
Senate Budget and Fiscal Review—Holly J. Mitchell, Chair

SUBCOMMITTEE NO. 2

Agenda

Senator Bob Wieckowski (Chair)

Senator Brian Dahle

Senator Mike McGuire

Senator Bill Monning

Senator Henry Stern



Part A Outcomes

Transportation and Energy

Sunday, May 24, 2020

State Capitol - Senate Chambers

Consultant: James Hacker

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Vote - Only Calendar for Budget Proposals from Governor’s January Budget

Issue	Entity	Department	Subject	General Fund	Other Funds	Positions	Staff Comments	Staff Recommendation
1	2660	Department of Transportation	Continuation of Americans with Disabilities Act Infrastructure Program	--	1,000,000	--	The budget includes a permanent increase of \$1,000,000 from the State Highway Account (SHA) to fund the Americans with Disabilities Act (ADA) Infrastructure Program. The resources will be used for consultant contracts to continue implementing and administering ADA requirements per	Approve as Budgeted 5-0

							past court decisions.	
2	2660	Department of Transportation	Litter Abatement	--	31,835,000	--	The budget includes an increase of \$31,835,000 in 2020-21, increasing to a permanent increase of \$43,350,000 in 2024-25, all from the State Highway Account, for the Division of Maintenance to fund the Litter Abatement Program. Given the large and growing issue of litter on state	Approve as Budgeted 4-1

							right of way, it is generally reasonable to increase funding for abatement activities.	
3	2660	Department of Transportation	Highway Fund Shift	--	--	--	The budget includes a technical fund shift to balance Federal and state funds across the highway maintenance program.	Approve as Budgeted. 5-0
4	2660	Department of Transportation	Continuation of Proposition 1B Administrative Support	--	4,992,000	19.5	The budget includes funding to continue the administration of the workload associated with Caltrans' responsibilities under Proposition 1B. This includes 2020-21 funding for 19.5 positions	Approve as Budgeted. 5-0

							2021-22 funding for 18.5 positions.	
5	2665	High-Speed Rail Authority	IT Office Re-Structuring	--	2,634,000	15.0	The January budget included \$2.63 million and 15 permanent positions in 2020-21 and ongoing. These positions will continue the transition of day-to-day information technology (IT) operational activities from contractor resources to state employees.	Approve as Budgeted. 4-1

6	2720	Department of California Highway Patrol	California Cybersecurity Integration Center	977,000	--	4.0	The January budget requests four positions to implement CHP's role in the state Cybersecurity Integration Center as required by AB 2813. This proposal will be considered at a later date.	Reject without prejudice and defer consideration for a later date. 5-0
7	2720	Department of California Highway Patrol	Mandatory Relocation to Capitol Swing Space	--	1,111,000	--	The January budget included \$1.111 million in fiscal year 2020-21 from the Motor Vehicle Account for the costs associated with the mandatory relocation to the Capitol Swing Space building. All CHP operations within the State Capitol	Approve as Budgeted. 4-0

							Annex building and the CHP's Capitol Communications Center will be permanently relocated to the new Capitol Swing Space building.	
8	2720	Department of California Highway Patrol	Increase in Reimbursement Authority	--	4,040,000	--	The January budget included a permanent budget augmentation of \$4.040 million in reimbursement authority to provide protective services to the Department of Industrial Relations' (DIR) Division of Workers' Compensation (DWC) district offices statewide.	Approve as Budgeted. 5-0

9	2720	Department of California Highway Patrol	E-Cigarette Tax Enforcement	--	7,000,000	10.0	The January budget included 10 positions and a \$7 million permanent augmentation from the Electronic Cigarette Products Tax Fund in 2020-21 for the purposes of creating a task force charged with combatting illicit vaping devices and products. This proposal is dependent upon the passage of the Administration's proposed vaping tax. This proposal contains trailer bill language.	Hold Open. Hold Open
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10	2720	Department of the California Highway Patrol	0001489 - Keller Peak: Area Office Replacement - COBCP/Reappropriation - C	0	1,819,000	--	The January budget included a reappropriation of \$1,819,000 from the Motor Vehicle Account for the construction phase of the Keller Peak Tower Replacement project. Delays in the completion of the working drawings phase necessitates a request for reappropriation of funding for the construction phase of this project. In January 2016, the CHP communications tower at Keller Peak collapsed due to its weight	Approve as Budgeted. 5-0
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							and metal deterioration caused by inclement weather.	
11	2740	Department of Motor Vehicles	Motor Voter Workload Resources	6,405,000	--	38.0	The January budget included 38 additional ongoing positions and \$6.4 million in 2020- 21, \$4.9 million in FY 2021-22, and \$4.1 million in 2022- 23 and ongoing for continued administration of the Motor Voter Program, all from the General Fund. under this proposal, fewer positions will be allocated to Motor Voter workload than are	Approve as Budgeted. 4-1

