



MAY 01 2014

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Amendment to Various Budget Bill Items and Reimbursements, Support, Department of Transportation

Capital Outlay Support: Project Delivery Workload (Issue 150)—It is requested that the Capital Outlay Support Program be decreased by \$21,766,000 and 195 state staff positions, and includes a reduction in consultant contracts and overtime of 15 full-time equivalents. This request reflects decreased workload due to diminishing fund sources, such as Proposition 1B and the federal American Recovery and Reinvestment Act.

This request includes changes to the following items:

- Decrease Item 2660-001-0042 by \$20,981,000
- Increase Item 2660-001-0890 by \$80,574,000
- Decrease Item 2660-002-3007 by \$3,094,000
- Decrease Item 2660-004-6055 by \$33,414,000
- Increase Item 2660-004-6056 by \$4,390,000
- Decrease Item 2660-004-6058 by \$5,961,000
- Increase Item 2660-004-6060 by \$2,160,000
- Decrease Item 2660-004-6064 by \$1,380,000
- Decrease Item 2660-004-6072 by \$8,084,000
- Decrease reimbursements by \$35,940,000
- Decrease Government Code section 8879.3 (Fund 0653) by \$36,000

We are also requesting provisional language be amended to reflect the budgeted increase of five Department of Transportation (Caltrans) positions being requested for current high-speed rail related workload. The contingent reimbursement authority in existing provisional language originally provided for up to an additional ten positions, so this reimbursement authority language is being revised downward by five positions to reflect the increase in budgeted positions. This will still provide Caltrans with the necessary flexibility to seek increased reimbursement authority for five more positions to the extent work advances to later phases earlier than currently anticipated for the high-speed rail project. Therefore, it is requested that the following provisional language for Item 2660-001-0042 be amended to read:

"11. The Department of Finance may augment the amount appropriated in Schedule (2) by up to \$900,000 ~~\$1,800,000~~ for additional reimbursements from the High-Speed Rail Authority for the review and approval of environmental and engineering documents regarding circumstances in which the high-speed train system interfaces with the state highway system, as well as specific highway realignment projects related to the high-speed train system."

It is also requested that provisional language be added in Item 2660-001-0042 to limit the amount of expenditures for overhead and require Caltrans and the Department of Finance to review the overhead component of the program as follows:

X. Of the funds appropriated in Schedule (2), \$272,000,000 is for overhead and corporate resources in support of the Capital Outlay Support Program. This amount may be adjusted pursuant to the provisions of Control Section 3.60 or provisions of Item 9800 with the concurrence of the Department of Finance. The department shall provide quarterly reports, to the Department of Finance, of actual expenditures for overhead and corporate resources beginning October 1, 2014. In addition, the department, in conjunction with the Department of Finance, shall review the overhead and corporate components of the Capital Outlay Support Program. Results associated with this review shall be included in the 2015-16 annual May Revision Finance Letter.

If you have any questions or need additional information regarding this matter, please call Jon Wunderlich, 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 Kevin de León, 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 Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Jim Beall, 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)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Brian Annis, Undersecretary, Transportation Agency
Ms. Norma Ortega, Chief Financial Officer, Department of Transportation



MAY 13 2014

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Items 2665-004-6043 and 2665-001-0046, Support, California High-Speed Rail Authority

Budget Bill Language for Construction Package Project Management (Issue 151)—It is requested that Budget Bill language be added to Items 2665-004-6043 and 2665-011-0046 to provide authority for a mid-year augmentation of up to \$5,254,000 Proposition 1A funds (and up to \$5,254,000 in additional loan authority from the Public Transportation Account of the State Transportation Fund to the High-Speed Passenger Train Bond Fund) to fund the Authority's state operations costs. The funding will support up to 35 new positions to provide project management of high-speed rail project Construction Packages 2, 3, and 4. Any augmentation will be authorized no sooner than 30 days after notification to the Legislature and the notification will include: (a) the amount of the augmentation, (b) total positions to be established with corresponding workload measures, and (c) a timeline for filling the positions (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 Jonathan Wunderlich, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: On following page

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Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Jeff Morales, Director, High-Speed Rail Authority
Mr. Dennis Trujillo, Chief Deputy Director, High-Speed Rail Authority
Mr. Russell Fong, Chief Financial Officer, High-Speed Rail Authority
Mr. Bill Davidson, Deputy Secretary, California State Transportation Agency

Attachment 1

Addition of Provisional Language to Budget Bill Item 2665-004-6043

X. Upon approval of the Director of Finance, expenditure authority in this item may be augmented by a cumulative total not to exceed \$5,254,000. These funds may be used to establish up to 35 positions to reflect additional resources necessary to provide for direct project management of the High-Speed Rail Project. This increase may only be authorized upon notice of contract award related to Construction Packages 2, 3, or 4. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine. The notification shall include the following: (a) the amount of the augmentation, (b) total positions to be established with corresponding workload measures, and (c) a timeline for filling the positions.

Addition of Provisional Language to Budget Bill Item 2665-011-0046

X. Upon approval of the Director of Finance of an increase pursuant to Provision 5 of Item 2665-004-6043, transfer authority in this item may be augmented by a like amount.