN: I think obviously we've heard from everybody still here, and all those folks that were here in the morning, that this is an issue near and dear to their hearts, and we would be remiss if we didn't take some further action. A letter or two to various people in the know and intimately involved with this is definitely, in my opinion, appropriate.

COMMISSIONER VAN VELSOR: My initial reaction to the proposal to cut $10 million from the OHV Trust Fund was one of support because I shared the perspective, as many have as caring American citizens, that we all need to sacrifice for the common good. However, after further consideration I've come to the conclusion that the proposed statewide budget cuts places the majority of the economic burdens of the back of the poor, young people, the unemployed, the elderly, the working and
middle class individuals and families.

It's true that the great recession of 2008 caused a massive loss in state and municipal government finances with tax receipts dropping sharply along with household incomes, spending and real estate values, but it is important to remember that the cause of America's economic plunge was Wall Street's excesses, not the pay scales of elementary teachers and state employees.

According to Robert Wright, the Secretary of Labor under President Clinton, the reason the economy remains stagnant is because so much wealth has been concentrated into the top income levels, and that the vast majority of people in the United States no longer have the purchasing power to lift the economy out of its doldrums.

Roughly 70 percent of the American economy is based on consumption, and Americans are buying much less than they did before the recession. Only the richest five percent of Americans are spending at renewed levels because the Dow Jones Industrial Average doubled since the crisis. However, the purchases of the richest five percent of the Americans will not result in economic recovery. They just can't spend enough of their money to stimulate the economy. In order to build a strong economic recovery, more money
needs to be in the hands of the working and middle class because they tend to spend the majority of their income regularly. This is especially true when the money goes for salaries of teachers, police officers, firefighters, state workers, and others that provide vital services for our communities.

The American economy is more than twice as large as it was 30 years ago, but there's been a major shift in who controls the wealth. The share of the richest one percent of Americans has doubled from nine percent in 1977 to over 20 percent today. The 150,000 households that comprise the top one tenth of one percent now earn as much as the bottom 120 million people put together.

The answer to our budget problems in California will not be solved by blaming government and reducing government spending placing even greater burdens on the middle and working class. Basic economics demonstrates the carefully-chosen tax increases are preferable to spending cuts when the economy is weak, and prominent economists argue that tax increases on higher income individuals are the least damaging mechanisms for closing state fiscal deficits.

Nobel prize winning economist, Joseph Stiglitz makes the point that economic theory and evidence gives
a clear and unambiguous answer. It is economically preferable to raise taxes on those with high incomes than to cut state expenditures. Making budget cuts is not only unfair in terms of who will be hurt most, but it will also compromise the fragile recovery and put the California economy further at risk. Prominent economists suggest that in a recession it is preferable to raise the level of total spending in the economy. That keeps people employed and buying things and makes it more likely that businesses will want to invest to serve that consumer demand.

So it would be my recommendation that the Commission in writing a letter to support an increase in the taxes of upper income individuals and resist budget cuts to the existing programs that benefit the working and middle class families and individuals here in California.

CHAIR WILLARD: Well, that sort of puts a whole new spin on our deliberations here that I'm not sure we -- well, maybe we want to get into it, I don't know.

COMMISSIONER VAN VELSOR: We are somewhat confined within our ability to make recommendations, but I strongly believe that the burden of this economic situation is being placed on regular people, and that is playing out in states all over the nation with
budget cuts, extreme budget cuts to all of the programs that benefit working and middle class people. And if we don't point that out and say there needs to be a different way of looking at providing for state budgets than to just continue to cut and cut and cut programs because what is happening is it's just furthering a spiral of economic decline. And by expecting that the working and middle class can handle the burden of additional economic reduction is not going to solve the problem. And so I think that it needs to be pointed out that there is a significant amount of wealth at the upper levels of this country that those folks need to start paying more of their share of providing for the common good. So I see it as a real issue that we should raise.

COMMISSIONER SILVERBERG: So, Stan, how do you see us composing this letter? I'm not following. I understand what you discuss. I just don't understand how we wrap that into comments regarding the issue at hand.

COMMISSIONER VAN VELSOR: I'm assuming we will suggest to the Legislative Budget Committee that we don't approve of these cuts, and we don't approve of these cuts because there is a better way, and that better way is to look at increasing taxes on the upper
class -- or the upper incomes in the state.

COMMISSIONER KERR: So I think if I could redirect our attention to some potential action by the Commission, I do feel that the discussion needs to focus on OHV rather than some of the other larger social issues that are out there.

I'd like to ask our counsel before we decide what actions to take -- I haven't heard anything from him during the meeting, and I want to know what are the legal options. In my opinion so far this particular agency has not been particularly aggressive about enforcing its rights, and I want to know what, if any, options we have on the legal front other than just simply writing a letter.

And then I'd like to comment about where I think the Commission should go.

