



MAR 29 2007

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair  
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Items 2100-001-3036 and 2100-495, Support and Reversion, Alcohol Beverage Control**

**Budget Year Augmentation of the Alcohol Beverage Control Fund for Completion of the Licensing and Compliance System Project (Issue 005)**—Alcohol Beverage Control (ABC) requests to increase its expenditure authority by \$1,524,000 to complete work on the Licensing and Compliance System project, which will serve as an update to ABC's existing automated process for accepting and processing liquor license applications. The project was delayed as a result of civil litigation filed by a vendor after the initial bid process.

**Alcohol Beverage Control Fund Current Year Reversion (Issue 006)**—Alcohol Beverage Control requests Reversion language presently contained in Item 2100-495 be amended to reflect an update of the revised contract sum and schedule changes involved in the completion of the Licensing and Compliance System project. The proposed revised Budget Bill language is as follows:

"2100-495—Reversion, Department of Alcoholic Beverage Control. As of June 30, 2007, the amounts specified below of the appropriation provided for in the following citation shall revert to the balance of the fund from which the appropriation was made:

3036—Alcohol Beverage Control Fund  
(1) Item 2100-001-3036, Budget Act of  
2006 (Chs. 47 and 48, Stats. 2006)  
(1) 10.10-Licensing.....548,000 792,000  
(2) 10.20-Compliance.....506,000 732,000"

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 Chris Hill, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL C. GENEST  
Director  
By:

/s/ Vincent P. Brown

VINCENT P. BROWN  
Chief Deputy Director

Attachment

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzoia, Staff Director  
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review  
Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Mark Leno, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Roger Niello, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4  
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4  
Ms. Elizabeth Hill, Legislative Analyst (4)  
Ms. Diane Cummins, Senate President pro Tempore's Office  
Mr. Craig Cornett, Assembly Speaker's Office (2)  
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office  
Mr. Dennis Clear, Deputy Director, Alcohol Beverage Control  
Ms. Nida Tucker, Budget Officer, Alcohol Beverage Control



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**Amendment to Budget Bill Item 2600-001-0046, and Addition of Various Items, Support, California Transportation Commission**

It is requested that \$584,000 and 5.0 positions be added for administration of Proposition 1B bond programs, including the State Transportation Improvement Program, the State Highway Operation and Protection Program, Local Transit, Local Streets and Roads, State-Local Partnership, Grade Separations, State Route 99, and Local Seismic Retrofit. It is requested that Item 2600-001-0046 be amended to reflect the addition of the following new items:

- Item 2600-001-6058      \$220,000
- Item 2600-001-6059      \$50,000
- Item 2600-001-6060      \$111,000
- Item 2600-001-6062      \$12,000
- Item 2600-001-6063      \$40,000
- Item 2600-001-6064      \$111,000
- Item 2600-001-6065      \$40,000

In addition, it is requested that the following provisional language be added to Item 2600-001-0046:

1. Upon order of the Director of Finance funds may be transferred between Items 2600-001-6058, 2600-001-6059, 2600-001-6060, 2600-001-6062, 2600-001-6063, 2600-001-6064, and 2660-001-6065 in order to better meet program oversight needs as programs proceed through the implementation process.

It is also requested that the following provisional language be added to the new items referenced above:

1. Provision 1 of Item 2600-001-0046 also applies to this item.

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 Monroe, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

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Honorable Mike Feuer, Chair, Assembly Budget Subcommittee No. 5  
Ms. Elizabeth Hill, Legislative Analyst (4)  
Ms. Diane Cummins, Senate President pro Tempore's Office  
Mr. Craig Cornett, Assembly Speaker's Office (2)  
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office  
Mr. John Barna, Executive Director, California Transportation Commission  
Ms. Maura Twomey, Deputy Director, California Transportation Commission



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Honorable John Laird, Chair  
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to and Addition of Various Budget Bill Items, Support and Capital Outlay,  
Department of Transportation**

It is requested that the following changes be made to the items identified below:

**Pavement Preservation and Maintenance (Issue 102)**—The Department of Transportation (Caltrans) requests position authority for 55 positions and to redirect \$5,328,000 from operating expenses to personal services. This funding is included in the \$85.0 million proposed for pavement maintenance contracts in Item 2660-001-0042.