							currently budgeted. The DMV has indicated that it is requesting fewer new positions than it has been redirecting because it assumes it can achieve some efficiencies in processing time.	
12	2740	Department of Motor Vehicles	Eureka Field Office Relocation	--	2,971,000	--	The January budget included \$2,971,000 in 2020-21, \$685,000 in 2021-22, and \$719,000 in 2022-23 and ongoing for a new leased Eureka Field Office due to the loss of the lease at the current office.	Approve as Budgeted. 5-0

13	3360	Energy Resources Conservation and Development Commission	One-Time Expenditure Authority for Unspent Alternative and Renewable Fuel and Vehicle Technology Funds	--	51,000,000	--	The January budget included \$51 million in one-time expenditure authority from the Alternative and Renewable Fuel and Vehicle Technology Fund (Fund 3117) to increase and accelerate the deployment of Electric Vehicle (EV) charging infrastructure which will support increased Zero Emission Vehicle (ZEV) adoption and deployment in California. Due to its nexus with the states climate goals. This proposal should	Reject this proposal without prejudice and defer for consideration at a later date. 5-0
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							be considered with the broader Greenhouse Gas Reduction Fund.	
14	3360	Energy Resources Conservation and Development Commission	One-Time Expenditure Authority for Unspent Public Interest Energy Research Natural Gas Funds	--	8,100,000	--	The January budget includes \$8.1 million in unspent funds from the Public Interest Energy Research, Natural Gas Subaccount, to support research funding for energy efficiency, pipeline safety and methane emissions, small grants for natural gas technology entrepreneurs, and program administration. These funds are	Approve as budgeted. 5-0

							program reversions and interest earned on fund resources.	
15	3360	Energy Resources Conservation and Development Commission	Modernized Appliance Efficiency Database System	--	1,000,000	--	The January budget included \$1,500,000 in one-time contract funding to upgrade CEC's Modernized Appliance Efficiency Database System (MAEDbS). Upgrading the existing data structure will increase compliance with the appliance efficiency standards and improve enforcement of	Approve as Budgeted. 4-1

							the standards, helping to achieve the state’s greenhouse gas emission reduction goals.	
16	3360	Energy Resources Conservation and Development Commission	Cap and Trade Expenditure Plan: Climate Resilience Research, Regional Collaboration, and Implementation	--	1,000,000	--	The January budget included resources for CEC to participate in regional and statewide research efforts. While this research is laudable, this proposal should be considered along with the rest of the Greenhouse Gas Reduction fund proposals.	Reject this proposal without prejudice and defer for consideration at a later date. 5-0

17	3360	Energy Resources Conservation and Development Commission	Resources to Support Flexible Demand Appliance Standards (SB 49)	--	750,000	4.0	The January budget included funding for four positions to implement the requirements of SB 49 (Skinner), Chapter 697, Statutes of 2019, which directs the CEC to adopt appliance standards that promote the use of flexible demand technologies to assist with grid reliability through expanded capacity for flexible demand.	Approve as Budgeted. 4-1
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18	3360	Energy Resources Conservation and Development Commission	Energy Resources Programs Account Structural Deficit Relief	--	0	0.0	The January budget included a shift of \$1.65 million of eligible expenditures and 11.0 permanent positions from ERPA to other appropriate fund sources to preserve the Energy Program Resource Account fund balance.	Approve as Budgeted. 5-0
19	8660	Public Utilities Commission	Public Advocate's Office - Wildfire Prevention & Recovery Legislative Package Funding (SB 901)	--	2,635,000	14.0	This request would make permanent limited-term positions that were provided in 2019-20, as workload is ongoing.	Approve as budgeted. 5-0

20	8660	Public Utilities Commission	Communications Restoral	--	398,000	2.0	The January budget included funding support two permanent positions to report to the public, local governments and the PUC regarding restoral of communications facilities after natural and other disasters, and annually in a public formal report.	Approve as Budgeted. 5-0
21	8660	Public Utilities Commission	Lifeline	--	4,934,000	5.0	The January budget included five positions to track and implement the program's federal and state policy changes, oversight of the third-party	Approve as Budgeted. 4-0

							administrator, and to conduct a formal assessment of the Program and to conduct statewide marketing and outreach to increase program participation.	
22	8660	Public Utilities Commission	IT Services Division Support	--	2,261,000	14.0	The January budget includes 14 positions to expand PUCs IT functions and allow the organization to serve the growing Commission.	Approve as budgeted. 4-1
23	8660	Public Utilities Commission	Energy: Posting Rates and Programs (AB 1362)	--	1,021,000	3.0	The January budget included three positions and contract funding for the PUC to implement AB 1362 (O'Donnell),	Approve as Budgeted. 5-0

