



APR 01 2008

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 2100-001-3036 and Addition of Item 2100-495, Support,
Alcoholic Beverage Control**

Licensing and Compliance System Project (Issue 012)—The Department of Alcoholic Beverage Control (ABC) requests an increase in expenditure authority by \$1,131,000 to complete work on the Licensing and Compliance System project, which will serve as an update to the existing automated process for accepting and processing liquor license applications. The project was delayed as a result of a contract dispute with the vendor. A like amount will be reverted in the current year budget reflecting the delay.

Alcoholic Beverage Control Fund Current Year Reversion (Issue 013)—The ABC requests the addition of reversion language Item 2100-495 to reflect schedule changes involved in the completion of the Licensing and Compliance System project. The proposed item is as follows:

2100-495—Reversion, Department of Alcoholic Beverage Control. As of June 30, 2008, the amounts specified below, of the appropriation provided in the following citations, 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 2007 (Chs. 171 and 172, Stats. 2007)
 - (1) 10.10-Licensing.....611,000
 - (2) 10.20-Compliance.....520,000

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

APR 01 2008

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 Bob Dutton, 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. Steve Hardy, Director, Department of Alcoholic Beverage Control
Mr. Ed Jimenez, Deputy Director, Administration, Department of Alcoholic Beverage Control
Ms. Nida Tucker, Budget Officer, Department of Alcoholic Beverage Control



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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 2150-001-0298, Support, Department of Financial Institutions

Increased Supervision of Money Transmitters (Issue 101)

It is requested that Item 2150-001-0298 be increased by \$1,030,000 and 9.0 positions on a three-year limited-term basis to address examination workload increases in the Transmitters of Money Abroad (TMA) Program.

The TMA industry is considered to be a "high risk" industry, because unlike banks and credit unions, they are not insured or federally regulated. Therefore, the Department of Financial Institutions (DFI) is solely responsible for regulatory oversight and supervision of this industry in the state. The DFI has recently been unable to meet examination cycles of its licensees due to a tremendous growth in the number of licensees and agents, increased enforcement actions, an increased number of poorly rated licensees, and the necessity for additional supervision due to anti-money laundering and terrorist financing regulations.

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: On following page

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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
Ms. Karin Fish, Deputy Secretary, Business, Transportation and Housing Agency
Ms. Carol Chesbrough, Interim Commissioner, Department of Financial Institutions
Ms. Dawne Bortolazzo, Budget Officer, Department of Financial Institutions



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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 2240-001-0001, 2240-001-0245, and 2240-001-0648, Support, and Budget Bill Items 2240-101-0001 and 2240-101-0890, Local Assistance, Department of Housing and Community Development

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

Mobilehome Park Local Code Enforcement—Increase Item 2240-001-0245 by \$449,000 and Item 2240-001-0648 by \$112,000 and that Item 2240-001-0001 be amended to reflect this change to provide additional enforcement staff in the event a local code enforcement agency returns Mobilehome Park Act (Act) enforcement responsibilities to the Department of Housing and Community Development (Department). The Department is required to enforce the Act when local governments return jurisdiction to the state.

Office of Migrant Services—Increase Item 2240-101-0890 by \$1.8 million and that Item 2240-101-0001 be amended to reflect this change to provide additional federal fund authority in anticipation of awards from federal grants for the Office of Migrant Services Program to rehabilitate state-owned Office of Migrant Center facilities.

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/ Fred Klass

VINCENT P. BROWN
Chief Deputy Director

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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. Dale Bonner, Secretary, Business, Transportation and Housing Agency
Ms. Karin Fish, Deputy Secretary for Administration, Business, Transportation, and
Housing Agency
Ms. Lynn Jacobs, Director, Department of Housing and Community Development
Mr. Elliott Mandell, Chief Deputy Director, Department of Housing and Community
Development



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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 Various Budget Bill Items, Support, California Transportation Commission

Air Quality Review of Proposition 1B work (Issue 101)—It is requested that the California Transportation Commission be reduced by \$30,000 by eliminating \$130,000 and 1.0 position for the administration of Proposition 1B bond programs and adding \$100,000 for contract services in order to provide the expertise to review Trade Corridor Improvement Program projects to determine that they meet air quality requirements. This is necessary to acquire the needed expertise quickly for this limited-duration work. It is requested that Item 2600-001-0046 be amended to reflect the changes in the following items:

