

AGENDA
ASSEMBLY BUDGET SUBCOMMITTEE NO. 5
On Transportation and Information Technology

Assemblymember Bob Blumenfield, Chair

WEDNESDAY, APRIL 22, 2009, 4:00 PM
STATE CAPITOL, ROOM 127

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ITEMS TO BE HEARD

ITEM 2670 BOARD OF PILOT COMMISSIONERS

The Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun licenses and regulates maritime pilots who guide vessels entering or leaving those bays. All expenses of the Board (except for pilot training and pilot trainee training) are funded by a surcharge on pilotage fees set by the Board. Pilot training programs are funded by a separate surcharge on vessel movements.

ISSUE 1: FINANCE LETTER – ASSISTANT DIRECTOR POSITION

The Administration is requesting \$242,000 and 2 positions to provide an Assistant Director position, as authorized in *Chapter 567, Statutes of 2008 (SB 1627, Wiggins)* as well as one limited-term (6 month) attorney position.

The new Assistant Director will be responsible for "day-to-day supervision of the Board staff, investigators, and consultants, and will facilitate the new reporting relationship with the Business, Transportation, and Housing Agency." The Attorney position will advise and assist the Board in the variety of statutory and regulatory changes required by SB 1627. The Board currently has an Executive Director, and Administrative Assistant, and a part-time retired annuitant.

SB 1627 called for an overhaul of the licensee disciplinary process, drafting of new regulations, and other measures intended to increase oversight and transparency of the Board.

COMMENTS

According to the request, "The Board's current operations surcharge fee is sat at 6.6% of all pilotage fees and is sufficient to fund this proposal without an increase in surcharge fees."

ISSUE 2: 2008 SUPPLEMENTAL REPORTING LANGUAGE

Last year Assembly Budget sub-Committee 4 requested the following Supplemental Reporting Language from the Board:

The Board of Pilot Commissioners shall report to the Joint Legislative Budget Committee and the appropriate policy committees of each house of the Legislature by March 1, 2009, regarding its process for making mental fitness determinations and the related appeals process. The board shall also update the Legislature on its process review, as well as significant policy and process changes related to the Cosco Busan incident.

COMMENTS

A preliminary draft report was provided to staff indicating, among other things:

Medical Oversight:

- Pilots are now mandated to report all medications.
- The Commission has formed a "Pilot Fitness Committee" to conduct a comprehensive review of the standards used to determine the fitness of pilots licensed by the Commission, the procedures used to determine that fitness, the qualifications of physicians used, and appeal procedures to protect both public and individual rights.

Pilot Training and Navigational Technology:

- The Commission has formed a "Navigation Technology Committee" to evaluate the scope of the types of electronic charts found on ships in the Bay Area, and to evaluate the possible use of "Portable Pilot Units".

Pilot Investigation Procedures:

- SB 1627 (Wiggins), discussed above, included changes in the Commission's investigation procedures. The Commission is implementing those changes, and continues to review procedures for possible areas of improvement.

ITEM 2720 CALIFORNIA HIGHWAY PATROL

The California Highway Patrol's (CHP's) mission is to ensure the safe, convenient, and efficient transportation of people and goods across the state's highway system and to provide the highest level of safety and security to the facilities and employees of the State of California.

CHP expenditures and fund sources: (in millions):

Activity	2008-09	2009-10
Traffic Management	\$1,697	\$1,753
Regulation and Inspection	203	204
Vehicle Safety	46	46
Administration	334	340
TOTAL	\$1,946	\$2,004

Major Funding Sources (in millions):

Fund Source or Account	2008-09	2009-10
Motor Vehicle Account (MVA)	\$1,744	\$1,803
State Highway Account (SHA)	62	60
Reimbursements	116	116
Federal funds	18	18
Other special funds (no General Funds)	5	7
TOTAL	\$1,946	\$2,004

ISSUE 1: COMPUTER AIDED DISPATCH (CAD) REPLACEMENT

The Administration requests \$11.9 million (Motor Vehicle Account) in 2009-10 and a total of \$27.8 million over three years to fund an information technology (IT) project to replace the CAD system.

The CAD is a system containing servers and workstations used to dispatch emergency services (police, fire, ambulance) to calls from the public needing assistance. The existing CAD system dates back to 1990. The new CAD would also allow persons in a dispatch center to easily view and understand the status of all units being dispatched. Funding for this BCP was removed from the 2009 Budget Act without prejudice to allow further legislative review.