							Chapter 395, Statutes of 2019, which requires the CPUC to post, in a consolidated location on its website, residential electric rate tariffs and programs of Load Serving Entities (LSE) to enable comparison of rates, services, and environmental attributes.	
24	8660	Public Utilities Commission	Utilities Supplier Diversity Program (SB 255)	--	396,000	1.0	The January budget included one position to implement SB 255 (Bradford), Chapter 407, Statutes on 2019, which extended requirements of	Approve as Budgeted. 5-0

							the General Order (GO) 156 Utilities Supplier Diversity Program to community choice aggregators (CCAs), electric service providers, certain wholesale generators selling electricity to retail sellers, distributed energy resource contractors, and energy storage system companies.	
25	8660	Public Utilities Commission	Provider of Last Resort (SB 520)	--	770,000	4.0	The budget included four positions to implement SB 520 (Hertzberg), Chapter 408, Statutes of 2019, which requires CPUC to develop	Approve as Budgeted. 5-0

							processes, market rules, and oversight frameworks to monitor new provider of last resort responsibilities in the state's electricity market.	
26	8660	Public Utilities Commission	CA Lifeline: State Operations and Local Assistance Estimate	--	-73,297,000	--	Technical corrections to align the LifeLine programs budget authority with anticipated program demand.	Approve as Budgeted. 4-0

Vote-Only Calendar for Proposals Withdrawn from the January Budget

Issue	Entity	Department	Subject	General Fund	Other Funds	Positions	Staff Comments	Staff Recommendation
27	2720	Department of the California Highway Patrol	Withdrawal of 0000144 - CHPERS: Replace Towers and Vaults - COBCP - C	0	-10,208,000	--	This would delay the construction phase for two radio projects. Reduces MVA pressure in the budget year but delays project completion.	Approve withdrawal of the January proposal. 5-0
28	2720	Department of the California Highway Patrol	Withdrawal of 0000751 - Statewide Planning and Site Identification - COBCP - S A	0	-500,000	--	This would delay the site selection work needed to identify suitable parcels for future CHP field offices, and therefore delays the long-term replacement and modernization of the CHP's facilities.	Approve withdrawal of the January proposal. 5-0

29	2720	Department of the California Highway Patrol	Withdrawal of 0000629 - Quincy: Replacement Facility - COBCP - B	0	-38,112,000	--	The January budget included a proposal to fund the replacement of the Quincy area office using lease-revenue bonds. Withdrawing this proposal would preserve the out-year Motor Vehicle Account balance, but would also delay project completion.	Approve withdrawal of the January proposal. 5-0
30	2720	Department of the California Highway Patrol	Withdrawal of 0003851 - Baldwin Park: Area Office Replacement - COBCP - B	0	-43,137,000	--	The January budget included a proposal to fund the replacement of the Baldwin Park area office using lease-revenue bonds. Withdrawing this proposal would preserve the out-year Motor	Approve withdrawal of the January proposal. 5-0

							Vehicle Account balance, but would also delay project completion.	
31	2720	Department of the California Highway Patrol	Withdrawal of 0003852 - Santa Fe Springs: Area Office Replacement	0	-44,279,000	--	The January budget included a proposal to fund the replacement of the Santa Fe Springs area office using lease-revenue bonds. Withdrawing this proposal would preserve the out-year Motor Vehicle Account balance, but would also delay project completion.	Approve withdrawal of the January proposal. 5-0
32	2720	Department of the California Highway Patrol	Withdrawal of 0001487 - Gold Run: Area Office Replacement - COBCP - A	0	-1,370,000	--	This would delay the acquisition phase of the Gold Run area office project. Reduces MVA pressure in	Approve withdrawal of the January proposal. 5-0

							the budget year but delays project completion.	
33	2720	Department of the California Highway Patrol	Withdrawal of 0001488 - Humboldt: Area Office Replacement - COBCP - A D	0	-2,107,000	--	This would delay the acquisition and performance criteria phases of the Humboldt area office replacement project. The Humboldt office is one of the smallest in the CHP organization. Reduces MVA pressure in the budget year but delays project completion.	Approve withdrawal of the January proposal. 5-0
34	2740	Department of Motor Vehicles	Oxnard Field Office Swing Space	--	-60,000	--	Cancels the acquisition of functional swing space for the Oxnard Field Office. The replacement project is proposed for	Approve withdrawal of the January proposal. 5-0