**Project Resourcing and Schedule Management System (Issue 103)**—Add Item 2660-492 reappropriating the remaining balance of the \$11,572,000 necessary to complete the Project Resourcing and Schedule Management System. This project would allow improved reporting and scheduling of transportation projects, and enable Caltrans to meet statutory project reporting requirements. Bids for the project were submitted in September 2006. However, by November 2006 the Department of General Services disqualified all bidders. The availability of these funds will enable Caltrans to complete the procurement process for a previously authorized project and approve a competitively bid vendor. Caltrans now believes that it will be able to re-bid the project and award a contract as early as July 2007, because the vendors have indicated their readiness to submit final proposals. The specific amendment is proposed in the following language:

2660-492—Reappropriation, Department of Transportation. The amounts specified in the following citations are reappropriated for the purposes provided for in the appropriations and are available for encumbrance or expenditure until June 30, 2008.

0042—State Highway Account, State Transportation Fund.

(1) Item 2660-001-0042, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 2660-492, Budget Act of 2002 (Ch. 379, Stats. 2002), Budget Act of 2003 (Ch. 157, Stats. 2003), Budget Act of 2004 (Ch. 208, Stats. 2004), Budget Act of 2005 (Ch. 38, Stats. 2005), Budget Act of 2006 (Ch. 47 and 48, Stats. 2006), 20.10-Highway Transportation-Capital Outlay Support, up to \$7,057,000 shall be available for the Project Resourcing and Schedule Management System.

(2) Item 2660-001-0042, Budget Act of 2006 (Ch. 47 and 48, Stats. 2006), 20.10-Highway Transportation-Capital Outlay Support, up to \$4,515,000 shall be available for the Project Resourcing and Schedule Management System.

**Budget Bill Language to Track Tribal Gaming Revenue Expenditures (Issue 108)**—Amend Provision 5 of Item 2660-302-0042 to clarify that expenditure of tribal gaming revenues be tracked separately:

"Provision 5. The funds appropriated in this item include \$100 million attributable to the tribal gaming revenue collected and deposited in the State Highway Account pursuant to Section 63048.65 of the Government Code. These funds shall only be available for pavement rehabilitation projects programmed in the State Highway Operation and Protection Program (SHOPP), and shall not supplant any other funding available for SHOPP. ~~The authority referenced in this provision may be transferred to Schedule (7) of Item 2660-001-0042 to be used exclusively for pavement maintenance upon approval by the Department of Finance, provided the proposed use is consistent with the forthcoming statewide pavement plan that will be completed by the Department by April 1, 2007.~~ The first \$100 million of the SHOPP projects allocated using the appropriation provided by this item shall be funded from tribal gaming revenue deposited into the State Highway Account. The Department shall monitor the allocation and expenditure of these funds and report on their status upon request of the Department of Finance."

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 Monroe, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzoia, Staff Director  
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review  
Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Mark Leno, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Roger Niello, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4  
Honorable Mike Feuer, Chair, Assembly Budget Subcommittee No. 5  
Ms. Elizabeth Hill, Legislative Analyst (4)  
Ms. Diane Cummins, Senate President pro Tempore's Office  
Mr. Craig Cornett, Assembly Speaker's Office (2)  
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office  
Ms. Sally Lee, Acting Chief Fiscal Officer, Business, Transportation and Housing Agency  
Mr. Jim Bourgart, Deputy Secretary, Business, Transportation and Housing Agency  
Mr. Dale Bonner, Secretary, Business, Transportation and Housing Agency  
Ms. Cindy McKim, Chief Financial Officer, Department of Transportation  
Ms. Norma Ortega, Budget Division Chief, Department of Transportation



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Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair  
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Item 2665-001-0046, and Addition of Budget Bill Items 2665-490, and 2665-491, Support, High-Speed Rail Authority**

It is requested that the following changes be made to the items identified below:

**Los Angeles-to-Anaheim (Issue 107)**—Increase Item 2665-001-0046 reimbursement authority by \$3.5 million to revise and extend the environmental impact report/environmental impact statement for the Orange County portion of the Los Angeles-to-Anaheim segment of the high-speed rail system. These funds will be provided by the Orange County Transportation Authority.

**Financing Plan (Issue 108)**—Request reappropriation of \$255,000 from Item 2665-001-0046, Budget Act of 2006, to complete the Financing Plan for the high-speed rail system. Completion of the Financing Plan was delayed pending completion by the Bay Area Metropolitan Transportation Commission of a ridership and revenue survey. This information would be useful to determine if any alternative capitalization scheme is viable.