CHP states that this replacement is necessary because the existing system has worn down over the past 20 years it has been in use, and is not dependable enough for the critical purpose it serves. Updates no longer exist for the hardware, and incoming call volume has greatly increased over the past 20 years, especially because most cell phones are routed directly to the CHP centers instead of local centers as with land lines.

Additionally, technology has improved vastly over the past 20 years. Specifically, the new system would have features such as Automated Vehicle Location (AVL) and Geospatial Information System (GIS) integrated into the CAD allowing the dispatcher to

reduce response time by identifying the closest responder and tracking their movement to the location. The BCP notes that the IT solution would be a commercial off-the-shelf (COTS) product.

COMMENTS

This request could help to reduce response time to emergency situations, consolidate incident information in one location, and provide crucial public safety services to the public. The request is funded entirely through the Motor Vehicle Account.

ISSUE 2: OFFICER STAFFING AUGMENTATION

The Administration requests \$34.9 million (\$36.6 million ongoing) to add 165 uniformed positions, and 8 Automotive Technician positions in 2009-10 (an additional 75 uniformed positions would be added in 2010-11 for a total increase of 240 Patrol Officers). In 2006-07 and 2007-08, the Legislature approved a staffing increase of 471 positions (360 Officers, 32 uniformed managerial, and 79 non-uniformed support staff). Last year, the CHP requested another 120 Officer positions. An LAO analysis suggested the CHP would be unable to fill any of the positions in 2008-09 due to a high level of existing vacancies and constraints on the size of academy classes. The Legislature approved the 120 positions, but moved establishment to 2009-10 – these 120 positions are included in this year's BCP. Full funding for this year's BCP was included in the 2009 Budget Act (*Chapter 1, Statutes of 2009-10 Third Extraordinary Session, SB 1 X3, Ducheny*).

While the CHP presents multiple statistics indicating a need to increase the size of the CHP, budget requests are made on a year-to-year basis without an apparent master plan. Approval of this request would bring the total to 6,733 field Officers.

According to the CHP, new Officers are allocated based primarily on:

- Those commands experiencing the highest percentage of fatal collisions in recent years.
- Those commands requiring additional staff to operate on a 24/7 basis.
- Those commands located in regions experiencing the greatest percentage of growth in terms of population, registered vehicles, and registered drivers.

Technical Revision:

The Administration submitted a finance letter requesting a technical correction to this proposal. The change requests a reduction in the proposal of \$4.28 million and 45 PY's. This correction is intended to adjust costs based on the staggered hiring of officers over the fiscal year.

Further Clarification:

In addition to the adjustments recommended by the Administration, Staff also notes that the request does not account for savings from base vacancies that continue in 2009-10. The CHP has reduced these base vacancies (fillable vacancies from base staffing) from 505 vacant positions in July 2008 to an average base vacancy number of 141.5 positions projected in 2009-10. The academy classes incur higher fixed costs to fill base vacancies but there is still net savings.

LAO Recommendation: The Legislative Analyst recommended the Legislature maintain the 120 Officer positions previously approved for 2009-10 during last year's budget process, but reject the additional staff requested of 120 Officers and 8 Automotive Technicians. This would result in 480 new officers added since the staff growth began in 2006-07.

The LAO notes two concerns: (1) the budget request is over-budgeted by \$13 million. It does not account for staggered hiring over the fiscal year (\$5.5), and it includes funding for cadet salaries (\$7.5) which the LAO believes could be funded out of the departments base budget; and (2) the additional 120 positions are not justified because they do not tie the augmentation to a level of service, such as Officers in proportion to licensed drivers.

Compromise:

After this item was heard in the Senate Budget sub-Committee the LAO, Department, Department of Finance (DOF), and Legislative Staff all met to discuss the various issues with this proposal. All agreed the DOF proposed reduction was appropriate. Further, DOF re-ran their numbers to account for vacancies and attrition in academy classes, and came up with similar appropriate reductions as proposed by Senate staff (approximately \$6.4 million).

All parties have agreed that adoption of the proposed Finance Letter, with an additional reduction of approximately \$6.4 million (for a total reduction of approximately \$10.7 million) would be an appropriate funding level for this proposal.

