

Senator Maria Elena Durazo, Chair
Senator Josh Newman
Senator Kelly Seyarto



Tuesday, May 23, 2023
1:30 p.m.
1021 O Street - Room 2200

PART A – TRANSPORTATION

Consultant: Eunice Roh

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VOTE-ONLY

0521 CALIFORNIA STATE TRANSPORTATION AGENCY
2600 CALIFORNIA TRANSPORTATION COMMISSION
2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION

Issue 1: Transportation Infrastructure Package

Governor’s Proposal. The Budget includes \$2.7 billion in General Fund reductions, partially offset by \$500 million from the State Highway Account, to the \$9.5 billion Transportation Infrastructure Package included in the 2022-23 Budget. This item was originally heard on March 9th, 2023.

Staff Recommendation:

- Approve proposed fund shifts for the Active Transportation Program and Climate Adaptation Program; proposed reduction to the Active Transportation Program; and proposed delay to the Grade Separations Program.
- Reject the proposed reductions to the Population-Based Transit and Intercity Rail Capital Program (TIRCP).
- Adopt trailer bill language that allows for some flexibility of funds for Population-Based TIRCP, contingent on meeting specific accountability and reform requirements.

0521 CALIFORNIA STATE TRANSPORTATION AGENCY
2740 CALIFORNIA DEPARTMENT OF MOTOR VEHICLES
7120 CALIFORNIA WORKFORCE DEVELOPMENT BOARD

Issue 2: Supply Chain and Goods Movement Package

Governor’s Proposal. The Budget includes a delay of the \$600 million for the Port and Freight Infrastructure Program scheduled for 2023-24. This would be done by maintaining \$200 million in 2023-24 and providing additional allotments of \$200 million in both 2024-25 and 2025-26. This item was originally heard on March 9th, 2023.

The May Revision proposes to reduce a portion of the General Fund scheduled to be provided to the Port and Freight Infrastructure Program in 2023-24 by \$150 million and to backfill the decrease with an equal amount from SHA. This item was originally heard on May 17th, 2023.

Staff Recommendation: Approve as budgeted.

2600 CALIFORNIA TRANSPORTATION COMMISSION**Issue 3: Legal Services**

Governor's Proposal. The Governor proposes \$200,000 (\$94,000 from the State Highway Account and \$106,000 from the Public Transportation Account) to secure a contract for legal services, including but not limited to the Commission's role as a Responsible Agency pursuant to the California Environmental Quality Act. A contract for legal services is needed because the Commission no longer has access to legal services provided by the Department of Justice due to staffing and resource constraints being experienced in that department. This item was originally heard on May 17, 2023.

Staff Recommendation: Approve as budgeted.

Issue 4: Technical Adjustments to Shift the Reduction of 2023-24 Appropriations

Governor's Proposal. The May Revision requests that Item 2600-001-0001 be reduced by \$547,000 and that Item 2600-001-0042 be increased by \$547,000 to offset this General Fund reduction and provide the CTC resources to complete work related to Climate Adaptation from the State Highway Account. The Governor's Budget reduced various items of appropriations in the 2023-24 fiscal year in Control Section 4.07. This is a technical adjustment to provide transparency at the department level by shifting the reductions from the statewide control section to items of appropriation in the applicable departmental budgets.

Staff Recommendation: Approve as budgeted.

2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION**Issue 5: Encampment Homeless Services Liaisons**

Governor’s Proposal. The Budget includes \$5.8 million in 2023-24, \$5.8 million in 2024-25, and \$4.5 million in 2025-26 from the General Fund for 37 limited-term positions to support statewide efforts to address homelessness within the highway system right of way. This proposal is made up of two components:

- Encampment Coordinator Team: This includes 30 three-year, limited-term positions to coordinate encampment remediation and closure efforts.
- Solutions Team: This includes 7 two-year, limited term positions to coordinate all long-term planning efforts involving homelessness and housing, including redevelopment of surplus property for housing.

This item was originally heard on March 9th, 2023.

Staff Recommendation: Approve as budgeted and adopt budget bill language that requires Caltrans to report on an evaluation of the outcomes of the Encampment Coordinator Team. Specifically, the report shall include, but not be limited to, the following information:

- (1) the number of encampment sites identified and addressed;
- (2) the location of the encampment sites identified and addressed;
- (3) a summary of the department’s success in connecting individuals experiencing homelessness at the encampment sites addressed with housing and/or supportive services;
- (4) a summary of how the department coordinated activities with local governments, law enforcement, service providers, and community-based organizations; and
- (5) a summary of the measures taken by the department to reduce the likelihood of an encampment being reestablished on the state highway system or being moved from the state highway system to a local jurisdiction’s right of way.

