



**2009-10
Budget Conference Committee
on SB 61**

Upon Call of the Chair – Room 4203

TRANSPORTATION

**Assemblymember Noreen Evans, Chair
Senator Denise Moreno Ducheny, Vice Chair**

**Members: Senator Bob Dutton, Senator Mark Leno, Senator Alan Lowenthal, and Senator Mimi Walters
Assemblymember Bob Blumenfield, Assemblymember Kevin De León, Assemblymember Roger Niello, and Assemblymember Jim Nielsen**

Table of Contents

<u>Item #</u>	<u>Title</u>	<u>Page</u>
2660	Department of Transportation	
	Allocation of new “spillover” transit revenue	1
	Reallocation of base transit revenue	2
	Redirection of gasoline excise tax revenues for General Fund relief.....	3
	Partially Suspend Proposition 42	4
	Suspend Local Airport Grants	5
	Staff for Oversight of Federal Stimulus Funds.....	6
	Staffing & Contracts for Public Private Partnerships	7
	Capital Outlay Support and other workload adjustments	8
9350	Shared Revenues - Proposition 1B Bond Funds for Local Streets and Roads	
	Prop 1B for Local Streets and Roads.....	9
2665	High-Speed Rail Authority	
	Project funding.....	10
2740	Department of Motor Vehicles	
	Transfer MVA Special Funds to the General Fund.....	11
	Driver License/Identification Card Fee Increase	12
	TRANSPORTATION ITEMS RECOMMENDED FOR VOTE ONLY	13

2660 Department of Transportation

Issue	Description	2009 Budget Act	May Revise	Comments
--------------	--------------------	----------------------------	-----------------------	-----------------

2660-XXX-XXXX Department of Transportation

200	Allocation of new “spillover” transit revenue.	0	336,303,000 (GF relief)	
------------	---	---	----------------------------	--

TBL In the May Revision, the Administration projects an additional \$336 million in gasoline sales tax “spillover” revenues and proposes to direct the new amount to General Fund relief. Specifically, the funding would reimburse the General Fund for prior-year transit-related general-obligation (GO) bond payments.

2660 Department of Transportation

Issue	Description	2009 Budget Act	May Revise	Comments
200	Reallocation of base transit revenue.	408,227,000 (Non-98 funding for school	315,491,000 (new GF relief)	
TBL	The 2009 Budget Act directs \$408 million in transit revenue to the Home-to-Schools (H2S) transportation program (non-Prop 98). In the May Revision, the Administration proposes to eliminate H2S funding from transit funds and instead direct \$315 million to bond debt service for General Fund relief, and the rest to maintain the solvency of the Public Transportation Account (PTA).	transportation)	92,736,000 (retained in PTA to maintain fund solvency)	

2660 Department of Transportation

Issue	Description	2009 Budget Act	May Revise	Comments
200	Redirection of gasoline excise tax revenues for General Fund relief.	0	986,385,000 (GF relief)	
TBL	<p>In the May Revision, the Administration proposes to redirect \$986 million in gasoline and diesel excise tax revenue to transportation-related GO bond payment. This excise tax funding would otherwise be used for local streets and roads. About \$745 million of this redirection is proposed as ongoing.</p> <p>The LAO alternative is to instead borrow \$1,030 million from local streets and roads and redirect \$135 million in highway money to GO bond payment.</p>			

2660 Department of Transportation

Issue	Description	2009 Budget Act	May Revise	Comments
LAO Opt	Partially Suspend Proposition 42.	0	1,152,800,000 (GF relief)	
TBL	<p>The LAO presents an option of partial suspension of Prop 42 in 2009-10 for General Fund savings of \$1,153 million. The suspension would include the state highway and local road components. The public transit component would not be suspended, but much of this money is already directed to General Fund relief. Per the Constitution, repayment would be required within 3 years. For 2010-11, the LAO also indicates the option of repeal of Prop 42, which would require voter approval.</p>			

2660 Department of Transportation

Issue	Description	2009 Budget Act	May Revise	Comments
LAO Opt	Suspend Local Airport Grants.	0	4,000,000 (GF relief)	
TBL	The LAO presents an option of suspending local airport grants and transferring the revenue to the General Fund. The revenue in question is from an excise tax on aircraft fuel. The revenue and expenditures are both associated with local general-aviation airports, not large commercial airports.			

