

STATE OF CALIFORNIA  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 05/11)

Fiscal Year 2012/2013	BCP No. 10	Org. Code 3600	Department Department of Fish and Game	Priority No. 10
Program 50 - Office of Spill Prevention and Response		Element 10, 20, 40, 50	Component Various	

Proposal Title  
Implementation of AB1112

Proposal Summary

The Department of Fish and Game (Department) requests an augmentation to the Oil Spill Prevention and Administrative Fund (OSPAF) and authority to establish sixteen permanent full-time positions to fulfill the requirements of Chapter 583, Statutes of 2011 (AB 1112).

Requires Legislation <input type="checkbox"/> Yes <input type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the California Technology Agency, or previously by the Department of Finance.

FSR       SPR      Project No.      Date:

If proposal affects another department, does other department concur with proposal?       Yes       No  
*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By <i>Art Bunch</i>	Date 10/18/11	Reviewed By <i>[Signature]</i>	Date 10/18/11
Department Director <i>HC Carter</i>	Date 10-18-11	Agency Secretary <i>[Signature]</i>	Date 10/19/11

**Department of Finance Use Only**

Additional Review:  Capital Outlay     ITCU     FSCU     OSAE     CALSTARS     Technology Agency

BCP Type:       Policy       Workload Budget per Government Code 13308.05

PPBA      Date submitted to the Legislature

**Fiscal Summary**  
(Dollars in thousands)

BCP No.	Proposal Title	Program 50 - Office of Spill Prevention and Response				
10	Implementation of AB1112					
Personal Services	Positions			Dollars		
	CY	BY	BY + 1	CY	BY	BY + 1
<b>Total Salaries and Wages</b> <sup>1</sup>		16.0	16.0		\$935	\$935
Salary Savings		-0.8	-0.8		-47	-47
<b>Net Total Salaries and Wages</b>	0.0	15.2	15.2	\$0	\$888	\$888
<b>Total Staff Benefits</b> <sup>2</sup>					\$378	\$378
Salary Savings					19	19
<b>Net Total Staff Benefits</b>				\$0	\$359	\$359
<b>Total Personal Services</b>	0.0	15.2	15.2	\$0	\$1,247	\$1,247
<b>Operating Expenses and Equipment</b>						
General Expense					52	52
Printing					13	13
Communications					32	32
Postage					5	5
Travel-In State					22	22
Training					12	12
Facilities Operations					96	96
Utilities					32	32
Consulting & Professional Services: Interdepartmental <sup>3</sup>					200	0
Consulting & Professional Services: External <sup>3</sup>					213	213
Data Center Services					22	22
Equipment <sup>3</sup>					700	0
Other/Special Items of Expense: <sup>4</sup>						
Vehicle Operations					52	52
Uniform Allowance					6	6
POST Academy +DFG Specific +FTO					140	140
Instructor Pay					15	15
Overtime					41	41
<b>Total Operating Expenses and Equipment</b>				\$0	\$1,653	\$753
<b>Total State Operations Expenditures</b>				\$0	\$2,900	\$2,000
Fund Source	Item Number					
	Org	Ref	Fund			
General Fund						
Special Funds <sup>5</sup>	3600	0001	0320	\$0	\$2,900	\$2,000
Federal Funds						
Other Funds (Specify)						
Reimbursements						
<b>Total Local Assistance Expenditures</b>				\$0	\$0	\$0
Fund Source	Item Number					
	Org	Ref	Fund			
General Fund						
Special Funds <sup>5</sup>						
Federal Funds						
Other Funds (Specify)						
Reimbursements						
<b>Grand Total, State Operations and Local Assistance</b>				\$0	\$2,900	\$2,000

<sup>1</sup> Itemize positions by classification on the Personal Services Detail worksheet.

<sup>2</sup> Provide benefit detail on the Personal Services Detail worksheet.

<sup>3</sup> Provide list on the Supplemental Information worksheet.

<sup>4</sup> Other/Special Items of Expense must be listed individually. Refer to the Uniform Codes Manual for a list of standard titles.

<sup>5</sup> Attach a Fund Condition Statement that reflects special fund or bond fund expenditures (or revenue) as proposed.

