



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Items 2660-001-0042, 2660-001-0046 and Reimbursements, Support, Department of Transportation

Legal Division: High Speed Rail Reimbursements—It is requested that Item 2660-001-0042 be amended by increasing reimbursements by \$1,841,000 and 16 limited-term positions to provide additional assistance to the High Speed Rail Authority (Authority). The Department of Transportation's Legal Division assists the Authority with eminent domain and property acquisition services, as well as a broad range of legal services including railroad law.

Amtrak Operating Costs—It is requested that Item 2660-001-0046 be increased by \$7,640,000 to support increased rail service costs. Of the funds requested, \$3.9 million is necessary for operating expenses associated with current intercity passenger rail service operated by Amtrak and \$3,740,000 will be used to expand service on the San Joaquin route. This request conforms to the federal Passenger Rail Investment and Improvement Act of 2008, which requires all short distance Amtrak corridor services to be 100 percent state-supported.

Abolish the Transportation Investment Fund (TIF) and the Pedestrian Safety Account—It is requested that the TIF and the Pedestrian Safety Account be abolished.

- TIF: The elimination of the state's sales tax on gasoline removed the sole funding source for the TIF. Section 7104.4 of the Revenue and Taxation Code states "All remaining obligations of the Transportation Investment Fund as of July 1, 2010 that cannot be funded with resources in that fund shall become obligations of the State Highway Account." The proposed language would complete this transfer of obligation and abolish the now defunct fund (see Attachment 1).
- Pedestrian Safety Account: The account was established to provide grants for pedestrian safety projects and will have no balance as of the end of fiscal year 2014-15. The Active Transportation Program was created in 2013 as a replacement for several programs including this one. The proposed language would eliminate this unnecessary and redundant account which no longer receives any revenue (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 Jaci Thomson, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

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. Seren Taylor, Staff Director
Honorable Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, 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. 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. Norma Ortega, Chief Financial Officer, Department of Transportation
Mr. Steven Keck, Chief, Budgets, Department of Transportation

Attachment 1

Issue #406

Proposed Language to Abolish the Transportation Investment Fund and the Pedestrian Safety Account

SECTION 1 Section 894.7 in Streets and Highways Code is amended to read:

894.7. (a) The department shall make grants available to local governmental agencies based on the results of a statewide competition that requires submission of proposals for funding and rates those proposals on all of the following factors:

(1) Needs of the applicant as demonstrated by a high rate of pedestrian injuries or fatalities.

(2) Potential of the proposal for reducing pedestrian injuries and fatalities.

(3) Potential of the proposal for encouraging increased walking.

(b) Priority for grants shall be given to applicants with the highest pedestrian injury and fatality rates.

(c) Eligible projects may include, but are not limited to, traffic calming measures, intersection safety improvements, traffic signal timing, crosswalk construction or improvements, and any traffic safety or enforcement program authorized by law.

(d) A grant recipient shall engage in public education efforts to encourage pedestrian safety and awareness that may include a pedestrian safety program.

(e) The department shall award the grants as expeditiously as possible.

(f) All assets and liabilities of the Pedestrian Safety Account shall become assets and liabilities of the State Highway Account in the State Transportation Fund before January 1, 2016. This section shall become inoperative on January 1, 2016, and as of July 1, 2016, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2016, deletes or extends the dates on which it becomes inoperative and is repealed.

SECTION 2 Section 7104.4 in Revenue and Taxation Code is amended to read:

~~7104.4. All remaining obligations of the Transportation Investment Fund as of July 1, 2010, that cannot be funded with resources in that fund shall become obligations of the State Highway Account.~~ (a) The State Highway Account in the State Transportation Fund is hereby declared to be the successor account to the Transportation Investment Fund.

(b) All assets and liabilities of the Transportation Investment Fund shall become assets and liabilities of the State Highway Account in the State Transportation Fund before June 30, 2016. This section shall become inoperative on January 1, 2017, and, as of July 1, 2017, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2017, deletes or extends the dates on which it becomes inoperative and is repealed.



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Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 2665-004-6043, Support, High-Speed Rail Authority

Program Management Staffing —It is requested that Item 2665-004-6043 be increased by \$6,617,000 and 35 positions to provide support for management and oversight of the High-Speed Rail project. The positions will perform duties related to right of way acquisition, system design, contract compliance, and other project related activities. This is the budget year component to the increase authorized by Provision 5, of Item 2665-004-6043, Budget Act of 2014.

Project Delivery Positions —It is further requested that Item 2665-004-6043 be increased by \$3,495,000 and 10 positions to reimburse the Department of Transportation for legal support. The High-Speed Rail Authority (Authority) continues to make progress on the delivery of the high-speed rail system as indicated by the recent awarding of the design-build services contract for construction package 2-3 to the Dragados-Flatiron-Shimmick group, and by the release of a Request for Qualifications for a design-build services contract for construction package 4. These advances have increased the Authority's project management, contract oversight, and legal workloads. These positions will address this recently added workload and support the advancement of the project.