COUNSEL LAFRANCHI: Basically under the Commission's duties and responsibilities, the Commission annually has a role, obligation to review budget expenditures --

COMMISSIONER KERR: Not our role specifically, but what options are open to the agency itself that we could recommend as Commissioners in our advisory role? Can the agency sue the State of California? Is that at least something that an independent, nonprofit can do?
What can we do to enforce the loans agreements?

COUNSEL LAFRANCHI: The Commission has no authority to sue, to bring an action. Beyond that, it would be inappropriate for me to comment in terms of agency responsibilities. As Deputy Director Herms pointed out, all of these legal issues are being debated on a lot of fronts.

COMMISSIONER KERR: Let me ask you something then. On this money that's been borrowed, one of the problems I see is that -- let's say the State did pay it back, it would simply go in the Trust Fund and then, as I understand it, before it could be spent from the Trust Fund, then the state budget would have to have a line item in it that says it was going to be spent; is that correct? So, in other words, if we wanted to buy some property in Hollister, it's not just a matter of the agency deciding to take money out of the Trust Fund to go buy it. They also have to get a line item in the budget?

COUNSEL LAFRANCHI: The Legislature needs to appropriate the money in the Trust Fund before the agency is authorized to spend it.

COMMISSIONER KERR: So to speak to this point, one of the things I thought the role of today's meeting was to listen and try and make some sense out of the
comments and hopefully represent the OHV community.

And as I listened to everyone today, I felt like I did hear something that I had not considered before, which is this concept of trading for public land that's currently run by the Parks the other side of the Parks Department. And based on my conversations with legislators and my limited interaction I've had with the Governor, I would say that we're going to be asked to do our, quote, fair share. And I'm not happy about the $10 million, but I think that based on what I see going on in other state agencies, it's not particularly out of line or unexpected.

I think what the Commission should do in my opinion is to concentrate on getting these loans paid back and getting something in return. And since it's very difficult to apparently spend these monies that are in this Trust Fund, that I would rather have property. So it seems like people are open to innovative solutions at times of financial stress, and I think we should consider asking for the state to consider trading real estate for some of this money to see if we can get some traction with that idea.

CHAIR WILLARD: Well, I for one am definitely very much opposed to the $10 million taking. As I said in my opening comments, the state is in a difficult
financial situation right now and all parts of
government need to do their fair share. This program
has done more than its fair share. We've already
contributed $160 million in loans in the last two
years. That's magnitude two to three times our annual
operating budget. I don't know any other state agency
that can say that they've already contributed multiples
of their annual operating budgets back to the General
Fund; there aren't any. So this program has already
done way more than any other program.

I'm also very, very concerned about the
precedent that the taking of $10 million this year
sets. I mean what's going to happen next year,
$20 million, and then the year after, $40 million? I
think we need to stand up. We need to point out the
reasons why this is not fair, it's not equitable, and
the problems that it creates to the program. And
obviously there are other programs throughout the state
that are yelling, screaming the same way for cuts to
their program.

This is a little bit different situation in my
view because it is self-funded. It's not a program
where you have citizens that pay taxes, those taxes go
for services. And so when you have a fiscal problem,
combination of both. But the OHV program is a little bit different in that it is funded by fees from users. You can say that that's an additional tax that the users are contributing to the services the State provides. So to come in and take that money back, it's like an extra tax, but I would argue it's a tax on a certain segment of society, which I don't think would be legal. You can't just choose some portion of the citizenry and say, we're going to go tax these guys. I don't think that flies.

So I would like to see this Commission today pass a motion to direct staff and the Chair to craft a letter that would be sent to the appropriate legislators. I'm not even sure at this point who they would be. I think the big five certainly would be on the list of receiving such a letter. There may be other legislators such as Senator Steinberg or others that are in a leadership position that we might want to address. If they'll take a phone call from me or even a meeting, I'm willing to do that as the Chair for the Commission if so directed. But that's my view on this. I think we need to take a firm stand, and we don't need to be mincing our words on it.

Commissioner Van Velsor, as far as making the point in the letter that we feel that we ought to be
able to increase taxes, I just think that's a little bit broad-reaching right now for this Commission to agree to. I personally am okay with the notion of maintaining the tax increases that are in place. As far as new taxes, what would be the levels, who are we talking about, how much. I just think that's a little bit much for us to go into today. I appreciate the concept, though. And ultimately at the end of the day, perhaps that's what's going to be needed to get us out of this mess. But I think right now for what we have to deliberate on, the action we actually take, I think we should just keep it focused on the OHV program and the issue of this $10 million take.

COMMISSIONER SLAVIK: I was sitting here listening to all of this testimony, and I kept thinking in my mind, double taxation, and I think that's what, Chair, you're alluding to.