**Personal Services Detail**

(Whole dollars)

BCP No. 10	Proposal Title Implementation of AB1112
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**Salaries and Wages Detail**

Classification <sup>1 2</sup>	Positions			Salary Range	Dollars		
	CY	BY	BY + 1		CY	BY	BY + 1
F&G Warden, DFG		4.0	4.0	3581 - 5642		\$221,376	\$221,376
Oil Spl Prev Spec		8.0	8.0	4737 - 5710		\$501,504	\$501,504
Assoc Govt Prog Anlyst		1.0	1.0	4400 - 5348		\$58,488	\$58,488
Mate, F&G Vessel		2.0	2.0	3580 - 3924		\$90,048	\$90,048
Assoc Prog Anlyst (SP)		1.0	1.0	4619 - 5897		\$63,096	\$63,096
<b>Total Salaries and Wages <sup>3</sup></b>	0.0	16.0	16.0		\$0	\$934,512	\$934,512

Staff Benefits Detail	CY	BY	BY + 1
OASDI		\$71,490	\$71,490
Health/Dental/Vision Insurance		\$116,534	\$116,534
Retirement			
Miscellaneous		\$129,612	\$129,612
Safety			
Industrial			
Other: Peace Officer		60,690	\$60,690
Workers' Compensation			
Industrial Disability Leave			
Non-Industrial Disability Leave			
Unemployment Insurance			
Other:			
<b>Total Staff Benefits <sup>3</sup></b>	\$0	\$378,327	\$378,327
<b>Grand Total, Personal Services</b>	\$0	\$1,312,839	\$1,312,839

<sup>1</sup> Use standard abbreviations per the Salaries and Wages Supplement. Show any effective date or limited-term expiration date in parentheses if the position is not proposed for a full year or is not permanent, e.g. (exp 6-30-13) or (eff 1-1-13)  
 Note: Information provided should appear in the same format as it would on the Changes in Authorized Positions.

<sup>2</sup> If multiple programs require positions, please include a subheading under the classification section to identify positions by program/element.

<sup>3</sup> Totals must be rounded to the nearest thousand dollars before posting to the Fiscal Summary.

## Supplemental Information

(Dollars in thousands)

BCP No. 10	Proposal Title Implementation of AB 1112
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Equipment	CY	BY	BY +1
Standard Complement		12	
LED Vehicles		165	
Vehicles		350	
Protective Equipments		97	
LED Protect. Comp.		76	
<b>Total</b>	\$0	\$700	\$0

Consulting & Professional Services			
External Contracts (TBD)		213	213
Audit by Department of Finance (DOF)		200	0
<b>Total</b>	\$0	\$413	\$213

Facility/Capital Costs			
<b>Total</b>	\$0	\$0	\$0

**One-Time/Limited-Term Costs**    Yes     No

Description	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
Equipment		700				
DOF Audit		200				
	0.0	\$900	0.0	\$0	0.0	\$0

**Full-Year Cost Adjustment**    Yes     No

*Provide the incremental change in dollars and positions by fiscal year.*

Item Number	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
<b>Total</b>	0.0	\$0	0.0	\$0	0.0	\$0

**Future Savings**    Yes     No

*Specify fiscal year and estimated savings, including any decrease in positions.*

Item Number	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
<b>Total</b>	0.0	\$0	0.0	\$0	0.0	\$0

## A. Proposal Summary

The Department of Fish and Game (Department) requests an augmentation of \$2.9 million to the Oil Spill Prevention and Administrative Fund (OSPAF) and authority to establish sixteen positions (four Fish & Game Wardens, eight Oil Spill Prevention Specialists (OSPS), one Associate Governmental Program Analyst (AGPA), two Mate, Fish & Game Vessel (Vessel Mate) and one Associate Program Analyst (APA) Specialist) to fulfill the requirements of Chapter 583, Statutes of 2011 (AB 1112).

AB 1112 explicitly directs the Office of Spill Prevention and Response (OSPR) to conduct a comprehensive risk-based bunkering (fuel loading) and lightering (unloading) monitoring program. The \$2.9 million (\$700,000 one-time for equipment purchase, \$200,000 one-time for the Department of Finance audit of OSPAFA and \$2 million ongoing) will fund the bunkering and lightering monitoring program and 16 new permanent positions.

AB1112 (Huffman), authorizes the OSPR Administrator to increase the per barrel fee to an amount not to exceed \$0.065 per barrel of crude oil or petroleum products; this fee would be set at an amount that will increase revenue by approximately \$7.6 million dollars per year beginning January 1, 2012. It will also require the administrator to identify bunkering and lightering operations that pose the highest risk of a pollution incident and coordinate with the United States Coast Guard to routinely monitor and inspect those operations effective July 1, 2012. The bill would repeal these provisions on January 1, 2015.

