

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 10/20)

Fiscal Year 2023-24	Business Unit 2670	Department Board of Pilot Commissioners	Priority No. 1
Budget Request Name 2670-BCP-2023-A1		Program 2030 – Board of Pilot Commissioners	Subprogram 2030010 - Support

Budget Request Description
 Board of Pilot Commissioners' Business Modernization

Budget Request Summary

The Board of Pilot Commissioners requests \$1,139,000 in FY 2023-24 and \$316,000 in FY 2024-25 from the Board of Pilot Commissioners Special Fund to commence evaluation and planning efforts for business modernization to support program operations. In addition, the Board of Pilot Commissioners requests 1.0 new permanent position and \$139,000 in FY 2023-24 and ongoing to support business modernization efforts, address new workloads created by recent legislation, and to perform ongoing administrative workloads.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Department CIO Marcie Kahbody (Acting)	Date 2/7/2023

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No.: 2670-002

Project Approval Document: S1BA

Approval Date: 3/9/2023

If proposal affects another department, does other department concur with proposal? Yes No

Prepared By Roma Cristia-Plant	Date 2/7/2023	Reviewed By Philip Chen	Date 2/7/2023
Department Director Allen Garfinkle	Date 2/7/2023	Agency Secretary Toks Omishakin	Date 2/7/2023

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

PPBA Eamon Nalband	Date submitted to the Legislature 4/1/2023
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A. Budget Request Summary

The Board of Pilot Commissioners requests \$1,139,000 in Fiscal Year (FY) 2023-24 and \$316,000 in FY 2024-25 from the Board of Pilot Commissioners Special Fund to commence planning efforts to modernize business processes and implement an information technology solution to replace and improve current business processes. The technology system will integrate various BOPC programs, enabling efficiencies in managing and maintaining existing business processes. The Board of Pilot Commissioners also requests 1.0 Associate Governmental Program Analyst and \$139,000 in FY 2023-24 and ongoing from the Board of Pilot Commissioners Special Fund to support the business modernization efforts, address new workload created by recent legislation, and perform ongoing analytical and administrative workload.

B. Background/History

The Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun (BOPC) was established in 1850 to license and regulate qualified mariners to exclusively pilot vessels into and out of the San Francisco, San Pablo, and Suisun Bays and its tributaries, including the Ports of Stockton and Sacramento, as well as Monterey Bay (BOPC pilotage grounds). The BOPC licenses and trains up to 60 maritime pilots that bring certain large vessels into and out of the bays and tributaries. The BOPC also manages the San Francisco Bar Pilots Pension Plan, covering approximately 85 former pilots and/or spouses. The BOPC is also responsible for operating a pilot trainee program and an incident investigation program when any BOPC licensee has a maritime incident.

The responsibilities of the BOPC are as follows:

- Issue and renew up to 60 maritime pilot licenses (BOPC Licensees) annually. These licenses are reviewed by the BOPC on an annual basis and include key components related to a pilot's health, job performance, continuing education, federal Coast Guard license status, and good standing with the Department of Motor Vehicles (DMV).
- Administer a Pilot Continuing Education Program that provides periodic training to BOPC licensees in compliance with statutory and regulatory requirements. This training program is critical in supporting annual license renewals.
- Administer a Pilot Trainee Training Program that trains maritime personnel to eventually become a BOPC-licensee and includes the administration of a rigorous trainee selection exam.
- Administer a Pilot Boat Program that authorizes and funds the construction or capital improvements of boats owned and used by BOPC Licensees.
- Investigate ship accidents and incidents as well as alleged misconduct by pilots; take actions against pilot licensees if causes arise. The BOPC is responsible for maintaining historical data related to maritime incidents and incident investigations.
- Administer the San Francisco Bar Pilot Pension Plan with approximately 85 former BOPC Licensees or spousal beneficiaries. The pension plan has been in existence since the mid-1980's and paper records of retirees and/or spouses are stored at the BOPC office for decades.
- Conduct pilotage rate hearings and set the rates that are charged by BOPC Licensees for their pilotage services.
- Set and charge various revenue-producing pilotage surcharges that fund the above-mentioned functions.

The BOPC has four staff that implement these programs that include the executive director, assistant director, staff services manager 1, and an administrative assistant. The BOPC also contracts with other state departments for administrative and other support. The other departments include: California Highway Patrol, Department of Justice, California Department of

Transportation, State Controller's Office, California Department of Human Resources, the Department of Technology, the Department of General Services, and the University of California San Francisco Campus' School of Occupational Medicine.

Most administrative tasks performed by the BOPC rely on manual processing, including paper application forms and individual electronic excel sheets. The BOPC is also responsible for developing monthly pension allocation reports for all pension plan beneficiaries. These reports are excel-based and manually created every month.

