

Senate Budget and Fiscal Review—John Laird, Chair

SUBCOMMITTEE NO. 5

Agenda

Senator Laura Richardson, Chair
Senator María Elena Durazo
Senator Kelly Seyarto



Thursday, May 28, 2026
State Capitol – Room 112
Upon Adjournment of Session

Consultant: Eunice Roh
Part C - Transportation
Vote-Only Calendar

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Public Comment

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Vote-Only Calendar**0521 CALIFORNIA STATE TRANSPORTATION AGENCY (CALSTA)****Issue 1: CalSTA Enterprise IT Portfolio Management Office**

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
1.	January Governor's Budget	CalSTA Enterprise IT Portfolio Management Office. The Governor's budget includes \$860,000 across the State Highway Account, Motor Vehicle Account, and Public Transportation Account on an ongoing basis for three positions to establish its Enterprise IT Portfolio Management Office (EPMO), which will be tasked to improve project governance, performance monitoring, and strategic alignment across eight transportation-related departments and organizations. Currently, EPMO is staffed by borrowed and temporary staff from the California Department of Transportation (Caltrans), California Highway Patrol (CHP), and the Department of Motor Vehicles (DMV). CalSTA requests three IT Portfolio Manager positions to meet both internal oversight needs and external compliance requirements established by the CDT.	Approve as budgeted.

2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)**Issues 2-22: Various Proposals**

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
2.	January Governor's Budget	FISCAL Onboarding Planning. The Governor's budget includes \$19.1 million from the State Highway Account (SHA) in 2026-27 to support the continued transition and onboarding to the Financial Information System for California (FISCAL) System. The requested resources for FY 2026-27 will be used to continue reviewing, updating, and modifying 74 interfaces of 26 legacy systems and begin reviewing system modifications that are being developed to solve critical gaps. Resources requested for FY 2026-27 are needed to support increased workload over the onboarding period in reviewing, analyzing, and updating business and technical gaps, business requirements and business processes, developing system interfaces, data conversion, testing, training, reporting (including transformation of historical data into Caltrans Data Warehouse), cybersecurity, communication, and organizational change management. These resources will support administrative services positions in Accounting, Budgets, IT, DPAC, and Equipment.	Approve as budgeted.
3.	January Governor's Budget	Increased Local Assistance Staff. The Governor's budget includes \$7.6 million from SHA to address a sustained rise in workload. This request would be considered a net-zero request because the funding would be sourced from a transfer of local federal funding to Caltrans so the associated funding from the State Highway Account (SHA) would be exchanged to fund this additional support need, which would result in a net-zero impact on state transportation funding.	Approve as budgeted.

4.	January Governor's Budget	<p>Independent Office of Audits and Investigations (IOAI) – Investigations Workload. The Governor's budget includes \$1.2 million from the State Highway Account on an ongoing basis for seven positions to increase the number of investigations the IOAI's investigations unit can perform. IOAI conducts audits and investigations to ensure Caltrans and external entities that receive state and federal transportation funds from Caltrans are spending those funds efficiently, effectively, economically, and in compliance with applicable state and federal requirements. Due to the growth and size of Caltrans' number of employees combining with the proactive approach of working with Caltrans' management to notify IOAI of any potential instances of staff misconduct, the IOAI's Investigations Unit has experienced a significant increase in the number of complaints it has received. To enhance its oversight of complaints and to properly investigate complaints containing serious misconduct allegations and increase its capacity to conduct timely investigations, IOAI is requesting seven additional positions.</p>	Approve as budgeted.
5.	January Governor's Budget	<p>Maintenance Reimbursement Authority. The Governor's budget includes \$7.4 million in 2026-27, \$5.7 million in 2027-28, \$1.8 million in 2028-29, and \$1.4 million ongoing to fund maintenance operations that will be reimbursed by local agencies. This increase will support reimbursed maintenance work for new agreements with tolling partners in Orange County and the California High-Speed Rail Authority (CHSRA) in Kern County. Caltrans has committed to maintaining toll facilities in Orange County and a 22-mile stretch of the High-Speed Rail (HSR) Project in Kern County. These commitments require dedicated staffing, equipment, and operational resources. Specifically, Caltrans requests nine permanent positions to maintain tolling facilities in Orange County and eleven two-year limited-term positions to maintain a 22-mile segment of the High-Speed Rail corridor until track installation begins, which is scheduled for 2026. In addition, Caltrans requests operational expenses to purchase, rent, maintain, and fuel equipment and materials for maintenance.</p>	Approve as budgeted.