**Altamont Pass (Issue 109)**—Request reappropriation of \$280,000 from Item 2665-001-0046, Budget Act of 2005, to complete the next-tier environmental impact report/environmental impact statement (EIR/EIS) for the Bay Area-Central Valley (Altamont Pass) segment of the high-speed rail system. This is critical because if the EIR/EIS is not completed, the High-Speed Rail Authority will not be able to select a preferred route between the Bay Area and the Central Valley. The completion of the EIR/EIS was delayed pending completion by the Bay Area Metropolitan Transportation Commission of the ridership and revenue survey.

It is requested that the following reappropriation be added:

2665-490—Reappropriation, California High-Speed Rail Authority. The balance of the appropriation provided for in the following citation is reappropriated for the purposes provided for in that appropriation and shall be available for encumbrance or expenditure until June 30, 2008:

0046—Public Transportation Account, State Transportation Fund

- (1) Item 2665-001-0046, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (2) Item 2665-001-0046, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).



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 Monroe, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

Attachment

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Honorable Mark Leno, Chair, Assembly Appropriations Committee  
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Honorable Roger Niello, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4  
Honorable Mike Feuer, Chair, Assembly Budget Subcommittee No. 5  
Ms. Elizabeth Hill, Legislative Analyst (4)  
Ms. Diane Cummins, Senate President pro Tempore's Office  
Mr. Craig Cornett, Assembly Speaker's Office (2)  
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office  
Mr. Mehdi Morshed, Executive Director, High Speed Rail Authority  
Ms. Carrie Pourvahidi, Deputy Director, High Speed Rail Authority



MAR 20 2007

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair  
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Item 2720-001-0044, Support, California Highway Patrol**

It is requested that the following changes be made to the items identified below:

**Area Office Replacement (Issue 001)**—Increase Item 2720-001-0044 by \$2,399,000 to fund the Department of General Services (DGS) site acquisition and associated costs to replace three area offices located in Mojave, Fresno, and Grass Valley. The California Highway Patrol (CHP) maintains 102 field offices that support the department's road patrol operations. These three offices are undersized and do not meet the departments operational needs. Based on an economical analysis prepared by DGS, private sector development, lease with an option to purchase is the lowest cost alternative to deliver these projects. CHP estimates \$5.5 million in one-time costs in 2008-09 and \$3.6 million in estimated lease payments commencing in 2010-11.

**Statewide Officer Staffing-Phase 2 (Issue 002)**—Decrease Item 2720-001-0044 by \$1,119,000 to reflect corrected overtime, vehicle operations and general expense costs. The proposal to add 120 officers overstated cadet overtime by \$569,000, vehicle operations by \$350,000, and general expense by \$200,000. This change maintains adequate funding for the staffing proposal.

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 Kathryn Amann, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL C. GENEST  
Director  
By:

/s/ Vincent P. Brown

VINCENT P. BROWN  
Chief Deputy Director

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-2-

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Ms. Diane Cummins, Senate President pro Tempore's Office  
Mr. Craig Cornett, Assembly Speaker's Office (2)  
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office  
Mr. M.L. Brown, Commissioner, California Highway Patrol  
Ms. Terrie Watson, Budget Manager, California Highway Patrol  
Ms. Susan Lee, Acting Principal Fiscal Officer, Business, Transportation and Housing  
Agency



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Honorable John Laird, Chair  
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Items 2740-001-0042, 2740-001-0044, 2740-001-0064, 2740-001-0890, Reimbursements, and Addition of Item 2740-490, Support, Department of Motor Vehicles**

It is requested that the following changes be made to the items identified below:

**Reappropriate Funds for Remittance System Replacement (Issue 001)**—Reappropriate up to \$5,405,000 of the unencumbered balance in Item 2740-001-0044, Budget Act of 2006 to replace and update the remittance system. Due to delays in the procurement process, the contract is now expected to be awarded in July 2007.

**Commercial Drivers License Program Improvements (Issue 002)**—Increase Item 2740-001-0890 by \$774,000 and amend Item 2740-001-0044 to provide federal funding to implement a separate test environment for the Commercial Drivers License Information System to conduct the testing needed to meet federal Motor Carrier Safety Improvement Act requirements. In 2006, the federal Motor Carrier Safety Administration issued a preliminary noncompliance finding to California. Instituting the separate testing environment will enable the Department of Motor Vehicles (DMV) to conduct the required test while maintaining ongoing services to the commercial trucking industry in California.

