

Senate Budget and Fiscal Review—Nancy Skinner, Chair

SUBCOMMITTEE NO. 5

Agenda

Senator Maria Elena Durazo, Chair
Senator David Cortese
Senator Shannon Grove
Senator Josh Newman



Wednesday, May 4, 2022
1:30 p.m.
O Street Building - Room 2100

Consultant: James Hacker

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Public Comment

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ITEMS FOR VOTE ONLY

2600 CALIFORNIA TRANSPORTATION COMMISSION
2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION
2740 CALIFORNIA DEPARTMENT OF MOTOR VEHICLES

Issue 1: Implementation of SB 339

Governor’s Budget: The budget includes \$6,010,000 in State Highway Account (SHA) over two years and 6 two-year, limited-term positions for Caltrans to conduct the road charge revenue collection pilot authorize by Senate Bill 339 (Chapter 308, statutes of 2001, Wiener). Additionally, The Department of Motor Vehicles (DMV) requests \$171,000 SHA and 1 two-year, limited term position and the California Transportation Commission (CTC) requests \$200,000 in one-time funding to support the pilot.

Senate Bill 339 (Wiener, Chapter 308, Statutes of 2021) was signed by the Governor on September 24, 2021 to continue the state’s exploration into the feasibility of transportation revenue from a fee charged per mile of vehicle travel (a road charge). SB 339 directs CalSTA to implement a pilot that assesses two different mileage rate options and collects actual road charge revenue into state funds. An interim report to the Legislature is due July 1, 2024, with the final report no later than December 31, 2026. The final report will evaluate the road charge collection effort and the potential of a road charge for sustainable and equitable transportation funding.

The request is generally reasonable, and consistent with the intent of the bill. However, the proposed funding for the CTC is significantly less than the original cost estimate for the implementation of the bill. Increasing the funding for CTC to the original estimate of \$450,000 in one-time resources would allow the CTC to expand the scope of its work and result in a higher-quality final report to the legislature.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve \$6,010,000 SHA over two years for Caltrans, \$171,000 SHA for DMV, and \$450,000 SHA for CTC.

0521 CALIFORNIA STATE TRANSPORTATION AGENCY

Issue 2: CalSTA Operational Needs

Governor’s Budget: The budget includes 3.0 positions and \$1.156 million ongoing for multiple operational needs, including establishing an agency-level freight policy team, funding transportation research projects, and supporting increased rent costs.

Specifically, this includes:

- 1.0 Deputy Secretary for Freight Policy, 1.0 Senior Transportation Planner, 1.0 Associate Governmental Program Analyst (AGPA), and \$522,000 ongoing to establish a freight policy team that would oversee and coordinate freight policy across the state.
- \$500,000 ongoing to provide the agency with a baseline budget to conduct research projects that will inform transportation policy and support CalSTA in achieving its strategic priorities.
- \$135,000 to support increased rent costs from CalSTA's move from the Jesse Unruh building to a new facility.

The funding for increased rent costs is necessary to provide for CalSTA's move to new office space. Additionally, given the increased prominence of freight issues in the state, providing CalSTA with additional positions to increase its involvement in the space is appropriate. However, as this would be an expansion of CalSTA's traditional role, limited-term positions are appropriate, to allow the Legislature to evaluate the work of the new freight unit before approving permanent, ongoing funding.

The requested funding for research is not appropriate, as CalSTA predominantly serves as a coordinating and policy-setting entity, and already oversees several departments with dedicated research budgets. If additional flexibility is required to allow the state to contract for time-sensitive research, the legislature could consider whether the existing research structures within the state's transportation departments could be granted additional flexibility or further streamlined.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve \$135,000 ongoing for increased rent costs. Approve \$522,000 and three positions for three years. Reject the requested \$500,000 for research funding.

2600 CALIFORNIA TRANSPORTATION COMMISSION

Issue 3: Implementation of SB 671

Governor's Budget. The budget includes \$770,000 in 2022-23, and \$320,000 per year for 2023-24 and 2024-25, for two full-time, limited-term positions and for a one-time consultant contract to implement the provisions of SB 671 (Gonzalez), Chapter 769, Statutes of 2021, relating to the development of the Clean Freight Corridor Efficiency Assessment.

