

AGENDA**ASSEMBLY BUDGET SUBCOMMITTEE NO. 4
ON STATE ADMINISTRATION****PART I****Assembly Member Rudy Bermudez, Chair****TUESDAY, MAY 16, 2006
STATE CAPITOL, ROOM 447
1:30 PM**

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CONSENT CALENDAR

ITEM 0100 ASSEMBLY, SENATE, AND LAO

ISSUE 1: BUDGET REVISION

In accordance with the State Appropriations Limit (SAL) the budgets for the the Assembly and the Senate are adjusted slightly. The budget needs to be amended to reduce the Assembly's operating expenses by \$53,000 and the Senate's operating expenses by \$39,000. The LAO's budget remains the same as proposed in the January 10 budget proposal.

ITEM 0160 LEGISLATIVE COUNSEL

ISSUE 1: PROPOSED BUDGET

The budget proposes a total of \$82.7 million for the Legislative Counsel Bureau, virtually all from the General Fund

ITEM 0500 GOVERNOR'S OFFICE

ISSUE 1: PROPOSED BUDGET

The budget proposes a total of \$18.4 million for the Governor's office, all from the General Fund. The Administration has rescinded a trailer bill proposal to establish a statutory growth factor for the Governor's office.

ITEM 0690 **OFFICE OF PLANNING AND RESEARCH****ISSUE 1: REVISED BUDGET**

The revised budget proposes a total of \$48.2 million for the Office of Planning and Research, including a Spring Finance Letter requesting \$1.1 million for the Connecting Californians with Volunteer Opportunities program.

The Senate approved Spring Finance Letter on a two-year limited term basis, with the following budget bill language:

No later than April 1, 2007, the Office of Planning and Research shall report to the Budget Committees of the Legislature on performance indicators for the Online Volunteer Matching Program. This report shall provide a status of the Program using information available to identify the number and name of volunteer programs who received volunteers referred by this system, web site hit count by month, number of posted volunteer opportunities by month, number of first-time volunteers, number of volunteer hours directly attributable to the statewide system, and other measures to fully disclose the impact of the Online Volunteer Matching Program.

ITEM 0750 **LT. GOVERNOR****ISSUE 1: PROPOSED BUDGET**

The budget proposes a total of \$2.8 million for the Office of the Lieutenant Governor.

ITEM 8860 **DEPARTMENT OF FINANCE****ISSUE 1: PROPOSED BUDGET**

The budget proposes a total of \$47.7 million for the Department of Finance. The Senate approved the budget with some clarifying funding source changes and some additional budget bill language regarding the e-budget. The Senate also rejected some trailer bill language relating to the Governor's proposed Strategic Growth Plan.

ITEM 1110-1111 DEPARTMENT OF CONSUMER AFFAIRS (DCA)

**ISSUE 1: ILICENSING PROJECT BUDGET BILL LANGUAGE: SAVINGS
RESULTING FROM ADMINISTRATIVE EFFIECIENCIES ASSOCIATED
WITH THE IMPLEMENTATION OF THE PROJECT**

The Budget Bill language below has been drafted in response to concerns raised about the need to reflect savings resulting from administrative efficiencies associated with the implementation of the iLicensing project. The language requires DCA to take a \$500,000 Department-wide reduction in 2009-10 and ongoing to reflect these efficiencies. The Department of Finance (DOF) Director would propose a 2009-10 budget with the reduction allocated to specific boards and bureaus. This language would also recognize that DCA boards and bureaus may have additional workload needs which could offset the savings, and ensure that they may pursue budget augmentations for these needs through the BCP process, notwithstanding the reduction requirement.

Add the following provision to Item 1111-002-0702:

Provision:

3. In recognition of operational efficiencies resulting from the implementation of the iLicensing information technology project by participating boards, bureaus, and divisions at the Department of Consumer Affairs, an unallocated budget reduction in the amount of \$500,000 (special funds) will be effectuated in FY 2009-10 and ongoing. However, to the extent that additional resources are needed to protect California consumers, boards, bureaus, and divisions may pursue budget augmentations through the annual budget process.

