



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Items 2600-001-0046, 2600-001-0046, Support, California Transportation Commission.

The May Revision proposes the following adjustments to enable the California Transportation Commission to implement recently chaptered legislation:

Vehicle Weight Safety Study: Chapter 320, Statutes of 2023 (AB 251)—It is requested that Item 2600-001-0042 be increased by \$345,000 and Item 2600-001-0046 be increased by \$389,000, and one position for three fiscal years, through fiscal year 2026-27.

Data, Modeling, and Analytic Software Tools Procurement: Chapter 754, Statutes of 2023 (AB 744)—It is requested that Item 2600-001-0042 be increased by \$92,000 and Item 2600-001-0046 be increased by \$98,000, and one position for three fiscal years, through fiscal year 2026-27.

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 James Moore, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment
cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
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No. 5
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Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Toks Omishakin, Secretary, California State Transportation Agency
Carlos Quant, Deputy Secretary, California State Transportation Agency
Tanisha Taylor, Executive Director, California Transportation Commission
Paul Golaszewski, Chief Deputy Director, California Transportation Commission



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Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items and Reimbursements, Support, Local Assistance, Department of Transportation

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Highways to Boulevards—It is requested that Item 2660-102-0001 be decreased by \$50 million.

Grade Separations—It is requested that Item 2660-496 be amended to revert \$250 million from Item 2660-102-0001, 2021 Budget Act (see Attachment 1).

Included below are the remaining adjustments included in the May Revision:

Intercity Passenger Rail Program—It is requested that Item 2660-001-0046 be increased by \$66,055,000 to provide support for the operation of the Intercity Passenger Rail Program.

Technical Adjustments—It is requested that various Items and reimbursements be adjusted for a total of \$18,290,000 in fiscal year 2024-25 for technical adjustments. These technical adjustments include:

- Item 2660-001-0042 be amended to add provisional language to allow adjustments for insurance costs for the Department of General Services Office of Risk and Insurance Management self-insurance program for the California Department of Transportation (Caltrans) fleet (see Attachment 2).

- Item 2660-001-0042 be increased by \$3,815,000 to fund the increase in insurance costs for the Department of General Services Office of Risk and Insurance Management self-insurance program for Caltrans mobile fleet equipment.
- Item 2660-001-0042 be amended by increasing reimbursements by \$5 million ongoing for administrative cost recoveries and \$2.8 million one-time for workload related to the Port and Freight Infrastructure Program.
- Item 2660-001-0042 be amended by transferring 6 positions and \$2,143,000 from Schedule (12) Administration Program to Schedule (10) Statewide Planning Program.
- Item 2660-001-0890 be increased by \$6,675,000 for federal grant funding and a technical correction to funding for the Transportation Infrastructure Workforce Development Program pursuant to Chapter 61, Statutes of 2023 (SB 150).
- Item 2660-101-0042 be amended to add provisional language to increase the encumbrance and liquidation period for the Equipment Service Program (see Attachment 3).

Reappropriations—It is requested that Item 2660-492 be added to reappropriate funding for the following programs or projects (see Attachment 4):

- \$1.8 million for office space related costs from the unencumbered balance of Item 2660-001-0042, 2021 Budget Act.
- \$3.2 million for Road Charge Pilots Program—\$3 million Federal Grant funding from Item 2660-001-0890, 2023 Budget Act and \$200,000 of the unencumbered balance of Item 2660-001-0042, 2023 Budget Act.
- \$200,000 for Bureau of Land Management Grants—Reappropriate from Item 2660-001-0890, 2023 Budget Act for Bureau of Land Management Grant funding to sustain the health, diversity, and productivity of public land.

The May Revision proposes the following adjustments to enable Caltrans to implement recently chaptered legislation:

Renewable Energy Program Evaluation: Chapter 379, Statutes of 2023 (SB 49)—It is requested that Item 2660-001-0042 be increased by \$1,287,000 and 7 positions ongoing.

