



November 22, 2019

Honorable Holly Mitchell, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair  
Assembly Budget Committee

Honorable Anthony Portantino, Chair  
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair  
Assembly Appropriations Committee

**Notification of Receipt and Approval of an Unanticipated Cost Funding Request from the Department of Motor Vehicles**

Pursuant to Provisions 3 and 6 of Item 9840-001-0001, we are transmitting to you within 15 days of receipt the attached unanticipated cost funding request from the Department of Motor Vehicles (DMV), which we received on November 22, 2019.

DMV is requesting \$2.2 million General Fund to help it meet the deadlines required by the National Voter Registration Act of 1993, 52 United States Code section 20504 (e) for the transmission of voter information to the Secretary of State (SOS). Federal law requires the DMV to transmit to the SOS within ten days any voter information that is received by DMV. This shrinks to within five days if DMV receives information within five days of the last day to register to vote. To comply with these federal requirements, DMV has had to redirect staff away from its baseline vehicle registration and driver licensing work, causing the average time to process vehicle registration transactions at DMV headquarters to increase from 9 days to 16 days and the average time to process driver license transactions at DMV headquarters to increase from 5 days to 14 days. Furthermore, the redirected staff are funded through the Motor Vehicle Account, the utilization of which for voter registration related activities is inappropriate since voter registration is not transportation related. The requested funds will allow DMV to continue to meet the five and ten day statutory timeframes using an appropriate fund source and without redirecting staff. This will reduce the processing times back to department standards and prevent backlogs in vehicle registration and driver license transactions.

We have completed our review of the proposal and concur with the request. Funding for this unanticipated cost request will be provided from Item 9840-001-0001, Augmentations for Contingencies or Emergencies, in the amount of \$2,182,000, no sooner than 30 days from the date of this letter.

Please call Damien Mimnaugh, Principal Program Budget Analyst, at (916) 322-2263 if you have any questions.

KEELY MARTIN BOSLER

Director

By:



VIVEK VISWANATHAN

Chief Deputy Director

Attachment

cc: Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3  
Mr. Gabriel Petek, Legislative Analyst (3)  
Mr. Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee  
Mr. Mark McKenzie, Staff Director, Senate Appropriations Committee  
Mr. Kirk Feely, Budget Fiscal Director, Senate Republican Fiscal Office  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Christian Griffith, Chief Consultant, Assembly Budget Committee  
Mr. Jay Dickenson, Chief Consultant, Assembly Appropriations Committee  
Ms. Cyndi Hillery, Budget Director, Assembly Republican Caucus, Office of Policy and Budget  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Chief Consultant, Assembly Republican Leader's Office  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Mr. David Kim, Secretary, California State Transportation Agency  
Mr. Steve Gordon, Director, Department of Motor Vehicles  
Mr. Lee Scott, Budget Officer, Department of Motor Vehicles

**I. APPROPRIATION/FUND TO BE ADJUSTED**

DEPARTMENT: California Department of Motor Vehicles	ITEM NUMBER: 2740-001-0001	
FUND: General Fund	AMOUNT OF FUNDING REQUESTED: \$2,200,000	FISCAL YEAR: 2019-20

**II. JUSTIFICATION FOR REQUEST** (Please provide the following information: reason for expense and basis of determination that the expense is needed.) DOF may not approve requests for: (a) capital outlay funding, (b) prior year expenses, (c) expenses related to legislation enacted without an appropriation, (d) startup costs of programs not yet authorized by the Legislature, (e) costs that could have been included in May Revision, and (f) costs that the Administration has the discretion to incur or not incur. (Use attachments if additional space is needed.)

The Department of Motor Vehicles (DMV) requests \$2.2 million in a one-time augmentation from the General Fund (0001) for the current FY 2019-20 to support overtime and emergency hires to ensure the success of the Motor Voter Program. A budget augmentation from the General Fund is needed to complete the development of and maintain the administration of the Motor Voter Program without continuing to adversely affect the department's registration and licensing operations workloads. Federal law (52 USC Ch. 205 (e); National Voter Registration) states that DMV must "have a completed voter registration portion of an application for a State motor vehicle driver's license accepted at a State motor vehicle authority shall be transmitted to the appropriate State election official not later than 10 days after the date of acceptance. However, if a registration application is accepted within 5 days before the last day for registration to vote in an election, the application shall be transmitted to the appropriate State election official not later than 5 days after the date of acceptance". In order to meet the 5 day requirement, DMV needs additional resources to comply with the federal statute.

**III. EMERGENCY NOTIFICATION**

Is this an emergency request for funding unanticipated costs? (An emergency request is for expenses incurred in response to conditions of disaster or extreme peril that threaten the immediate health or safety of persons or property in this state.)

- NO  
 YES (If yes, please provide reason for expense and basis for determining this an emergency. Use attachments if additional space is needed.)

**IV. PROVIDE A DETAILED EXPLANATION OF ALL LEGALLY PERMISSIBLE STEPS THAT HAVE BEEN TAKEN TO AVOID ADDITIONAL COSTS, (e.g., reduce spending, etc.) (Add attachments if additional space is needed.)**

The DMV has utilized emergency hires, redirected staff, and leveraged overtime in order to meet the workload needs associated with the Motor Voter program in order to maintain the federally mandated turnaround timeframes required of Motor Voter activities. The DMV cannot continue to absorb these unanticipated additional expenditures and requires an augmentation to properly allocate resources to this workload. Currently, the department has been addressing increased Motor Voter workload through redirection of existing positions and through overtime utilizing Motor Vehicle Account (MVA) funding. This utilization of MVA funding is not appropriate for administration of the Motor Voter Program as the appropriate fund source is the General Fund. Moreover, critical and planned program development, implementation and improvement throughout various divisions within DMV have been delayed, abandoned or only partially completed due to redirected staff prioritizing Motor Voter work.

**V. WAS THIS NEED FOR FUNDING PREVIOUSLY DENIED IN A LEGISLATIVE BUDGET COMMITTEE ACTION? (Use attachments if additional space is needed.)**

- NO  YES (when and why?)

**VI. MONTH AND YEAR WHEN SPENDING AUTHORITY TO OBLIGATE FUNDS (not make cash payment) WILL BE NEEDED.**

Month: January Year: 2020

**VII. REQUESTING DEPARTMENT**

Approved By: [Signature] Title: Director Date: 11/22/19

VIII. AGENCY SECRETARY (IF APPROPRIATE)

Approved By: Guia Hanmer

Date: 11/22/19

IX. DEPARTMENT OF FINANCE

Date Received: 11/22/19

Date of Notice to Legislature: 11/22/19