The paper-based files require manual searching and inspection to cross-reference training, licensing, and incident information files. Only very recently has the BOPC begun to track some information electronically, however this minimal effort does not allow automated cross referencing of the information. The paper files are unwieldy when researching data and preparing reports, and are at risk of damage and loss from natural and other disasters.

In addition to the inefficiency and risk presented by utilizing a paper based-manual file processing methods, the lack of technology systems for storing and processing information creates additional risk by being solely reliant on the knowledge of current employees. Due to the small size of the agency loss of staff creates risks to workforce and succession planning.

Chapter 769, Statutes of 2022 (AB 2056) was enacted September 29, 2022, and amended existing pilot boat legislation to create a new pilot boat program in the State Treasury to provide direct funding for new pilot boats. It also shifted the pilotage tariff setting process from a BOPC legislative advisory process to a BOPC tariff setting process. The statute contained an urgency clause, taking effect immediately upon enactment.

The BOPC and its programs are funded entirely from several surcharges that it sets. BOPC-licensees charge and collect these surcharges on behalf of the BOPC, and remit some of the surcharges collected directly to the BOPC or retain some surcharges to be expended upon BOPC approval. Shipping industry users of BOPC-licensees pay all surcharges established by the BOPC. BOPC is not funded with any state or local tax revenues.

The BOPC typically spends approximately \$3 million annually. BOPC's budget was increased by \$2.5 million in FY 2022-23 to fund the new Pilot Boat Program pursuant to Chapter 769, Statutes of 2022 (AB 2056), and maintains one year of expenses in reserve. In order to fund the evaluation and planning phase of a modernized information technology business solution and to fund a new position, the BOPC will likely need to adjust the Board Operations Surcharge rate to pay for increased budget costs.

Resource History
(Dollars in thousands)

Program Budget	17-18	18-19	19-20	20-21	21-22	22-23
Authorized Expenditures	2,472	2,911	2,954	2,914	3,514	5,646
Actual Expenditures	2,163	2,597	2,542	2,532	2,667	TBD
Revenues	2,507	2,536	2,084	2,523	2,820	TBD
Authorized Positions	4	4	4	4	4	4
Filled Positions	3	3.5	3.4	4	3	4 ¹
Vacancies	1	0.5	0.6	0	1	0

C. State Level Consideration

The BOPC's Legislative authority is found in the Harbors and Navigation Code (HNC) Section 1100 et. seq. This section of the HNC authorizes the Board to establish surcharges that are deposited into the Board of Pilot Commissioners Special Fund to pay for the operations of the BOPC and its programs.

The BOPC's mission is to provide competent, efficient, and regulated pilotage to ensure the protection and safety of persons, vessels, property and ecosystems in the BOPC's jurisdiction. Mission-critical functions may not be able to be performed without efficient and effective electronic data management and adequate staffing.

The BOPC is coordinating efforts with the California Department of Transportation (Caltrans) for the information technology solution project management and will pay Caltrans' costs for supporting this project through an Interagency Agreement. The Department of Technology (CDT) will be providing project oversight.

D. Justification

Business Modernization. Tasks such as pilot licensing, pilot training, pilot boat programs, maritime incident investigation reports, and the administration of the pilot retirement program all rely on manual processes.

BOPC's modernization also includes digitizing historical records and to store the records in a database for research and report preparation purposes, and for disaster recovery purposes. This would provide additional accessibility and transparency for BOPC stakeholders.

The evaluation and planning phase consists of documenting business requirements, and "as-is" and "to-be" business practices, evaluating the market for potential technology solutions and evaluating the best strategy for managing digitizing the historical data and records. The planning phase will also work to complete the information technology project approval lifecycle process, Stages 2 through 4, set forth by the California Department of Technology.

Several critical factors contribute to the urgency of this request, including the limited number of staff in the BOPC and the passage of AB 2056.

¹ One position is vacant as of 2/1/2023.

BOPC only has four authorized positions with mostly manual, paper-based processes. This highlights the vulnerability of the BOPC operations and its institutional knowledge to staff attrition from retirement, promotions, transfers, etc. Implementing a new system will assist in addressing succession management strategies for the BOPC and reduce risk if, and when, employees leave.

As noted above, the BOPC depends on manual processes for the day-to-day operations for processing applications, initial licenses, and license renewals, training (for pilot continuing education and new pilot training), pension, and incident investigation to ensure the effective management of its maritime business. BOPC staff are spending an inordinate amount of time managing the program due to the manual nature of completing forms, transmitting paperwork through hardcopies, and manual search of paper files.

