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CALIFORNIA LEGISLATURE

LEGISLATIVE ANALYST
MAG TAYLOR

925 L STREET, SUITE 1000
 SACRAMENTO, CALIFORNIA 95814
 (916) 445-4656

February 12, 2009

Mr. Michael C. Genest, Director
 Department of Finance
 Room 1145, State Capitol
 Sacramento, California 95814

Dear Mr. Genest:

On January 14, 2009, pursuant to Control Section 11.00 of the 2008-09 Budget Act, you notified the Joint Legislative Budget Committee of the Department of Motor Vehicles' (DMV) request to initiate a new contract for the production of driver license, personal identification, and auto salesperson license cards. Your notification indicated that the cost of this contract has increased more than 40 percent, and is now estimated at \$63 million over a five-year period.

Based on information provided by the Legislative Analyst's Office, I do not concur with this Control Section 11.00 request. Of particular concern is the proposed use of biometric technology as part of the card issuance process and the related privacy issues. I think the Legislature should consider the policy implications of using biometrics in the issuance of driver licenses before the department starts to use the technology. In addition, after review and discussions with DMV, the Analyst concluded that the request was not fully justified, in part because the department was unable to provide key information on the specific costs and benefits related to the proposed use of biometrics.

It is my understanding that the 2009-10 Governor's Budget includes a DMV request related to the proposed contract. The budget subcommittee process will provide an opportunity for the department to provide a fuller explanation of and justification for its proposal, as well as give the Legislature an opportunity to weigh the proposed contract's costs and benefits and consider the policy implications of the proposed changes

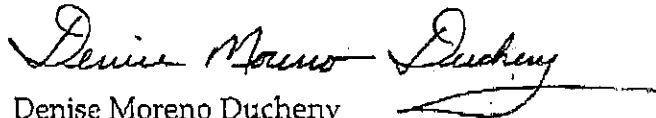
Mr. Michael C. Genest

2

February 12, 2009

in the card issuance process. The department has indicated that it plans to seek an extension of its existing contract, so providing additional time for legislative review should not disrupt services to the public.

Sincerely,



Denise Moreno Ducheny
Chair

cc: Members of the Joint Legislative Budget Committee