Item 2600-001-6056	\$100,000
Item 2600-001-6058	-\$55,000
Item 2600-001-6060	-\$27,000
Item 2600-001-6062	-\$3,000
Item 2600-001-6063	-\$9,000
Item 2600-001-6064	-\$36,000

Financial Review of Hot Lane Program Applications (Issue 104)—It is requested that Item 2600-001-0042 be increased by \$100,000 and that Item 2600-001-0046 be amended for a two-year limited-term to contract with financial consultants to review the financial components of high-occupancy toll lane applications submitted pursuant to current statute.

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

APR 01 2008

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/ Fred Klass

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Dutton, 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
Mr. John Barna, Executive Director, California Transportation Commission



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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 and Addition of Various Budget Bill Items, Support, Local Assistance, and Capital Outlay, Department of Transportation

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

Integrated Financial Management System (IFMS) (Issue 101)—Increase Item 2660-001-0042 by \$356,000 to augment existing resources for the development and installation of the IFMS, resulting from increases in workload due to delays in software procurement and additional software and support costs.

Americans with Disabilities Act (ADA) Compliance Plan (Issue 102)—Increase Item 2660-001-0042 by \$3,793,000 for 2.0 two-year limited-term positions and contract resources to secure outside counsel for a pending ADA-related lawsuit, update Caltrans' 10-year Transition Plan, and respond to an increasing number of ADA discrimination and nondiscrimination complaints.

Construction Management System (CMS) (Issue 103)—Decrease Item 2660-001-0042 by \$10,442,000 and 7.0 positions and delay the use of those resources to future years to implement a CMS, which has been delayed in the procurement process.

Proposition 1B Administration Costs (Issue 104)—Caltrans requests \$2,770,000 and 18.0 positions for a two-year limited-term to fund workload increases associated with administering the Trade Corridors Improvement Program and the State and Local Partnership Program, negotiating contracts with railroads, and website work associated with publishing information on the use of bond funds. It is requested that Item 2660-001-0042 be amended to reflect the changes in the following items:

Increase Item 2660-004-6055 by	\$46,000
Increase Item 2660-004-6056 by	\$2,093,000
Increase Item 2660-004-6058 by	\$21,000
Increase Item 2660-004-6059 by	\$94,000
Increase Item 2660-004-6060 by	\$496,000
Increase Item 2660-004-6062 by	\$1,000
Increase Item 2660-004-6063 by	\$2,000
Increase Item 2660-004-6064 by	\$8,000
Increase Item 2660-004-6072 by	\$9,000

Roadway Design Software (Issue 105)—Increase Item 2660-001-0042 by \$200,000 to fund the replacement of existing roadway design software that is no longer being updated and will not be supported by the vendor. The total project will include one-time costs of \$10,361,000 over six years and a permanent annual cost of \$2,150,000 for maintenance and support beginning in fiscal year 2014-15.

Intercity Passenger Rail Service (Amtrak) (Issue 106)—Increase Item 2660-001-0046 by \$6,648,000 to fund increased contract costs associated with Amtrak’s increased labor costs for providing intercity rail service on the three state-supported routes. It is requested that Provision 1 of Item 2660-001-0046 be amended as follows:

Item 2660-001-0046

Provisions:

- “1. For Program 30-Mass Transportation, ~~\$79,690,027~~ \$86,338,027 appropriated in this item is available for intercity rail.”

Aircraft Replacement (Issue 109)—Add Item 2660-002-0041 for \$1,560,000 on a one-time basis to replace the older of Caltrans’ two aircrafts. The use of funds for this purpose will constitute a loan from funds available for local assistance and will be repaid over a 10-year period with annual installments of \$156,000 reduced from this item. It is requested that Item 2660-002-0041 be added as follows:

Item 2660-002-0041-----For support of Department of Transportation, to fund loan, debt service, or other financing related costs for the replacement of aircraft..... 1,560,000

Provisions:

- 1. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for encumbrance or expenditure until expended.