Is there a legal precedent for double taxation? Tim, maybe you can elaborate on it a little bit. And just my analogy from talking about double taxation, it seems to me like if we want to talk to our legislators or anybody that's going to listen that has some kind of horsepower about this thing, the analogy would be if we had hopefully money in our savings account back home and all of a sudden the state decided we're going to
take 20 percent of your savings because we need money, we didn't manage our money properly so we are going to take your money. Sounds to me like what we're talking about is almost exactly the same thing. We have a trust fund, they're going to take money they don't have any right to take.

COUNSEL LAFRANCHI: It's a very complicated concept, and I'm not qualified to really address it. I'm sorry.

DEPUTY DIR. GREENE: If I may, just for a moment for the purposes of the Commission, it might be helpful. I think what you have before you, what we've heard today are a couple of things. One would be the $21 million loan proposed by the administration. We haven't seen the language, so I can't say the language is very clear. We're still trying to get that language to confirm that, but for all intents and purposes, what we've seen is that it would be a $21 million loan.

The $10 million is what is still unclear, because we have not seen that trailer bill language. We don't know whether or not it is a loan or if it's an ongoing permanent take from the program. I think that is what has been the concern in terms of the program would be that if that firewall, which traditionally has been everything is a loan not a take. If that firewall
is broken by a take, you now have the ability for the Legislature, as one of you alluded to, next year it would be 20 million, 30 million, and then you have no program.

Legal issues aside, what is important is a policy that perhaps the Legislature is looking at changing. A 40-year program was started by a member of the environmental community and a member of the off-highway vehicle recreation community, recognizing that we need each other, that we need to make sure we provide legal places for people to recreate, and that we protect the environment through the programs that we have in place currently or some additionally to come.

I just bring that up to all of you that if, in fact, you start to cut away at the program, then you're going to go back to what life was like in the '60s. And if you look at some of the photographs and for those of you who remember the degradation that was occurring, we know it wasn't sustainable, and that the OHV recreation would be shut out entirely.

So I think members of the Legislature need to understand that policy and the importance of OHV recreation in their communities. I provide that as a suggestion recognizing that others may take legal recourse. Obviously, that's difficult for us to let
you know. That's something that's going to be separate, but those might be some other avenues to consider in terms of language and what you're addressing here today.

COMMISSIONER PEREZ: I concur with Commissioner Willard. First of all, it was great to hear from the public. I did enjoy everything that was shared today, and I'm also against the taking of the $10 million, whether it's a loan or an ongoing request. I think that I heard lots of great ideas; however, I am concerned about the transferring or the possibility of maybe trading a property. That concerns me since the likelihood of something like that occurring or whether it's an easy transfer or not, I think there's a lot of questions there. So I would like to say that I am in support of this letter that will stay focused on what it is that we want to accomplish. And at this point, at least in my position, I would like to see that the $10 million is not taken away from the OHV community.

CHAIR WILLARD: Commissioners, any other thoughts?

COMMISSIONER LUEDER: In addition to the cuts that are being proposed, I think the question of fungibility of OHV funds and revenue are key. And so when we're ready to make motions, one of those would be
to address that through a letter requesting a legal opinion from whichever office is appropriate at the state level to determine what fungibility of our funds are. Because until that's really answered clearly, we're going to have this constant disconnect between the Legislature and everybody else saying, well, our funds can't be touched and the Legislature says, yes, they can. And Legislative Analyst Office says, yes, they can. So that's the sum of my comments until we get to the motions.

CHAIR WILLARD: If there isn't any other discussion, I would like to put a motion forth and then we can discuss that.

COMMISSIONER VAN VELSOR: Will there be further discussion after your motion?

CHAIR WILLARD: Absolutely.

So Counsel LaFranchi can help me here. So I want to make a motion that the Deputy Director, Chief or staff work with the Chair to craft a letter to certain legislators and the big five, so that would be the Governor and other legislators. And the purpose for the letter would be to raise our objection to the requested loan of $22 million and the taking of $10 million. And then in the letter set forth the rationale as to why we believe the loan and the taking
are inappropriate. And one of the rationale would include the issue of fungibility of our Trust Fund monies, as well as the impacts such a taking would have on the program. Does that make sense?

COUNSEL LAFRANCHI: Sounds good to me.

CHAIR WILLARD: So moved.

COMMISSIONER LUEDER: I'll second.

CHAIR WILLARD: Discussion.

COMMISSIONER VAN VELSOR: The OHV Commission and the OHV Division has a reasonable right to support and protect their program and to advocate for optimal funding for their program, as does all of the other organizations that are advocating at this point in time to keep from having their programs cut. $500 million is being cut from universities, and we've seen other cuts in our binders. So everyone is trying to keep their program operating and provide for the public in a way that they believe is acceptable with a limited pool of money.