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

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

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cc: On following page

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Honorable Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
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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. 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
Mr. Jeff Morales, Director, High Speed Rail Authority
Mr. Russell Fong, Chief Financial Officer, High Speed Rail Authority
Mr. Dennis Trujillo, Chief Deputy Director, High Speed Rail Authority



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Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 2720-001-0044, and Addition of Item 2720-490, Support, California Highway Patrol

Limousine Inspection Program—It is requested that Item 2720-001-0044 be increased by \$383,000 to provide seven mobile office vans for the California Highway Patrol's (CHP) new limousine inspection program, and it is also requested that this item be amended to reflect the redirection of expenditure authority between categories as originally proposed in the Governor's Budget in the amounts of \$207,000 in fiscal year 2015-16 and \$826,000 beginning in 2016-17 to support 7 non-uniformed staff for the program. Chapter 860, Statutes of 2014 requires the CHP to implement a safety inspection program for certain businesses that operate limousines by July 1, 2016. The CHP is required to charge an inspection fee in an amount sufficient to cover the costs to administer the program.

It is also requested that provisional language be added to provide flexibility to the CHP to augment the program based on workload measures if the actual number of limousine vehicle inspections is greater than estimated (see Attachment 1).

Mountain Pass Commercial Vehicle Inspection Facility Staffing—It is further requested that Item 2720-001-0044 be increased by \$1,866,000 to support 24 non-uniformed positions for the new Mountain Pass Commercial Vehicle Inspection Facility. The 24 non-uniformed positions, as well as 25 uniformed positions, will be redirected between programs from position authority originally proposed in the Governor's Budget. Construction for the new Mountain Pass facility is scheduled to be completed in June 2015. It is estimated that the facility will process truck traffic of 1,250,000 vehicles annually.

Reappropriation of Radio Console Replacement Project—It is requested that Item 2720-490 be added to reappropriate \$4,934,000 for the CHP Radio Console Replacement Project (see Attachment 1). This will pay for the pilot program to replace 12 radio dispatch consoles at two communications centers. Due to delays in the procurement process it is necessary to extend the availability of these funds for one year to ensure completion of the replacement project's 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 Jaci Thomson, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

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Chief Deputy Director

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Honorable Reginald Byron Jones-Sawyer, Sr., 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. 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
Mr. J.A. Farrow, Commissioner, California Highway Patrol
Ms. Mieko Epps, Commander, Fiscal Management, California Highway Patrol

Add the following provision to Item 2720-001-0044:

2. The Director of Finance may augment the amount appropriated in Schedule (2) to implement Chapter 860, Statutes of 2014 (SB 611), if it is determined that the California Highway Patrol requires additional resources to implement the statute. The Director of Finance shall authorize the augmentation not sooner than 30 days after notification in writing to the Joint Legislative Budget Committee.

Add Item 2720-490 as follows:

2720-490—Reappropriation, California Highway Patrol. The balances of the appropriations provided in the following citations are reappropriated for the purpose of the Radio Console Replacement Project and shall be available for encumbrance or expenditure until June 30, 2016:

0044—Motor Vehicle Account, State Transportation Fund

(1) Item 2720-001-0044, Budget Act of 2014 (Chapter 25, Statutes of 2014)



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

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Honorable Mark Leno, Chair
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Honorable Shirley Weber, Chair
Assembly Budget Committee

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

**Amendment to Budget Bill Item 2740-001-0044 and Addition of Item 2740-490, Support,
Department of Motor Vehicles**

Information Technology Security Remediation—It is requested that Item 2740-001-0044 be increased by \$2,495,000 and 10 positions to provide resources to allow the Department of Motor Vehicles (DMV) to strengthen the security of its information technology systems. The DMV operates and maintains information systems that contain the private information of millions of Californians. Recent cyber-attacks on private and public sector organizations have highlighted the vulnerability of networked information systems and the public trust challenges that organizations face after these attacks. These resources would allow the DMV to proactively take measures to strengthen its information system defenses to safeguard against attacks that seek to obtain the public's private information stored by the DMV.

Reappropriation of Centralized Customer Flow Management and Appointment System (CCFMAS)—It is requested that Item 2740-490 be added to reappropriate \$9,995,000 for the CCFMAS (see Attachment 1). This will pay for the installation of customer queue management kiosks and related equipment at DMV field offices throughout the state to complete the CCFMAS project to reduce service wait times, improve customer service satisfaction levels and increase operational efficiency. The DMV experienced procurement delays; therefore, it is necessary to extend the availability of these funds for one year to ensure completion of the enhanced 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 Jaci Thomson, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL COHEN

Director

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/s/ Keely M. Bosler

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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
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 Shiomoto, Director, Department of Motor Vehicles
Mr. Hugo Lopez, Chief Deputy Director, Department of Motor Vehicles
Mr. Robert Crockett, Budget Officer, Department of Motor Vehicles

Attachment 1

Add Item 2740-490 as follows:

2740-490—Reappropriation, Department of Motor Vehicles. The balance of the appropriations provided in the following citations are reappropriated for the purpose of the Centralized Customer Flow Management Appointment System and shall be available for encumbrance or expenditure until June 30, 2016:

0044—Motor Vehicle Account, State Transportation Fund

(1) Item 2740-001-0044, Budget Act of 2014 (Chapter 25, Statutes of 2014)