							deferral and swing space is unnecessary until that project moves forward.	
35	2740	Department of Motor Vehicles	Inglewood Swing Space	--	-1,972,000	--	Cancels the acquisition of functional swing space for the Inglewood Field Office. The replacement project is proposed for deferral and swing space is unnecessary until that project moves forward.	Approve withdrawal of the January proposal. 5-0
36	2740	Department of Motor Vehicles	Withdrawal of 0000707 - Delano: Field Office Replacement - COBCP - C	0	-15,291,000	--	The January budget included a proposal to fund the replacement of the Delano field office using lease-revenue bonds. Withdrawing this proposal would	Approve withdrawal of the January proposal. 5-0

							preserve the out-year Motor Vehicle Account balance, but would also delay project completion.	
37	2740	Department of Motor Vehicles	Withdrawal of 0000708 - Santa Maria: Field Office Replacement - COBCP - C	0	-17,372,000	--	The January budget included a proposal to fund the replacement of the Santa Maria field office using lease-revenue bonds. Withdrawing this proposal would preserve the out-year Motor Vehicle Account balance, but would also delay project completion.	Approve withdrawal of the January proposal. 5-0
38	2740	Department of Motor Vehicles	Withdrawal of 0001491 - Oxnard: Field Office	0	-1,229,000	--	Delays the working drawings phase of the Oxnard field	Approve withdrawal of the January proposal. 5-0

			Reconfiguration - COBCP - W				office reconfiguration project. Reduces MVA pressure in the budget year but delays project completion.	
39	2740	Department of Motor Vehicles	Withdrawal of 0001492 - Reedley: Field Office Replacement - COBCP - C	0	-17,354,000	--	The January budget included a proposal to fund the replacement of the Reedley field office using lease-revenue bonds. Withdrawing this proposal would preserve the out-year Motor Vehicle Account balance, but would also delay project completion.	Approve withdrawal of the January proposal. 5-0
40	2740	Department of Motor Vehicles	Withdrawal of 0006796 - San Francisco: Field Office Replacement -	0	-2,905,000	--	Delays the performance criteria phase of the San Francisco Field Office	Approve withdrawal of the January proposal. 5-0

			COBCP - D				Replacement project. Reduces MVA impact in the budget year but delays project completion.	
41	2740	Department of Motor Vehicles	Withdrawal of 0001493 - Statewide Planning and Site Identification - COBCP - S A	0	-500,000	--	Delays planning and site identification for the replacement of one field office, and to develop studies for the identified replacement (whether on-site or as a result of a successful site search) or up to two reconfiguration/renovation projects. Reduces MVA pressure in the budget year but delays the long-term replacement and modernization	Approve withdrawal of the January proposal. 5-0

							of MVA facilities.	
42	8660	Public Utilities Commission	Transportation Enforcement and Licensing	--	-2,362,000	-14.0	The January budget requested 14 positions to implement the findings of a performance audit and strengthen the PUC's transportation enforcement capabilities. While this is a laudable goal, the current fiscal situation limits the ability of the state to grow existing programs or invest in new programs.	Approve withdrawal of the January proposal. 5-0
43	8660	Public Utilities Commission	IT Services Division Security	--	-1,492,000	-9.0	The January budget included nine positions to further develop the PUC's	Approve withdrawal of the January proposal. 5-0

							capabilities in IT security. While this is a laudable goal, the current fiscal situation limits the ability of the state to grow existing programs or invest in new programs.	
44	8660	Public Utilities Commission	Cyber and Physical Security	--	-405,000	-2.0	The January budget included two positions to develop the PUC's ability to provide oversight and coordination on physical and cyber security issues statewide. While this is a laudable, the current fiscal situation limits the ability of the state to develop new programs. Related	Approve withdrawal of the January proposal. 5-0

							work will be performed statewide by other state entities.	
45	8660	Public Utilities Commission	Energy Division Management and Support	--	-1,842,000	-9.0	The January budget included nine positions to provide additional management and support for the growing Energy Division. The current fiscal situation limits the state's ability to continue to grow existing programs.	Approve withdrawal of the January proposal. 5-0
46	8660	Public Utilities Commission	Administrative Law Judge Division Management and Proceeding Support	--	-1,146,000	-8.0	The January budget included eight positions to provide additional administration and proceeding support for the Administrative Law Judge division. The current fiscal	Approve withdrawal of the January proposal. 5-0

							situation limits the state's ability to continue to grow existing programs.	
47	8660	Public Utilities Commission	Data Analytics	--	-2,034,000	-9.0	The January budget included nine positions to establish a new Data Analytics group within the PUC to support analytically-intensive workload across the commission. While this is a laudable, the current fiscal situation limits the ability of the state to develop new programs. Related work will be performed elsewhere in the PUC.	Approve withdrawal of the January proposal. 5-0