And there's a limited pool of money because, as I said, there's a disparity in the wealth in this nation. And we need to bring that forward and that needs to be recognized, and we need to continue to hammer on that. Because we are continuing to be presented with the idea that we are needing to just
fight with each other around this limited set of resources and that's all there is. And there is a great deal of wealth in this country that's not being accessed.

And I think it's reasonable for us in our statement to say that we believe that not only our budget should be protected, not reduced, but the budgets of the other programs should not be reduced, and that there should be efforts made to access funds or income in this country and in the state that are available. I just feel that we need to make that statement. For us, the OHV Division, to advocate for ourselves, I think that's fair. I think we should, just like everybody else should, but that's not the main problem. The problem is the wealth disparity in this country, and I just think we need to continue to point that out so that eventually it's heard and there may be some changes made.

COMMISSIONER SILVERBERG: On this topic, I think we are diverting. Stan has some interesting points, but it really isn't relevant in this case, and the reason I believe it's not relevant is because if the funds that we're talking about, as we've heard over and over, are really from the funds that are generated from the OHV program, whether it be Green Sticker, park fees
and so forth that the community itself is paying, and on top of it it's the gas tax that again the users are paying. And so that is a whole different situation versus monies in the General Fund that are being distributed. And so that's where I think there is a disconnect to where if we're bringing up general issues to run the state and country, it really isn't applicable at the level that we're at here, which is a very finite measure of what we're talking about, which is simply just OHV. So to go outside of that doesn't make sense, since like I said, the funds that are involved all have to do with the users that are not from the general public.

And so it seems to me that we should really focus our letter on that fact and the intent of the original program and the safety mechanisms that were put in place and address that to the legislators that are making these decisions.

CHAIR WILLARD: Yes, I would agree with Mr. Silverberg. He raises an excellent point. If we bring in the tax aspect of it, it would only deplete one of our primary rationale being opposed to the take, and that is that it's a different type of program, it is self-funded. These are monies that are paid in by the users. It's not like another state program like
Parks and Rec or even the education system where it's primarily funded through taxes. This is funded 100 percent from the users. There is no General Fund monies that come in here. So I think it's a little bit different, so I for one would want to move forward with the motion the way it stands, but I'm willing to hear from other Commissioners.

COMMISSIONER SLAVIK: Couple of points, can this letter be available to the general public to carry into their legislator or even take it to their local newspapers? I'm wondering how much we can get the media involved in this particular endeavor of ours. That would be one question.

And the second question would be this fungibility question. Can we get outside opinion before we go in and maybe show our hand -- well, I guess we've already shown our hand. Is there qualified legal representation that can give us an answer to that question at least based on their knowledge?

COUNSEL LAFRANCHI: The Attorney General renders opinions, formal opinions and informal opinions. The Attorney General, of course, advises the Governor and the state agencies. So any kind of a request for a legal opinion from the Attorney General's Office would need to go through the administration and with their
blessing. So you could make a request of the Deputy Director.

COMMISSIONER SLAVIK: Are you saying any request we would make for outside legal opinion would have to go throughout Attorney General's Office?

COUNSEL LAFRANCHI: The Attorney General is the state's attorney. That's who it represents.

COMMISSIONER SLAVIK: I understand that. They may not be on our side. I'm trying to get a second opinion here like if we had cancer or something.

COUNSEL LAFRANCHI: So you're putting me in a tough spot. I think we would need to take that question back up the chain and find out what the opinion is. I think the Commission has limited ability to retain its own outside counsel. It has no ability under the statute to retain outside counsel. Certainly, if a lawsuit were to arise out of this and the Commission were named, and the Commission were taking a different position than the administration, then that raises a whole other issue. I think at this point your options are severely limited in terms of getting another opinion.

The other option, of course, as Commissioner Lueder has suggested, would be in this letter to request feedback from the Legislature on whatever
opinion they've got. As we've heard, we haven't seen an opinion. There hasn't been one published, as far as I know, by the Legislative Counsel's Office. So I think you raise kind of a tough question.

COMMISSIONER SLAVIK: It seems to me we've been stonewalled by them already. I'm wondering if there is any way we have of getting a second opinion prior to going back to somebody that's going to probably --

COUNSEL LAFRANCHI: I think all we can say is we'll take that question back and at least ask the question. We can't say what the answer is.

DEPUTY DIR. GREENE: Commissioner Slavik, as has been alluded to, the issue was not originally brought up in the Senate, it was brought up in the Assembly. It could be possible, and this is just process, that perhaps in that letter if it's to the Speaker of the Assembly Perez, the head of the Budget Committee when it was alluded to that the funds were fungible, what was the legal basis for which that decision was made. We have tried to get that information. Perhaps you might have more success as commissioner appointees from, some of you, those very members. That may be an avenue.