The report shall be due to the Joint Legislative Budget Committee and the Legislative Analyst’s Office by January 1, 2026.

Issue 6: Hazardous Material Removal at Encampments

Governor’s Proposal. The Budget includes \$20.6 million from the State Highway Account on a two-year limited-term basis for the removal of statewide hazardous material from encampments statewide. This item was originally heard on March 9th, 2023.

Staff Recommendation: Approve as budgeted.

Issue 7: Highway Maintenance Safety Program

Governor’s Proposal. The Budget includes 38 positions and \$48.4 million on a four-year, limited-term basis from the State Highway Account to continue and expand the HM-4 Safety Pilot Program. This item was originally heard on March 9th, 2023.

Staff Recommendation: Approve as budgeted.

Issue 8: Pedestrian Crossing Signals (AB 2264)

Governor’s Proposal. The Budget provides \$1.7 million ongoing from the State Highway Account to reconfigure the timing of up to 6,000 traffic signals for leading pedestrian interval (LPI) pursuant to AB 2264 (Chapter 496, Statutes of 2022, Bloom). This item was originally heard on March 9th, 2023.

Staff Recommendation: Approve 9 limited-term positions, \$1,900,000 in Personal Services, and \$700,000 in Operating Expenses for a total of \$2,600,000 in FY 2023-24 and \$2,600,000 in FY 2024-25 for Traffic Operations to implement LPI traffic signal timing pursuant to AB 2264. Approve 1 permanent position starting in 2023-24 at a cost of \$198,000 combined PS and OE annually and \$610,000 in Operating Expenses after limited-term positions expire in Fiscal Year 25-26.).

Issue 9: Indirect Cost Recovery

Background. The Self-Help Counties are 25 local county transportation agencies that have passed a countywide sales tax measure to fund transportation projects.

California Department of Transportation (Caltrans) does work on behalf of Self-Help Counties who develop projects on the state highway system, in addition to cities, regional transit and transportation agencies, certain state agencies, and private entities. Caltrans recovers the cost of these services and charges these entities a rate that covers the cost of both administrative and program functional rates.

The 2021-22 Budget included trailer bill language that added to the State Highway Code Section 114.5 that limits Caltrans from charging any self-help counties with countywide sales tax measures dedicated to transportation improvements more than 10 percent for administration indirect cost recovery. This section expired on January 1st, 2023.

This item was originally heard on April 27th, 2023.

Staff Recommendation: Adopt trailer bill language that limits Caltrans from charging self-help counties with countywide sales tax measures dedicated to transportation improvements more than 10 percent for administration indirect cost recovery.

Issue 10: Project Delivery Workload – Capital Outlay Support

Governor’s Proposal. The May Revision includes \$39.1 million and 143 Full Time Equivalents (FTEs) for the Capital Outlay Support (COS) Program for 2023-24. The resources requested considers budget year needs within the context of a five-year workload projection. The COS Program budget is growing to meet the needs and deliver projects required to achieve program commitments of Senate Bill 1 (SB 1), Asset Management, Infrastructure Investment and Jobs Act (IIJA), and the Middle-Mile Broadband Network Program. This item was originally heard on May 17, 2023.

Staff Recommendation: Approve as budgeted.

Issue 11: Technical Adjustments

Governor’s Proposal. The Governor requests the following items:

- Increase Item 2660-001-0890 by \$3 million one-time for a Road Usage Charge federal grant.
- Increase Item 2660-001-0042 by \$7,253,000 ongoing for increased vehicle insurance premiums for Caltrans vehicles.
- Increase Item 2660-304-6056 by \$17,689,000 one-time for the Fenix Terminal project located in Los Angeles. The funding for this project was proposed as part of the 2023-24 Governor’s Budget, but due to unforeseen project changes, Trade Corridors Improvement Fund funding is now recommended instead of the previously proposed mix of funds.
- Increase Item 2660-304-6059 by \$1.9 million one-time for the Camarillo Station Improvements Project.
- Increase reimbursements to Item 2660-001-0042 by \$10 million due to increased work that is reimbursed by local governments.
- Amend Item 2660-302-0890 to allow funds to be allocated to the new Carbon Reduction Program.
- Amend Items 2660-101-0042, 2660-102-0042, and 2660-490 to fix typographical and other mistakes in the proposed 2023-24 Governor’s Budget.
- Amend Item 2660-491 and add Item 2660-492 to reappropriate funding for the following programs or projects:
 - Advantage Management System upgrade (appropriated in Budget Act of 2022)
 - Fleet acquisition and replacement (appropriated in Budget Act of 2020)
 - State Highway Operations and Protection Program and other projects whose funding has not yet been fully encumbered.
- Add Item 2660-496 to revert the unexpended balance of appropriations made in the 2021 Budget Act. The 2023-24 Governor’s Budget reverted these funds in statewide Control Section 4.06. This is a technical adjustment to provide transparency at the department/agency level by shifting the reversions from the statewide control section to the applicable departmental budget. To effectuate this change, it is requested that Item 2660-496 be added as follows:
 - Climate Adaptation—Revert \$198 million appropriated in Item 2660-102-0001, Budget Act of 2021. Revert \$1,453,000 appropriated in Item 2660-002-0001.
- Amend Item 2660-490 to remove the reappropriation of Item 2660-101-0001, Budget Act of 2021, and increase Item 2660-102-0042 by \$300 million (see Attachment 4). These changes will reduce the Active Transportation Program funding available by a net of \$200 million.