6.	January Governor's Budget	Outdoor Advertising Displays Permit (SB 364). The budget includes a one-time increase of \$139,000 in 2026-27 from the State Highway Account to implement SB 364 (Strickland, Chapter 313, Statutes of 2025). SB 364 directs Caltrans to update Title 4, California Code of Regulations (CCR), Division 6 – Outdoor Advertising. Specifically, it mandates that Caltrans may not deny or delay permit applications for outdoor advertising displays adjacent to highway realignment projects once the roadway segment within 1,000 feet of the proposed display is open to vehicular traffic. Caltrans requests one limited-term position to implement SB 364. To carry out the Office of Administrative Law rulemaking process, which typically spans two years and includes public notice, comment, hearings, and coordination with the California State Transportation Agency (CalSTA) and the Department of Justice (Legal Division).	Approve as budgeted.
7.	January Governor's Budget	State Highway System Safety Enhancement Report (SB 78). The Governor's budget includes \$1.1 million one-time from the State Highway Account in 2026-27 to implement SB 78 (Seyarto, Chapter 743, Statutes of 2025) to evaluate efforts and opportunities to streamline the delivery of safety enhancement projects on the State Highway System. Caltrans requests these resources to examine administrative, regulatory, and procedural barriers; evaluate alternative delivery methods such as design-build, progressive design-build, job-order contracting, and construction manager/general contractor; assess statutory authority needs; recommend improvements in interagency coordination; and summarize ongoing departmental initiatives to streamline project delivery of safety enhancement solutions.	Approve as budgeted.
8.	January Governor's Budget	Telecommunication for Traffic Management Network. Caltrans requests \$9 million in 2026-27, \$10 million in 2027-28, and \$10.5 million in 2028-29 for telecommunications utility costs to operate the State Highway System's Traffic Management Network. Caltrans requests three-year limited-term funding so that the department can monitor and validate the statewide telecommunications expenditures trends used to develop this funding request.	Approve as budgeted.

9.	January Governor's Budget	<p>Traffic Operations Support Network (TOSNet) Cybersecurity Enhancements. The Governor's budget includes \$7.2 million in 2026-27 and \$8.3 million ongoing from the State Highway Account to sustain and enhance cybersecurity protections for the Traffic Operations Support Network (TOSNet). Previously, Caltrans received \$4.5 million ongoing funding in the 2022 Budget Act for similar purposes—this initial funding supported initial statewide deployment of a Network Access Control (NAC) solution, a security mechanism, which provided visibility and security for over 11,000 devices (e.g. ramp meters, Closed-Circuit Television cameras, message signs) and helped isolate unauthorized devices, strengthen traffic safety, and supported compliance with state cybersecurity requirements. Caltrans requests this additional funding to continue the implementation of the NAC solution. Specifically, this proposal will go towards software licensing for the NAC system, expansion of processing capacity, and proactive replacement strategy for devices to have up-to-date cybersecurity measures.</p>	Approve as budgeted.
10.	January Governor's Budget	<p>Climate Resiliency (SB 695). The Governor's budget includes \$364,000 from the State Highway Account for two permanent positions to implement SB 695 (Cortese, Chapter 781, Statutes of 2025), which requires Caltrans to create and maintain a list of priority climate adaptation projects and to submit a report on such a list of projects for the Legislature each year. One position will work with Caltrans Asset Management to develop climate adaptation information for the State Highway System Management Plan, which will inform the prioritization of projects and help connect priority projects to funding. In addition, this position will lead the development of the prioritized list of climate adaptation projects. The second position will work with the twelve Caltrans districts to collect information needed for the project list, to coordinate with freight, safety, maintenance, operations, delivery, and design staff to ensure all aspects of the projects are incorporated and considered, as well as to maintain the various spreadsheets and technical information needed to support the list.</p>	Approve as budgeted.

11.	January Governor's Budget	<p>Continuation of Proposition 1B Administrative Support. The Governor's budget includes \$1.3 million in 2026-27 and 2027-28 from Proposition 1B bond proceeds to continue the administration of the workload associated with Caltrans' responsibilities under Proposition 1B, the "Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006." This request represents a decrease of three positions from prior resource levels of 11 positions in 2025-26 for performing Proposition 1B administrative workload for this next two-year cycle. Proposition 1B was approved by voters on November 7, 2006, and is the transportation component of the infrastructure bond package that includes four separate general obligation bond measures supporting roads, schools, housing, and flood control projects. Proposition 1B allocates a total of \$19.925 billion specifically for state transportation-related investments. Caltrans requests funding for administration of the remaining Proposition 1B funds—specifically, about 100 projects, or four percent, of total bond allocated projects are still in the implementation phase and will require monitoring for several more years before they are complete.</p>	Approve as budgeted.
12.	January Governor's Budget	<p>Continuation of Road Charge Research. The Governor's budget includes \$978,000 from the State Highway Account on a two-year limited-term basis to continue the road charge research program at Caltrans. Over a decade ago, Caltrans began researching future alternatives to a gas tax as a sustainable long-term funding source for transportation, due to the increasing adoption of fuel-efficient and alternative fuel vehicles. Several pieces of legislation in recent years have required pilot studies on road charge. Most recently, SB 339 (Wiener, Chapter 308, Statutes of 2021) required actual payments by participants and supports testing of state administrative systems. The final report is due to the Legislature by December 2026. However, the staff position funding for this pilot effort will expire in June 2026. As such, Caltrans requests the continuation of resources for staff to perform road charge research for a two-year term to (1) continue coordinating input from the Department of Motor Vehicles, the Department of Tax and Fee Administration, and other state agencies that could be impacted by a potential road charge and (2) to continue the research of potential implementation options for a road charge in California.</p>	Approve as budgeted.