Pavement Management Program (Program) (Issue 110)—Increase Item 2660-001-0042 by \$4,212,000 to develop a state highway pavement management program. The program will provide a statewide pavement structure inventory and an annual pavement condition survey to help prioritize highway repair projects and improve long-term pavement quality within existing funds. The total project will include one-time costs of \$19,620,000 over three years.

Transportation Permits Management System (TPMS) (Issue 111)—Decrease Item 2660-001-0042 by \$551,000 to remove ongoing system maintenance and operation costs for the TPMS project that has been discontinued.

Proposition 1B State Transportation Improvement Program (STIP) Funding (Issue 112)—Decrease Item 2660-104-6058 by \$30,780,000 and Item 2660-304-6058 by \$150,260,000 to reflect the rescheduling of these STIP expenditures to 2007-08.

Budget Authority for Federal Grant Anticipation Revenue Vehicles (GARVEE) Debt Service (Issue 113)—Add Item 2660-002-0890 for \$181,200,000 for debt service payments and related financing costs associated with the issuance of GARVEE bonds. It is requested that Item 2660-002-0890 be added as follows:

Item 2660-002-0890-----For support of Department of Transportation, for debt service requirements and other financing related costs for federal Grant Anticipation Revenue Vehicles (GARVEE) issued in fiscal year 2008-09, payable from the Federal Trust Fund.....181,200,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for encumbrance or expenditure until expended.
2. Notwithstanding Section 28.00, upon approval of the Department of Finance, this item may be augmented if additional funds are necessary to meet debt service and other requirements related to the fiscal year 2008-09 GARVEE issuance.
3. The appropriation in this item reflects, in part, the pledge made by the California Transportation Commission in accordance with Section 14553.7 of the Government Code in connection with the GARVEE bonds issued in fiscal year 2008-09.
4. Funds appropriated in this item are in lieu of the amounts that have been appropriated pursuant to Section 14554.8 of the Government Code.

Project Resourcing and Schedule Management System (PRSM) (Issue 114)—Add Item 2660-492 to reappropriate the remaining balance of the \$11,572,000 appropriation necessary to complete the PRSM. The availability of these funds will enable Caltrans to avoid project delays should a contract not be signed prior to June 30, 2008. The specific language is proposed as follows:

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, 2009.

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 (Chs. 47 and 48, Stats. 2006), Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), 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 (Chs. 47 and 48, Stats. 2006), Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), 20.10-Highway Transportation-Capital Outlay Support, up to \$4,515,000 shall be available for the Project Resourcing and Schedule Management System.

Technical Corrections to the Governor’s Budget (Issue 115)—The following technical adjustments are necessary to appropriately schedule the funding for various programs:

- Decrease Item 2660-001-0042 by \$11,166,000
- Increase Item 2660-001-0046 by \$3,470,000

One-time funding of \$3,142,000 added in the 2007 Budget Act for the IFMS program was not deleted in the Governor's Budget and an adjustment of \$8,024,000 was entered twice for the IFMS program resulting in a change of \$11,166,000. A one-time augmentation of \$3,470,000 for the increase in scheduled workload costs for the passenger rail equipment rebuild and overhaul was inadvertently omitted in the Governor's Budget.

Passenger Rail Equipment Rebuild and Overhaul (Issue 116) —Add Item 2660-490 to reappropriate \$5,578,000 for continuation of the federally-mandated rebuild and overhaul of Caltrans' passenger rail cars that cannot be accomplished in 2007-08. It is requested that Item 2660-490 be added as follows:

2660-490—Reappropriation, Department of Transportation. The amount of \$5,578,000 as specified in the following citation is reappropriated for the purpose provided for in the appropriation and is available for encumbrance or expenditure until June 30, 2009.

0046—Public Transportation Account, State Transportation Fund.

(1) Item 2660-001-0046, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005) Program 30-Mass Transportation for intercity rail.