**New and Replacement Field Offices (Issue 004)**—Increase Items 2740-001-0042, 2740-001-0044, and 2740-001-0064 by \$151,000, \$1,609,000, and \$1,112,000, respectively, for a total of \$2,872,000 in one-time costs for new facilities for the Department of General Services (DGS) acquisition and related costs. Costs for 2008-09 are estimated to be \$7.8 million in one-time costs for DGS management of the projects and \$787,000 for two months rent; annual lease costs are estimated to be \$ 4.7 million in 2009-10. This request will fund new field offices in Lincoln Park and Thousand Palms, and replace existing field offices in Lodi and South Stockton through build-to-suit, lease purchase option projects. The use of leases and build-to-suit projects for these field offices will provide for timely deployment of the new field offices to relieve overcrowding.

**Senior Driver Ombudsperson Program (Issue 006)**—Amend Item 2740-001-0044 by increasing Reimbursements by \$837,000 to add nine positions for nine months (6.5 PYs) for a Senior Driver Ombudsperson program to improve driver safety and enhance service to senior drivers. The DMV has received approval of an Office of Traffic Safety grant to run this program from October 2007 through September 2010. The program will assist the DMV in fulfilling its goal to keep all drivers licensed as long as they are physically, mentally, and skillfully capable of driving.

**Performance and Registration Information System Management (PRISM) (Issue 011)**—Increase Item 2740-001-0890 by \$111,000 and amend Item 2740-001-0044 to continue development of this system to implement the International Registration Plan, which allows interstate carriers to pay apportioned registration fees based on mileage driven within California. DMV plans to use \$500,000 in federal grants over a three year period for this project (\$111,000 in 2006-07, \$175,000 in 2007-08, and \$215,000 in 2008-09). Since the project was initiated, Chapters 169 and 288, Statutes of 2006, have expanded the project by requiring that the United States Department of Transportation and taxpayer identification numbers be included in the system and require DMV to suspend registrations when out-of-service orders are issued. Because it is unlikely that DMV can procure the project contractor during the current fiscal year, DMV is seeking to increase its budget year authority by \$111,000.

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 Kathryn Amann, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

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Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office  
Mr. Dale E. Bonner, Secretary, Business, Transportation and Housing Agency  
Mr. George Valverde, Director, Department of Motor Vehicles  
Ms. Jean M. Shimoto, Chief Financial Officer, Department of Motor Vehicles  
Ms. Susan Lee, Acting Principal Fiscal Officer, Business, Transportation and Housing Agency



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Honorable John Laird, Chair  
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Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Items 2740-301-0042, 2740-301-0044, and 2740-301-0064,  
Capital Outlay, Department of Motor Vehicles**

It is requested that the following items be increased by a total of \$309,000; Item 2740-301-0042 be increased by \$16,000, Item 2740-301-0044 be increased by \$173,000, and Item 2740-301-0064 be increased by \$120,000 to fund preliminary plans for the reconfiguration of the Stockton field office to house a new Driver Safety Office. The remaining project costs to be funded in future budget years are \$3,018,000.

In order to properly serve customers in Stockton and the surrounding areas, the Department is proposing to relocate the Stockton field office into a new leased facility and reconfigure the existing facility into a Driver Safety Office. Driver Safety Offices evaluate high risk drivers such as drunken driving offenders and those affected by disabilities or old age. This project will reduce the number of miles traveled by these high risk drivers, as the Sacramento field office currently serves the Stockton area. In addition, this change will shift workload from Sacramento to Stockton, allowing the Sacramento field office to further meet the needs of commercial customers in Sacramento by expanding its Business Services Center. These various shifts of workload are the beginning of a customer realignment strategy that relocates and streamlines services to meet customer needs. Finally, this project will extend the useful life of the 43-year old facility by addressing several infrastructure deficiencies and streamlining the interior workspace for maximum efficiency.

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 Theresa Gunn, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL C. GENEST  
Director  
By:

/s/ Vincent P. Brown

VINCENT P. BROWN  
Chief Deputy Director

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Mr. George Valverde, Director, Department of Motor Vehicles  
Ms. Jean Shiimoto, Chief Financial Officer, Department of Motor Vehicles  
Mr. John Hansen, Facilities Director, Department of Motor Vehicles