

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 07/23)

Fiscal Year 2024-25	Business Unit Number 1700	Department Civil Rights Department
Hyperion Budget Request Name 1700-003-BCP-2024-MR		Relevant Program or Subprogram 1490-Administration of Civil Rights

Budget Request Title

Relocation to May Lee Office Complex

Budget Request Summary

The Civil Rights Department requests \$1,188,000 General Fund in 2024-25 to fund the first year of relocation to the May Lee Office Complex.

Requires Legislation (submit required legislation with the BCP) <input type="checkbox"/> Trailer Bill Language <input type="checkbox"/> Budget Bill Language <input checked="" type="checkbox"/> N/A	Code Section(s) to be Added/Amended/Repealed	
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

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

Project No.

Project Approval Document:

Approval Date:

Total Project Cost:

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 Arlyn Kihara	Date 5/13/2024	Reviewed By Mary Wheat	Date 5/13/2024
Department Director Kevin Kish	Date 5/13/2024	Agency Secretary Lourdes M. Castro Ramirez	Date 5/13/2024

Department of Finance Use Only

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

Assistant Program Budget Manager Andrew March	Date submitted to the Legislature 5/14/2024
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A. Problem Statement

The Civil Rights Department (CRD) is relocating its headquarters facility to the May Lee Office Complex (MLOC) in July 2024, and CRD is not currently funded to accommodate the higher leased-space costs at MLOC. CRD requests CRD requests \$1,188,000 in one-time funding in 2024-25 to address an increase in rent costs associated with CRD's move to the May Lee Office Complex.

CRD's Headquarters has been physically located in a leased office space in Elk Grove for nineteen years. In 2018, a decision was made to construct and fund a new state-of-the-art Department of General Services (DGS)-owned multi-tower facility to be built on Richards Boulevard north of downtown Sacramento. MLOC will become the headquarters for CRD and multiple departments within the Business, Consumer Services and Housing (BCSH) Agency, including the Department of Housing and Community Development, the Department of Real Estate, the Department of Financial Protection and Innovation, as well as the California Department of Tax and Fee Administration, and house their executives and staff members.

Resource History (Dollars in thousands)

Program Budget	PY – 4	PY – 3	PY – 2	PY – 1	PY	CY (projected)
Authorized Expenditures	\$35,757	\$36,621	\$40,303	\$50,006	\$66,936	\$62,548
Actual Expenditures	\$32,288	\$34,070	\$39,541	\$48,694	\$63,226	\$62,548
Revenues	\$1,638	\$556	\$412	\$58	\$7,520	\$500
Authorized Positions	238.8	238.8	275.5	302.5	316.5	325.5
Filled Positions	193.1	210.8	216.5	255.5	276.5	293.0
Vacancies	45.7	28.0	59.0	47.0	40.0	32.5

*\$10M appropriated for Statewide Hate Crime Hotline available for encumbrance and expenditure until June 30, 2025.

B. Justification

CRD and the other tenants of the new MLOC site are required to move to the new facility. The CRD Information Technology Services Division will begin working on-site to install equipment in January 2024, but CRD will not be charged rent during this time. CRD will move to the new facility in July 2024, which is when CRD will begin paying rent.

CRD will occupy approximately 70,000 square feet at MLOC, including at least 162 private workspaces, approximately 23.5 work-support spaces, and 11 special function rooms.

CRD requests \$1,188,000 in one-time funding in 2024-25 to address an increase in rent costs associated with CRD's move to the May Lee Office Complex. CRD will occupy more square footage at the new building than at its existing Elk Grove headquarters and additional resources are needed to pay rent. This is a one-time request as DGS is currently in the process of determining ongoing rental rates for the May Lee Office Complex. CRD's square footage, workspace, and pricing estimates continue to evolve as the MLOC nears completion.

C. Departmentwide and Statewide Considerations

This proposal is consistent with:

- The Governor's policy direction of "cost-cutting measures or implementing efficiencies to offset unavoidable costs."
- Directive to reduce costs associated with leasing of building facilities through consolidation of space usage.
- The Governor's Office of Emergency Services Continuity Guidelines Objective 4, which emphasizes the importance of protecting "essential facilities, equipment, essential records, and other assets."
- CRD Strategic Plan, Goal 1 – Strategy 4: "Aim for the Greatest Impact for Every Dollar We Spend."
- CRD Strategic Plan, Goal 2 – Strategy 2: "Decrease complexity and improve timeliness of services by streamlining processes."

D. Outcomes and Accountability

Consolidation of physical infrastructure and services for CRD and other BCSH departments into a single facility managed by DGS will result in long-term cost reductions for maintenance and operations and will improve the overall capabilities, effectiveness, and efficiencies of the overall facility's infrastructure services.

The new MLOC facility is designed and designated as a "Zero Net Energy" building. Consolidating multiple sites into a single facility will contribute to a more effective and efficient energy usage environment and eliminate costs associated with facility location leasing.

Upon initial appropriation and each year thereafter, CRD will immediately allocate and utilize the requested funds to accommodate the difference in its Headquarters lease payments. CRD will utilize requested, one-time funding from 2024-25 to cover CRD's last month of tenancy at its Elk Grove Headquarters in July 2024.

E. Supplemental Information

N/A

BCP Fiscal Detail Sheet

BCP Title: Relocation to May Lee Office Complex

BR Name: 1700-003-BCP-2024-MR

Budget Request Summary

Operating Expenses and Equipment

Operating Expenses and Equipment	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
5324 - Facilities Operation	\$0	\$1,188	\$0	\$0	\$0	\$0
Total Operating Expenses and Equipment	\$0	\$1,188	\$0	\$0	\$0	\$0

Total Budget Request

Total Budget Request	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
Total Budget Request	\$0	\$1,188	\$0	\$0	\$0	\$0

Fund Summary

Fund Source

Fund Source	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
State Operations - 0001 - General Fund	\$0	\$1,188	\$0	\$0	\$0	\$0
Total State Operations Expenditures	\$0	\$1,188	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$1,188	\$0	\$0	\$0	\$0

Program Summary

Program Funding

Program Funding	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
1490 - Administration of Civil Rights Law	\$0	\$1,188	\$0	\$0	\$0	\$0
Total All Programs	\$0	\$1,188	\$0	\$0	\$0	\$0