## B. Background/History

OSPR's primary objectives are to prevent, prepare for, and respond to oil spills affecting the coastline and marine waters of the state. The Lempert-Keene-Seastrand Oil Spill Prevention and Response Act (the Act) established OSPR in 1990. Government Code Sections 8574.9 et seq, and Sections 8670.1 et seq. established the OSPR organization and designated DFG as the lead agency to implement the Act. OSPR's mission directs it work for best achievable protection of California's natural resources first by preventing oil spills, and second by responding to spills, directing cleanup, and then ensuring thorough restoration and enhancement of affected resources.

The Act also designates duties for other State agencies (e.g. the State Lands Commission (SLC), The Board of Equalization (BOE), the California Coastal Commission (CCC), Office of Environmental Health Hazard Assessment (OEHHA), and the San Francisco Bay Conservation and Development Commission, and specifies that the costs of all of these activities be funded from the OSPAFA.

OSPAFA revenue has declined by approximately 4.44% over the past five years, while programmatic changes and mandated programs have increased by 11.6%. Over this period, annual expenditures charged to the OSPAFA exceeded revenues, resulting in reductions to the reserve.

### Bunkering and Lightering Program

Since 1994, OSPR has had regulations in place governing the transfer of bunker fuel oil across marine waters (Title 14, California Code of Regulations, Sections 840-845.2). These regulations cover many subject areas including: pre-transfer requirements, oil transfer procedures, communications, emergency shutdown procedures, containment and response equipment requirements, etc. Bunker operations occur 24 hours a day, seven days a week. Bunkering operations at anchorage occur sporadically but also 24/7. Bunker and lightering operations occur mainly in the San Francisco Bay area and Los Angeles-Long Beach Harbor, but may occur in Port Hueneme and San Diego Harbors also. A State-wide bunker and lightering monitoring program would require two equally staffed operations, one in the north and one in the south.

Bunkering and lightering operations have been minimally monitored in the past. AB1112 enables OSPR to implement and manage a comprehensive risk based bunkering and lightering monitoring program statewide.

**Resource History**  
(Dollars in thousands)

Program Budget	2007-08	2008-09	2009-10	2010-11	2011-12
Authorized Expenditures (OSPAF)	\$35,707	\$36,242	\$37,459	\$37,888	\$37,066
Actual Expenditures (OSPAF)	\$36,384	\$34,952	\$32,636	\$33,213	\$37,066
Revenues (OSPAF)	\$34,468	\$32,050	\$31,107	\$28,806	\$3,142
Authorized Positions (OSPR only)	156	156	154	152.7	152.5
Filled Positions (OSPR only)	149	149	147	138.7	136.5
Vacancies (OSPR only)	7	7	7	14	13

**Workload History**

Workload Measure	2007-08	2008-09	2009-10	2010-11	2011-12
Bunkering notifications			6516	6606	4710 as of 9/15/11
Bunker monitorings (all/at anchorage)		31/0	63/0	127/2	146/28 as of 9/15/11
Bunker spills (shore side/at anchorage)		0/1	2/1	3/1	0/0 as of 9/15/11

**C. State Level Considerations**

This proposal is consistent with the DFG's strategic plan initiatives as follows:

**Theme I: Enhance public service, through communication, outreach and education**

*Goal 8: The Department will deal effectively with emergencies that threaten wildlife.*

- Strategy a: Train Department employees in the Incident Command System. Develop action plans for typical incidents and use them to respond to unanticipated incidents.
- Strategy b: Develop and formalize cooperative rapid response teams to respond to and assess impacts on wildlife caused by unanticipated events.
- Strategy c: Establish expertise in restoration of native plant communities to work with Oil Spill Prevention and Response staff on spills or incidents.
- Strategy d: Seek legislation to fund oil and hazardous spill prevention and response capabilities for inland habitats.
- Strategy e: Coordinate with CDF on wildfire response to minimize damage to important ecosystems.

*Goal 9: The Department will seek recovery of natural resource damage from parties responsible for accidental or purposeful acts.*

- Strategy a: Develop and maintain a damage assessment core team comprised of legal, biological, toxicological, economic, and law enforcement components with expertise in natural resource injury determination and damage assessment.
- Strategy b: Develop damage assessment procedures and protocols for Department personnel to use in response to acts or activities harmful to wildlife resources.
- Strategy c: Develop a training program for Department personnel in resource damage assessment.
- Strategy d: Evaluate development of a statutory resource damage assessment penalty schedule.

#### D. Justification

AB 1112 explicitly directs the Office of Spill Prevention and Response (OSPR) to conduct a comprehensive risk-based bunkering (fuel loading) and lightering (unloading) monitoring program.