The current BOPC processes are time-consuming, and paper-driven, consisting of distributed spreadsheets, paper records, and manually prepared reports to manage most of the critical workload. As the majority of the BOPC's documentation is created manually, it is difficult to cross-reference even the simplest data sets, such as names and addresses between files or to share information, making incident investigations inefficient.

The BOPC does not have a central repository to track critical information for each maritime pilot, and critical data is maintained on separate Excel spreadsheets. Pilot information is kept in a separate paper and some electronic files for each pilot trainee/pilot, pensioners, incidents, and trainee training performance records. The lack of a centralized data source increases the risk of staff making errors when processing license renewals, training performance reports, pension reports, and completing incident investigations. Staff must manually gather and compile data from various locations (e.g., excel spreadsheets and paper records).

There are currently 51 active pilots, and to more efficiently manage the operations, the BOPC would benefit from a technology solution capable of managing information related to pilot licensing, onboarding new pilot trainees, tracking training certifications, and interfacing with other systems.

The BOPC believes that a modern technology solution would result in business efficiencies, expand technology capabilities, provide business continuity, and improve the quality of public services. The BOPC believes a technology solution will provide significant benefits and efficiencies for managing and maintaining licensing, pilot and pilot trainee training, pilot/trainee medical and pilot/trainee driver's license information, incident investigation reports and pilot retirement program data. Such a system would also create efficiencies for licensees, trainees, BOPC business partners such as California Department of Motor Vehicles and University of California San Francisco Campus School of Occupational Medicine when interfacing with the BOPC. Another important technology solution goal would be to upload the BOPC's paper records into usable databases. Currently, the BOPC primarily utilizes paper files that are unwieldy when researching data and are subject to damage and loss from natural and other disasters. Specific objectives for this concept would allow for the evaluation and planning for:

- Implementing a pilot licensing and training system
- Implementing an incident investigation and corresponding document management system
- Implementing a pension management system
- Developing a historical data management system to house and migrate historical information as necessary

The BOPC only has four full-time staff, and any effort to modernize and make processes more efficient would benefit the function of the organization and administration of the programs.

New business practices and technology solutions that are implemented will have a significant impact on the BOPC's current business processes and allow the BOPC to more efficiently and

effectively administer its various programs, and protect records from loss during disasters. Training courses that are administered by BOPC will remain largely the same; however, the ability to track and maintain the history of training will be significantly improved. The BOPC will also realize efficiencies on licensing maritime pilots, compliance reporting, training accessibility, and scalability for future pilot management needs. Change management will be required to take full advantage of any modernizations in the areas of collaboration, security, and scalability. Efficiencies will be gained by eliminating staff hours required to manually tabulate and correct pilot information, training histories, compliance reporting, and incident reports.

BOPC proposes a two-year evaluation and planning phase. This phase will provide resources to document current business practices and evaluate and propose a future state business model. In addition, this phase will document business or system requirements that will allow a vendor to bid and build a new system. This phase will also perform market research to determine what options and solutions will be available once business practices and business requirements are documented. In addition, this phase will allow for the evaluation of the current state of the historical documents to determine how best to handle these and what data will be needed for the new system. This phase will evaluate scanning and digitizing the historical documents for storage in a document management system for quicker retrieval with appropriate disaster recovery options to be able to recover documents in a disaster.

The planning phase includes project management through the Department of Technology's (CDT) IT project approval lifecycle (PAL) process which is divided into four stages: (1) business analysis, (2) alternatives analysis, (3) solution development (including procurement analysis), and (4) project readiness and approval (including vendor selection and finalization of IT project details). Each stage in the PAL process requires the BOPC to submit an associated planning document to CDT for its approval. The collective planning documents from the four stages provide a complete project plan, including the project's cost, schedule, and scope, to develop and implement the proposed project.

Stage 1 of the PAL process has been completed and the deliverable was submitted to CDT. Stage 2 allows the BOPC to evaluate alternatives. The BOPC will use the evaluations to determine the appropriate alternatives. In assessing the alternatives, the BOPC could evaluate which components of the proposed project would be completed in a particular order by determining the benefits of each component to the overall project.

The table in Section H. Supplemental Information summarizes the resources necessary to conduct evaluation of current business needs and planning for future phases.

Additional Staffing Support.

The BOPC staff is struggling to perform ongoing administrative workloads that cannot be contracted out. Without adequate staffing, these mission-critical functions may not be able to be performed.

Pilot Boat Program.