Just one other point, if I may before Commissioner Kerr, would be in this case the Commission
does, with all due respect, have a little bit more
latitude than perhaps keeping in mind that we work for
the administration, so that is something that as we're
going through this process, that is why sometimes
you'll feel that uncomfortable feeling because while --
to Commissioner Van Velsor's point, we may be trustees
for the Trust Fund but, at a certain point we can't
advocate because we represent the administration. So
those are the constraints that it's important for
everybody to recognize we're working under. You don't
necessarily have those same constraints.

COMMISSIONER KERR: Well, to that point,
personally I support the letter that you describe, and
I think you ought to write it.

But I also feel that it would be within the
Commission's prerogative to write a letter second to
Kamala Harris, our Attorney General, and ask her for
her opinion of this proposed action.

And to bear in mind what Daphne just mentioned,
I don't think that the staff is going to make that
suggestion, but I think that we can certainly write any
letter we want to if we can agree on it, and I've
suggested that this legal firewall, this issue of are
these funds fungible, is an important one to the
agency, and we ought to raise it where we can.
CHAIR WILLARD: That's an interesting suggestion. So to make sure I understand, you're suggesting perhaps there should to be a second letter we ought to pursue?

COMMISSIONER KERR: Well, I think we ought to agree on the letter that we propose. I also recommend that we consider writing a second letter to the Attorney General asking her legal opinion. She serves the entire state. The Legislative Analyst is one piece of our state government, and the Attorney General represents all of the people of California and has broader responsibilities to respond to such requests.

CHAIR WILLARD: Let's take these one at a time. It sounds like maybe that has the makings of a second motion. So let's deal with the motion that's in front of us, which is whether or not the Commission directs staff and the Chair to collaborate on a letter to the big five and other key legislators. So is there any more discussion on that?

COMMISSIONER FRANKLIN: Just to confirm, and respectfully, this letter is not going to have any mention of redistribution of wealth. That is completely outside of the purview of this particular Commission.

CHAIR WILLARD: I have not amended my motion, so
the motion stands the way it was originally made before Commissioner Van Velsor made the suggestion about taxation being a part of the letter. So that's not a part of the motion.

COMMISSIONER SLAVIK: Can this letter include some of the other options that were brought up at the meeting today, for instance, swap for land or anything like that? In other words, don't leave anything on the table.

CHAIR WILLARD: I'm open to that. I think that's an interesting concept, one that I'm sure most people in this room can get behind. I'm not sure what kind of legs it has. But I think I would defer to staff's judgment on that to see whether that was something that we wanted to include in the letter or whether that was perhaps maybe a little overreaching for this specific point in time that we're at with this. The main objective is to prevent the loan and taking.

So does staff have any comments on whether or not this concept of a swap for a state park for monies owed is worth including in the letter?

CHIEF JENKINS: Without commenting on whether it's advisable or not, in order to take a unit of the State Parks system, it changes classification. It
would require the action of the sister Commission, the Parks and Rec Commission, to take that action because right now all of those parks are under their purview. So changing the classification of a park would require an action of a Parks and Rec Commission.

On the other hand, there are a couple of parks, most notably Red Rock State Park, where we have currently the state park system allowing Green Sticker activity. It might take some of the burden off of State Parks if we were assuming more responsibilities there. There again, the advisability of that or not, not commenting on, just noting that there is a small number of parks that do have Green Sticker opportunity. So there could be some possibility for collaboration.

COMMISSIONER FRANKLIN: I think we've got multiple issues here. And to dilute the current $21 million loan, the possible ongoing $10 million take in with a 160, $180 million previous loans and letter to the Attorney General, I think are three separate issues, and we should handle them that way.

I think maybe take a motion on the loan and the potential ongoing take as one, and then the other ones separately because I think they all have merit.

COMMISSIONER LUEDER: Just a quick follow-up on the land swap or exchange or whatever you want to call
it, it was discussed actually in the Budget Subcommittee hearing that I attended. Assembly Member Brian Jones from Southern California actually brought that question up and discussed it. So it wouldn't be unprecedented for us to make mention that certain members of the Assembly have looked at that as an option, and that we would certainly be open to further discussions if the Legislature and the Governor so chose.

CHAIR WILLARD: Commissioner Van Velsor, you're certainly welcome to make a motion for amendment to the motion I made on writing the letter to include something for taxes, but it doesn't sound like you've got much support. So if you don't want to go through that step at this point.

COMMISSIONER VAN VELSOR: Thanks.

CHAIR WILLARD: I want to make sure I'm not shortchanging you there.

So if there is no other debate on the motion, call for the vote. All those in favor?

(Commissioners simultaneously voted.)

CHAIR WILLARD: Opposed?

Show that it's unanimous approval. Thank you.

So, Commissioner Kerr, do you want to make a motion?
COMMISSIONER KERR: I want to move that we also authorize you to write a letter to the Attorney General asking for a legal opinion as to fungibility of the various monies that come into the OHV program and whether these can be transferred to the General Fund under state law.