Asset Management State Highway System Data and Information: Chapter 629, Statutes of 2023 (SB 695)—It is requested that Item 2660-001-0042 be increased by \$442,000 and 2 positions ongoing.

Chief Advisor on Active Transportation: Chapter 617, Statutes of 2023 (SB 538)—It is requested that Item 2660-001-0042 be increased by \$211,000 and 1 position ongoing.

Southern California Native American Freeway Partner Coordination: Chapter 543, Statutes of 2023 (AB 776)—It is requested that Item 2660-001-0042 be increased by \$474,000 and 2 positions ongoing.

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 James Moore, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

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Attention: Christian Griffith, Chief Consultant
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Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Toks Omishakin, Secretary, California State Transportation Agency
Carlos Quant, Deputy Secretary, California State Transportation Agency
Tony Tavares, Director, Department of Transportation
Keith Duncan, Budget Officer, Department of Transportation

Amend Item 2660-496 as follows:

“2660-496—Reversion, Department of Transportation. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations, shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

(1) Up to \$200,000,000 of the amount appropriated in Schedule (1) of Item 2660-101-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

(2) Up to ~~\$548,000,000~~\$798,000,000 of the amount appropriated in Schedule (1) of Item 2660-102-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).”

Add the following provision to Item 2660-001-0042:

21. The Department of Finance may augment the amount appropriated in Schedule (7) to align the department's budget with actual vehicle insurance costs per the State Motor Vehicle Insurance Account Assessment Memo issued by the Department of General Services.

Amend Provision 1 of Item 2660-101-0042 as follows:

"1. Funds appropriated in this Item shall be available for allocation by the California Transportation Commission until June 30, ~~2026~~2027, and available for encumbrance and liquidation until June 30, ~~2030~~2031."

Add Item 2660-492 as follows:

2660-492—Reappropriation, Department of Transportation. The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available until June 30, 2025:

0042—State Highway Account, State Transportation Fund

- (1) Up to \$1,800,000 of the amount appropriated in Schedule (1) of Item 2660-001-0042, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). This funding is for office space related costs.
- (2) Up to \$200,000 of the amount appropriated in Schedule (12) of Item 2660-001-0042, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). This funding is for the Road Charge Pilot Program.

0890—Federal Trust Fund

- (1) Up to \$200,000 of the amount appropriated in Schedule (6) of 2660-001-0890, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). This funding is for Bureau of Land Management Grants.
- (2) Up to \$3,00,000 of the amount appropriated in Schedule (11) of Item 2660-001-0890, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). This funding is for the Road Charge Pilot Program.



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Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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 \$139,000 in 2024-25 and \$288,000 in 2025-26, to continue the evaluation and planning efforts for modernizing the Board's manual processes, and to address administrative workload related to the Pilot Boat 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 Matthew Macedo, Principal Program Budget Analyst, at (916) 322-2263.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

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Chief Deputy Director

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Mark Tollefson, Undersecretary, California State Transportation Agency
Carlos Quant, Deputy Secretary, Budget and Administration, California State
Transportation Agency
Allen Garfinkle, Executive Director, Board of Pilot Commissioners for the Bays of San
Francisco, San Pablo, and Suisun
Michelle Fojas, Budget Supervisor, Budget and Disbursements, California Highway
Patrol



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Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, Support, Department of Motor Vehicles

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

General Fund Solution: (Supply Chain Resilience: Commercial Drive Test Centers)—It is requested that Item 2740-031-0001 be eliminated in fiscal year 2024-25 and 2025-26. This solution eliminates \$10,346,000 in 2024-25 and \$10,509,000 in 2025-26 provided for commercial drive test centers.

Additionally, it is requested that Item 2740-495 be added to revert up to \$9,812,000 of the unexpended balance of appropriations made for commercial drive test centers in the 2023 Budget Act (see Attachment 1).