The request is generally reasonable, and consistent with the intent of the bill. However, the proposed funding for the CTC is significantly less than the original cost estimate for the implementation of the bill. Increasing the funding for CTC to the original estimate of \$900,000 in one-time resources would allow the CTC to expand the scope of its work and result in a higher-quality final report to the legislature.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve \$900,000 in 2022-23 and \$320,000 for 2023-24 and 2024-25.

2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION

Issue 4: Unmanned Aerial Systems

Governor’s Budget. The budget includes \$414,000 from the State Highway Account for two permanent positions, software, and ongoing training to establish the Unmanned Aircraft System (UAS) Program in the department.

While Caltrans has yet to select a tool, the cost of a fleet management system for expanded use of UAS is estimated at \$60,000 for the first year and increasing along with number of UAS and operations each subsequent per year. Along with additional training software and other hardware and software associated with this technological advancement, it is estimated that \$100,000 is needed for the fleet management system.

This should be compared against potential cost savings from the adoption of UAS for certain Caltrans activities. North Region Surveys began limited UAS implementation and reported savings of nearly \$500,000 in 2020-21. Approving this request could increase these savings as the department deploys UAS statewide.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Comment: Approve as Budgeted.

Issue 5: IT Proposals

Governor’s Budget. The budget includes several IT-related proposals. These include:

- A one-time increase of \$535,000 State Highway Account to complete Project Approval Lifecycle stage 3 for the Enterprise Data Governance Technology Solution project.
- \$18,640,000 in 2022-23, \$16,749,000 in 2023-24, and \$937,000 in 2024-25 and ongoing from the State Highway Account for six permanent positions, contract resources, and equipment to increase data storage and protection.
- \$6,858,000 in 2022-23 for ten positions for Transportation System Network Replacement (TSNR) Year 2 project costs.
- \$8,251,000 in 2022-23, \$8,901,000 in 2023-24, and \$4,469,000 in 2024-25 and ongoing State Highway Account for 26 permanent positions and Traffic Operations Systems Network (TOSNet) cybersecurity enhancements.

These requests, taken independently, correctly identify several issues with Caltrans’ technological infrastructure and operations, though they are also likely to increase out year costs.

These proposals were first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve as Budgeted.

Issue 6: Pedestrian and Bicycle Safety

Governor's Budget. The budget includes a two-year limited-term increase of 12 positions and \$2,256,000 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.

The Administration has indicated that the requested positions would allow Caltrans to perform 400 investigations per year, helping the department to identify dangerous sections of highway and develop solutions to reduce pedestrian and bicyclist accidents. This request would allow Caltrans to pilot the creation of such a mechanism before deciding whether to make it a permanent part of the department's budget.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve as Budgeted.

Issue 7: Advantage Management System Augmentation

Governor's Budget. The budget includes \$8,000,000 in one time funding from the State Highway Account to upgrade the department's Financial Management System to a supported version of the CGI Advantage software.

This request is broadly reasonable and is necessary to extend the life of the current system before Caltrans completes the switch over to Fi\$Cal.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Recommendation. Approve as Budgeted.

2720 CALIFORNIA HIGHWAY PATROL

Issue 8: Centralized Custodian of Records Unit

Governor's Budget. The budget includes two-year limited-term funding of \$696,000 for six positions from the Motor Vehicle Account in Fiscal Year (FY) 2022/23 and FY 2023/24 to establish a centralized Custodian of Records (COR) Unit within the CHP headquarters.

CHP has indicated that the requested resources would centralize the processing of records requests for these four centers, ideally addressing the backlog of records requests while preventing it from

expanding. The two-year nature of the request would allow the department to evaluate the effectiveness of the new unit before deciding whether to extend or expand the unit's resources.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve as Budgeted.

Issue 9: Highway Violence Task Force

Governor's Budget. The budget includes \$4.034 million in Fiscal Year (FY) 2022/23, \$3.314 million in FY 2023/24 and \$3.314 million in FY 2024/25, all from the General Fund, to address violent crime occurring on state highways through a Highway Violence Task Force.

Of the \$4 million proposed for 2022-23, \$2.2 million would support overtime costs to fund additional CHP officers on road patrol duty, particularly in locations where higher rates of violent crime are occurring. (As we discuss in more detail below, CHP is proposing to use overtime due to its high vacancy rate for uniformed officer positions.) The proposed amount also includes \$879,000 for seven Associate Governmental Program Analyst positions and \$995,000 for training, information technology (IT), and equipment to support criminal investigations.