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/ Fred Klass

VINCENT P. BROWN

Chief Deputy Director

Attachment

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Attention: Mr. Bob Franzoia, Staff Director
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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. Cindy McKim, Chief Financial Officer, Department of Transportation
- Ms. Norma Ortega, Budget Division Chief, Department of Transportation



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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 and Addition of Item 2720-495, Support,
Department of the California Highway Patrol**

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

Tracy Area Command Office (Issue 001)—Add provisional language to Item 2720-001-0044 to authorize the Department of General Services to enter into a long-term lease with purchase option for the replacement of the Tracy Area Command Office. (See Attachment A)

Bakersfield Area Command Office (Issue 002)—Increase Item 2720-001-0044 by \$1,860,000 to contract with the Department of General Services (DGS) for locating a replacement site, and add provisional language to authorize DGS to enter into a long term lease with purchase option for a new Bakersfield Area Command Office. (See Attachment A)

Inland Empire Traffic Management Center (Issue 003)—Decrease Item 2720-001-0044 by \$321,000 because a less costly alternative has been identified for rerouting of the radio microwave path.

Reduction to Officer Staffing Request (Issue 004)—Reduce 2720-001-0044 by \$634,000 to correct the calculation of benefit costs for the officer staffing augmentation request.

Computer Aided Dispatch System (Issue 005)—Add Item 2720-495 to revert \$6,661,000 in Item 2720-001-0044 of the Budget Act of 2007, to reflect cost savings due to schedule delay in the Computer Aided Dispatch System project.

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

APR 01 2008

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/ Fred Klass

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. Dale Bonner, Secretary, Business, Transportation and Housing Agency
Mr. Joseph Farrow, Commissioner, Department of the California Highway Patrol

Add Provision 4 to Item 2720-001-0044:

4. 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 facility to replace the Tracy Area Command Office and the Bakersfield Area Command Office, subject to Department of Finance approval of the terms and conditions of the agreement. Thirty days prior to entering into any agreement, the Department of General Services shall notify the chairperson of the committee in each house which considers appropriations and the Joint Legislative Budget Committee of terms and conditions of the agreement. If the Joint Legislative Budget Committee does not express any opposition or concerns, the Department of General Services may proceed with the agreement 30 days after giving notice.



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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 2740-001-0044, 2740-001-0042, 2740-001-0054, and 2740-001-0064, and Addition of Budget Bill Item 2740-495, Support, Department of Motor Vehicles

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

Vehicle Registration Financial Responsibility (Issue 001)—Increase Items 2740-001-0044, 2740-001-0054, and 2740-001-0064 by \$2,143,000, \$213,000, and \$1,535,000, respectively, for a total of \$3,891,000 to shift the operation of the Vehicle Registration Financial Responsibility program established under Chapter 920, Statutes of 2004 (SB 1500) from a contractor to the Department of Motor Vehicles, as previously planned.

Rancho Cucamonga Field Office (Issue 002)—Increase Items 2740-001-0044, 2740-001-0042, and 2740-001-0064 by \$1,255,000, \$125,000, and \$899,000, respectively, for a total of \$2,279,000 to establish a replacement field office in Rancho Cucamonga. Add Budget Bill language to authorize the Department of General Services to enter into a long term lease for development of a replacement field office on a state site by a private developer. (See Attachment 1)

Facility Lease Delay (Issue 003)—Decrease Items 2740-001-0044, 2740-001-0042, and 2740-001-0064 by \$1,951,000, \$183,000, and \$1,348,000, respectively, and revert \$2,804,000, \$263,000, and \$1,939,000 in Items 2740-001-0044, 2740-001-0042, and 2740-001-0064, respectively, of the Budget Act of 2007. Delay in occupying various leased facilities approved in the 2007 Budget Act has resulted in rent savings in current and budget years.

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

APR 01 2008

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/ Fred Klass

VINCENT P. BROWN

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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. Dale Bonner, Secretary, Business, Transportation and Housing Agency
Mr. George Valverde, Director, Department of Motor Vehicles

APR 01 2008

Attachment 1

Add Provisional Language to Item 2740-001-0044:

X. The Department of General Services, with the consent of the Department of Motor Vehicles, may lease or exchange property located at 8629 Hellman Avenue, Rancho Cucamonga for the purpose of development of a replacement field office for use and occupancy by the Department of Motor Vehicles through a lease, lease purchase, purchase of the facility, or other terms determined by the Director of the Department of General Services to be in the best interest of the state. Thirty days prior to entering into any agreement, the Department of General Services shall notify the chairperson of the committee in each house which considers appropriations and the Joint Legislative Budget Committee of terms and conditions of the agreement. If the Joint Legislative Budget Committee does not express any opposition or concerns, the Department of General Services may proceed with the agreement 30 days after giving notice.