COMMISSIONER LUEDER: I'll second that.

CHAIR WILLARD: We'll have discussion before we call for the vote. I'd like to hear from staff on that. Any input?

COUNSEL LAFRANCHI: I think that's an appropriate way to handle it from the Chair to the Attorney General, then the Attorney General can respond as she sees appropriate.

CHAIR WILLARD: Commissioners, any discussion? Call for the vote. All those in favor?

(Commissioners simultaneously voted.)

CHAIR WILLARD: Opposed?

Hearing none, it's unanimous.

Was there another motion?

COMMISSIONER KERR: I think there is something circulating around here. I don't want to have to be the one to formulate it. I think there is an issue of the nature of these loans, how they would be paid back, and somehow that gets composed in a way that talks
about --

CHAIR WILLARD: This has been a very important topic, and we've discussed this before, before you came on. I'm not sure there's a whole lot we can do. I mean they basically have taken the money. We can certainly make a request. Perhaps what's more appropriate is to make a formal request for the funds that are due. Are there monies due from that one loan that had a two-year, that would be a loan that's due, right?

DEPUTY DIR. GREENE: I believe the $22 million is due back in '12/'13, and '13/'14 is the $90 million.

CHAIR WILLARD: Wasn't there a loan made like two or three years ago that had a two-year term on it?

DEPUTY DIR. GREENE: The 90 million, they put a four-year. The 22 million was the two-year. So this $21 million that's now being requested by the administration would be two years, as well.

CHAIR WILLARD: So of all of the loans that have been made, none of them yet have come up to their term?

COMMISSIONER KERR: Could I make one suggestion, perhaps when you're writing the initial letter, maybe you can mention all of these different notes and when they're due, and this would simply add another one when you're talking in the original letter, and that we just
CHAIR WILLARD: Definitely that's part of the rationale or argument, if you will, for why we think this is inappropriate and not equitable because the program has already made --

COMMISSIONER KERR: If you're going to do that, I don't think we need to do any more until such time the notes are due.

CHAIR WILLARD: That's good to keep in mind. Once the notes are due, we already had discussion before, if I remember right, once the loans are due, we would make some formal request for payment. Even if it looked unlikely, we would still want to make a formal request. And the Division can do that or the Commission can do that, but at some point when those loans are due, I think we definitely want to raise our hands and say, hey, don't forget us, please pay back. And that's when we can have the conversation about, well, you don't have money, how about some land; maybe that's appropriate.

I think that's it. Any other discussions or comments on this topic? I think we're done with that.

AGENDA ITEM IV(D) - Public Comment

CHAIR WILLARD: So we do have the public comment
for the non-agenda items, so I think we're going to open that up right now. And if you've got something additional you want to say, now is the time to do it.

BRUCE BRAZIL: Boy, long day today. Bruce Brazil speaking. This year U.S. Congressman Wally Herger has introduced House Resolution 242. Basically what it kind of boils down to is that he is requesting a suspension on the funding of projects by the U.S. Forestry on projects that are as a result of the travel management plan. He's been getting enough complaints from his constituents that he would like to have some time to look into the outcome of the travel management plan and kind of put it on hold.

And being that our grants process is also funding restoration of -- well, not just restoration, but projects that have to do with the travel management plan, I'm wondering if there is an avenue that the grants program can take to also reflect the same decisions that the federal are. If the feds aren't going to fund some of these projects, why should the state, and why should the OHV program do it? Thank you.

DEAN STANFORD: My name is Dean Stanford. I'm a resident of Fremont and happen to be an owner of Tesla Motors. I'm not sure if this is a non-agenda item.
I'm very concerned about the future of expansion of parks regarding the budget. I would love to see Metcalf and Hollister Hills expanded. And the idea about the Henry Coe Park is intriguing.

But I'm most concerned about the proposal that I submitted for your review last meeting where my proposed urban zero emission off-road park to the City of San Jose. And I've actually made some progress. Their latest land-use map, compared to their densest land plan deleted about 50 acres of industrial buildings and they included a flexible recreation zone. That leads me to believe that they're somewhat interested in the idea, and I'm really worried about the cuts in the grants that would affect opening new parks and expanding existing parks.

Maybe one suggestion is since the federal bureaus are charging exorbitant rates maybe we can cut their funding by the $5 million and not affect other parts of the programs.

And I would also like to remind the Commission that I asked for a letter of recommendation to San Jose for this proposal, and I'd like to see that. Thank you.

MICHAEL DAMASO: Mike Damaso, Merced Dirt Riders Four By Four Motion. I kind of hit some of the points
in my first time I was up here that I was going to bring up now, but there's a couple of them that I kind of forget about.