48	8660	Public Utilities Commission	Wildfire Forecast and Threat Intelligence Integration Center (SB 209)	--	-191,000	-1.0	The January budget included one position to support CalOES and CalFire in the Wildfire Forecast and Threat Intelligence Integration Center created by SB 209. This workload can be absorbed by other entities involved in the Center.	Hold Open. Hold Open
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Vote -Only Calendar for Modifications to the Governor’s Budget Proposals from January

Issue	Entity	Department	Subject	General Fund	Other Funds	Positions	Staff Comments	Staff Recommendation
49	2660	Department of Transportation	Pedestrian and Bicyclist Safety Investigations	--	-2,209,000	-12.0	The January budget included a two-year limited-term increase of 12 positions and \$2,209,000 in State Highway Account funds for Pedestrian and Bicyclist Safety Investigation Programs consistent with the Federal Highway Safety Improvement Program (HSIP) and Caltrans’ Strategic Management Plan (SMP) pedestrian and bicyclist safety targets. Caltrans has	Approve the modification of the January proposal. 5-0

							indicated that this work will be absorbed elsewhere in the department.	
50	2660	Department of Transportation	Transportation Systems Network Information Technology Project	--	-5,424,000	--	The January budget included \$5,424,000 one-time to develop an updated Transportation Network System (TSN) for California's public roadways that meets federal mandates, through the Transportation Network System Replacement project. The department has indicated that this expense can be absorbed within the current budget.	Approve the modification of the January proposal. 5-0

51	2660	Department of Transportation	Wildfire Litigation	--	-1,747,000	--	The January budget included \$1,747,000 per year for four-year limited-term resources in State Highway Account funds for the increases in the Legal Division's workload resulting from wildfire litigation. The department has indicated that this workload is absorbable in current resources.	Approve the modification of the January proposal. 5-0
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Vote -Only Calendar for New Administration Proposals Introduced in May

Issue	Entity	Department	Subject	General Fund	Other Funds	Positions	Staff Comments	Staff Recommendation
52	0521	Secretary for Transportation Agency	Fund Allocation Adjustment	--	0	--	The May Revision includes a request to reduce reimbursement authority and replace it with special fund authority. A review of CalSTA’s funding sources and the resulting workload resulted in an estimated funding split of 60 percent State Highway Account, 20 percent Motor Vehicle Account, and 20 percent Public Transportation	Approve as Budgeted. 5-0

							Account.	
53	2660	Department of Transportation	Office Space Related Costs	--	4,469,000	--	The May Revision includes funding for office space costs related to staff growth resulting from increased transportation funding provided by Chapter 5, Statutes of 2017(SB 1).	Approve as Budgeted. 4-1
54	2660	Department of Transportation	DGS Increased Surcharge Costs	--	2,661,000	--	The May Revision includes funds for increased Department of General Services Statewide Surcharge costs.	Approve as Budgeted. 4-1

55	2660	Department of Transportation	DGS Increased Vehicle Insurance Premium Costs	--	4,931,000	--	The May Revision includes \$4,931,000 for increased DGS vehicle insurance premium costs	Approve as Budgeted. 5-0
56	2665	High-Speed Rail Authority	Form to Function	--	13,398,000	70.0	The May Revision includes a shift of 70 positions from contracted positions to state staff, consistent with legislative direction and the findings of recent audits by the State Auditor.	Approve as Budgeted. 4-1
57	2720	Department of California Highway Patrol	Vehicle Insurance Premium Assessment	--	2,850,000	--	The May Revision includes funding for increased vehicle insurance premium costs.	Approve as budgeted. 5-0
58	2740	Department of Motor Vehicles	Heavy-Duty Vehicle Inspections and Maintenance Program	--	1,705,000	--	Provides resources to begin the Project Approval Lifecycle process to plan for an IT system that will	Approve as Budgeted. 4-1

							receive data from the Air Resources Board regarding heavy-duty truck smog violations as required by SB 210 (Leyva), Chapter 298, Statutes of 2019. The system will assist the Board in improving its emissions control program for heavy-duty vehicles, resulting in reductions in harmful vehicle emissions.	
59	2740	Department of Motor Vehicles	Withdraw Front-End Sustainability Funding	--	-12,096,000	--	The May Revision includes a decrease of \$12,096,000 to reflect a shift in the approach of the Department Motor Vehicles (DMV) in the	Approve as Budgeted. 5-0