A pilot boat is a small vessel that delivers BOPC-licensees to vessels that they exclusively navigate in the Board's jurisdiction. Prior to AB 2056, the BOPC approved costs related to the acquisition or major life-extending capital improvements to pilot boats, owned and used by BOPC-licensees. The BOPC also set a pilot boat surcharge that was charged, collected and retained by BOPC-licensees, and used to reimburse BOPC-licensees for pilot boat costs incurred upon BOPC approval. Historically, pilot boats did not need to be replaced very often, but major capital improvements were made to extend the useful life of the boats. The last major pilot boat capital improvement project was completed in 2014 for a BOPC-financed cost of less than \$200,000. In anticipation of the new harbor craft air emissions regulations, the BOPC preliminarily approved the construction of a new pilot boat in 2020, estimated to cost \$8.8 million, to replace an existing pilot

boat. That boat is still under construction, and final costs have not been determined or approved by the BOPC.

Newly adopted air emissions regulations will require replacement of all five pilot boats over the next several years (with one new boat currently under construction as mentioned above), with a total estimated cost of \$45 million to \$50 million. AB 2056 also created a new Pilot Boat Surcharge Account in the State Treasury, and specified maximum amounts to be expended from the account each fiscal year beginning with FY 2022-23 through FY 2035-36. The BOPC established a new Pilot Boat Surcharge rate that became effective on January 1, 2023, to provide funding for the program.

Additionally, the provisions of AB 2056 allow the BOPC to utilize Pilot Boat Surcharge revenues, with some limitations, to pay for the costs of the administration of the Pilot Boat Program. The Pilot Boat Program will require additional fiscal management activities related to the collection and expenditure of Pilot Boat Surcharge monies at both the BOPC and the California Highway Patrol, the BOPC's contracted fiscal services provider. The post-AB 2056 Pilot Boat Program will require increased program workloads compared to historical pilot boat activity, and involve periodic Pilot Boat Advisory Committee, Finance Committee and Board meetings, and additional contract work to retain a boat construction expert, potentially a fiscal/accounting expert, and to retain the State Controller's Office for a performance audit as required in the legislation.

Pilotage Tariff Determinations.

Pilotage tariffs are the rates BOPC-licensees charge and retain for their services. Prior to AB 2056, statutes required the BOPC to conduct pilotage rate (tariff) hearings and make tariff recommendations to the Legislature. The Legislature subsequently set the pilotage tariffs that BOPC-licensees charge for their services. AB 2056 shifted the pilotage tariff determination function entirely to the BOPC, and specifies how the BOPC is to conduct tariff determinations.

The BOPC's board and executive director now have new responsibilities for tariff determinations that, among other things, requires certain notifications to stakeholders, the retention of an administrative law judge from the Office of Administrative Hearings, additional public hearing and meeting workload, tariff hearing/meeting agenda and minute preparation, the publishing of tentative and final orders and tariffs from the administrative law judge, the publishing of any final Board-adopted pilotage rate tariff schedules, and records maintenance.

A tariff petition that would start the hearing process could be timely submitted by a stakeholder 18 months after the effective date of a Board-adopted pilotage tariff. However, the statute also allows a petition for a rate hearing to be submitted to the Board at any time if two stakeholders involved in the previous pilotage tariff hearing file a joint petition and there are no intervenors to oppose the joint petition. As such, tariff hearings could be conducted annually by the BOPC. Pilotage Tariff workloads can only be funded by the Board Operations Surcharge revenues.

Current Administrative Workloads.

Due to increasing ongoing BOPC administrative duties necessary to its mission, the BOPC has determined that there is insufficient staffing for website maintenance, records and forms management, Statement of Economic Interests (Form 700) functions, and digitization of BOPC files for disaster recovery purposes. This work cannot be contracted out to another state entity.

The website maintenance workload principally includes uploading documents for meetings and programs, removing outdated documents, and the remediation of posted documents to ensure accessibility. Website maintenance work is currently being performed by the SSM I and the AA II staff, and on occasion the Executive Director, depending upon staffing availability, and was never contemplated in the duty statements for any current BOPC position. Website workload, especially in conjunction with public meetings, is time critical, and often takes precedent over other BOPC workload.

Due to ongoing regular workloads, there is no staffing capacity to perform records and forms management functions. The BOPC has decades of paper files in an onsite storage room and in office file cabinets. Current law requires the BOPC to periodically update the records retention schedule, which is many years past due. There is insufficient current staffing capacity to ensure that the BOPC's forms used by licensees and the public are in compliance with state forms requirements. Statement of Economic Interest (Form 700) work is not included in any current BOPC duty statement, is also time critical, and is shared by three of the four BOPC staff depending upon availability.

The BOPC primarily operates with paper documents. In the event of a natural or man-made disaster, critical files and information could be lost. The BOPC needs to digitize its records for disaster recovery purposes, but there is insufficient staffing capacity to perform this function.

Associate Governmental Program Analyst.