13.	January Governor's Budget	<p>California High Speed Rail – Reimbursement Authority. The Governor's budget includes \$2.7 million in reimbursement authority in 2026-27 and 2027-28 for services rendered on behalf of the California High Speed Rail Authority (CHSRA). The request will provide ongoing legal services to the CHSRA in real property acquisition and management for the Central Valley Madera to Shafter segment. The CHSRA entered a reimbursement agreement with the Caltrans Legal Division to utilize their expertise in eminent domain and to take advantage of the cost-effective attorney billing rate of \$162 per hour, compared to \$483 per hour for private sector firms with similar expertise. Previously, the 2024 Budget Act included \$3.1 million in reimbursement authority for similar purposes. Approximately 144 parcels remain on the Madera to Shafter segments. As the cases for the Madera to Shafter segments enter the trial phase, an extension of existing resources is requested to complete the process and secure the parcels based on court timelines and the availability of judicial resources. Caltrans requests reimbursement authority to support eight limited-term positions as well as \$1 million in additional operating expenses for expert witness contracts, travel, and court filing fees.</p>	Approve as budgeted.
14.	January Governor's Budget	<p>Fleet Replacement. The Governor's budget includes \$225 million from the State Highway Account to continue replacing its aging fleet and installing zero-emission vehicle (ZEV) infrastructure. Caltrans requests \$193.3 million to replace approximately 1,120 vehicles. Compared to the prior requests, this is a one-year funding request, to provide more opportunities to adjust funding levels accordingly. Of the 1,120 vehicles, 172 are projected to be light-duty and 948 are projected to be medium- and heavy-duty. In addition, Caltrans requests \$25 million to initiate 43 installations of chargers, all at level 3 (DCFC), including 20 mobile chargers, 18 infrastructure projects (10 by Department of General Services and eight by Caltrans), and five infrastructure hardware purchases, which will result in roughly 150 to 200 total DCFC charging ports.</p>	Approve as budgeted.

15.	January Governor's Budget	SB 150 Trailer Bill Language. The Governor's budget includes trailer bill language that amends SB 150 (Durazo, Chapter 61, Statutes of 2023), which required Caltrans reserve \$50 million to be allocated over four years from the federal Infrastructure Investment and Jobs Act (IIJA) for the High Road Construction Careers (HRCC) Program in partnership with the California Workforce Development Board (CWDB). The proposal changes the requirement from \$50 million in federal funds to \$30 million in state funds.	Approve placeholder language.
16.	April Finance Letters	<p>Technical Adjustments. April Finance Letters include the following technical adjustments to the 2026 Budget Act:</p> <ul style="list-style-type: none"> • Item 2660-001-0042 be amended to establish net-zero fund transfers between various programs to better align resources with planned workload. Item 2660-001-0046 be increased by \$4,507,000 in fiscal year 2026-27 to allow Caltrans to complete work for the California State Transportation Agency for the Transit Intercity Rail Capital Program. • Item 2660-001-0890 be increased by \$4,714,000 in 2026-27 and \$3,042,000 in 2027-28 to allow Caltrans to fully utilize the administrative set-aside of the federal grant for Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT). • Item 2660-102-0042 be increased by \$275 million in reimbursements in 2026-27 to allow Caltrans to perform work on behalf of the California State Transportation Agency on the Port and Freight Infrastructure Program. • Item 2660-302-0042 be increased by \$361 million in reimbursements in 2026-27 to allow Caltrans to perform work on behalf of the Bay Area Tolling Authority. 	Approve as budgeted.

		<ul style="list-style-type: none"> Item 2660-304-6056 be increased by \$803,000 in reimbursements in 2026-27 to support the I-10 Corridor Express Lanes Contract 1 project funded by the Trade Corridors Improvement Fund that was previously approved by the California Transportation Commission. Item 2660-490 be added to reappropriate up to \$8,679,000 from Item 2660-001-0042, Budget Act of 2025, for work associated with the Enterprise Data Governance Technology Solution IT project (see Attachment 1). Item 2660-494 and Item 2660-495 be amended to reappropriate Proposition 1B bond funds for various bond-funded transportation projects previously approved by the California Transportation Commission (see Attachment 2 and 3). 	
17.	May Revision	<p>Clean California. The May Revision includes a one-time increase of \$40 million General Fund in 2026-27 for litter abatement activities through the Clean California program. Specifically, this \$40 million will be directed to the Special Program People (SPP) program at Caltrans, which contracts with local non-profits to provide work opportunities to at-risk populations and reduce litter on the State Highway System (SHS).</p>	Amend to provide \$25 million from General Fund and \$25 million from State Highway Account.
18.	May Revision	<p>Homeless Encampment Coordinators. The May revision includes a one-time increase of \$6.2 million General Fund in 2026-27 and 2027-28 for 36 positions and operating expenses to sustain efforts addressing homelessness and encampments on the state highway right-of-way. These positions were first established in 2020-21 and renewed in 2023-24. These encampment coordinators work directly with field staff to locate, prioritize, and address encampments while fostering partnerships that reduce harm to individuals and disruptions to critical services. 25 positions are spread throughout the state and work with local government and social service providers. 11 positions are at headquarters to provide statewide policy direction, training, and partnership development. Current positions will expire on June 30, 2026.</p>	Defer any action until report is received.