							replacement of its legacy IT systems. After analysis of its IT systems, the California Department of Technology and DMV determined that it is more appropriate to stabilize DMV's current legacy systems to lessen the chance of outages at field offices and at headquarters before beginning the replacement of the legacy systems.	
60	3360	Energy Resources Conservation and Development Commission	Reappropriation of Various Funds	--	0	--	Technical change to allow the Commission to address potential delays in awarding grants and recipients	Approve as budgeted. 4-0

							completing projects caused by COVID-19. This will provide additional time for project completion and the funding to be spent for the same purposes for which the funds were originally appropriated.	
61	3360	Energy Resources Conservation and Development Commission	Reimbursement Authority for Hydrogen Refueling Infrastructure	--	5,000,000	--	The May Revision includes five million in reimbursement authority to allow for the Commission to accept reimbursements from Bay Area Air Quality Management District to fund construction of hydrogen refueling stations. The	Approve as budgeted. 5-0

							additional reimbursement authority will enable the Commission to award as many as five additional hydrogen refueling station projects within California.	
62	3360	State Energy Resources Conservation and Development Commission	General Fund Loans	--	--	--	The May Revision includes several loans to the General Fund from various special funds. These loans range in size from three million to 25 million, and provide a total of \$52 million. These loans would be repaid at the discretion of the Department of Finance.	Hold Open. Hold Open

63	8660	Public Utilities Commission	Telecommunications Safety Audits	--	855,000	4.0	The May Revision includes four new permanent full-time positions from the Public Utilities Commission Utilities Reimbursement Account (PUCURA) to conduct in-house safety-related audits of the telecommunications carriers and Public Purpose Programs (PPPs) to ensure telecommunications carriers are providing vital telecommunication and emergency services in all geographic areas and	Approve as Budgeted. 5-0
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							to qualified low-income, disabled, and disadvantaged consumers and households as required by current law.	
64	8660	Public Utilities Commission	CA Lifeline: State Operations and Local Assistance Estimate	--	18,091,000	--	The May Revision provides an update to the LifeLine program estimate to align program funding with anticipated demand. This would provide \$427,515,000 for fiscal year 2019-20 and \$398,620,000 for fiscal year 2020-21 from the Universal LifeLine Telephone Service Trust Administrative Committee Fund consistent with the	Approve as budgeted. 4-0

							2020-21 Enrollment, Caseload, and Population May Revision estimates.	
65	8660	Public Utilities Commission	Loan from High Cost Fund B to General Fund	60,000,000	-60,000,000	--	The May Revision includes a loan from the California High Cost Fund B to the General Fund to provide General Fund relief.	Hold Open Hold Open
66	8660	Public Utilities Commission	Loan from Universal Lifeline Service Trust Fund to General Fund	300,000,000	-300,000,000	--	The May Revision provides for a loan from the LifeLine program to the General Fund to provide General Fund relief. This loan would severely impact the fund balance in 2020-21 and leave the fund precariously balanced.	Hold Open Hold Open

67	8660	Public Utilities Commission	Loan from California Advanced Services Fund to General Fund	60,000,000	-60,000,000	--	The May revision provides for a loan from the California Advanced Services Fund to provide General Fund relief.	Hold Open Hold Open
68	8660	Public Utilities Commission	Exemption from Statutory Salary Cap for Commissioners	--	--	--	Exempts PUC Commissioners from statutory salary caps and raises the maximum allowable salary for those Commissioners. The current fiscal situation is not an appropriate time to consider a salary increase for Commissioners.	Reject this language for inclusion in the June Budget. 5-0
69	8660	Public Utilities Commission	Improve California's Ability to Compete for Federal	--	--	--	Makes a number of changes to state law to expand the PUC's ability to support broadband	Reject without prejudice for consideration through the policy process.

			Broadband Funding				expansion and improve the state’s ability to access federal broadband funds. While laudable goals, this is a substantive bill that should be considered through the policy process.	5-0
70	2640	State Transit Assistance	Statutory Relief for Transit Operators	--	--	--	Makes a number of short-term changes to existing statute to provide transit operators with temporary relief from state funding penalties relate to farebox recovery ratios, hold-harmless provisions, and operating cost per vehicle revenue hour.	Approve placeholder language. 4-0

71	Various	Various	Reversion of Legislative priorities	--	--	--	Reverts unused or unencumbered funds from a variety of legislative investments in recent years.	Hold Open Hold Open
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Issues for Discussion

BU 2660 DEPARTMENT OF TRANSPORTATION

Issue 72: Transportation Loans and Transfers

Request. The May Revision includes several transfers and loans from transportation funds to the General Fund to provide General Fund relief.