The BOPC is requesting one new, permanent PY at the Associate Governmental Program Analyst (AGPA) level to develop policies, procedures, and make recommendations to support the planning and preparation for the business modernization project. This position would also support additional workload related to the Pilot Boat Program, Pilotage Tariff determinations, additional ongoing state administrative workload. The planning for a modernized business information technology solution would take approximately two years, with implementation thereafter. Such a project could create efficiencies in operations, and the BOPC will re-evaluate the need for additional staffing resources upon implementation of the project.

The attached workload analysis (Section J., Attachment 1) summarizes the tasks and duties necessary to perform the additional workload described above.

E. Outcomes and Accountability

A new robust integrated solution will produce several benefits for the maritime pilots, their families, key stakeholders, and BOPC staff. These benefits are realized through improved service delivery, pilot and pilot trainee satisfaction, ease of use for licensing and renewals, and overall process improvement performing the BOPC's functions. The solution will provide the following benefits to the BOPC and stakeholders:

- Streamline the workload for the BOPC staff including case management and document management.
- Improve customer service by providing pilots and external stakeholders with an online solution to submit applications, renew licenses and upload documents.
- Improve record keeping for initial pilot licensing, pilot license renewals, pilot and pilot trainee training, and certifications. Improvements would lead to easier to data entry, data compilation, sorting and reporting, and would also reduce the risk of errors associated with manual data entry or other manual processes.
- Reduce paper application processing time through digitization.
- Reduce the risk of errors associated with gathering, compiling, and keying in data from various sources.
- Improve record keeping, tracking, report preparation and management of the pilot training program, the incident investigation process, the pension plan, and for daily operations.
- Improve collaboration with contracted physicians to submit medical status determinations securely and electronically.
- Provide business continuity through case and document backup and restoration.

The BOPC would immediately begin the evaluation and planning process upon approval of the Budget. The BOPC estimates evaluation and planning would cover two fiscal years, with implementation projected to begin soon thereafter. Once the evaluation and planning phase of the project is complete, and the BOPC has determined the best solution for the business requirements, the BOPC intends to submit a budget change proposal to obtain funding to initiate and implement the selected solution and will determine a time frame for project implementation and completion at that time.

Additional staffing support will allow the BOPC to perform the new workload required in AB 2056, fulfill required administrative functions necessary to ensuring achievement of its mission, and provide support for the planning of a business modernization project.

F. Analysis of All Feasible Alternatives

There are several alternatives for consideration:

Alternative 1- Approve the request as submitted

Approving resources for evaluation and planning of current business practices and historical data would allow BOPC to move forward to document business requirements, document "as is" and "to be" business practices, evaluate the market for potential technology solutions and evaluate the best path forward in managing and digitizing the historical data and records.

Pros:

- Allows BOPC the ability to evaluate and plan a new technology solution to modernize business practices and how best to manage historical data.
- Allows BOPC sufficient staffing to carry out the new mission-critical workload required of AB 2056 and ongoing administrative workloads.
- The BOPC has the authority to collect sufficient funds through the Board Operations surcharge that it sets to fund this position, and no state tax funds are used to fund the BOPC.

Cons:

- Requires both a temporary increase and ongoing funding from the Board of Pilot Commissioners Special fund, and a potential Board Operations Surcharge increase paid for by the shipping industry who are users of BOPC-licensee services.

Alternative 2-Require BOPC to divide the business modernization technology solution planning process into different projects and add additional staffing.

One option to consider would be to divide this project into several components including a licensing and training component, an investigation component, a retirement component and a historical records component.

Pros:

- Would result in smaller projects possibly increasing the chance for overall project success.

Cons:

- Requires both a temporary increase and ongoing funding from the Board of Pilot Commissioners Special Fund, and a potential Board Operations Surcharge increase paid for by the shipping industry who are users of BOPC-licensee services.
- Would result in delaying certain aspects of the project and may result in a more costly implementation.
- Could miss the opportunities for integrating different components of the solution.

Alternative 3—Approve the request for the planning of a business modernization technology solution, but fill the proposed staff position with a limited term Associate Governmental Program Analyst for a period of up to three years.

Pros:

- Would allow for the immediate implementation of AB 2056 and other BOPC administrative workloads and allow time for a more accurate determination of ongoing workloads after the eventual implementation of an information technology solution and any efficiencies created therefrom.
- Would allow for the temporary staffing to aid in the planning for a business modernization technology solution.
- Would require only a temporary increase in funding from the Board of Pilot Commissioners Special Fund should the information technology solution create sufficient efficiencies such that additional staff is not necessary in the long-term, and a related temporary potential Board Operations Surcharge increase paid for by the shipping industry who are users of BOPC-licensee services.