19.	May Revision	Generative Artificial Intelligence (GenAI) for Safer and Smarter Roads. The May Revision includes a one-time increase of \$16.4 million from the State Highway Account in 2026-27 for GenAI solutions to enhance safety for vulnerable roadway users and to gain traffic mobility insights on the State Highway System. Previously, Caltrans had funded proof of concept and implementation contracts for the use of GenAI for these purposes, redirecting existing internal resources. To continue this effort, Caltrans requests funding for seven positions, consulting services, and California Department of Technology and IT support.	Reject without prejudice.
20.	May Revision	Games Route Network Trailer Bill. The May Revision includes a trailer bill proposal to establish and administer an automated enforcement program to deter the unauthorized use of the Games Route Network on the State Highway System. The proposal specifies that unauthorized use of the Games Route Network captured by an automated enforcement system result in a civil penalty of \$293, with a mechanism to issue a lesser fine to an individual with limited financial means. The Games Route Network is a planned network of dedicated lanes to transport athletes, coaches, and Games stakeholders across the dozens of Olympic venues through the greater Los Angeles region. The proposal authorizes Caltrans to enter into an agreement with a local authority or regional transportation agency to administer the program and allocates fine revenue to pay for the state's costs associated with the administration of the automated enforcement program and the Games Route Network. The proposal further requires that prior to the issuance of fines, there must be an extensive public awareness campaign about the automated enforcement of the Games Route Network to prepare drivers in the region.	Approve placeholder language.
21.	May Revision	SR-710 Rehabilitation Account Trailer Bill. The May Revision includes a trailer bill proposal that would authorize an increase in the amount of the total funds maintained in the SR-710 Rehabilitation Account from \$1.2 million to \$15 million. Under existing law, the sale proceeds of surplus properties within the SR-710 corridor go into the SR-710 Rehabilitation Account to pay for repairs of other surplus residential properties.	Approve placeholder language.

		<p>Under existing law, excess funds are transferred to the State Highway Account to be allocated by the California Transportation Commission to exclusively fund projects located in Pasadena, South Pasadena, Alhambra, La Cañada Flintridge, and the 90032 postal ZIP code. Because the repair of these properties often costs several hundred thousand dollars, the current cap on the SR-710 Rehabilitation Account significantly limits the number of residential properties the Caltrans can repair at once. This delays the repair and sale of these homes and prolongs Caltrans' role in the disposal of these properties. Increasing the cap for the SR-710 Rehabilitation Account to \$15 million will improve Caltrans' ability to repair and rehabilitate many SR-710 properties at one time. This will expedite the repair and the sale of the SR-710 properties.</p>	
22.	May Revision	<p>Intercity Passenger Rail Equipment Maintenance and Overhaul. The May Revision includes a one-time increase of \$27.5 million in 2026-27 fund critical equipment overhauls and maintenance necessary to operate the state's intercity passenger rail equipment. Caltrans procures and manages State-owned rail equipment and facilities for the three state-supported intercity passenger rail routes in California administered by their respective Joint Powers Authorities: Pacific Surf liner, Capitol Corridor, and San Joaquin train services. Caltrans owns over 180 pieces of equipment, built and delivered over the last 30 years, each with varying maintenance needs. This request will fund projects to address normal wear-and-tear, attain passenger safety expectations, meet federal safety standards, and maintain equipment in good repair to extend its useful life.</p>	Approve as budgeted.

2600 CALIFORNIA TRANSPORTATION COMMISSION

Issue 23-24: Various Proposals

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
23.	May Revision	State and Local Transportation System Needs Assessment (SB 1121). The May Revision includes \$252,000 ongoing (\$118,000 from the State Highway Account and \$134,000 from the Public Transportation Account) to convert one limited-term position to a permanent position to support the development of the State and Local Transportation System Needs Assessment required under SB 1121 (Gonzalez, Chapter 508, Statutes of 2022). The 2023 Budget Act provided a three-year limited-term position to develop the initial 2025 Needs Assessment. The Commission requests to convert this limited-term position to a permanent position to continue close-out work associated with the 2025 Needs Assessment, continue work on the 2030 Needs Assessment, and lead future updates to the Needs Assessment on an ongoing basis, as required by statute.	Approve as budgeted.
24.	Senate Proposal	Trade Corridor Enhancement Program. The Senate proposes \$15 million from the State Highway Account for the Trade Corridor Enhancement Program, specifically to focus on trade corridors connecting to ports.	Approve budget proposal.