COMMENTS

There are two factors in this request for the Committee to consider. 1) Whether or not the addition of 120 officers should be approved this year, and 2) What is the appropriate amount of funding to allocate for the number of officers approved? If the Committee wishes to approve the proposed increase in staffing, the Compromise described above is the most appropriate funding level.

ISSUE 3: FINANCE LETTER – ENHANCED RADIO SYSTEM

The 2009-10 approved budget included \$99.2 million for the 2009-10 cost of upgrading the CHP's public safety radio system. In 2006-07, the Legislature approved this five-year project that has total costs of about \$500 million. The project will enhance radio interoperability with other public safety agencies and provide additional radio channels for tactical and emergency operations. The project involves new radio transmission equipment at CHP facilities, remote towers, and CHP vehicles – it does not include the dispatch equipment.

While those funds have already been included in the budget, there is also a finance letter from the Administration requesting \$2,717,000 to provide authority for the working drawings phase for replacing "Towers and Vaults." Funding was already approved for the Preliminary Plans phase for these projects, and funding for the Working Drawings phase is typically not included until the following year. These projects, however, are primarily located at high-elevations which are snowbound throughout the winter. In order to minimize the effect of seasonal delays, some of these projects will need to begin prior to the end of the fiscal year.

This proposal will specifically replace existing telecommunications infrastructure at 15 specified sites with new telecommunications towers and vaults. These are necessary to achieve additional space required to accommodate equipment needed for the larger radio system upgrade.

Because not all projects will be completed prior to June 30th, 2009, this request also includes provisional language to allow the funds to be available through June 30th, 2010.

COMMENTS

These project costs will be incurred at some point over the next two years, and by allocating these funds now it will minimize the risk of costly delays in this project and will allow workers to work around seasonal issues.

ISSUE 4: FINANCE LETTER – MOTORCYCLE SAFETY PROGRAM

The Department requests \$253,414 (plus an additional augmentation of \$340,241 in 2010-11) to accommodate an unforeseen increase in the demand for motorcycle safety training throughout the state.

Since 1986 the CHP has provided the motorcycle safety training program for those required to complete it. Law requires every applicant for an original motorcycle operator's license who is under the age of 21 to complete this training. The CHP contracts with a private operator who has 124 training sites throughout California.

This program is funded through a \$2 fee assessed on all initial and recurring motorcycle registrations.

COMMENTS

The Current allocation for this program was intended to serve 60,666 students. In 2007, 62,208 students were served, and 2008 is estimated to have served 66,000 students. These funds are specifically for the purpose of this program and the increase in motorcycle registrations supports the need to serve more students.

ISSUE 5: ACCOUNTS RECEIVABLE

April 16th the California State Controller issued a press release regarding uncollected fines and penalties throughout California State government. According to the release:

The latest review revealed that over a two-year period, the California Highway Patrol (CHP) failed to record as “accounts receivable” at least \$9.6 million in delinquent billings for the costs of investigating Driving Under the Influence (DUI) incidents. That resulted in those debts being internally dismissed, or ignored, instead of being subjected to appropriate collection actions.

The audit also revealed that the CHP, for more than a year, delayed implementing a state law that increased from \$1,000 to \$12,000 the maximum amount the CHP could recover from convicted drunk drivers for the costs of investigating accidents caused by their criminal behavior. Due to the inadequate record-keeping at CHP, the Controller’s office was unable to determine how much that may have cost the State in under-billings. However, with an average of 21,000 DUI cases each year, these uncollected cost recoveries could total millions of dollars.

COMMENTS

Due to the timing of this review coming out, staff was not able to review the full report submitted by the Controller's office. CHP indicated that the review failed to take into account many factors explained to those conducting the review, and that the CHP does everything in its power to cost-effectively collect all fines and penalties owed. CHP also pointed out that their collections system is the same for all their programs, and their returns on other programs are exceptional. They state that DUI collections are notoriously difficult, helping explain the low returns for that particular set of accounts receivable.

The Committee may wish to allow the Department to respond to the Controller's report.

ITEM 2640 STATE TRANSIT ASSISTANCE

The State Transit Assistance budget provides funding for allocation to local transit agencies to fund a portion of the operations and capital costs associated with local mass transportation programs.

ISSUE 1: STATUS OF CALIFORNIA TRANSIT OPERATIONS

Panel Discussion:

Joshua Shaw – California Transit Association
Manuel Criollo – Bus Riders Union