



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

March 30, 2017

Honorable Holly Mitchell, 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 Items 2660-001-0042 and 2660-001-0890, Support, California
Department of Transportation**

Claims Payment Increase—It is requested that Item 2660-001-0042 be increased by \$5,515,000 to provide funding for costs associated with settlements for state owned vehicle accident claims. The Department of Transportation is requesting to fund one-time costs associated with settlement of vehicle accident claims. These claims exceed the Office of Risk and Insurance Management's pool of available funding.

Road Usage Charge Pay-at-the Pump Federal Grant—It is also requested that Item 2660-001-0042 be increased by \$737,000 and that Item 2660-001-0890 be increased by \$750,000 for the Department to explore additional options relating to its current road user charge pilot program. The Department was awarded a federal grant in January 2017 and must expend the funds by September 2017. The grant is to be used for planning related to a pay at the pump/charging stations road usage charge option. Additionally, the Department requests authority for the required state match of the federal grant. The funds requested are from current year savings from the road user charge pilot program.

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

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. 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: Ms. Cyndi Hillery, Staff Director
Honorable Bob Wieckowski, 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
Mr. Malcolm X. Dougherty, Director, California Department of Transportation
Mr. Clark Paulsen, Acting Chief, Budgets Division, California Department of Transportation
Mr. Ron Shepard, Chief, Office of Program Operations and Budget Development, California
Department of Transportation



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

**Amendment to Budget Bill Item 2720-301-0044, Capital Outlay, Department of the
California Highway Patrol**

It is requested that Item 2720-301-0044 be increased by \$1,911,000 to provide supplemental authority for the construction phase of the California Highway Patrol Enhanced Radio System: Replace Towers and Vaults Phase 2 (CHPERS Phase 2) project (see Attachment 1). Of the five sites comprising the CHPERS Phase 2 project, two, Crestview Peak and Silver Peak, have project delays and increased costs resulting from design changes required by the United States Forest Service to mitigate the impacts of the tower and vault replacements at these two sites, and to preserve the view of the peaks.

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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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, 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	144,413,000
	<u>146,324,000</u>

Schedule:

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| (1) | 0000751-Statewide: Planning and Site Identification—Study and acquisition ... | 800,000 |
| (2) | 0000945-EI Centro: Area Office Replacement—Design-Build | 30,413,000 |
| (3) | 0000946-Hayward: Area Office Replacement—Design-Build | 38,103,000 |
| (4) | 0000947-Ventura: Area Office Replacement—Design-Build | 37,075,000 |
| (5) | 0000973-San Bernardino: Area Office Replacement—Design-Build | 33,154,000 |
| (6) | 0000629-Quincy: Replacement Facility—Acquisition and performance criteria | 2,140,000 |
| (7) | 0001488-Humboldt: Area Office Replacement—Acquisition and performance criteria | 2,505,000 |
| (8) | 0001489-Keller Peak Tower Replacement—Preliminary plans | 223,000 |
| (9) | <u>0000145-California Highway Patrol Enhanced Radio System: Replace Towers and Vaults Phase 2—Construction</u> | <u>1,911,000</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 option agreements to purchase critical parcels of real property. 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. Any such option agreement is subject to Property Acquisition Law.

2. On or before January 31, 2018, and before the submission of a 30-day notice described in Provision 1, 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 2017–18 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. Pursuant to Schedule (1) of this item and Section 13332.10 of the Government Code, the Department of General Services, with the consent of the Department of the California Highway Patrol, may enter into a lease-purchase agreement for a build-to-suit lease facility to replace the area office in Santa Ana, subject to Department of Finance approval of the terms and conditions of the agreement. In accordance with Property Acquisition Law, the State Public Works Board will need to authorize the acquisition prior to execution of any lease-purchase agreement by the state.
4. Neither the State Public Works Board nor the Department of Finance shall 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 action, approval, or authorization provided with respect to the activities authorized by this item. This 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.
5. Notwithstanding any other provision of law, the projects identified in Schedules (6) and (7) of this item may utilize a single contract for architectural and engineering services and a single contract for environmental services. Further the projects in Schedules (6) and (7) of this item 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)."



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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 \$9,448,000 and 2 positions to implement the temporary license plate system required by Chapter 90, Statutes of 2016 (AB 516), and provide funding for increased data center costs at the Department of Motor Vehicles (DMV). The temporary license plate program requires DMV to implement a system allowing a dealer or lessor-retailer to electronically report the sale of a vehicle and provide temporary license plates with a unique number at the time of sale.

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
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/s/ Amy M. Costa

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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. Robert Crockett, Budget Officer, Department of Motor Vehicles