2665 HIGH-SPEED RAIL AUTHORITY

Issues 25-26: Various Proposals

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
25.	January Governor’s Budget	Blended System Early Improvements – Reappropriation of High-Speed Passenger Train Bond Fund (Proposition 1A). The High-Speed Rail Authority requests a reappropriation of \$423.3 million in High-Speed Passenger Train Bond Fund (Proposition 1A) funding through June 30, 2028. This funding is specifically for one of the bookend projects in the Los Angeles Union Station (LinkUS), which was approved in 2022 for a total of \$423.3 million.	Approve as budgeted.
26.	January Governor’s Budget	Initial Operating Segment, Section 1 – Reappropriation. The High-Speed Rail Authority requests a reappropriation of \$246.3 million in Federal Trust Fund authority through June 30, 2034. The funds are intended to complete the Merced-to-Bakersfield segment. Specifically, it includes \$201.9 million from the Consolidated Rail Infrastructure and Safety Improvements grants; \$24 million from the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants for Wasco; \$20 million from RAISE for the Fresno Historic Depot; and \$488,000 from RAISE for the Merced extension.	Approve as budgeted.

2667 HIGH-SPEED RAIL AUTHORITY, OFFICE OF INSPECTOR GENERAL

Issues 27-29: Various Proposals

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
27.	January Governor’s Budget	Inspector General Whistleblower Complaint and Audit Management Systems. The Governor’s budget includes \$1.3 million in 2026-27 from the Public Transportation Account to continue two IT projects: the first IT project will establish a system for confidentially receiving and investigating whistleblower complaints consistent with OIG-HSR’s statutory responsibilities, and the second project is to develop a software solution to document, track, and manage the audits, inspections, and reviews performed by the OIG-HSR in its oversight of the high-speed rail project.	Approve as budgeted.
28.	January Governor’s Budget, May Revision	HSR-OIG Confidentiality Trailer Bill Language. The Governor’s budget includes a trailer bill language proposal that would require the OIG-HSR to produce publicly available reports of its reviews and investigations, subject only to limited exceptions. In instances where OIG-HSR needs to communicate sensitive findings to external bodies in position take corrective action, the ability to do so securely is critical to protecting the interests of the state. More broadly, this trailer bill would also create a clear statutory framework for the retention and protection of OIG-HSR workpapers and other communications—a framework that is standard to other IG offices but absent from the enabling statutes of the OIG-HSR. The May Revision updates the trailer bill language proposal originally included in the Governor’s Budget to clarify confidential information to the Inspector General pursuant to this section, including, but not limited to, confidential information that is subject to a privilege, shall not constitute a waiver of that confidentiality, among other changes.	Defer to the policy process.

29.	May Revision	Inspector General Whistleblower Complaint and Audit Management System Implementation. The May Revision includes \$169,000 in 2027-28 and ongoing from the Public Transportation Account for maintenance and operations for two IT projects in-progress to implement solutions needed to perform the OIG-HSR's duties as outlined in state law. The first IT project will establish a system for confidentially receiving and investigating whistleblower complaints and the second project is to develop a software solution to support the OIG-HSR's audits, inspections, and reviews of the highspeed rail project.	Approve as budgeted.
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2670 BOARD OF PILOT COMMISSIONERS FOR THE BAYS OF SAN FRANCISCO, SAN PABLO, AND SUISUN

Issues 30-32: Various Proposals

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
30.	January Governor's Budget	Board of Pilot Commissioners' Operations Support. The Governor's budget includes \$158,000 in 2026-27, \$226,000 in 2027-28, and \$285,000 in 2028-29 and ongoing from the Board of Pilot Commissioner's Special Fund for increased operations and trainee costs to enable BOPC to maintain baseline operations and support mission critical programs and statutory mandates. This request would allow BOPC to pay for various costs for the department that have risen, including contracts with other government agencies and private organizations, pilot trainee training stipends, and pilot continuing education.	Approve as budgeted.
31.	May Revision	IT Modernization. The May Revision includes \$2.5 million in 2026-27 from the Board of Pilot Commissioner's Special Fund to begin the IT project to modernize the business operations of the Board. Previously, the 2023 Budget Act included funding to complete the Project Approval Lifecycle (PAL) process with the California Department of Technology. This request is to complete the PAL and begin the project once Stage 4 is completed.	Approve as budgeted.