In recent years, the number of shootings occurring on state highways has increased. According to CHP, the number of highway shootings increased from 210 in 2019 to 471 in 2021. Shootings have increased in all CHP geographic divisions across the state, except the Northern division, which is a relatively rural area. In 2021, CHP began collecting statewide data on other forms of violent crime on the state highway system, such as non-shooting homicides and thrown objects. CHP reported 355 of these types of crimes in 2021. The requested resources are appropriate, given this increase in violent crime. The data CHP began collecting in 2021 will be useful to identify causes of and solutions to this increase.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve as Budgeted. Adopt Supplemental Reporting Language requiring CHP to report by January 1, 2024 on the numbers and locations of highway shootings, the associated factors in these shootings, as well as the outcomes of the investigatory resources (such as the number of arrests, training provided, and the benefits of requested software and equipment).

Issue 10: Increased Funding for Recruitment Advertising

Governor's Budget. The budget includes \$2 million annually from the Motor Vehicle Account for three years to support recruitment efforts. Funding would support the increased costs of advertising campaigns, expand the scope of recruitment efforts, and improve diversity and inclusiveness when advertising.

The CHP currently has 1,107 vacant uniformed positions. The department has indicated that the goal for the recruitment effort this request would fund would be 1,000 new uniformed officers for

the department. Given the high vacancy rate in the CHP, and the importance of a fully staffed CHP in ensuring the safety of the motoring public, additional effort to recruit officers is reasonable.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve as Budgeted.

Issue 11: IT Baseline Cost Increase

Governor's Budget. The budget includes one-time funding of \$15 million in Fiscal Year 2022/23 from the Motor Vehicle Account to cover increased technology costs.

The Administration has indicated that the CHP has experienced an increase of approximately \$13.3 million in baseline costs over the last decade. This amounts to approximately a 100% increase in a ten-year period. This does not include critical updates to aging infrastructure or future projects under development, estimated to cost an additional \$1.7 million, for a total of \$15 million. This \$1.7M will fund the modernization of the Academy infrastructure and virtualization of Division and Area offices.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve as Budgeted.

Issue 12: Capital Outlay Proposals

Governor's Budget. The budget includes a number of capital outlay proposals for the California Highway Patrol. These include:

- \$1,797,000 from the General Fund for the acquisition phase of the Antelope Valley Area Office Replacement.
- \$3,018,000 from the General Fund for the acquisition phase of the Barstow Area Office Replacement.
- \$2,167,000 from the General Fund for the performance criteria phase of the Gold Run Area Office Replacement.
- \$2,538,000 from the General Fund for the acquisition phase of the Los Banos Area Office Replacement.
- \$1,262,000 from the General Fund for the acquisition phase of the Porterville Area Office Replacement.
- \$1,764,000 from the General Fund for the acquisition phase of the Redding Area Office Replacement.
- \$5,476,000 from the Motor Vehicle Account for the relocation of the Tracy Area office to a new, build-to-suit facility.
- \$1,500,000 from the General Fund to identify suitable parcels for replacing up to five additional field offices and to develop studies for those sites.

- \$5,486,000 from the General Fund for the construction phase of one site of the California Highway Patrol Enhanced Radio System: Replace Tower and Vault, Phase 1 project, at Leviathan Peak.

The CHP has a large portfolio of properties, many of which are aging and in need of replacement. The requested projects are generally reasonable.

The Administration has also requested statutory changes to allow the California Highway Patrol to pursue a build-to-suit lease procurement process for the replacement of the Santa Ana area office. Authority for this project was initially provided in the 2017 Budget Act and has since expired.

These proposals were first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve as Budgeted.

Issue 13: Resources and Office Space for Swing Space

Governor's Budget. The budget includes \$18.529 million in Fiscal Year (FY) 2022/23, \$12.927 million in FY 2023/24, \$9.963 million in FY 2024/25, and \$7.002 million in FY 2025/26, all from the Motor Vehicle Account, for the protection and security of the new State Capitol Swing Space and the new State Capitol Annex.

Currently, the CHP's CPS location houses both CPS and the CHP's Dignitary Protection Section (DPS). The facility is approximately 14,791 square feet and costs approximately \$300,000 annually. They have been located at this facility since 1995.