ITEM 1760 DEPARTMENT OF GENERAL SERVICES (DGS)

ISSUE 1: FALL 2005 BUDGET CHANGE PROPOSALS (BCP)S

The Department of General Services administers the State's Seismic Retrofit Program. The department's criteria and evaluation process are used to assess seismic risk and assign priorities for those buildings deemed most vulnerable to a major earthquake.

The DGS has submitted ten capital outlay BCPs for seismic safety-related expenditures for state buildings. Altogether, these BCPs will cost \$3.7 million General Fund in the budget year and commit the state (at least informally) to an estimated \$27.9 million in General Fund expenditures in 2008-09. The following are descriptions of those BCPs and the associated budget year and 2007-08 General Fund commitment (*dollars in thousands*):

- 1. Program Management Services.** The Department of General Services requests \$500,000 from the Earthquake Safety and Public Building Rehabilitation Fund of 1990 (Fund 0768) to administer the Seismic Retrofit Program to administer the State's Seismic Retrofit Program. These staff provides expertise in project management and coordination of projects that are funded by other DGS client departments.

2006-07:	\$0
2007-08:	\$700,000

Amendments to BCP. The 9 structural retrofit projects below represent \$3,667,000 in General Fund. Budget Staff recommends removing the funds associated with the working drawings and recommends approval of the funding for preliminary plans only. This would represent a savings of \$1,925,000.

- 2. California Department of Corrections Jamestown Buildings E and F**

The Department of General Services requests \$224,000 General Fund for preliminary plans and working drawings for the California Department of Corrections Jamestown Buildings E and F. DGS has determined these structures to be seismically deficient.

2006-07:	Preliminary Plans: \$102,000	Working Drawings: \$122,000
2007-08:	\$1,193,000	
- 3. Vacaville Correctional Medical Facility, Wings U, T, and V**

The Department of General Services requests \$855,000 General Fund for preliminary plans and working drawings for the Vacaville Correctional Medical Facility, Wings U, T, and V. DGS has determined these structures to be seismically deficient.

2006-07:	Preliminary Plans: \$403,000	Working Drawings: \$452,000
2007-08:	\$8,756,000	
- 4. Stockton National Guard Armory**

The Department of General Services requests \$370,000 General Fund for preliminary plans and working drawings for the Stockton National Guard Armory. DGS has determined this structure to be seismically deficient.

2006-07:	Preliminary Plans: \$185,000	Working Drawings: \$185,000
2007-08:	\$1,446,000	

5. Vocational Building at the California Correctional Center in Susanville

The Department of General Services requests \$336,000 General Fund for preliminary plans and working drawings for the Vocational Building at the California Correctional Center in Susanville. DGS has determined this structure to be seismically deficient.

2006-07: Preliminary Plans: \$143,000 Working Drawings: \$193,000
2007-08: \$4,862,000

6. California Institute for Women at Frontera, Corona – Walker Clinic

The Department of General Services requests \$391,000 General Fund for preliminary plans and working drawings for the California Institute for Women—Walker Clinic in Corona. DGS has determined these structures to be seismically deficient.

2006-07: Preliminary Plans: \$203,000 Working Drawings: \$188,000
2007-08: \$2,143,000

7. Department of Mental Health Metropolitan State Hospital – Wards 206 and 208 in Norwalk, California

The Department of General Services requests \$460,000 General Fund for preliminary plans and working drawings for the Department of Mental Health Metropolitan State Hospital – Wards 206 and 208 in Norwalk, California. DGS has determined these structures to be seismically deficient.

2006-07: Preliminary Plans: \$215,000 Working Drawings: \$245,000
2007-08: \$3,222,000

8. CDC Tehachapi Chapels Facility (Building H)

The Department of General Services requests \$326,000 General Fund for preliminary plans and working drawings for the Chapels Facility (Building H) at the California Department of Corrections Tehachapi facility. DGS has determined this structure to be seismically deficient.

2006-07: Preliminary Plans: \$160,000 Working Drawings: \$166,000
2007-08: \$1,660,000

9. Department of Veteran's Affairs Yountville East Ward

The Department of General Services requests \$336,000 General Fund for preliminary plans and working drawings for an earthquake retrofit of the East Ward of the Veteran's Home in Yountville. DGS has determined this structure to be seismically deficient.