32.	May Revision	Legal and Office Facilities Costs. The May Revision includes \$529,000 in 2026-27, \$454,000 in 2027-28, and \$233,000 in 2028-29 and ongoing from the Board of Pilot Commissioners' Special fund to cover legal expenses and secure a new leased office facility. Of this request, \$150,000 in 2026-27 is requested to cover costs for legal representation by the Department of Justice in ongoing litigation, as well as other legal costs, including possible court-ordered costs. The remainder of the request is to support a new eight-year lease term of the Board's office, applied toward tenant improvements and increased rent as the BOPC prepares to move into a new leased office facility.	Approve as budgeted.
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2720 CALIFORNIA HIGHWAY PATROL

Issues 33-42: Various Proposals

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
33.	January Governor’s Budget	Budget Augmentation for Security at State Capitol Swing Space, and New Capitol Annex Building (NCAB). The budget includes \$6.8 million from the Motor Vehicle Account to fund two lieutenants and eight sergeant positions along with rent and facility costs for the Capitol Protection Section to provide protection and security at the State Capitol, State Capitol Swing Space, and the new State Capitol Annex. The CHP is required to provide 24-hour safety and security for the State Capitol, NCAB, the State Capitol Swing Space, the Legislature, Executive Branch, staff, and visitors of the State Capitol. The 2022 Budget Act included four-year limited-term funding for protection and security of the new swing space and annex—however, this funding ends in 2025-26. As such, CHP requests continued funding of the mandatory posts currently in place, as well as the CHP specialty units, to ensure security and service is maintained at all locations during the construction of the Annex.	Approve as budgeted.

34.	January Governor's Budget	CHPERS Replace Towers and Vaults—Sawtooth Ridge Site. CHP requests \$1.3 million General Fund for the incremental preliminary plans and full working drawing phases for the Sawtooth Ridge site of the CHP Enhanced Radio System (CHPERS). This request is necessary to address deteriorating radio communications infrastructure and improve radio interoperability in the eastern San Bernardino County region among various public safety agencies. This project consists of a new 120-foot self-supporting tower, vault with generator room, propane fuel system, solar power system, and associated support infrastructure and site improvements on 640 acres. Acquisition of the site is expected to be completed in April 2026.	Approve as budgeted.
35.	January Governor's Budget	Statewide: Advanced Planning and Site Identification. CHP requests \$1 million General Fund to identify suitable parcels for replacing up to three additional area offices and to develop studies for those sites. CHP has aging infrastructure that is often space deficient and rates poorly for seismic safety. However, replacing and/or reconstructing area offices is frequently a time-intensive endeavor, given the specific needs of the CHP for their area offices. As such, this initial funding will allow the department to streamline the facility replacement program to continue updating CHP offices to modern day needs.	Approve as budgeted.
36.	January Governor's Budget	Equipment and Operating Cost Budget Augmentation. The Governor's budget includes \$15.7 million from the Motor Vehicle Account (MVA) in 2025-26 and \$44.4 million from the MVA in 2026-27 for California Highway Patrol (CHP) to address rising costs and to procure law enforcement equipment. CHP requests \$15.7 million in 2025-26, including \$4.1 million for increased Attorney General (AG) cases and fees, \$3.1 million for increased utility costs, \$7.1 million for increased vehicle insurance, and \$1.4 million for law enforcement materials. In addition, CHP requests \$44.4 million, including \$22.2 million for equipment, such as weapons, vehicles, tablet devices, tasers, and law enforcement materials (i.e. K9 supplies, ammunition, soft body armor, ballistic shields), as well as \$22.3 million for operating costs, such as AG fees, communication costs, utility costs, fuel costs, and vehicle insurance premiums.	Approve as budgeted.

37.	January Governor's Budget	<p>Highway Violence Task Force. The Governor's budget includes \$885,000 ongoing from the Motor Vehicle Account for seven positions to analyze highway violence crime data and conduct highway violence criminal research. CHP originally received funding for the Highway Violence Task Force in the 2022 Budget Act, which included three-year limited-term funding: \$4 million in 2022-23, \$3.3 million in 2023-24, and \$3.3 million in 2024-25. In last year's budget, CHP received one-time funding—\$4.9 million from the Motor Vehicle Account in 2025-26—to continue this effort, largely continuing the original funding request of crime data and analytics staff, overtime costs, training costs, and equipment, such as the Automated License Plate Recognition cameras. CHP now requests \$885,000 in 2026-27 to narrow these efforts to just the crime data and analytics staff and related operating expenses, due to the limited capacity of the Motor Vehicle Account. Specifically, all seven analysts are assigned different geographic divisions—with the exception of the analyst responsible for both Valley and Northern divisions, due to a smaller case load in Northern—and responsible for analyzing data pertaining to criminal activity and identifying crime patterns, trends, correlations. (The operations of CHP are divided across eight geographic divisions throughout the state.)</p>	Approve as budgeted.
38.	May Revision	<p>California Crash Data System Modernization Program. The May Revision includes \$13.7 million and 10 temporary positions from the Federal Trust Fund in 2026-27 to continue the planning phase and transition into the execution phase of the California Crash (CalCrash) Data System Modernization Program. In February 2025, CHP received a grant for \$60.3 million from NHTSA to develop a user-friendly crash reporting system within five years. The CalCrash Project will provide CHP with an updated crash management application and California's Allied Agencies with an application to electronically complete crash reports for data collection. In 2025-26, CHP requested and received \$3.5 million from the Federal Trust Fund to begin planning the CalCrash Project including funding for four temporary IT positions. This request will allow CHP to continue with the Project Approval Lifecycle (PAL) process with the California Department of Technology.</p>	Approve as budgeted.