On the cost recovery thing on the Forest Service, one of the things that really kind of upset us is Merced Dirt Riders had over 4,000 volunteer hours from 2003 to 2009, and none of that would have been considered towards the cost recovery. The volunteer hours was over $60,000 according to the Forest Service. But none of our volunteer hours go towards any other cost recovery costs. So they're requesting volunteers and volunteers to go up and work in the forest and stuff, but yet none of your volunteer hours seem to count for anything.

Getting back to the budget, there is a lot of cuts, but I think a lot of cuts in the budget should be done because there's so much mismanagement of our funds. So much waste going on within the government, the inefficiency of the government. The OHV program has done a much better job of managing their budgets and efficiency of what's been done on the ground. So one thing I don't know for sure is that the park fees are covered under the Senate Bill 742. And the park fees apparently under $3 million that was received from the park fees, which may be totally different than what
was covered under Senate Bill 742. I'm not sure. I think that's about all I've got at the moment. Thank you.

DAVE PICKETT: Dave Pickett, District 36. I'm going to repeat what my predecessor just said, cost recovery continues to be a problem. We have one particular club that has had to go to Congress to get the Forest Service to refund monies they put upfront, and it's now like seven months that they're trying to get their funding back that they were forced to put upfront. They were unable to obtain the permits again due to the costs. It isn't anything new. I said this before with the Commission over the last few years.

I don't know if you've heard about the Bureau of Land Management insurance mandates that has now come for events. It basically doubled the liability insurance. This is the reaction coming from that terrible accident last fall down in the desert.

Cost recovery and double insurance, and the public is slowly but surely being priced out of recreating on their own land. The SB 742, the intention of the thing was supposed to be a good thing, and it seems that the leaders are just telling us to go fly a kite.

And I appreciate what you're trying to do here
with your letter. You speak for millions of people, so make it powerful. Thank you.

DON SKAGGS: Well, I think everybody has just said about what I wanted to say, so I'm just going to say a big ditto, and I'd like to commend you on the work you're doing. Thank you.

DON AMADOR: Commissioners, I just wanted to give you guys just a quick update on Clear Creek. I know a number of you have been aware of that situation since the closure in May of 2008 to all users, a 70,000-acre facility just outside of Hollister.

There has been a couple of things that have happened just recently here that you guys may be interested and may even be interested in maybe taking some action or something like that. Last week the resources committee had a hearing on Clear Creek where the issue of the closure was brought up to Abbey. Then a year or two ago, you guys authorized an asbestos study by the Division, and I don't know where that is, but it may be time for an update on that particular study. And then the BLM, as I understand it, has their FEIS already back at the Washington office, and that could be coming out at any time. So it seems like we're getting to kind of a crunch time where it may be appropriate for you guys to take another look at that.
Thank you.

JOHN STEWART: Good afternoon, Commissioners and OHMVR Division staff. John Stewart, California Association of Four-Wheel Drive Clubs. I'd like to extend a message from the Tierra Del Sol Four-Wheel Drive Club of San Diego. This past weekend, the Tierra Del Sol Club held their 49th Annual Desert Safari at Ocotillo Wells SVRA. And as part of that event, we opened up a new obstacle course area on Ocotillo Wells SVRA. The obstacle course features 21 different obstacles range from being capable for a stock vehicle to a highly-modified vehicle. It's a world-class venue that the people in attendance had great fun playing on, and it's been well received. And from the club, we have over $25,000 invested in that, plus hundreds of man hours in working with this, and we have had great cooperation from the OHMVR Division and the Ocotillo Wells staff. I show Kirk Shea from Ocotillo Wells staff is in the back here. And I wanted to extend our thanks to the staff of Ocotillo Wells and the OHMVR Division for making this possible. This is a great asset to the recreation public. Thank you.

ANTHONY GODRICH: I just got one comment, and I don't think it was agenda item, it was kind of discussed, though, talking about the land acquisitions
and the swaps and things like that.

    We've purchased land -- or actually the OHV group purchased land at Carnegie probably around 15 years ago or something now. It's still not open to the OHV public. I would caution about trading for any other chunks of land without getting some specific plan in place to get it open because we're still sitting with Carnegie closed. From last conversations I had with the rangers, including the supervisor there, they don't see that opening up for at least another couple of years and maybe even longer than that, since they're on their third environmental impact statement for that land.

    If we enter into the same kind of agreement for someplace like Henry Coe or one of those kind of places and we end up getting this nice park that we can't ever open for OHVs, then we're basically sitting on a chunk of property we're responsible for that we're not allowed to use. So keep that in mind when you move forward and make plans or swapping purchasing or any of that kind of stuff. Just another little perspective, thanks.

    CHAIR WILLARD: That concludes the non-agenda public comment period.

    Deputy Director, perhaps we can talk about the
next meeting.