2006-07: Preliminary Plans: \$141,000 Working Drawings: \$195,000
2007-08: \$2,040,000

10. California Institute for Women at Frontera, Corona-Infirmery Building

The Department of General Services requests \$369,000 for preliminary plans and working drawings for the California Institute for Women Infirmery in Corona. DGS has determined this structure to be seismically deficient.

2006-07: Preliminary Plans: \$190,000 Working Drawings: \$179,000
2007-08: \$1,920,000

COMMENTS:

While these ten BCPs represent a relatively small capital outlay commitment in the budget year, they signal a much greater General Fund commitment in 2007-08 and the years following. According to the Governor's Five-Year Infrastructure Plan, DGS has identified 24 buildings with "critical infrastructure deficiencies." Without the identification of another fund source or adjustment to the current schedule, seismically retrofitting all of these structures will cost \$170 million General Fund over the five-year period.

Prior to these proposals, seismic retrofit projects for state buildings were funded out of proceeds from the 1990 Seismic Bond Act. That bond provided \$250 million in general obligation bonds for the purpose of earthquake safety improvements to state buildings. The bond funds have been depleted to fix the most urgently needed seismic repairs (seismic Levels VI and VII), and now the department plans to continue its retrofit of all Level V buildings.

As noted, these expenditures were included in the Governor's Five-Year Infrastructure Plan and were proposed to be a part of that \$68 billion general obligation bond. With that bond plan apparently suspended, the Legislature faces a large new General Fund commitment for seismic retrofit of state buildings.

The state has made no statutory commitment to completing these seismic retrofit projects by a certain date.

An alternative to funding preliminary plans and working drawings in the same year would be to defer spending on working drawings until 2007-08 or later. There would be no practical impact on completion schedules as working drawings and construction phases can be accomplished in the same year. In the event that bond funding becomes available for 2007-08, perhaps authorized in a November 2006 bond measure, the Legislature could fund working drawings and construction costs out of those bond funds. If working drawings and construction phases were delayed beyond 2007-08, the preliminary plans developed in the budget year would still be used for these projects.

Budget Staff recommends approval of the capital outlay amendments noted above by funding preliminary plans only (a savings of \$1.925 million General Fund) and requestS the Administration report on the outlook for alternative fund sources for later phases of these capital outlay projects.

ISSUE 2: APRIL 1ST DEPARTMENT OF FINANCE (DOF) LETTER: AMENDMENTS TO CAPITAL OUTLAY PROJECTS

In an April 1st letter, the Department of Finance (DOF) proposes the following amendments to the January 10th budget:

1. **Increased Costs for Structural Retrofit of Hospital Building, Wing B at Deuel Vocation Institute.** The Department of General Services requests \$2.58 million (Earthquake Safety Public Building Rehabilitation Fund of 1990) to complete the construction phase of seismic repairs to the Hospital Building, Wing B at Deuel Vocation Institute. The project encountered delays in completing the heating and air conditioning elements of the project, leading to an \$827,000 increase in the construction cost. The \$2.58 million cost includes \$1.753 million in reverted funding, described above.
2. **Re-appropriation of Funding for Structural Retrofit of San Quentin Building 22.** The Department of General Services requests \$1.182 million (Earthquake Safety Public Building Rehabilitation Fund of 1990) to extend the appropriation for the working drawings phase for the structural retrofit of Building 22 at San Quentin State Prison. The project schedule has been extended due to delays in the completion of modular buildings for swing space. The construction contract is expected to be awarded in August 2006.

The following budget bill language would implement this re-appropriation:

1760-491—Reappropriation, Department of General Services. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2007.

0768—Earthquake Safety and Public Building Rehabilitation Fund 1990

(1) Item 1760-301-0768, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by 1760-491, Budget Act of 2005 (Ch. 38/39, Stats. 2005).