The Department of General Services (DGS) conducted a review of the spacing requirements for CPS and DPS, along with the required additional CHP staffing necessary for the protection of the Capitol, Annex, and other state buildings in the downtown Sacramento area. It was determined that a new facility would need to be at least 44,781 square feet to accommodate the current and additional staffing. This request includes 10 additional uniformed positions to provide management and administration of CPS and related duties in and around the Capitol and Swing Space.

Given the additional CHP workload related to the protection of the new swing space, and other state office buildings, additional uniformed officers, and an improved Sacramento facility, are appropriate. The Legislature will want to provide continued oversight of this important CHP function.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve as Budgeted.

2740 DEPARTMENT OF MOTOR VEHICLES**Issue 14: Legislative Proposals**

Governor’s Budget. The budget includes several requests related to recently enacted legislation. This includes:

- \$3.6 million in FY 2022/23, \$3.1 million in FY 2023/24, and \$2.6 million in FY 2024/25 Air Pollution Control Fund to continue implementation of SB 210 (Leyva), Chapter 298, Statutes of 2019.
- \$1.4 million in one-time General Fund to implement Chapter 314, Statutes of 2021 (AB 796, Berman).
- \$6.2 million in FY 2022/23, \$193,000 in FY 2023/24, \$1.8 million in FY 2024/25, \$193,000 in FY 2025/26, and \$1.7 million in FY 2026/27, all from the MVA, to continue implementation activities associated with Chapter 485, Statutes of 2017 (SB 611, Hill), which related to how the department handles disabled placards (DP). This request includes trailer bill language to allow DP parking placard renewals to be completed through alternative customer service channels (i.e. virtual field office, etc.) and to add flexibility in the vital statistics verification required.
- \$414,000 in FY 2022/23, \$299,000 in FY 2023/24, and \$164,000 in FY 2024/25, all from the MVA, to implement Chapter 601, statutes of 2021 (SB366, Umberg), which reinstates the seven-agency Vehicle Dismantling Industry Strike Team to investigate unlicensed and unregulated vehicle dismantling through January 1, 2025 and implements several recommendations from the Strike Team’s 2020 report to the Legislature.

The requested resources are necessary to implement enacted legislation and are broadly in line with earlier fiscal estimates for the implementation of these bills.

These proposals were first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve as Budgeted. Adopt placeholder trailer bill language related to disabled placards.

Issue 15: Capital Outlay Proposals

Governor’s Budget. The budget includes a number of capital outlay proposals for the Department of Motor Vehicles. These include:

- \$833,000 from the General Fund (GF) to fund the preliminary plans phase (\$320,000) and the working drawing phase (\$513,000) with a two-year expiration date to complete an elevator modernization project for the DMV Headquarters (HQ) Campus in Sacramento.
- \$3,063,000 from the General Fund (GF) to fund the acquisition phase of the DMV El Centro/Brawley DMV Field Office Replacement/Commercial Drive Test Center project.

- \$1,224,000 in FY 2022/23, \$1,814,000 in FY 2023/24, and \$1,907,000 in FY 2024/25 and ongoing for a new leased Laguna Hills Field Office due to the loss of the lease at the current office.
- \$50,000 in Fiscal Year (FY) 2022/23, \$660,000 in FY 2023/24, and \$718,000 in FY 2024/25 and ongoing to consolidate and relocate the Vallejo Investigations District into one office.
- \$600,000 from the General Fund (GF) Account to perform advanced planning and identify suitable parcels to replace two field offices.

Background. The Department of Motor Vehicles currently has 172 field offices statewide. Out of these 172 field offices, DMV has determined that approximately 30 offices need an off-site replacement and another 30 may need an off-site replacement pending further research. These requests are part of an ongoing effort at DMV to address this issue.

These proposals were first heard in Subcommittee 5 on February 22.

Staff Recommendation. Approve as Budgeted.

Issue 16: Supply Chain Resilience – Commercial Driver’s Licenses

Governor’s Budget. The budget includes \$40 million limited-term General Fund to expand California’s capacity to issue Commercial Driver’s Licenses (CDLs). This funding includes \$34 million (\$3.5 million in fiscal year 2022-23 and \$10 million annually through 2025-26) to fund leasing costs to establish dedicated commercial drive test centers in the Bay Area and Northern Los Angeles County. In addition, this proposal includes one-time funding of \$6 million in 2022-23 to fund overtime on Saturdays for Licensing Registration Examiners and necessary support staff which will be directed to offices throughout the state that have appointment wait times above 30 days.