DEPUTY DIR. GREENE: Sure, if I may just respond on a couple of points, if it's okay with the Commission. Just apropos of the Carnegie comment, as I indicated earlier today, part of that $10 million in the budget change proposal was for general plans. One of those general plans in that is Carnegie. But keeping in mind as we're looking at the $5 million cut, that's part of what we're grappling with, as well. I just wanted to let you know that we understand.

COMMISSIONER FRANKLIN: You had mentioned the upcoming meeting. I believe our next meeting is going to be in April sometime. And as much as I just absolutely love coming to Sacramento, I would really like to get out and about. Hollister and Carnegie has come up quite a bit. We have made field trips and had meetings at other areas. I would like to recommend we go to Hollister maybe for our next meeting in April.

CHAIR WILLARD: Thank you. Our plan all along has been to have these meetings everywhere but Sacramento, but, unfortunately, due to the budget crisis or this was such a short notice and emergency, and this just seemed the best place to do it. I think we're scheduled for Heber Dunes.

DEPUTY DIR. GREENE: That's correct. As a
matter fact, we are scheduled for three weeks and one
day to get back together. We're supposed to head to
Heber Dunes. The goal was to move forward with the
approval of the general plan for that park. We are
running a little behind, my apologies. So if the
Commission is all right with that, I would like to try
to move that to our fall meeting that we have
identified, so that would be something that we're
trying do.

CHAIR WILLARD: I think Mr. Amador made some
comments regarding Clear Creek and kind of coming to a
head, so perhaps I think it would be more appropriate
to have the meeting close to those folks that are users
at Clear Creek, so that we can have a more meaningful
public input on that situation. Does that make sense?

DEPUTY DIR. GREENE: It's up to the Commission,
certainly. One of the things that had been identified
last time was the desire to get to Southern California.

CHAIR WILLARD: Well, I think we've got the rest
of the year to go to Southern California, and I think
we'd love to do that. I for one defer to my
colleagues' input, as well. I think Clear Creek is a
really, really important issue, and I had promised
folks from the EPA that once the reports were done,
that we would have a meeting to discuss Clear Creek.
And they're coming out of the San Francisco office, and I know their travel constraints would be an issue going down to Southern California to talk about Clear Creek. So I think I for one would want to see the next meeting in Hollister, San Jose, San Benito, somewhere close to the Clear Creek area.

COMMISSIONER LUEDER: Could I make a suggestion? We have meetings scheduled in April and May, I believe; is that correct?

DEPUTY DIR. GREENE: That is correct.

COMMISSIONER LUEDER: Could we possibly have discussion with the Chairman and Deputy Director to select the appropriate place and time to address Clear Creek, realizing that there is only three weeks until the next Commission meeting?

DEPUTY DIR. GREENE: Certainly.

COMMISSIONER LUEDER: And suggest possibly that if we don't have a Northern California meeting in April, that we visit Ocotillo Wells.

DEPUTY DIR. GREENE: We're scheduled to be down there in December.

COMMISSIONER LUEDER: I was at the Tierra Del Sol event, and the new closed course four-by-four area is outstanding, and staff down there is fully engaged and has a lot of great things going on. And it's
nearing the end of the season for them down there, so just a suggestion.

DEPUTY DIR. GREENE: Thank you.

CHAIR WILLARD: So does that make sense for staff and Chair to take it up over the next week and come up with a location?

DEPUTY DIR. GREENE: Yes, I would like to confer with our partner, the BLM, out of respect, and we will move it forward.

CHAIR WILLARD: If that's okay with fellow Commissioners, I think what we'll do is we'll come to the decision shortly here and inform you as to the location of the meeting in three weeks and one day.

COMMISSIONER SLAVIK: We promised to talk about cost recovery, too. Is that going to be included in this next meeting?

CHAIR WILLARD: That can be an agenda item, certainly. And if any of the Commissioners have any suggestions on agenda items, just let me know.

COMMISSIONER KERR: When am I going to hear about the location?

CHAIR WILLARD: Within the next week.

COMMISSIONER KERR: It has to be publicly noticed; be up against that pretty soon?

DEPUTY DIR. GREENE: That is correct. By law,
certainly ten days in advance. Obviously we would like to give communities more advanced notice than that. That would be March 25th we would need to make sure that notice and material goes out. So we'll make sure we do that, and we will expedite this as quickly as possible.

CHAIR WILLARD: We will work together and try to come up with a location and get back to you. But you can be assured it's not going to be in Sacramento. Sounds like either Southern California or Clear Creek area.

DEPUTY DIR. GREENE: Correct.

CHAIR WILLARD: I need a motion to adjourn.

COMMISSIONER LUEDER: I'll make a motion to adjourn the meeting.

COMMISSIONER FRANKLIN: I'll second.

CHAIR WILLARD: All those in favor.

(Commissioners simultaneously voted.)

(Meeting adjourned at 2:10 p.m.)