*(10) 50.99.079-Department of Corrections, San Quentin, Building 22:
Structural Retrofit—Working drawings*

3. **Reversion of Funding for Structural Retrofit of Hospital Building, Wing B at Deuel Vocation Institute.** The Department of General Services requests to revert \$1.753 million (Earthquake Safety Public Building Rehabilitation Fund of 1990) for the structural retrofit of Hospital Building, Wing B at Deuel Vocation Institute. The project encountered delays in completing the heating and air conditioning elements of the project, leading to an \$827,000 increase in the construction cost. The reverted savings will be added to the \$2.58 million appropriation described below.

The following budget bill language would implement this reversion:

1760-495—Reversion, Department of General Services. As of June 30, 2006, the unencumbered balance of the appropriation provided for in the following citation shall revert to the balance of the fund from which it was made:

0768—Earthquake Safety and Public Building Rehabilitation Fund 1990

(1) Item 1760-301-0768, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by 1760-490, Budget Act of 2005 (Ch. 38/39, Stats. of 2005).

*(3) 50.99.091-California Department of Corrections, DVI, Tracy, Hospital Building:
Structural Retrofit—Construction*

ISSUE 3: APRIL 1ST DOF LETTER: AMENDMENTS TO VARIOUS ITEMS AND ADDITION OF CONTROL SECTION 4.75 (STATEWIDE SURCHARGE)

In an April 1ST letter, the Department of Finance (DOF) proposes the following amendments to the January 10TH budget:

It is requested that an Item 1760-001-0002 be increased by \$607,000, Item 1760-001-0367 be added to appropriate \$50,000, Item 1760-001-0602 be reduced by \$1,341,000, and Item 1760-001-0666 be amended to reflect these changes. It is also requested that Item 1760-001-0666 be increased by 45,575,000 and that Item 1760-101-0022 be reduced by \$19,303,000.

Finally, it is requested that Control Section 4.75 be added to the budget bill. Specifically, these changes are requested as follows:

Nelles Consultant Costs—Increase Item 1760-001-0002 by \$607,000 to provide consulting funds necessary to perform specified activities related to the sale of the Fred C. Nelles facility in Whittier. These funds will be used to hire private consulting services for final activities needed to resolve the sale. This will include environmental reviews, negotiating the purchase agreement, processing entitlements, and working with local stakeholders to facilitate the sale. The Department estimates this sale will be finalized in 2007-08 with revenues of approximately \$106 million.

The following budget bill language would be needed to implement this change:

1760-001-0002--For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Property Acquisition Law Money Account . . . \$3,050,000

Provisions:

1. Of the amount appropriated in this item, ~~\$1,100,000~~ \$1,707,000 is a loan from the General Fund, provided for the purposes of supporting the management of the state's real property assets.

Inspection Verification Services—Add Item 1760-001-0367 to appropriate \$50,000 for construction and inspection verification services at tribal gaming facilities.

The following budget bill language would be added as a new item:

1760-001-0367-For support of the Department of General Services, for payment to Item 1760-001-0666, payable from the Indian Gaming Special Distribution Fund.....\$50,000.

In conjunction with this request, Item 1760-001-0602 would be reduced by \$40,000 to reflect the redirection of 0.3 personnel years from Department of General Services Real Estate Services Division to this activity.

San Quentin Condemned Inmate Complex—Decrease Item 1760-001-0602 by \$1,301,000 and 9.4 personnel years to reflect the revised schedule for this project resulting from delays in construction.

Statewide Child Support Printing—Increase Item 1760-001-0666 by \$4,372,000 for equipment and materials necessary for the Office of State Publishing to implement a centralized print and mail system for the Department of Child Support Services.

Enhanced Wireless 911 Technical Adjustment—Decrease Item 1760-101-0022 by \$19,303,000, due to a technical error in the Governor's Budget. The technical error reflects the inclusion of one-time costs that should have been excluded from the budget year projection. According to the department, this correction will not reduce their ability to meet operational obligations. In addition to this reduction, it is requested that this item be revised to schedule Enhanced Wireless 911 expenditures separately from ongoing base program expenditures.

