



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. ■ GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

April 1, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 2670-001-0290, Support, Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun

It is requested that Item 2670-001-0290 be increased by \$298,000 to provide resources for the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun (Board) to conduct a pilot trainee training program entrance examination in fiscal year 2016-17 and address increased costs for pilotage rate and surcharge audits, mandated maritime pilot medical assessments, and rent.

The Board licenses qualified mariners to pilot vessels within the San Francisco Bay and its tributaries. The Board anticipates the retirement of several bay pilots in the next 18 months. The requested resources will allow the Board to conduct a pilot trainee training program entrance examination to maintain an adequate number of licensed bay pilots.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Mark Tollefson, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Joseph Shinstock, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzales, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Lois Wolk, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Russia Chavis, Deputy Secretary for Budget and Finance, California State Transportation Agency
Mr. Allen Garfinkle, Executive Director, Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun
Ms. Roma Cristia-Plant, Assistant Director, Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun



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Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 2720-301-0044 and Addition of Items 2720-491 and 2720-496, Capital Outlay, Department of the California Highway Patrol

Revert Quincy Facility Replacement and Authorize San Bernardino Area Office

Replacement—It is requested that Item 2720-301-0044 be increased by \$5,369,000 and that Item 2720-496 be added to substitute the Quincy Replacement Facility project with the San Bernardino Area Office Replacement project (see Attachments 1 and 3). The Quincy project has encountered challenges acquiring land, and it has been determined that there are no suitable sites currently available. Instead, several potential properties have been identified that are suitable for the replacement of the existing San Bernardino facility. To move forward with the California Highway Patrol (CHP) replacement projects with the highest likelihood of success among those facilities with a great need for replacement, it is requested that the Quincy project be allowed to revert and that \$5,369,000 be provided for the acquisition (\$3,867,000) and performance criteria (\$1,502,000) phases of the San Bernardino Area Office Replacement project. The state will continue searching for a suitable site for a Quincy replacement office. Once a site is identified, it may be secured with a purchase option and funding for the project requested in the future.

Reappropriate Santa Barbara Facility Replacement—It is requested that Item 2720-491 be added to reappropriate the acquisition, performance criteria, and design-build phases of the Santa Barbara Replacement Facility project and extend the encumbrance period through June 30, 2019 (see Attachment 2). The Santa Barbara project has also encountered challenges acquiring land, but an alternative site has been identified, and the Department of General Services (DGS) has started the due diligence process. It is expected that acquisition will occur in the budget year, and the design-build contract would likely be awarded in fiscal year 2018-19. Providing a three year encumbrance period is consistent with acquisition authority and will best ensure that the project can be completed before the end of the liquidation period.

CHP Enhanced Radio System (CHPERS): Replace Towers and Vaults—Phase 1—It is requested that Item 2720-301-0044 be increased by \$445,000 for the acquisition phase to acquire land for the Sawtooth Ridge site (see Attachment 1). The 2015-16 CHP Finance Letter referenced the need to analyze nearby peaks for an alternative to the existing Sacramento Mountain site. A replacement site, Sawtooth Ridge, has been found. While CHPERS sites are typically leased to the state, the owners of the Sawtooth Ridge site have expressed a

preference to sell the land instead. In order to complete the sale, an acquisition appropriation is necessary.

Contracting Language—It is requested that Budget Bill language be added to Item 2720-301-0044 to allow DGS to hire one master architect and one environmental service contract for the CHP area office projects and another for the CHPERS Tower and Vault Replacement projects (see Attachment 1). This will provide more efficient contracting for the design and environmental work of these projects.

Technical Adjustment to Site Identification—The Administration notes that Schedule 1 of Item 2720-301-0044, Statewide: Planning and Site Identification, inadvertently omitted the acquisition phase (see Attachment 1). As securing a purchase option is a form of acquisition, and the mechanism for a purchase option would involve an augmentation to the acquisition phase, that phase should be listed in the project title.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Sally Lukenbill, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

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Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Lois Wolk, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Nora Campos, Chair, Assembly Budget Subcommittee No. 5
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Brian Kelly, Secretary, California Transportation Agency
Mr. Joseph Farrow, Commissioner, California Highway Patrol
Ms. Rebecca Metz, Section Commander, Administrative Services Division, California Highway Patrol
Mr. Brandon Johnson, Assistant Chief, Administrative Services Division, California Highway Patrol

"2720-301-0044—For capital outlay, Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund 31,626,000

Schedule:

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| (1) | 0000751-Statewide: Planning and Site Identification—Study and acquisition..... | 800,000 |
| (2) | 0000945-El Centro: Area Office Replacement—Acquisition and performance criteria..... | 4,332,000 |
| (3) | 0000946-Hayward: Area Office Replacement—Acquisition and performance criteria..... | 15,038,000 |
| (4) | 0000947-Ventura: Area Office Replacement—Acquisition and performance criteria..... | 5,642,000 |
| (5) | <u>0000973-San Bernardino: Area Office Replacement—Acquisition and performance criteria.....</u> | <u>5,369,000</u> |
| (6) | <u>0000144-California Highway Patrol Enhanced Radio System: Replace Towers and Vaults—Acquisition.....</u> | <u>445,000</u> |

Provisions:

1. The Department of Finance may augment the funds in Schedule (1) by up to \$2,000,000 for the purpose of securing purchase options on critical parcels if deemed necessary. Any augmentation may be authorized not sooner than 30 days after notification is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the Department of the California Highway Patrol budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

2. On or before January 31, 2017, and before the submission of a 30-day notice for the purpose of securing purchase options on critical parcels, the Department of Finance shall report to the appropriate fiscal committees of the Legislature and the Legislative Analyst's Office on the status of the 2016–17 Statewide Planning and Site Identification appropriation. Specifically, the report shall (a) identify the communities in which a search for land for a potential California Highway Patrol office replacement is ongoing and (b) describe the deficiencies of the California Highway Patrol office in each selected community.
3. The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities and acquisitions under the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code). The provision does not exempt the Department of the California Highway Patrol from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.
4. Notwithstanding any other provision of law, the projects identified in Schedules (2) to (5) of this item, inclusive, may utilize a single contract for architectural and engineering services and a single contract for environmental services. Further the projects in Schedules (2) to (5) of this item, inclusive, can be amended into the contracts that were established for the projects authorized in Schedules (2) to (6), inclusive, of Item 2720-301-0044, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014)."

2720-491—Reappropriation, Department of the California Highway Patrol. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2019:

0044—Motor Vehicle Account, State Transportation Fund

- (1) Item 2720-301-0044, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014).
 - (5) 50.74.704-Santa Barbara Replacement Facility—Acquisition and Design
- (2) Item 2720-301-0044, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015).
 - (5) 0000631-Santa Barbara Replacement Facility—Design-Build

2720-496—Reversion, Department of the California Highway Patrol. As of June 30, 2016, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0044—Motor Vehicle Account, State Transportation Fund

- (1) Item 2720-301-0044, Budget Act of 2014
(Chs. 25 and 663, Stats. 2014)
 - (3) 50.18.108-Quincy Replacement Facility—
Acquisition and Design
- (2) Item 2720-301-0044, Budget Act of 2015
(Chs. 10 and 11, Stats. 2015).
 - (3) 0000629-Quincy Replacement Facility—
Design-Build



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Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 2740-001-0044, Support, Department of Motor Vehicles

It is requested that Item 2740-001-0044 be increased by \$6,006,000 and 70 positions to provide resources to implement a portion of the federal REAL ID Act and to support the continued issuance of Chapter 524, Statutes of 2013 (AB 60) driver licenses.

This request includes the following programmatic changes:

- **Expanded Eligibility for Driver Licenses (Issue 001)**—The Department of Motor Vehicles (DMV) requests \$1,426,000 one-time to support the expanded licenses issued per AB 60. The request supports interpreter services, temporary help, and leases at temporary field offices through the current firm term.
- **REAL ID Implementation (Issue 002)**—DMV requests \$4,580,000 and 70 positions to begin the process of requiring all original driver license applicants to submit documents that demonstrate their residency in the state, as required by Chapter 708, Statutes of 2015 (AB 1465). This verification will demonstrate the state's continued progress toward full compliance with the federal REAL ID Act. Additionally, it is requested that provisional language be added to increase this item if additional REAL ID compliance requirements are imposed by the federal government (See Attachment 1).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Steve Wells, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

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Honorable Lois Wolk, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Brian Kelly, Secretary, California State Transportation Agency
Mr. Brian Annis, Undersecretary, California State Transportation Agency
Ms. Jean Shiimoto, Director, Department of Motor Vehicles
Mr. Hugo Lopez, Chief Deputy Director, Department of Motor Vehicles
Mr. Robert Crockett, Budget Officer, Department of Motor Vehicles

Add the following provision to Item 2740-001-0044:

Provisions:

1. Upon approval of the Director of Finance, the amount available for expenditure in Schedule (2) of this item may be augmented to support activities associated with federal REAL ID compliance. No augmentation shall be made any sooner than 30 days after the Joint Legislative Budget Committee has been notified in writing.