This request, while not a short-term solution to the state’s freight bottlenecks, could help improve department operations. Additional information on the demand for CDLs would allow the Legislature to determine whether ongoing funding for the additional staffing is needed beyond 2025-26.

This proposal was first heard in Subcommittee 5 on February 22.

Staff Recommendation: Approve as Budgeted. Adopt Supplemental Reporting Language requiring DMV to report, as part of the annual budget process, monthly wait times for commercial drive tests, the number of CDL applications received each month, and the number of CDL applicants served by region per month for the four years of proposed funding.

ITEMS FOR DISCUSSION

0521 CALIFORNIA STATE TRANSPORTATION AGENCY 2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION

Issue 17: Transportation and Freight Infrastructure Package

Governor’s Budget: The budget includes \$6.2 billion General Fund for a transportation infrastructure package. The transportation infrastructure package is comprised of the following investments in the transportation system:

- \$2 billion General Fund for statewide transit and rail projects
- \$1.25 billion General Fund for Southern California transit projects
- \$1.2 billion for port and freight infrastructure projects
- \$750 million General Fund for active transportation and projects for connecting communities
- \$500 million for high priority grade separation projects
- \$400 million for climate adaptation projects
- \$100 million in 2023-24 for the Clean California Program

This proposal is split over multiple years, with a large portion accelerated into the 2021-22 budget year. This breakdown is detailed below.

Activity	Department	Fund	21-22	22-23	23-24
Transit Infrastructure	0521-CalSTA	GF	\$ 3,250,000,000	\$ -	\$ -
Port Infrastructure	0521-CalSTA	GF	\$ -	\$ 600,000,000	\$ 600,000,000
Grade Separations	0521-CalSTA	GF	\$ 250,000,000	\$ -	\$ -
Grade Separations	2660-Caltrans	GF	\$ 250,000,000	\$ -	\$ -
Active Transportation Program	2660-Caltrans	GF	\$ 250,000,000	\$ 250,000,000	\$ -
Climate Adaptation	2660-Caltrans	GF	\$ 300,000,000	\$ 100,000,000	\$ -
Highways to Boulevards	2660-Caltrans	GF	\$ -	\$ 150,000,000	\$ -
Bicycle & Pedestrian Safety	2660-Caltrans	GF	\$ -	\$ 100,000,000	\$ -
Clean CA	2660-Caltrans	GF	\$ -	\$ -	\$ 100,000,000
TOTAL			\$ 4,300,000,000	\$ 1,200,000,000	\$ 700,000,000

These proposals were first heard in Subcommittee 5 on February 22.

Background. California has a robust and expansive transportation system that helps to move people and goods around and through the state. This system is made up of multiple interlinking components, including state highways, local streets and roads, public transit networks (including intercity rail lines), freight rail lines, airports, and water ports. This system serves many millions of travelers per year, and costs many billions of dollars to operate and maintain. There are 250 highways on the state highway system, covering roughly 15,000 centerline miles and more than 52,000 lane miles. The system also includes 13,000 bridges, and 205,000 culverts. The local road system is significantly more expansive, with more than 160,000 centerline miles. California's mass transportation infrastructure consists of approximately 22,000 transit vehicles serving more than 700 transit passenger stations.

Staff Comments. As discussed in Subcommittee 5 on February 22, the Administration's proposal is significant, and represents a significant commitment to use the state's healthy fiscal position to invest in transportation and freight infrastructure. The proposed investments are historically significant, and represent an opportunity to:

- Refresh the state's aging transportation infrastructure.
- Create stable, high-paying jobs in doing so.
- Invest in transit and other infrastructure that helps reduce the greenhouse gas emissions from the transportation sector, and thereby help the state achieve its ambitious climate goals.
- Augment the roughly \$40 billion in formula funds the state is expecting from the federal Infrastructure Investment and Jobs Act (IIJA).
- Use state funding as potential match funding when pursuing the roughly \$100 billion in competitive grant funding available over the next five years from the IIJA.

However, there are a number of issues with the proposed package, particularly in light of the state's fiscal condition, which continues to strengthen. Specifically:

- The Administration's proposed split of funding for transit infrastructure, with \$1.25 billion going to Southern California and \$2 billion available statewide (including in Southern California), raises questions of geographic equity.
- The proposed funding for Clean California, which would not begin until 2023-24, is potentially premature, as that program was just created and has yet to create clear outcomes for the legislature to evaluate before approving additional funding.
- Some of the proposed activities could be funded with existing or new federal funds, without undercutting the purposes to which those federal funds were intended.
- Despite the clear labor implications that such a large investment would have, the proposed funding lacks certain clear labor requirements for funded projects.
- Most significantly, the state's improving fiscal condition suggests that state could increase its investment in transportation infrastructure, increasing the proposed funding while also allocating funding to purposes not included in the administration's proposal, such as freight infrastructure outside the state's ports or congestion mitigation.