- Increase Item 2660-102-0042 by \$198 million and Item 2660-001-0042 by \$1,453,000. When combined with the reversions in the newly created Item 2660-496, this will result in a net-zero fund swap between General Fund and State Highway Account funding for the Climate Adaptation Program.

This item was originally heard on May 17, 2023.

Staff Recommendation: Approve as budgeted.

Issue 12: FI\$Cal Onboarding

Governor's Proposal. The Governor requests \$6,637,000, which includes \$3,750,000 in personnel services (PS) for twenty-seven (27) positions, and operating expenses of \$2,887,000 of which \$2,650,000 is for professional consulting services. These resources will support the increased workload for Caltrans on-boarding to the FI\$Cal system. This item was originally heard on May 17, 2023.

Staff Recommendation: Approve as budgeted.

2720 CALIFORNIA HIGHWAY PATROL

Issue 13: Wireless Mobile Video/Audio Recording System and Body-Worn Camera Statewide Implementation

Governor's Proposal. The Budget includes 11 positions and \$9.8 million in 2023-24, \$9.9 million in 2024-25, and \$4.9 million in 2025-26 and ongoing from the Motor Vehicle Account to extend the Wireless Mobile Video/Audio Recording System (WMVARS) project and implement the Body-Worn Camera (BWC) statewide. This item was originally heard on March 9th, 2023.

Staff Recommendation: Approve as budgeted.

Issue 14: Capital Outlay Proposals

Governor's Proposal. Budget includes a number of capital outlay proposals for the California Highway Patrol, including:

- \$500,000 from the General Fund for Statewide Planning and Site Identification.
- \$10,963,000 from the General Fund for the performance criteria phase of the Redding, Los Banos, Porterville, Antelope Valley, and Barstow Area Office Replacement projects.
- \$85,631,000 from the Public Buildings Construction Fund for the design-build phase of the Gold Run and Humboldt Area Office Replacement projects.
- \$201,369,000 from the Public Buildings Construction Fund (to replace existing current year authority of \$184,320,000 from the General Fund) for the design-build phase of the Quincy, Baldwin Park, and Santa Fe Area Office Replacement projects.
- \$7,407,000 from the Public Buildings Construction Fund for the design-build phase of the San Bernardino Area Office Replacement project.

This item was originally heard on March 9th, 2023.

Staff Recommendation: Approve as budgeted.

2740 CALIFORNIA DEPARTMENT OF MOTOR VEHICLES**Issue 15: Motor Voter**

Governor's Proposal. The May Revision includes \$4.5 million and three temporary positions in 2023-24 for personnel and contracted resources from the General Fund to continue DMV's planning and implementation activities to comply with Chapter 314, Statutes of 2021 (AB 796, Berman). This item was originally heard on May 17, 2023.

Staff Recommendation: Approve as budgeted.

Issue 16: Digital Experience Platform (DXP) Reappropriation

Governor's Proposal. The Governor requests to reappropriate \$30,016,000 of previously approved Motor Vehicle Account funding for DMV to continue the DXP project, the comprehensive modernization of DMV's IT systems. DMV required potential vendors to conduct extensive testing before awarding the contract, causing a delay in the encumbrance of funding. This item was originally heard on May 17, 2023.

Staff Recommendation: Approve as budgeted.

Issue 17: Commercial Driver Licensing Information System Reappropriation

Governor's Proposal. The Governor requests to reappropriate \$6,580,000 of previously approved Motor Vehicle Account funding for DMV to continue planning and project activities for the federally-mandated Commercial Driver Licensing Information System. This item was originally heard on May 17, 2023.

Staff Recommendation: Approve as budgeted.

Issue 18: Reversion of REAL ID

Governor's Proposal. The May Revision proposes to revert \$104.7 million of DMV's multi-year General Fund appropriation for REAL ID workload and other operational improvements, given the shift of the federal REAL ID enforcement date from May 2023 to May 2025. This item was originally heard on May 17, 2023.