Background. The proposed loans and transfers include:

- \$21 million loan from the Local Airport Loan Account to the General Fund
- \$130 million transfer from the State Highway Account to the General Fund
- \$32 million transfer from the Traffic Congestion Relief Account to the General Fund.

The State Highway Account is primarily funded by excise taxes on the sale of gasoline. The Local Airport Loan Account (LALA) was established with one-time seed money from the Aeronautics Account, which is funded by excise tax on the sale of aviation fuel, to provide low cost loans to local General Aviation airports. The Traffic Congestion Relief Fund was created by a transfer of General Fund and state gas tax revenues.

Staff Comments. State law typically limits transportation revenues to transportation uses. The Administration has indicated that, for accounting purposes, the SHA transfer consists of interest paid on SHA funds in state accounts, and therefore does not consist of gas tax revenues. Similarly, the TCRF transfer consists of the remaining balance of that fund attributable to the original General Fund transfer.

Staff Recommendation: Hold Open.

Hold Open

**BU 3360 ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION****Issue 73: Building Initiative for Low-Emissions Development (BUILD) Program**

Request. The May Revision includes \$40 million in 2020-21, \$20 million in 2021-22, and \$20 million in 2022-23 from greenhouse gas (GHG) emission allowances directly allocated to gas corporations and consigned to auction as part of the California Air Resources Board Cap-and-Trade Program to implement the Building Initiative for Low-Emissions Development (BUILD) Program authorized in SB 1477 (Stern), Chapter 378, Statutes of 2018.

Background. SB 1477 authorizes the California Public Utilities Commission (PUC) to develop, in consultation with the CEC, the Building Initiative for Low-Emissions Development (BUILD) Program to reduce GHG emissions from buildings by providing incentives for adopting near-zero emission technologies. It requires the PUC, from July 1, 2019 through June 30, 2023, to allocate \$50 million annually from gas corporations' GHG emissions allowance revenues to be split between the BUILD Program and another initiative. Funds are available for expenditure for up to 10 years following accrual, through June 30, 2033. CPUC Decision 20-03-027, issued on April 6, 2020, identifies the CEC as the BUILD Program Administrator with a total administrative budget of no more than \$8 million (10 percent) over the duration of the BUILD Program.

Staff Comments. Energy use in buildings causes 25 percent of California's GHG emissions and contributes to indoor and outdoor air pollution. The Administration has indicated that the BUILD Program will provide incentives for the installation of near-zero GHG emission technologies such as heat pumps, induction cooking, and other traditionally gas appliances and building fixtures in new, low-income residential housing as one measure to reduce GHG emissions and decarbonize California's building sector.

The Administration has indicated that Budget Bill Language will define the extended encumbrance and liquidation period necessary for these funds.

Staff Recommendation. Approve as Budgeted.

4-1**BU 8660 CALIFORNIA PUBLIC UTILITIES COMMISSION****Issue 74: Wildfire Proposals**

Request. The January budget included \$27.6 million and 93 positions to implement AB 1054 (Holden), Chapter 79, Statutes of 2019. The May Revision added an additional 11 positions and \$2 million to this request.

Background. AB 1054 (Holden), Chapter 79, Statutes of 2019, provides step by step responsibilities and sets standards for electrical corporations which are measurable and enforceable. AB 111 (Committee on Budget), Chapter 81, Statutes of 2019, creates a new Office of Energy Infrastructure Safety that would oversee the WSD starting on July 1, 2021. The bill also creates an independent Advisory Board that will advise the WSD on wildfire safety reporting matrices, contents of WMPs, and develop standards among other responsibilities. Within AB 111, a one-time appropriation for fiscal year 2019-20 was provided for the PUC to begin implementation given the fact that wildfire season is upon the state, and the PUC is required to have the WSD up and running by January 1, 2020.

Staff Comments. The PUC has indicated that the requested positions would fall into several key categories:

- Wildfire response
 - 22 positions within the new Wildfire Safety Division, which was stood up in January 2020 and will be transferred to the new Office of Energy Infrastructure Safety by July 1, 2021.
 - 30 positions at the PUC, including 13 in the new Safety Policy Division, which would provide policy support to the WSD consistent with AB 1054 and SB 901 (Dodd), Chapter 626, Statutes of 2018.