With these considerations in mind, the Senate majority has proposed a significantly increased transportation infrastructure package. The proposed package is \$20 billion over four years, with years three and four being funded upon appropriation. The package consists of the following components:

- \$13.8 billion over four years for transit infrastructure, including:
 - Roughly \$11.8 billion for transit projects, split between Southern California and the balance of the state, with out years allocated by formula.
 - \$2 billion for grade separation projects.
- \$2.9 billion over four years for climate investments, including:
 - \$2 billion for Active Transportation projects, which would include Highways to Boulevards and safety projects such as those outlined by the Administration.
 - \$875 million over four years for local climate adaptation planning and projects.
 - The package also proposes to set aside \$150 million per year in IJA funds, as allowed under IJA, for adaptation projects on the state highway system.
- \$2.1 billion over four years for freight and workforce investments
 - \$1.2 billion for port infrastructure, as proposed by the Administration
 - \$110 million for a workforce training center, as proposed by the Administration
 - \$790 million over four years in additional funding for the Trade Corridor Enhancement Program
- \$1.25 billion over four years for congestion mitigation and bridge repair and replacement
 - \$700 million over four years in additional funding for the Solutions for Congested Corridors Program.
 - \$550 million over four years to augment federal and local funding for high-cost local bridge repair and replacement.

Additionally, given the labor implications of such a large investment in infrastructure, the package includes language to ensure strong labor requirements accompany the significant infrastructure investments to create stable, high-quality, high-road job opportunities across the state. This includes enforceable commitments to construction, good manufacturing, service, operations, and maintenance jobs, real training and apprenticeship, and equitable pathways into these jobs as supported or created by the proposed climate and transportation spending. This allows the state to focus our workforce system on the high road by leveraging investments for immediate accountability for good jobs after training.

The state's strong fiscal position allows it to consider a major investment in transportation infrastructure, such as that outlined above. The Legislature should consider the extent to which the package proposed above meets the Legislature's goals around infrastructure and transportation investments, or if alternative approaches are warranted.

Staff Recommendation: Hold Open.

0521 CALIFORNIA STATE TRANSPORTATION AGENCY**Issue 18: Office of Traffic Safety Program Planning and Outreach**

Governor’s Budget: The budget includes \$2,290,000 in state and federal funding authority for the budget year and \$1,650,000 in ongoing authority. This includes an increase in federal spending authority of \$1,610,000 and state transportation funds authority of \$180,000 to hire ten (10) new positions to expand the Office of Traffic Safety’s (OTS) efforts to increase outreach to existing and prospective grantees.

Background. The Highway Safety Program is a partnership between the National Highway Traffic Safety Administration (NHTSA) and California. The partnership was created when Congress passed the Highway Safety Act of 1966. OTS is designated by the Governor to receive federal traffic safety funds for coordinating California’s highway safety programs. Each year the OTS develops a Highway Safety Plan (HSP) identifying the key highway safety problems in the state and the most effective countermeasures to address them.

Staff Comments. The Administration has indicated that the requested funding is allocated as follows:

- Staffing—\$1,370,000 ongoing federal authority and \$80,000 ongoing state funding for ten new positions.
- IT security infrastructure—\$140,000 ongoing federal authority and \$60,000 ongoing state funding for upgrade maintenance.
- IT security equipment—\$100,000 one-time federal authority and \$40,000 state funding authority for procurement of IT security infrastructure upgrade equipment.
- Space reconfiguration—\$500,000 one-time state funding authority for space reconfiguration and new furniture to support new positions and hybrid workforce. Federal regulations do not allow federal funds to be used on space reconfiguration or furniture.

Where funding is shared, 71.32 percent is allocated from federal funds and 28.68 percent from state funding sources, per federal regulations, and is used to support planning and administration of the OTS grant program. The state portion of OTS funding is split between three sources with 60 percent from the State Highway Account, 20 percent from the Motor Vehicle Account, and 20 percent from the Public Transportation Account.