2660 Department of Transportation

Issue	Description	2009 Budget Act	May Revise	Comments
204	Staff for Oversight of Federal Stimulus Funds		8,202,000 (federal funds)	
	<p>In the May Revision, the Administration requests 84 new limited-term positions and \$8.2 million in federal funds for oversight of federal subventions to locals (locals will receive about \$1.6 billion in federal stimulus transportation funds). In addition, \$350,000 is requested in reimbursements (federal funds via the Air Resource Board (ARB)) for purchase of six on-road heavy-duty trucks that will meet ARB standards.</p>		350,000 (reimbursements)	

2660 Department of Transportation

Issue	Description	2009 Budget Act	May Revise	Comments
208	<p>Staffing & Contracts for Public Private Partnerships (P3)</p> <p>In the May Revision, the Administration requests \$933,000 for 8 new positions and \$8.5 million for external contracts to implement the expanded P3 authority approved in SB 4XX in February. Of this, \$2.6 million is identified for start-up, and \$6.9 million for 5 anticipated proposals. The external contracts would be primarily legal advising with some fiscal, public outreach, and engineering also. \$9 million of the 2009-10 cost would be funded by redirection of erroneous over-budgeting for employee compensation in the January Budget.</p>		<p>(9,000,000) (State Hwy Acct redirection)</p>	
			<p>433,000 (State Hwy Acct augmentation)</p>	

2660 Department of Transportation

Issue	Description	2009 Budget Act	May Revise	Comments
210	Capital Outlay Support (COS) and other workload adjustments.		-13,189,000 (various funds)	

In the May Revision, the Administration requests workload changes in COS, maintenance and legal that net to a reduction of \$13.2 million, a reduction of 509 state positions, and a reduction of 75 position-equivalents of contractor resources. The proposed COS adjustment maintains the long-standing 90 percent state-staff / 10 percent contractor split in project workload.

9350 Shared Revenues

Issue	Description	2009 Budget Act	May Revise	Comments
-------	-------------	--------------------	---------------	----------

9350-104-6065 Proposition 1B Bond Funds for Local Streets and Roads

001	Prop 1B for Local Streets and Roads.	0	700,000,000	
-----	---	---	-------------	--

TBL

In the May Revision, the Administration proposes to appropriate the remaining \$700 million in Prop 1B funds in the Local Streets and Roads category. Of this amount, \$258 million remains for cities, and \$443 million remains for counties. This would partially mitigate for the proposal to shift \$986 million in gas tax funds from locals to General Fund relief. Trailer bill would give locals more time to spend prior appropriations.

2665 High-Speed Rail Authority

Issue	Description	2009 Budget Act	May Revise	Comments
-------	-------------	--------------------	---------------	----------

2665-004-6043 High-Speed Rail Authority

110	Project funding.	1,795,000	139,180,000	
------------	-------------------------	-----------	-------------	--

111
301 The 2009 Budget Act includes
501 \$1.8 million in bond funds for
the base operations of the
BBL Authority. \$137.4 million was
withheld without prejudice for a
thorough Subcommittee review.

The Senate reduced the
requested funding by \$709,000
to cut expenditures on the
existing revenue and ridership
model and prohibited use of half
the total funds until after a
more-complete business plan is
submitted. The Assembly took
no action on budget funding.

2740 Department of Motor Vehicles

Issue	Description	2009 Budget Act	May Revise	Comments
-------	-------------	--------------------	---------------	----------

2740-XXX-XXXX Department of Motor Vehicles

LAO Opt	Transfer MVA Special Funds to the General Fund.	0	70,000,000 (GF relief)	
--------------------	--	---	---------------------------	--

The LAO presents the option of transferring Motor Vehicle Account (MVA) funds to the General Fund. Most MVA funds are restricted to transportation purposes by Article XIX of the Constitution, but about \$115 million in annual revenue is unrestricted and eligible for transfer to the General Fund.