The following budget bill language makes that change:

*1760-101-0022--For local assistance, Department of General Services, for reimbursement of local agencies and service suppliers or communications equipment companies for costs incurred pursuant to Sections 41137, 41137.1, 41138, and 41140 of the Revenue and Taxation Code, payable from the State Emergency Telephone Number Account . . . 171,573,000 152,270,000
911 Emergency Telephone Number System.....104,523,000
Enhanced Wireless Services.....47,747,000*

Various Departmental Services—Increase Item 1760-001-0666 by \$1,203,000 and 11.6 personnel years for the following:

- \$101,000 for deferred maintenance in the Public Utilities Commission building. This funding will be used to paint the courtyard stairwells at the Edmund G. Brown building in San Francisco.
- \$852,000 and 10.0 positions ongoing for custodial services at the new CalTrans Traffic Management Center.
- \$250,000 (Service Revolving Fund) and 2.2 positions in 2006-07 and \$1.2 million (Service Revolving Fund) and 10.3 positions in 2007-08 for operations and maintenance startup costs in Office Building 10, which will be occupied by the Department of Rehabilitation beginning in 2007-08.

Funds to reimburse the Department of General Services (DGS) for these services are contained within the individual budgets of the client departments.

Statewide Surcharge—Add Control Section 4.75 to allow the Director of Finance to adjust Governor's budget support appropriations to reflect the appropriate surcharge contained in the *Budget Act*. This one-time adjustment will amend disallowable federal costs and make other adjustments totaling \$2.3 million and spread across 70 departments.

The following budget bill language would be added to implement this amendment:

SEC. 4.75. The Director of Finance may adjust departmental support appropriations for the purpose of reimbursing the Department of General Services for centralized costs billed through the statewide surcharge.

ISSUE 4: CAPITOL SECURITY EQUIPMENT

The eight x-ray machines currently in use at the entrances to the Capitol building, LOB building and Capitol garage have reached their life expectancy due to age and heavy usage. The seven metal detectors throughout Capitol entrances would have to be replaced as well. As such, the Department of General Services budget needs an augmentation of \$472,693 to replace this equipment. Out of this amount, \$427,670 is to replace the x-ray machines and \$45,023 to replace the metal detectors.

ITEMS TO BE HEARD

ITEM 1110-1111 DEPARTMENT OF CONSUMER AFFAIRS (DCA)

The Department of Consumer Affairs (DCA) is responsible for promoting and protecting the interests of millions of California consumers by serving as a guardian and advocate for their health, safety, privacy, and economic well-being and by promoting legal and ethical standards of professional conduct. The Department helps to promote good business practices and to ensure that California's consumers receive quality services by establishing minimal competency standards for more than 230 professions involving approximately 2.3 million professionals. The Department is also an important advocate on consumer and business issues.

<p>ISSUE 1: BUREAU OF AUTOMOTIVE REPAIR (BAR): ENFORCEMENT POLICIES, HIGH EMITTER PROFILE AND LOW PRESSURE EVAPORATIVE EMISSIONS TEST</p>
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The Bureau of Automotive Repair (BAR) is a Bureau within the California Department of Consumer Affairs and is responsible for regulating the automotive repair marketplace and the implementation of the Smog Check program. BAR registers and regulates approximately 41,000 California automotive repair facilities, and licenses smog check, lamp and brake inspection stations.

The following issues have been brought to the subcommittee's attention for discussion purposes:

Enforcement Policies. The California Legislature enacted the Automotive Repair Act in 1971 in response to consumer and industry concerns about unacceptable levels of fraud or incompetence in the auto repair market. BAR was created to spearhead regulation of the auto repair industry.

BAR's enforcement team investigates general auto repair complaints and ensures that shops comply with Smog Check statutes. Each year BAR handles more than 20,000 complaints relating to auto repair and/or Smog Check inspections. The bulk of complaints are resolved by mediation. Each year BAR returns over \$5 million to California consumers in the form of direct refunds, rework, or adjustments.

In some cases, however, consumer complaints reveal evidence of serious problems such as false and misleading statements, fraud, gross negligence, or other serious violations of the Automotive Repair Act. Complaints with such allegations are investigated by BAR's enforcement field staff before settlements are mediated. Each year, on average, 560 BAR licensees receive formal discipline, mostly for acts of fraud.