To the extent that the requested resources will allow the state to better expend federal funds and reduce traffic fatalities statewide, this request is reasonable. However, the legislature may want to get a better understanding of the specific outcomes created by the requested funding before approving the request.

Staff Recommendation: Hold Open.

2600 CALIFORNIA TRANSPORTATION COMMISSION**Issue 19: Transportation Equity Workload**

Governor’s Budget: The budget includes an increase in its budgetary authority in the amount of \$218,000 (\$116,000 State Highway Account and \$102,000 Public Transportation Account) for one full-time permanent position to respond to increased workload focused on transportation equity.

Background. In response to strong state and federal policy direction around increasing equity in transportation policy, the Commission has embraced a substantial increase in its workload associated with improving transportation equity and community engagement practices and outcomes throughout California. The increased workload consists of five main work streams: Development and Implementation of a Racial Equity Statement, Development and Operation of an Equity Advisory Roundtable, Conducting Statewide Listening Sessions, Formation and Operation of an Equity Advisory Committee, and Updating Project Funding Guidelines to Ensure Equitable Project Outcomes. With limited existing resources, the Commission began implementation of these five new permanent work streams in Fiscal Year 2020 – 2021.

Staff Comments. The Administration has indicated that, to meet the demands of this new workload, a single Supervising Transportation Planner position would perform the essential duties of leading and managing these five new and ongoing work streams including the following:

- Lead the implementation, update, and continuous refinement of the Racial Equity Statement and associated activities.
- Lead the formation and operations of the Equity Advisory Roundtable including managing membership, coordinating and facilitating all meetings, leading policy discussions and supporting the development of Roundtable recommendations to the Commission.
- Co-Lead the Statewide Equity Listening Sessions with Caltrans and the California State Transportation Agency.
- Lead the Formation and Operation of an Interagency Equity Advisory Committee. Manage permanent committee operations including coordinating meetings, setting policy agendas and topics, facilitating complex interagency policy discussions, and supporting the development of recommendations to the Commission, Caltrans, and the California State Transportation Agency on statewide equity initiatives for transportation plans and funding programs.
- Updating Project Funding Guidelines to Ensure Equitable Outcomes. Serve as the transportation equity subject matter expert at the Commission to support policy development for all Commission administered transportation funding programs including but not limited to: the Statewide Transportation Improvement Program the State Highway Operations and Protection Program, the Solutions for Congested Corridors Program, the Trade Corridor Enhancement Program, and the Local Partnership Program.

Staff Recommendation: Approve as Budgeted.

2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION**Issue 20: Audits and Investigations Workload Transfer**

Governor's Budget. The budget includes the net zero transfer of 6 positions and \$868,000 from the Independent Office of Audits and Investigations (IOAI) to the Caltrans Administration Program to reestablish an Internal Audits Office within the Administration program.

Background. The Road Repair and Accountability Act of 2017 (SB 1) established the IOAI led by an Inspector General. The IOAI has authority to exercise all responsibilities for maintaining a full scope, independent, and objective audit and investigation program. To provide staff and resources for this new office, Caltrans transferred 48 existing permanent positions from the Administration Program to IOAI and established 10 new permanent positions within IOAI, for a total of 58 positions. Caltrans requested and received \$9,500,000 in State Highway Account funds and redirected \$8,752,000 from various programs.

Prior to the passage of SB 1, Caltrans had a Division of Audits and Investigations within the Administration Program which met the internal audits needs of Caltrans. Caltrans previously moved the entire Division of Audits and Investigations to the newly formed IOAI, under the Inspector General, as required by SB 1.

Staff Comments. The Administration has indicated that this request would allow Caltrans to reestablish an Internal Audits Office, which existed prior to the creation of the IOAI. Specifically, the Administration has indicated that the following workload would be transferred from IOAI to the new office:

- External audit coordination
- Audits of construction contracts
- Single audit management decision follow-ups
- Local government Indirect Cost Rate Proposal (ICRP) and Indirect Cost Allocation Plan reviews and risk assessments.

The Administration has argued that placing this workload, which involves reviewing internal Caltrans practices and processes, in an external office could create a conflict of interest when that office is serving as both an internal audit office and an independent external auditor. There is merit to this argument. However, the Legislature should consider the extent to which the proposed transfer of workload solves the conflict-of-interest problem, and the extent to which it could undercut the capabilities of IOAI and therefore undercut the intent of SB 1.