Cons:

- It likely would be difficult for the BOPC to hire limited term staff, especially since the BOPC is located in San Francisco, and is at an extremely small state entity offering little upward mobility. The BOPC has historically experienced difficulty in recruiting staff, and has lost rank and file staff to larger departments with more upward mobility opportunities.
- The BOPC would lose valuable organization and information technology modernization solution knowledge with the loss of a limited term AGPA upon the expiration of the limited term employment period.

Alternative 3 – Deny the request.

Do nothing.

Pros:

- Would not require an appropriation from the Board of Commissioners Special Fund, and would not require a fee/surcharge increase to be paid by the shipping industry who are maritime users of BOPC-licensee services.

Cons:

- Given the limited number of staff, the BOPC is currently at risk for workforce and succession management planning. If this proposal is not approved, it would not allow BOPC to move forward with business modernization efforts to assist with managing workforce and succession management planning.
- May result in the BOPC not achieving mission critical duties, potentially impacting safety and the environment in the BOPC's jurisdiction.
- May result in delays to BOPC-licensees with the acquisition of pilot boats that meet air emission requirements and/or delays in the payment of or the reimbursement of pilot boat costs to BOPC-licensees due to insufficient staffing availability to perform AB 2056 duties. Any delays in new pilot boat acquisitions or pilot boat life extending improvements compliant with harbor craft air emission regulations may harm low-income communities that are located adjacent to harbors and docks serviced by BOPC licensees.
- May result in delays with the BOPC carrying out its tariff determination functions, causing loss of revenue for BOPC-licensees.

- May result in the BOPC's continued non-compliance with required state records and forms management functions.
- Potential loss of critical BOPC records that are not digitized due to natural or man-made disasters.

G. Implementation Plan

As noted above, BOPC proposes a two-year evaluation and planning phase. This phase, beginning on July 1, 2023, will provide resources to document current business practices and evaluate and propose a future state business model. In addition, this phase will document business or system requirements that will allow a vendor to bid and build a new system. This phase will also perform market research to determine what options and solutions will be available once business practices and business requirements are documented. In addition, this phase will allow for the evaluation of the current state of the historical documents to determine how best to handle these and what data will be needed for the new system and what data may be better served by scanning into a document management system.

The planning phase includes project management through the Department of Technology's (CDT) IT project approval lifecycle (PAL) process which is divided into four stages: (1) business analysis, (2) alternatives analysis, (3) solution development (including procurement analysis), and (4) project readiness and approval (including vendor selection and finalization of IT project details). Each state in the PAL process requires the BOPC to submit an associated planning document to CDT for its approval. The collective planning documents from the four stages provide a complete project plan, including the project's cost, schedule, and scope, to develop and implement the proposed project. Stage 2 allows the BOPC to evaluate alternatives. The BOPC will use the evaluations to determine the appropriate alternatives. In assessing the alternatives, the BOPC could evaluate which part of the proposed project would be completed first and determine whether the anticipated benefits from that part is of value.

As discussed above, the BOPC has already established a Pilot Boat Surcharge to fund the Pilot Boat Program, which was effective January 1, 2023. Workload associated with AB 2056 has already begun. If approved, the BOPC would commence the business modernization technology solution in conjunction with Caltrans and CDT, and seek to hire the additional staff as soon as possible.

H. Supplemental Information

Business Modernization Technology Solution Planning Information:

Resource Table	FY 2023-24			FY 2024-25	
	Hourly	Hours	Cost	Hours	Cost
BOPC					
BOPC Subject Matter Expert	\$ 156	960	\$ 149,760	960	\$ 149,760
Caltrans Reimbursement Agreement					
Caltrans IT PM - Specialist III	\$ 110	340	\$ 37,400	170	\$ 18,700
Caltrans IT BA - Specialist II	\$ 101	540	\$ 54,540	480	\$ 48,480
Caltrans IT Infrastructure Support - IT Specialist II	\$ 101	120	\$ 12,120	150	\$ 15,150
Caltrans IT Security Analyst - IT Specialist II	\$ 101	40	\$ 4,040	30	\$ 3,030
Consulting & Prof. Services: Interdepartmental					
Department of Technology					
PAL Manager/STPD	Monthly \$ 6,750	12	\$ 81,000	12	\$ 81,000
Consulting & Prof. Services: External					
Vendor					
Estimate Consultant Costs for Planning			\$ 800,000		
Total			\$ 1,138,860		\$ 316,120

AGPA Information:

Classification	Class Code	No. of Positions	Annual Mid-Range Salary	Annual Benefits	OE&E BY	FY 23/24 Total	FY 24/25 and ongoing
Associate Governmental Program Analyst	5393	1	75,000	55,000	9,000	139,000	139,000
Grand Total		1				\$139,000	\$139,000

I. Recommendation

BOPC staff recommend approving Alternative 1, providing \$1,139,000 in FY 2023-24 and \$316,000 in FY 2024-25 from the Board of Pilot Commissioners Special Fund to commence planning efforts for its department wide business modernization project planning, and \$139,000 in FY 2023-23 and ongoing to fund one permanent Associate Governmental Program Analyst position. This would allow BOPC to move forward with a business modernization evaluation and planning phase to document business requirements, document “as is” and “to be” business practices, evaluate the market for potential technology solutions, evaluate the best path forward in managing and digitizing the historical data and records, and provide the necessary staffing to perform AB 2056 new workloads and ongoing administrative workloads, and assist with planning a business modernization project.