Issue:

Enforcement activities comprise perhaps the largest and most substantial portion of BAR's annual \$100 million budget. Yet, there seems to be confusion over the methods and goals of BAR's enforcement practices.

QUESTIONS:

1. What is BAR's end goal of its Smog Check enforcement program?
2. If it is compliance, then at what point in time does BAR shift to acquiring small business "tombstones?" Who makes that decision and at what level? And, is there a policy formula that is used universally throughout the state by BAR staff when decisions are made to move from "compliance" to "tombstones?" How does BAR communicate these policies both internally and to external stakeholders?
3. What procedures or measurement protocols does BAR have in place to determine the effectiveness of its enforcement policies (both ARD and Smog Check) in achieving its mission? How does BAR communicate its procedures and/or measurement protocols both internally and to external stakeholders?
4. How can the Legislature determine, other than by hearsay and anecdote, that BAR is actually doing something of value for all the money citizens pour into its budget each year?
5. How can we know when BAR is "winning"?

High Emitter Profile. In 1982, California became the 20TH state in the nation to adopt a vehicle inspection and maintenance (Smog Check) program. BAR is mandated by law to administer the Smog Check program. There have been a number of program changes over the years, but the goal of Smog Check remains the same: to reduce air pollution produced by motor vehicles. BAR licenses over 8,000 privately-owned Smog Check stations and more than 15,000 Smog Check technicians, thereby implementing the program through a decentralized system.

Issue:

Each year, BAR uses a computer model called the "High Emitter Profile" (HEP) to direct millions of motorists to specialized "Test-Only" smog check facilities for their emissions tests.

The HEP purportedly identifies with accuracy a substantial portion of the fleet that is likely to fail an emissions test. BAR uses this model to direct those cars that are identified as likely "High Emitters" to "Test-Only" smog check facilities. It has been alleged that the HEP model is what makes the "Test-Only" portion of the Smog Check program a success. Yet, the affected public knows very little about the HEP, its accuracy and which cars may be on BAR's list.

QUESTIONS:

1. How many vehicles were directed by the Department of Consumer Affairs and the Department of Motor Vehicles to "Test-Only" stations in the Smog Check program using the High Emitter Profile in 2005?
2. How many of these directed vehicles failed their initial emissions tests at Test-Only facilities in 2005? What is the percentage of vehicle identified by the HEP in 2005 which actually passed their initial emissions test?
3. Can you please provide information on the number of vehicles and model year of those vehicles to be included in BAR's High Emitter Profile for 2006?

Low Pressure Evaporative Emission Test (LPET).**Issue:**

In August of 2000, California committed to the Environmental Protection Agency (EPA) under threat of legal action, to implement a Low Pressure Evaporative Emissions Test by 2002. In a May 2003 letter to California Air Resources Board (CARB), BAR commits to a mid-2004 implementation. In January 2004 CARB assures the EPA that "BAR is working on developing regulations for a low-pressure evaporative test and implementing it as soon as possible." It is May 2006, and there is still no program in California.

Questions:

1. Why has BAR continually failed over the last 6 years to meet its commitments on the LPET program?
2. Since BAR has not met any of these publicly stated dates what credibility do any projections have at this point?
3. If it is a resource issue, where is it identified? Was this identified in a previous budget request?
4. If it was not identified, why did BAR decide that it should unilaterally make a decision that the August 17, 2000 commitments to the EPA did not have a priority? Where does BAR see its responsibility to meet environmental commitments?
5. What priorities do BAR consider more important than the health of the citizens?
6. Mr. Ross was copied on the January 11TH letter from ALA etc. What is his response to the statements in the letter?
7. The BAR's own Engineering and Research Branch Chief stated at an IMRC presentation on April 27, 2004 that 22 Tons Per Day could be saved by implementing this program and that it was a "Significant component of the Clean Air Plan." If it is significant where is the implementation?
8. If BAR has an issue with the 14 TPD, why did BAR jointly publicize it with CARB in the public workshops held in April of this year and available on the web at: http://www.smogcheck.ca.gov/ftp/pdfdocs/April%202006%20Workshop%20Evap%20presentation%204_4_06.pdf. Is that responsible government?
9. Clearly the repair industry and environmentalists are upset with the lack of concern on BAR's part. Given the apparent lack of interest in environmental and industry issues, shouldn't responsibility for the Air Check Program be moved under CARB as recommended by the IMRC in their June 1, 2005 Issue Paper?