39.	May Revision	<p>CHP Enhanced Radio System (CHPERS): Replace Towers and Vaults – Leviathan Peak Supplemental Appropriation, Construction. The May Revision includes \$9.1 million in 2026-27 from the General Fund for the construction phase for the CHPERS: Replace Towers and Vaults project. This request will fund the construction of a new 85-foot tower, vault with generator room, propane fuel system, solar panel system, and associated support infrastructure, to address deteriorating radio communications infrastructure and to improve radio interoperability in the Alpine and Mono County region among various public safety agencies. Previously, the 2025 Budget included \$9.2 million for construction costs of this project. However, the administration now estimates the construction costs to be \$18.2 million, primarily due to market driven construction cost escalation and extensive logistical and mobilization requirements associated with constructing a complex communications facility at a remote high elevation location with seasonal access.</p>	Approve as budgeted.
40.	May Revision	<p>Increase in Reimbursement Authority to Provide Law Enforcement Functions. The May Revision includes \$57.6 million in 2026-27, \$55.6 million in 2027-28, \$55.8 million in 2028-29, \$55.9 million in 2029-30, and \$53.8 million in 2030-31 and ongoing in reimbursement authority, to provide sufficient expenditure authority for contracts with various state agencies, local jurisdictions, and private entities. This proposal requests an increase to the department’s reimbursement authority to align CHP’s spending authority with actual and anticipated reimbursement collections. Reimbursement needs have grown due to increased program activity and higher operational costs, but existing authority has not kept pace.</p>	Approve as budgeted.

41.	May Revision	Operational Cost Increases. The May Revision includes a one-time increase of \$40.4 million from the Motor Vehicle Account (MVA) for equipment and increased operating costs. This is in addition to resources proposed for operational costs in the Governor's Budget. Specifically, CHP requests a one-time augmentation from the MVA for equipment, such as enforcement vehicles, air fleet, tablets, electronic control devices, and law enforcement materials, as well as operating costs, such as vehicle insurance, academy costs, and deferred maintenance.	Approve as budgeted.
42.	May Revision	Wireless Mobile Video/Audio Recording System (WMVARS) and Body-Worn Camera (BWC) 5G Upgrade. The May Revision includes a one-time increase of \$3.1 million from the Motor Vehicle Account to upgrade CHP's wireless mobile video/audio recording systems and body-worn cameras. The requested funding will provide 1,045 5G-capable antennas and 1,045 5G-capable cellular modems necessary to support CHP's modernized body-worn cameras and WMVARS environments. These components are essential infrastructure which allow CHP's video systems to reliably connect to cellular networks.	Approve as budgeted.

2740 DEPARTMENT OF MOTOR VEHICLES**Issues 43-53: Various Proposals**

<u>Issue #</u>	<u>Origin</u>	<u>Subject</u>	<u>Staff Recommendation</u>
43.	January Governor's Budget	Oxnard: Field Office Reconfiguration—Revert and Fund New. DMV requests to revert \$15.5 million in lease revenue bonds and to appropriate instead \$21.2 million in lease revenue bonds to continue reconfiguring the Oxnard field office project. The Project is currently in the working drawing phase, with design awaiting final approval from oversight entities like the State Architect, State Fire Marshal, and Department of Finance. The project deficit of \$5.7 million is primarily from the determination that many of the building systems, such as electrical service; sewer; and heating, ventilation, and air conditioning; no longer meet code requirements and need replacing.	Approve as budgeted.
44.	January Governor's Budget	San Francisco Field Office Lease Project. DMV requests \$9.8 million from the Motor Vehicle Account to relocate its San Francisco field office. The funds will support leasing a space for the field office from 2026-27 through 2029-30. DMV requests funding to lease a new space for the San Francisco field office because the original state-owned field office site is being transitioned to an affordable housing development project. The department anticipates starting lease negotiations in February 2026 with lease execution anticipated in August 2026. DMV is requesting \$4.6 million in one-time costs and anticipates \$1.7 million in annual ongoing lease and maintenance costs beginning in 2027-28. The department may return for ongoing costs in a subsequent request after 2029-30.	Approve as budgeted.