J. Attachment 1

AGPA Workload Analysis

		Workload Standard	Workload	Personnel Years (PY)
Task Activity		(Hrs)	(Annual)	
Describe Activities that must be performed, steps in a process, etc. Include any assumptions.		Number of Hours it takes to perform task or step	Number of times Task must be performed.	$(\text{Workload STD} \times \text{Workload}) / 1758$
IT and Administrative Workload				
Maintain BOPC's website. Ensure all pages on the website are loading without errors. Check all forms to ensure they are working properly. Remediate PDF documents, or obtain Caltrans assistance with remediation, and post to the website timely for Board and Committee meetings, update program information and other public information. Remove documents no longer needed for the website. Work with Caltrans staff to ensure that the BOPC's website is in compliance with all California Department of Technology website and security requirements.	1	2	260	0.296
Responsible for the Board's records management program in compliance with Government Code Sections 12270-12279. Research the requirements for file retention for the various types of information and records retained by the Board, and update and maintain the Board's Department of General Services approved Records Retention Policy. Obtain DGS's periodic review and approval of the BOPC's Record Retention Policy. Review the Board's existing paper and electronic records and develop and maintain written file organization policies for pilot/trainee files, pension files, incident investigation files, contract files and administrative files. Periodically transfer historical records to the State Library, facilitate the storage of records at the State Records Center along with the required destruction schedules, appropriately dispose of records no longer needed to be retained, including the shredding of confidential records.	2	2	260	0.296
Ensure BOPC compliance with all state forms requirements. Inventory BOPC forms, convert forms to fillable PDF documents, ensure forms are ADA and e-signature compliant. Utilize the CDT Privacy Assessment Tool (SIMM 5320-C) to ensure forms are compliant with privacy laws. Upload and maintain BOPC forms on the BOPC's website. Attend quarterly DGS forms management meetings. Perform triennial forms review.	3	1	260	0.148

Digitize the Board's paper records into electronic format to for more efficient file access and for file retention purposes in the event of natural or manmade disasters. Save the digitized records in the appropriate electronic shared file folders in accordance with file organization policies.	4			
		3	260	0.444
Assist with the planning of an information technology business modernization project, including the development of database content requirements consistent with the Board's record retention policy, forms management practices, website needs, and report preparation purposes.		0.25	5	0.001
Create and maintain a listing of Statement of Economic Interests (Form 700) filers who file with the FPPC and the BOPC. Upload and maintain data in the FPPC database for filers that file directly with the FPPC. Send emails to filers that file with the BOPC notifying of Form 700 due dates, and send follow up reminder to late filers. Audit sampling of Form 700s, respond to request for assistance on filing out the form from filers, and alert the Assistant Director of any non-filers. Perform a biennial review the Board's conflict of interest code for amendments, work with the Assistant Director, FPPC and the Office of Administrative Law on code/regulation amendments. Maintain Form 700 records.	5			
		0.05	22	0.001
Pilot Boat Program	6			
Review pilot boat surcharges collected by SFBP submitted to the BOPC and transmitted to the State Treasury; monitor and forecast expenditures/revenues; recommend surcharge rate adjustments to the Finance Committee; review fiscal documents prepared by the California Highway Patrol (CHP); review SFBP billing, cash, and wire transfers for accuracy; maintain records of all transactions related to the Pilot Boat Program Account.		0.5	260	0.074
Participate in the Pilot Boat Advisory Committee, Finance Committee, and Board meetings, gather information and prepare reports on the progress of boat builds, change orders, program cost information, and drafting Board and Committee agendas and minutes. Conduct research and prepare reports as necessary for or as requested by the Board or Committees.		0.5	260	0.074
Process payments to the San Francisco Bar Pilots (SFBP), including obtaining subject matter expert and Board review and approvals, remit payment invoices to the CHP, and responding to inquiries from SFBP or the California Highway Patrol regarding status of payments.		0.5	260	0.074