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

California New Motor Voter Program: Chapter 314, Statutes of 2021 (AB 796)—It is requested that Item 2740-001-0001 be increased by \$4,464,000 and 1 position in 2024-25 and \$198,000 and one position in 2025-26 and ongoing to continue an Information Technology project that will capture voter registration information from incomplete DMV transactions and transmit it to the Secretary of State.

Included below are the remaining adjustments included in the May Revision:

Digital eXperience Platform (DXP) project—It is requested that Item 2740-001-0044 be increased by \$60,268,000 to continue the DXP project, which will comprehensively replace DMV's backend Information Technology software and hardware for most of its

main functions. DMV plans on beginning the vehicle registration phase of the project in 2024-25.

California Department of Technology Rate Increases—It is requested that Item 2740-001-0044 be increased by \$17,268,000 in 2024-25, and ongoing, to provide DMV budget authority to meet costs associated with the California Department of Technology rate increases for information technology data center services, project oversight, planning, and procurement.

Commercial Driver License Information System (CDLIS)—It is requested that Item 2740-001-0044 be increased by \$2,428,000 to provide resources to continue the Information Technology project that will send and receive human trafficking and drug and alcohol-related data from a nationwide commercial driver license system.

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 Matthew Macedo, Principal Program Budget Analyst, at (916)445-3274.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

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Chief Deputy Director

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Mark Tollefson, Undersecretary, California State Transportation Agency
Carlos Quant, Deputy Secretary for Budget and Administration, California State
Transportation Agency
Steve Gordon, Director, Department of Motor Vehicles
Lee Scott, Chief Budget Officer, Department of Motor Vehicles

2740-495—Reversion, Department of Motor Vehicles. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

(1) Up to \$9,812,000 of the amount appropriated for increased availability of commercial drive tests to support port and supply chain resiliency in Item 2740-031-0001, Budget Act of 2023 (Chs. 12 and 38, Stats. 2023).



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Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Addition of Budget Bill Item 2740-496, Capital Outlay, and Statutory Changes,
Department of Motor Vehicles**

San Francisco: Field Office Replacement—It is requested that Item 2740-496 be added to revert \$41,654,000 Public Buildings Construction Fund for the design-build phase of this project (see Attachment 1). It is further requested that statutory changes be added to allow the Department of Motor Vehicles to proceed with a build-to-suit lease for the San Francisco Field Office replacement project as part of a greater mixed-use project that will include affordable housing (see Attachment 2).

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 Randall Katz, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW
Director
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/s/ Erika Li

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Steve Gordon, Director, Department of Motor Vehicles
Lee Scott, Chief Budget Officer, Department of Motor Vehicles

2740-496—Reversion, Department of Motor Vehicles. As of June 30, 2024, 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.

0660—Public Buildings Construction Fund

(1) Item 2740-301-0660, Budget Act of 2023 (Chs. 12 and 38, Stats. 2023)

(1) 0006796-San Francisco: Field Office Replacement

(a) Design-build

Government Code Section 14669.24 is added to the Government Code, to read:

Proposed 14669.24:

- (a) The Department of General Services, with the consent of the Department of Motor Vehicles, may enter into a lease-purchase agreement, or lease with an option to purchase agreement, for a build-to-suit office facility to replace the Motor Vehicle field office in the City and County of San Francisco. The new facility shall be located on approximately 2.5 acres and shall be designed and built to standards typical for a Motor Vehicle field office. This project is intended to be a mixed-use development, including or integrating affordable housing into the property. The development shall have oversight, testing, and inspection in a manner consistent with state infrastructure projects. The facility shall be anticipated to contain approximately 20,000 square feet of office space together with ancillary improvements to include, but not be limited to, a drive-test area, parking, site work, and fencing, along with affordable housing.
- (b) Any lease and all related agreements authorized by this section are subject to Department of Finance approval, the legislative notice requirements prescribed in Section 13332.10, and the Property Acquisition Law (Part 11 (commencing with Section 15850)).