- \$10 million per year for three years for contract support for required workload related to safety culture assessments, wildfire risk assessment, and modeling capabilities.
- Fair allocation of wildfire damages
 - 16 positions at the PUC to develop and implement a framework for reviewing and allocating costs related to future catastrophic wildfires.
- PUC effectiveness and efficiency
 - 15 positions at the PUC to streamline processes, procedures, and regulations
- Other proceedings and administrative resources
 - One position related to the Diablo Canyon decommissioning process
 - Nine positions to provide administrative support to the rest of the organization

The May Revision requested a further 11 positions, including:

- 10 new positions at the Wildfire Safety Division to provide data analysis and modeling support.
- One positions at the Safety Policy Division to provide management and support to field staff.

The structure of the proposal generally aligns with the requirements and intent of AB 1054 and AB 111. However, questions remain about the duration and shape of some of the workload in the out years. Specifically, the amount of work required to allocate costs from catastrophic wildfires is uncertain and subject to external factors. Additionally, the streamlining and process improvement work proposed here may result in out year savings that are not captured in this proposal.

Staff Recommendation. Hold Open.

Hold Open

Issue 75: Study of Aliso Canyon

Request. The January budget included \$1.4 million in one-time contract authority to take additional steps to secure consultation services for developing scenarios that could expedite the closure of and/or replace the services provided by Aliso Canyon natural gas storage field.

Background. On October 23, 2015, through February 18, 2016, a catastrophic gas leak occurred at the Aliso Canyon Gas Storage Facility (Facility), owned and operated by Southern California Gas Company (SoCalGas) and located in the County of Los Angeles. After dealing with the immediate emergency, on February 9, 2017, the CPUC opened an investigation to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility while still maintaining energy and electric reliability for the region and just and reasonable rates. This was pursuant to Senate Bill 380 (Pavley), Chapter 14, Statutes of 2016. On January 4, 2019, the PUC issued a ruling adopting a scenarios framework and closing Phase I of this investigation. This framework sets forth the methodologies to undertake the three studies that are presently underway in Phase 2: (1) hydraulic modeling, (2) production cost modeling, and (3) economic modeling.

Staff Comments. The PUC has indicated that the requested resources will allow the Commission to engage an independent third-party consultant to examine specific scenarios that could be implemented to entirely replace the Aliso Canyon facility. The scenarios will explore closure of the facility within two planning horizons: 2027 and 2045. The year 2027 marks 10 years from the letter sent on July 19, 2017, from then-Energy Commission Chair Robert Weisenmiller to then-PUC President Michael Picker, requesting planning for closing the facility within 10 years. The year 2045 is aligned with the SB 100 (De Leon, 2018) policy goal for 100 percent of retail sales in California to be supplied by eligible renewables and zero-carbon resources.

Staff Recommendation. Approve as Budgeted.

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Issue 76: CalSPEED Testing

Request. The May Revision includes \$2,813,000 for three new permanent full-time positions, consulting contracts, mobile devices, service subscription, hardware, and license costs to reinstitute and expand the PUC’s CalSPEED program. This program includes Mobile testing program, use of CalSPEED mobile apps, and CalSPEED fixed broadband testing program.

Background. CalSPEED was created as part of a five-year, \$8 million American Recovery and Reinvestment Act (ARRA) Mapping Grant awarded to the PUC in October 2009 from the National Telecommunications and Information Administration (NTIA), which concluded in October 2014. At the end of the Grant, six additional field tests were funded by the California Advanced Services Fund (CASF) program, as mobile broadband availability was a factor in determining grant-eligible areas.

CalSPEED developed a fixed mobile testing program, as ordered by the PUC Decision in the Competition Order Instituting Investigation (D.08-09-042), which provided for one round of fixed service performance testing provided by each broadband technology. That testing is being performed, but completion has been delayed by the COVID-19 situation.

T-Mobile is required to reimburse the PUC for merger-related CalSPEED costs, projected to total \$504,000 in 2020-21 and \$758,000 annually in subsequent years, through 2026.

Staff Comments. California’s experience last year with both devastating wildfires and PSPS events made clear the critical role that reliable, resilient communications networks play in public health and safety, and the current COVID-19 emergency has highlighted the critical role access to broadband services plays in the welfare of the state.

The Commission has indicated that the requested resources would will provide data and analysis that is critical to the state to improve the safety of the public and first responders, secure maximum federal broadband subsidies for California, and monitor and enforce CPUC merger/reorganization requirements and conditions. These are laudable goals. However, the resource mix raises concerns. Specifically, the proposal includes ongoing positions as well as ongoing funding for contracts with

several academic organizations. It is unclear why this work should not be brought in-house if it is permanent in nature.

Staff Recommendation. Hold Open.

Hold Open