OSPSSs are the only staff qualified to monitor bunkering and lightering operations. Currently, OSPSSs respond to oil spills in all tidally influenced waters of the state, perform site characterization for responder safety, quantify oil spill/recovery amounts, verify oil facility/pipeline operation information, board vessels without proper documentation that have come to port, attend industry drills, contact and consult with small craft refueling docks, and observe oil spill response organizations to confirm equipment deployment capabilities. OSPR averages 3 to 5 industry drills per week, and the state sees an average 1,100 oil spill reports annually.

In an effort to improve spill prevention during bunkering and lightering in the wake of the Dubai Star incident in San Francisco Bay Area, OSPR redirected existing OSPSSs to conduct monitoring of vessels bunkering or lightering where time, schedules, boat availability and oil response duties allowed. These teams have been able to monitor an average of 3 to 6 bunkering or lightering events per month. In the busiest California ports (Los Angeles/Long Beach and San Francisco Bay), multiple oil transfer operations occur daily. Of the last four significant spills to occur in California (Cosco Busan, Aljalaa, Da Tang #18, Dubai Star), three of them involved a ship bunkering or conducting fuel operations.

Because OSPR often has less than a day's notice prior to a scheduled bunkering or lightering operation, the availability of transportation and law enforcement support for monitoring has been limited. Furthermore, bunkering or lightering events at anchorage can take as much as 9 hours between transportation out, operation, and return to port. These conditions restrict OSPR's ability to monitor bunkering and lightering events with any regularity which increases the oil spill risk during these operations in California waters. In order to comply with the directives of AB1112, OSPR must have dedicated on-water access and law enforcement support.

The Associate Programmer Analyst and the Associate Government Program Analyst will be headquartered in Sacramento. The Associate Programmer Analyst will develop and maintain programs to meet the "risk-based" requirement of AB 1112. Risk factors used in determining which transfer operations pose the greatest risk, and hence require monitoring, include the number of times the vessel has visited California; vessel flag; classification society; proximity of environmentally sensitive areas; currents and time of day. The Associate Government Program Analyst will be a regulations writer assigned to address AB 1112 requirements to develop oil transfer regulations to minimize the risk of oil spills. The regulations writer will be responsible for developing State regulations based on Best Maritime Practices for oil transfer operations, as established by OSPR-sponsored Harbor Safety Committees in San Francisco Bay and Los Angeles/Long Beach. The regulations writer will also streamline existing regulations to make them more effective.

The other 14 personnel will all be assigned to northern and southern field offices. Each field office will receive 4 OSPSSs, two Game Wardens and one Vessel Mate. Both field offices will expand their work schedules to conduct monitoring operations seven days a week. The new OSPSSs along with existing OSPSSs will change their work schedules to provide seven days per week coverage. The Game Wardens along with the Vessel Mates will operate the boats to transport the OSPSS's to the anchorages where bunkering operations take place. Having a two person crew (Vessel Mate and Game Warden) in each boat is needed to ensure the safety of all staff. The Vessel Mates will also be responsible for maintaining the vessels. The OSPSSs will divide monitoring activities between vessels at anchorage and those at dock in the company of a Game Warden. Having a Game Warden on the vessels is essential for conducting law enforcement operations; Game Wardens are sworn Peace Officers within the Law Enforcement Division of the Department of Fish and Game with the authority to enforce all laws of the State (Penal Code 830.2 (e) and Fish and Game Code 856). The number of Game Wardens assigned to OSPR (and funded by the OSPAF) is currently insufficient to meet the increased law enforcement presence needed for carrying out enhanced monitoring activities per AB1112.

Without the requested resources, OSPR cannot comply with the law that takes effect January 1, 2012 and implements July 1, 2012. Failure to implement the monitoring program places the public's health and safety,

California's natural resources, and port economies at serious risk of devastating oil spills that could otherwise be prevented.

**E. Outcomes and Accountability** *(Provide projected workload metrics that reflect how this proposal improves the metrics outlined in the Background/History section.)*

The OSPR Administrator will increase the per barrel fee by 1.5¢ from 5¢ to 6.5¢ effective January 01, 2012. This will provide needed funding to the OSPAF to provide support to state operations. The bunkering and lightering program will initiate in July 01, 2012; this will provide coordination between the OSPR and the USCG to identify the highest potential of pollution risk at anchor and alongside a dock.

Budget allocations for OSPR staff resources and operating funds will be defined and monitored through Financial Planning Expenditure Reports (FPER), based on Cal STARS expenditure data. The data gathered through these reports will be evaluated monthly pursuant to allocation and use of resources (authority vs. expenditures), by Program, Organization, Fund, and Transaction.