Staff Recommendation: Hold Open.

2720 CALIFORNIA HIGHWAY PATROL**Issue 21: Emergency 911 and Dispatch Audio Logging System Replacement**

Governor’s Budget. The budget includes \$21 million over six fiscal years (\$7.949 million in FY 2022/23, \$6.166 million in FY 2023/24, \$1.945 million in FY 2024/25, \$2.003 million in FY 2025/26, \$2.063 million in FY 2026/27, and \$0.874 million in FY 2027/2) from the Motor Vehicle Account to replace obsolete 9-1-1 and public safety radio communications audio logging systems currently in use at the CHP’s 24 communications centers. The request includes a disaster recovery system to meet continuity of operations requirements.

Background. The CHP is responsible for 24 Communication Centers (CCs) throughout the state. The 24 CCs serve the public and allied agencies statewide as primary public safety answering points, responding to 9-1-1 emergency calls and radio transmissions. All CCs are equipped with a primary-redundant audio logging system to capture 9-1-1 and mission critical telephone calls and radio transmissions between CHP dispatchers/operators, the public, CHP field personnel, and allied agencies.

California Penal Code Section 13730 requires each law enforcement agency to have a system to record domestic violence-related calls for assistance made to the Department, including whether weapons are involved, or the incident involved strangulation or suffocation. The use of a 9-1-1 and public safety radio communications audio logging recording system which captures every call, irrespective of the number dialed (emergency vs non-emergency), ensures adherence to this legal statute.

Staff Comments. The current audio logging systems were procured beginning in FY 2014/15. The useful life expectancy of these systems is five to seven years. The current system is at its end-of-life, and end-of-support as of December 31, 2023, at which time the vendor will cease to support the current system.

Additionally, the Administration has indicated that the existing 9-1-1 and public safety radio communications audio logging system does not meet the required disaster recovery standards set forth by the Department and its Information Security Office. The proposed replacement system is likely to have increased functionality and allow the CHP to better manage its audio logs for investigation and evidentiary purposes. The replacement audio logging system will also meet the CHP’s disaster recovery requirements.

Given the expiration of the existing system, and the planned improvements related to the new system, the proposed request is generally reasonable.

Staff Recommendation: Approve as Budgeted.

2740 DEPARTMENT OF MOTOR VEHICLES**Issue 22: Enterprise Content Management (ECM) Project**

Governor’s Budget. The budget includes \$5.5 million from the Motor Vehicle Account for the Enterprise Content Management (ECM) project. In FY 2022-23, \$802,000 will be immediately available and the remaining \$4.7 million appropriation will be available through provisional budget language contingent upon approval of the Stage Four Project Readiness/Approval.

Background. The DMV is responsible for licensing the motor vehicle industry, vehicle registration (VR) and titling, and providing driver license and identification cards (DL/ID). Through these services, the DMV must maintain a systematic infrastructure to manage, control, store, and process external and internal customer documentation. Over the years, a variety of specialized case or content management systems have been created, which image, scan, capture, and retrieve data along with the renewal by mail/remittance system processing for VR and DL/ID transactions. These stand-alone systems and applications have resulted in siloed content systems, which has made document retrieval and utilization difficult and time consuming. The department currently has roughly 1.7 billion images/records in a variety of departmental data repositories.

Staff Comments. The department has indicated that it plans to address the siloed approach to content management by creating a “federated ECM system.” A federated ECM model will connect the data contained in the siloed case management systems and repositories. This will allow the department to consolidate document resources and manage a centralized repository.

While the proposed system is likely to improve content management across the department, it should not be seen as a permanent solution, as it organizes and consolidates, but does not replace, the existing legacy systems. To address this, the department, as part of the ECM Project, will identify and allow for future innovations and updates to existing systems or repositories when they reach end of life. The legacy content management system software and hardware will be gradually retired and migrated to the proposed solution or other modernized content management software.

The existing content management systems at the department are out of date and have created issues with management and retrieval of data and documentation. The proposed system is an appropriate solution to this, in the short term. Additionally, the proposed structure of the appropriation, with a small amount available up front and the balance available upon advancement of the PAL process, is a responsible and reasonable approach. Given the fact that the department will eventually need to replace the existing legacy systems, and further update the proposed federated ECM system as a result, the Legislature may want to get a sense of the project out year costs of the system before acting on this request.

Staff Recommendation: Hold Open.