2740 Department of Motor Vehicles

Issue	Description	2009 Budget Act	May Revise	Comments
108 TBL	Driver License (DL) / Identification (ID) Card Fee Increase.		25,000,000 (fee revenue for MVA)	

In the January Budget, the Administration proposed a \$3 fee increase (base fee is \$28) for DL/ID cards – the TBL was withheld from the February budget package without prejudice. The Senate reduced the fee increase to \$1 after the Administration withdrew its Real ID staffing proposal, which was associated with \$2 of the \$3 the fee request. The Assembly took no action.

The Administration still supports the \$3 fee increase to address out-year Motor Vehicle Account (MVA) pressures.

**TRANSPORTATION
ITEMS RECOMMENDED FOR VOTE ONLY**

	ITEM	ISSUE	ISSUE	AMOUNT	PROPOSED ACTION
			California Department of Transportation:		
1	2660-001-0042	332	Governor's Budget: Cross allocation adjustment - Senate action corrected scheduling of expenditure by function. Total expenditure by fund does not change.	0	Approve Senate
2	2660-001-0042 2660-001-0890	315	Governor's Budget: Funding for new Workforce Development Program withheld from SB1XXX.	500,000 (federal) 500,000 (Hwy Acct)	Approve Conference Compromise (two-year limited term funding with budget language)
3	2660-001-0042 various	205	May Revision: Federalization of Pavement Maintenance - Shift \$84.9 million in federal funds from highway rehabilitation to maintenance to best meet federal matching requirements.	0	Approve May Revision Proposal
4	2660-491	206 TBL	May Revision: Technical Corrections - makes technical corrections to reappropriation item and to transit statute.	0	Approve May Revision Proposal
5	2660-001-0046	207	May Revision: Increase for Amtrak Operating Costs - \$1.2 million increase on top of \$4 million increase in SB 1XXX. Caltrans indicates that due to revised cost estimates from Amtrak, this is no longer necessary.	1,200,000 (Public Trans Acct)	Reject May Revision Proposal
6	2660-001-0042	209	May Revision: Fuel budget reduction - budget reduction to conform to the new price forecast.	-11,890,000 (Hwy Acct)	Approve May Revision Proposal
7	2660-001-0042	211 TBL	May Revision: Workload Reduction (137.5 positions) for Project Initiation Documents (PIDs) and shift to reimbursement for local projects.	-30,438,000 (Hwy Acct) 12,475,000 (reimbursmt)	Approve May Revision Proposal
8	2660-901-0001	259	May Revision: Technical expenditure adjustment for Proposition 42 related to revised forecast of gasoline price and purchases.	-42,027,000 (General Fund)	Approve May Revision Proposal
9	9480-660-0062 various	003	May Revision: Technical expenditure adjustment for fuel excise tax related to revised forecast of gasoline price and purchases.	-35,000,000 (Hwy Users Tax Acct)	Approve May Revision Proposal

**TRANSPORTATION
ITEMS RECOMMENDED FOR VOTE ONLY**

	ITEM	ISSUE	ISSUE	AMOUNT	PROPOSED ACTION
			Department of California Highway Patrol:		
10	2720-001-0044 2720-001-0890	300	May Revision: Augmentation for motorcoach inspections - federal grant.	1,000,000 (federal)	Approve May Revision Proposal
			Department of Motor Vehicles:		
11	2740-001-0044	108	Governor's Budget: New Licence / ID Card contract - funding request of \$11 million withheld from SB 1XXX without prejudice. Senate added language prohibiting facial-recognition biometric software and reduced budget for that action and revised timeline to \$6.6 million. Assembly held open.	6,591,000 (Motor Vehicle Acct)	Approve Senate
12	2740-001-0042 2740-001-0044 2740-001-0064	101	May Revision: Funding for higher credit card payment charges due to Vehicle License Fee increase to 1.15 percent.	5,100,000 (various spec funds)	Approve May Revision Proposal
13	2740-491	102	May Revision: Reappropriation for website infrastructure IT project.	8,500,000 (Motor Vehicle Acct)	Approve May Revision Proposal
14	2740-301-0044	002 602	Governor's Budget & May FL: Capital outlay request for DMV offices - funding withheld from SB 1XXX without prejudice. Senate approved to move to conference, Assembly took no action.	21,845,000 (Motor Vehicle Acct)	Assembly (reject funding)