ITEM 1760 DEPARTMENT OF GENERAL SERVICES (DGS)**ISSUE 1: MAY REVISE DOF LETTER: AMENDMENTS TO VARIOUS BUDGET ITEMS AND ADDITION OF TRAILER BILL LANGUAGE**

In a May Revise letter, DOF proposes the following amendments to the January 10th budget:

Addition of Trailer Bill and Amendment to Budget Bill Items 1760-001-0666 and 1760-002-0666, Support, Department of General Services; Item 2720-001-0044 and Reimbursements, Support, California Highway Patrol.

- 1. Fuel and Preventative Maintenance**—It is requested that Item 1760-001-0666 be increased by \$1,461,000 in 2006-07 and ongoing (Service Revolving Fund) to allow the Department of General Services to recover costs for fuel and preventative maintenance services for 530 new vehicles purchased for lease to the Department of Corrections and Rehabilitations (DCR), Adult Parole Operations. The DCR is in urgent need of vehicles due to the current shortage for currently assigned agents and graduating cadets as well as the need for replacement of DCR's high mileage vehicles. These vehicles are used for purposes of home visits, transportation of parolees and reporting to and from work-related assignments. The agents are also expected to respond to emergency situations on a 24 hour basis.
- 2. Increased Security at the Elihu Harris Building**—It is requested that Item 1760-001-0666 be increased by \$1,006,000 in 2006-07 and \$859,00 in 2007-08 and ongoing for increased security for the Elihu Harris Building in Oakland, California. Additionally, it is requested to increase reimbursements to the California Highway Patrol (CHP) in Item 2720-001-0044 by \$509,000 and add 4 positions to reflect the increased oversight and supervisory costs associated with the increased levels of security. Out of the amount requested for 2006-07, \$147,00 will be used for the purchase, including installation and training of two magnetometers and x-ray machines to cover the entrances of the building. The proposed augmentation, \$859,000, will be used to fund an additional six security guards and four California Highway Patrol (CHP) officers to provide oversight of the unarmed security guards at the magnetometers.

These adjustments are requested pursuant to the CHP's site security assessment of the building. Finally, it is requested that Item 1760-002-0666 be decreased by \$800,000 to reflect lower debt service costs for this building, and that Provision 1 of this item, and Item 1760-001-0666 be amended to reflect this change.

- 3. Office of State Publishing**—It is requested that trailer bill language be added to provide departments with flexibility in meeting their printing needs by suspending the requirement that departments use the Office of State Publishing for printing services.

SECTION 1. Section 14612.2 of the Government Code is amended to read:

14612.2. (a) Notwithstanding Chapter 7 (commencing with Section 14850) of Part 5.5 of Division 3 of Title 2 of, or Section 14901 of, the Government Code, no agency is required to use the Office of State Publishing for its printing needs and the Office of

State Publishing may offer printing services to both state and other public agencies, including cities, counties, special districts, community college districts, the California State University, the University of California, and agencies of the United States government. When soliciting bids for printing services from the private sector, all state agencies shall also solicit a bid from the Office of State Publishing when the project is anticipated to cost more than five thousand dollars (\$5,000).

(b) This section shall remain operative only until the effective date of the Budget Act of ~~2006~~ 2007 or July 1, ~~2006~~ 2007, whichever is later, and as of January 1, ~~2007~~ 2008, is repealed, unless a later enacted statute that is enacted before January 1, ~~2007~~ 2008, deletes or extends the dates on which it becomes inoperative and is repealed.

*SECTION 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:
In order to make the necessary statutory changes to implement the Budget Act of 2006 at the earliest possible time, it is necessary that this act take effect immediately.*