45.	January Governor's Budget	<p>State-to-State Verification System (S2S) Project and Trailer Bill Language. The Governor's budget includes \$56 million from the Motor Vehicle Account in 2026-27 to develop and implement the State-to-State solution and to address the additional workload anticipated in both 2026-27 and 2027-28. DMV requests funding for temporary staff to develop the system, resolve duplicate records and other errors, as well as investigate identity fraud cases that may arise. It also includes \$25 million in consultant/professional services and software resources.</p> <p>In addition, DMV requests trailer bill language to authorize the department to share driver license and identification card applicants' Social Security Numbers (SSN) with the AAMVA for purposes of participating in the S2S Verification Service.</p>	Defer budget request until trailer bill language is agreed upon.
46.	January Governor's Budget	<p>Digital eXperience Platform (DXP) Project. The Governor's budget includes \$94.1 million from the Motor Vehicle Account and 109 temporary positions in 2026-27 to continue maintenance and operations activities for Occupational Licensing (OL) and Disabled Persons Placard (DPP); Vehicle Registration (VR), Control Cashiering (CC), and Inventory Management (IM), and start the Driver Licensing (DL) phase of the DXP Project.</p>	Approve as budgeted.
47.	May Revision	<p>Digital eXperience Platform (DXP) Project Reappropriation. April Finance Letters include a reappropriation of \$32.3 million from the Motor Vehicle Account to complete the Vehicle Registration phase of the DXP project, which is the comprehensive modernization effort of the department's information technology systems. The project's schedule and cost have been revised in the most recent Special Project Report approved by the California Department of Technology on January 16, 2026. This request allows DMV to fulfill the original intent of the funding and complete the VR phase in fiscal year 2026-27.</p>	Approve as budgeted.

48.	May Revision	Chapter 8, Statutes of 2020 (AB 85) and Various Program Reimbursement Increases. The May Revision includes an increase of DMV’s reimbursement authority by \$6.4 million in 2026-27, \$6.8 million in 2027-28, \$7 million in 2028-29, \$7 million in 2029-30, and \$6.5 million in 2030-31 and ongoing due to the changes in sales tax collection from used motor vehicle dealers from AB 85 (Committee on Budget, Chapter 8, Statutes of 2020), the California State Payroll System (CSPS) Project readiness activities, and ongoing cost increases (i.e. salary increases, etc.) for all reimbursable programs.	Approve as budgeted.
49.	May Revision	Delano: Field Office Replacement Supplemental Appropriation, Construction. The May Revision includes a supplemental appropriation of \$3.9 million from the Public Buildings Construction Fund for increased costs of the construction phase of the Delano: Field Office Replacement Project. The estimated total project cost is \$33.3 million. The project has experienced delays from regulatory approval processes, inspections, and the implementation of construction change activities related to fire/life safety. These delays have caused increased costs for the general contractor and increased fees for architectural and engineering services, construction management, inspections, and project management.	Approve as budgeted.
50.	May Revision	Operational Cost Increases. The May Revision includes a one-time increase of \$24.5 million from the Motor Vehicle Account for increased operating costs across DMV’s facilities, such as existing leases, security services, as well as scheduled and deferred maintenance projects, as well as increases in Attorney General (AG) fees. DMV has historically redirected salary savings, deferred scheduled maintenance projects at state-owned sites, and minimized lease modifications to only those that are necessary to absorb these costs into their base budget. However, due to recent vacancy sweeps and efficiency reductions, the DMV no longer has this type of budget flexibility and requests a one-time increase to support baseline operating costs at facilities and legal costs.	Approve as budgeted.

51.	May Revision	DMV Mobile Driver License (mDL). The May Revision includes a one-time increase of \$5 million from the Motor Vehicle Account for information technology and consulting resources to continue the mDL pilot program. In addition, the May Revision includes a trailer bill language proposal to remove the participation cap in the mDL pilot program. Previously, the 2021 Budget Act included \$10 million General Fund for the Mobile Driver License program, which was expended in 2021-22 and 2022-23 to develop a pilot program with an estimated 2 million users by the end of 2025-26. This request would continue the use and expansion of this program for an extended pilot in 2026-27. An extended pilot will provide the opportunity for additional use cases including opportunities for Californians to add the mDL to their devices for online identity proofing, disaster recovery and emergency assistance, identity assurance services, and consumer and access services.	Approve as budgeted and approve placeholder language.
52.	May Revision	San Clemente Field Office Lease. The May Revision includes a one-time increase of \$4.1 million from the Motor Vehicle Account to relocate the San Clemente Field Office for 2026-27 through 2029-30. The current lessor has indicated they will not renew the DMV's lease beyond its expiration of August 31, 2027, citing significant congestion caused by DMV operations.	Approve as budgeted.
53.	May Revision	Various Efficiencies Trailer Bills. The May Revision includes trailer bill language proposals to support operational improvements that also reduce costs at the DMV. This includes reducing statutory requirements for the department to provide physical paper copies of reports, handbooks, manuals, and notices; modernizing disabled person parking placard processes; authorizing digital titles; and eliminating rush registration documents. This is to address the ongoing structural deficit of the MVA.	Approve placeholder language.