

**AGENDA**  
**ASSEMBLY BUDGET SUBCOMMITTEE NO. 5**  
**ON TRANSPORTATION AND INFORMATION TECHNOLOGY**

**Assemblymember Pedro Nava, Chair**

**TUESDAY, MAY 17, 2005**  
**2:00 PM**  
**STATE CAPITOL, ROOM 127**

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## ITEMS TO BE HEARD

### **ITEM 1955**      **DEPARTMENT OF TECHNOLOGY SERVICES**

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The Governor's Budget proposes the establishment of a Department of Technology Services through the consolidation of the Stephen P. Teale Data Center (Teale), The Health & Human Services Data Center (HHDC) and the Office of Network Services of the Department of General Services (Item 1955).

The Governor's Budget proposal includes a total of \$235,446 and 776.1 positions for the created Department.

#### **ISSUE 1: MAY FINANCE LETTER – SETTLE –UP EXPENDITURE AUTHORITY**

The Administration is requesting a technical adjustment of -\$9,901,000 to settle excess expenditure authority that has accumulated since 2001-02 in the Health and Human Services Agency Data Center's Cannery (Program 25) operations. Savings occur primarily due to equipment purchases made at a lower cost than budgeted. Adjustments were calculated based on a review of expenditure data and related project and budget documents. Given this technical adjustment, the revised amount for the proposed Budget Act appropriation is \$225,545,000.

#### **COMMENTS:**

This technical correction is also a reflection of the proposed change in the Administration's consolidation plan for the DTS from a continuous appropriation to a Budget Act appropriation.

#### **ISSUE 2: MAY FINANCE LETTER – CONTINUOUS APPROPRIATION**

It is requested that Item 1955-001-9730 be added to budget funding for the DTS and to add Provisions 1-4 to create requirements for the DTS to follow. This item and language will take effect only if/when the Governor's Reorganization Plan, or similar legislation creating the DTS, becomes law.

#### **COMMENTS:**

No issues have been raised with this request.

**ISSUE 3: MAY FINANCE LETTER – TEALE DATA CENTER BUDGET ACT  
APPROPRIATION**

It is requested that Item 2780-001-0683 be added to budget funding for the Teale Data Center and that Provisions 1-3 be added to create requirements for the Teale Data Center. This item and language will take effect only during periods prior to the Governor's Reorganization Plan, or similar legislation creating the DTS, becoming law.

**COMMENTS:**

No issues have been raised with this request.

**ITEM 2665** **HIGH-SPEED RAIL AUTHORITY**

The California High-Speed Rail Authority (HSRA) was created in 1996 to develop and implement an inter-city high-speed rail service that is coordinated with other public transportation services.

The Governor's budget proposes \$3.9 million and 3.5 positions for HSRA, an increase of \$2.1 million from current year.

**ISSUE 1: MAY FINANCE LETTER – REAPPROPRIATION OF FEDERAL FUNDS**

The administration requests a reappropriation of \$359,832 of federal reimbursement authority (Item 2665-490) to fund the final environmental impact report and environmental impact statement (EIR/EIS). This amount is the remainder of \$1.2 million in federal reimbursement authority not encumbered by June 30, 2004.

Specifically, these funds will be utilized to pay contractors to respond to public comment following presentation of the draft EIR/EIS. Without the reappropriation the authority to spend them will be lost.

**COMMENTS**

On April 20, 2005, the committee approved a budget change proposal for \$500,000 for the HSRA to contract with the Department of Justice for the legal defense of the program-level EIR/federal-level Tier 1 EIS on the high-speed rail system. This request is consistent with the previous action of the subcommittee.

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**ITEM 2720 CALIFORNIA HIGHWAY PATROL**

The California Highway Patrol (CHP) is responsible for ensuring the safe, lawful, and efficient transportation of persons and goods along the state's highway system, and providing protective services and security for state employees and property.

The Governor's proposed budget includes \$1.4 billion (no General Fund) to fund 7,285 officers and 3,278 support staff, an increase of \$44.1 million and 5.5 positions above current year.

**ISSUE 1: MAY FINANCE LETTER – LEASE REVENUE ADJUSTMENT PER CONTROL SECTION 4.30**

The Administration requests that Item 2720-003-0044 be increased by \$32,000 and Reimbursements be decreased by \$36,000, for a net effect of -\$4,000 (base rental decrease of \$3,000 and fees decrease of \$1,000). Funds for this purpose were set aside in the fall for the purpose of making lease revenue bond debt service adjustments via Control Section 4.30, thus this is a technical change only.

**COMMENTS:**

No issues have been raised with this request.

**ISSUE 2: MAY FINANCE LETTER – LEASE REVENUE PAYMENT ADJUSTMENT**

The Administration requests that Item 2720-003-0044 be decreased by \$1,000 and Reimbursements be increased by \$1,000. This will offset lease rental debt payments increased due to an updated debt service payment schedule for a lease revenue funded project. This is a technical shift from the Motor Vehicle Account to Reimbursements to adjust the lease revenue payment.

**COMMENTS:**

No issues have been raised with this request.

**ITEM 2740** **DEPARTMENT OF MOTOR VEHICLES**

The Department of Motor Vehicles (DMV) promotes driver safety by licensing drivers, as well as protects consumers and ownership security by issuing vehicle titles and regulating vehicle sales. The DMV also collects various fees which become revenues for the Motor Vehicle Account.

The Governor's proposed budget includes a total of \$762.33 million (no General Fund) and 8,256 positions for the DMV for the 2005-06 budget year, an increase of \$7.3 million and 2.8 positions above the current year.

**ISSUE 1: MAY FINANCE LETTER – VEHICLE INSURANCE REPORTING**

The administration requests \$4.1 million and 9.1 Personnel Years (PYs) to provide funding to establish a new financial responsibility reporting and vehicle registration suspension program.

In 2004, SB 1500 (Speier, Chapter 920, Statutes of 2004) was enacted to require the DMV to verify insurance has been obtained within 30 days after issuance of a registration card and to suspend, cancel or revoke the registration of a vehicle when it is determined that the vehicle insurance was canceled and not replaced. AB 2709 (Levine, Chapter 948, Statutes of 2004) was also enacted in 2004, requiring DMV to develop methods by which law enforcement officers may electronically verify that an insurance policy or bond has been issued for a vehicle.

Additionally, the administration is also requesting trailer bill language that will postpone the implementation of the registration suspension provisions until the automated systems are ready. The administration also request Budget Bill Language that links the expenditure of these funds to the approval of a Feasibility Study Report by the Department of Finance.

**COMMENTS**

According to the Administration, the new Vehicle Registration suspension program will be implemented over a three-year period (\$17 million in 2006-07 and \$22 million in 2007-08). This request includes costs associated with establishing a new Vehicle Registration Suspension Unit and Telephone Service Center unit to administer a Vehicle R suspension program.

The 2004 legislation requires functionality beyond the department's current capabilities. In order to administer the new program DMV needs to replace its current insurance database system, which only allows insurance companies to report when a policy is changed, cancelled, or when a new policy is established.

The department anticipates the insurance reporting program to track the insurance status of approximately 25 million vehicles and the registration suspension program is expected to involve approximately 5.5 million vehicles.