Staff Recommendation: Approve as budgeted.

Issue 19: Capital Outlay Proposals

Governor’s Proposal. The Budget includes three capital outlay proposals for the Department of Motor Vehicles (DMV), including:

- \$2,458,000 from the General Fund for the performance criteria phase of the El Centro Field Office Replacement project.
- \$17,314,000 from the Public Buildings Construction Fund (to replace existing current year authority of \$11,415,000 from the General Fund) for the construction phase of the Delano Field Office Replacement project.
- \$21,962,000 from the Public Buildings Construction Fund (to replace existing current year authority of \$20,928,000 from the General Fund) for the construction phase of the Inglewood: Field Office Replacement project.
- \$41,654,000 from the Public Buildings Construction Fund for the design-build phase of the San Francisco: Field Office Replacement project.

This item was originally heard on March 9th, 2023.

Staff Recommendation: Approve as budgeted.

Issue 20: Mobile Driver’s License TBL

Governor’s Proposal. The May Revision includes statutory changes be added to increase the mobile driver license pilot program testing population cap from 0.5 percent of licensed drivers to 5 percent. The pilot program creates a mobile application for California driver licenses so that a customer can use it in place of a physical card. In working with major phone application developers, DMV discovered that the 0.5 percent cap, equivalent to 137,000 users, is too small of a sample size to achieve meaningful testing of the application. The proposed increase to 5 percent of licensed drivers, equivalent to 1.37 million users, is expected to generate sufficient data for meaningful analysis of the application. This item was originally heard on May 17th, 2023.

Staff Recommendation: Approve as budgeted.

0521 CALIFORNIA STATE TRANSPORTATION AGENCY**Issue 21: Encumbrance Extension**

Senate Proposal. The Senate proposes to extend the encumbrance period for the Port of Oakland for improvements that facilitate enhanced freight and passenger access and to promote the efficient and safe movement of goods and people. This funding was originally provided in the Budget Act of 2021. The encumbrance period shall be extended to June 30, 2027, and available for liquidation until June 30, 2030.

Staff Recommendation. Approve.

0650 OFFICE OF PLANNING AND RESEARCH**Issue 22: Zero-Emissions Jobs Roadmap**

Senate Proposal. The Senate proposes \$500,000 from the General Fund for a statewide roadmap to ensure workers are included in the ZEV transition. The Office of Planning and Research, in consultation with the Labor and Workforce Development Agency, shall convene a working group made up of transit agencies, other relevant public agencies, educational institutions, relevant community organizations, and other necessary parties, to create a zero-emission roadmap for the state which shall identify the actions needed to meet California's zero-emissions goals, with minimal displacement of existing workers. The roadmap shall include but not be limited to:

- an estimation of the number of public operations and maintenance jobs provided by existing buses, rolling stock, vehicles or related equipment that would be eliminated or substantially changed by the transition to zero-emission;
- identification of gaps in skills needed to operate and maintain the new electric-powered buses, rolling stock, vehicles or related equipment;
- development of model solicitation and contract language, to be utilized in procurements for zero-emissions buses, for the training of public service employees on the servicing of the zero-emission buses being purchased; and
- development of a comprehensive plan to transition, train, or retrain public transportation system employees impacted by the transition goals, including an estimated budget for implementing this plan and the identification of funding streams to fund this transition.

Staff Recommendation: Approve.

VARIOUS DEPARTMENTS

Issue 23: Best Value Procurement

Senate Proposal. The Senate proposes trailer bill language to expand best value procurement authority to local agencies, such as city/county governments, transit agencies, and school districts, as well as state agencies, such as the California Department of Transportation and Department of General Services, for transportation-related purchases, such as manufactured transportation vehicles and electric vehicle charging equipment.

Staff Recommendation: Approve placeholder trailer bill language.

Issue 24: Statutory Relief for Transit Operators

Senate Proposal. Senate proposes trailer bill language that does the following:

- Expand provisions that temporarily hold harmless transit operators that receive state funding and whose ridership levels have been negatively impacted by COVID-19.
- Extend the provisions that temporarily eliminate financial penalties for noncompliance with transit funding efficiency measures in the Transportation Development Act and the State Transit Assistance Program.
- Expand provisions that allow for increased flexibility in the use of funds transit operators receive from the State Transit Assistance - State of Good Repair program and the Low Carbon Transit Operations program.
- Create a Task Force to examine ways to improve transit and increase ridership in the long term, including reforming the Transportation Development Act

Staff Recommendation: Approve placeholder trailer bill language.