Complete contract functions, including amend/renew contracts with the CHP to include additional budgeting, contracting, accounting, and administrative tasks related to the Pilot Boat Program; develop/amend/renew contracts with the State Controller's Office (SCO) to for a program audit of the Pilot Boat Program; develop/amend/renew contracts with a subject matter expert and/or certified public accountant who will review and recommend approval of contracts, change orders and payment invoices for the construction or improvements to pilot boats.		0.2	130	0.015
Responsible for the Pilot Boat Program annual audits conducted by the State Controller's Office, including maintaining all records related to the surcharge and expenditure of program funds; gather and provide records to SCO auditor as requested; respond to additional requests and communicate audit progress with Executive staff, Pilot Boat Committee, Finance Committee and the Board.		0.2	65	0.007
Develop written policies, procedures, and assist with regulations related to the Pilot Boat Surcharge.		0.2	65	0.007
Tariff Rate Hearings	7			
Assist the Executive Director with the processing of rate hearing petitions, scheduling Board and hearing meetings, notifying the Office of Administrative Hearings of the need for an Administrative Law Judge, and the preparation of notifications to stakeholders, and ensure that all notices and meetings dates are in compliance with statutory requirements.		0.2	65	0.007
Complete contract functions with the Office of Administrative Hearings for an administrative law judge to conduct rate hearings. Complete contract functions to contract for court reporting services, if necessary.		0.2	65	0.007
Schedule and attend rate hearings conducted by administrative law judges and the Board, develop agendas, prepare meeting reports, attend meetings, and prepare minutes.		0.2	65	0.007
Assist the Executive Director with responding to any bench requests from an administrative law judge or the Board, including conducting research and report preparation, if necessary.		0.2	65	0.007
Ensure the publishing of tentative and final orders and tariffs from the administrative law judge, and any final Board-adopted pilotage rate tariff schedules.		0.1	32	0.002
Maintain records for rate hearing meetings conducted by an administrative law judge, and the Board.		0.1	32	0.002
Develop written policies, procedures, and assist with regulations related to the Pilotage Tariff.		0.1	32	0.002
Total PY				1.173

¹ 300+ documents remediated/posted to website annually.

² 150 feet of storage shelf files; 125 feet of file cabinet and other stored files and ongoing.

³ 25+ External Official BOPC forms.

⁴ Unknown # of files.

⁵ Approximately 20 Form 700 filers.

⁶ 12 monthly revenue receipt reviews; Up to 12 expenditure package reviews; Up to 4 surcharge rate adjustment analysis; Up to 12 public meetings; annual program audit.

⁷ Up to 1 tariff hearing annually.

BCP Fiscal Detail Sheet

BCP Title: Board of Pilot Commissioners' Business Modernization

BR Name: 2670-012-BCP-2023-A1

Budget Request Summary

	FY23					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Personal Services						
Positions - Permanent	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages						
Earnings - Permanent	0	75	75	75	75	75
Total Salaries and Wages	\$0	\$75	\$75	\$75	\$75	\$75
Total Staff Benefits	0	55	55	55	55	55
Total Personal Services	\$0	\$130	\$130	\$130	\$130	\$130
Operating Expenses and Equipment						
5301 - General Expense	0	9	9	9	9	9
5340 - Consulting and Professional Services - External	0	950	150	0	0	0
5340 - Consulting and Professional Services - Interdepartmental	0	189	166	0	0	0
Total Operating Expenses and Equipment	\$0	\$1,148	\$325	\$9	\$9	\$9
Total Budget Request	\$0	\$1,278	\$455	\$139	\$139	\$139

Fund Summary

Fund Source - State Operations						
0290 - Board of Pilot Commissioners Special Fund	0	1,278	455	139	139	139
Total State Operations Expenditures	\$0	\$1,278	\$455	\$139	\$139	\$139
Total All Funds	\$0	\$1,278	\$455	\$139	\$139	\$139

Program Summary

Program Funding						
2030010 - Support	0	1,278	455	139	139	139
Total All Programs	\$0	\$1,278	\$455	\$139	\$139	\$139

Personal Services Details

		Salary Information								
		<u>Min</u>	<u>Mid</u>	<u>Max</u>	<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
Positions										
5393	- Assoc Govtl Program Analyst (Eff. 07-01-2023)				0.0	1.0	1.0	1.0	1.0	1.0
Total Positions					0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages		CY	BY	BY+1	BY+2	BY+3	BY+4			
5393	- Assoc Govtl Program Analyst (Eff. 07-01-2023)	0	75	75	75	75	75			
Total Salaries and Wages		\$0	\$75	\$75	\$75	\$75	\$75			
Staff Benefits										
5150900	- Staff Benefits - Other	0	55	55	55	55	55			
Total Staff Benefits		\$0	\$55	\$55	\$55	\$55	\$55			
Total Personal Services		\$0	\$130	\$130	\$130	\$130	\$130			