The sustainability of the OSPAF will be monitored through the monthly preparation of the fund condition.

**Projected Outcomes**

Workload Measure	2011-12	2012-13	2013-14
Projected bunkering notifications	6649	6715	6781
Projected bunker monitoring's (all/at anchorage)	206/39	263/123	320/208
Projected bunker spills	3.5	3.5	3.5

**F. Analysis of All Feasible Alternatives**

Alternative 1

This is the preferred alternative as it would provide \$2.9 million and sixteen positions as outlined in this proposal to fully implement the requirements of AB 1112 to implement a management and monitoring program for bunkering and lightering.

OSPR will be able to develop and maintain programs to meet the "risk-based" requirement of AB 1112, develop oil transfer regulations to minimize the risk of oil spills, and increase law enforcement operations.

Alternative 2

Deny this proposal.

Without the BCP, OSPR would not be able to implement the requirements of AB 1112. Failure to implement the monitoring program places the public's health and safety, California's natural resources, and port economies at serious risk of devastating oil spills that could otherwise be prevented.

**G. Implementation Plan**

The APA and the AGPA will be headquartered in Sacramento. The other 14 personnel will all be assigned to northern and southern field offices. Each field office will receive 4 OSPSs, two Game Wardens and one Vessel Mate. Both field offices will expand their work schedules to conduct monitoring operations seven days a week. This proposal would be effective July 01, 2012.

**H. Supplemental Information** *(Check box(es) below and provide additional descriptions.)*

X None     Facility/Capital Costs     Equipment     Contracts     Other \_\_\_\_\_



**I. Environmental Protection Indicators for California (EPIC) Impacts**

OSPR's mission directs it work for best achievable protection of California's natural resources by preventing and by responding to spills of oil and other deleterious petroleum products, then by directing cleanup, and ensuring thorough restoration and enhancement of affected resources in support of the Cal/EPA and Natural Resources Agency EPIC program indicators for "Lands, Waste and Materials Management Indicators" and "Ecosystem Health Indicators."

**J. Recommendation**

The Department recommends approval of Alternative 1 as it would provide \$2.9 million and sixteen positions as outlined in this proposal to fully implement the requirements of AB 1112 to implement a management and monitoring program for bunkering and lightering. OSPR will be able to develop and maintain programs to meet the "risk-based" requirement of AB 1112, develop oil transfer regulations to minimize the risk of oil spills, and increase law enforcement operations.

**DEPARTMENT OF FISH AND GAME  
0320 OIL SPILL PREVENTION AND ADMINISTRATION FUND  
FUND CONDITION REPORT**

Updated 10/19/2011

	Low Year Least COFR PY Past Year Actual 2010/2011	High Year Most COFR CY Current Year Estimated 2011/2012	Low Year Least COFR BY Projected 2012/2013
<b>BEGINNING BALANCE</b>	9,829,000	8,424,217	7,880,217
Prior Year Adjustment	1,139,217	0	0
<b>Adjusted Beginning Balance</b>	<u>10,968,217</u>	<u>8,424,217</u>	<u>7,880,217</u>
<b>REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS</b>			
Revenues:			
125600 Other Regulatory Fees	30,747,000	36,469,000	40,969,000
141200 Sales of Documents - Misc	0	0	0
150300 Income from Surplus Money Investments	48,000	43,000	37,000
161400 Miscellaneous Revenue	0	0	0
161900 Other Revenue - Cost Recoveries	23,000	0	0
<b>Total Revenues, Transfers and Other Adjustments</b>	<u>30,818,000</u>	<u>36,512,000</u>	<u>41,006,000</u>
<b>Total Resources</b>	<u>41,786,217</u>	<u>44,936,217</u>	<u>48,886,217</u>
<b>EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>			
Expenditures:			
0840 State Controllers Office (21st Century Project)	85,000	72,000	72,000
0860 State Board of Equalization (State Operations)	180,000	268,000	269,000
3560 State Lands Commission			
State Operations	10,147,000	11,525,000	11,725,000
3600 Department of Fish and Game:			
State Operations	21,505,000	23,711,000	28,818,000
Local Assistance	1,341,000	1,341,000	1,341,000
3980 Office of Environmental Health Hazard Assessment (State Operations)	104,000	139,000	139,000
<b>Total Expenditures and Expenditure Adjustments</b>	<u>33,362,000</u>	<u>37,056,000</u>	<u>42,364,000</u>
<b>FUND BALANCE</b>	8,424,217	7,880,217	6,522,217
Reserve for Economic Uncertainties	8,424,217	7,880,217	6,522,217