

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 3 ON CLIMATE CRISIS, RESOURCES, ENERGY, AND TRANSPORTATION

ASSEMBLYMEMBER RICHARD BLOOM, CHAIR

WEDNESDAY, MARCH 30, 2022
9:30 A.M. – STATE CAPITOL, ROOM 126

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The public may attend this hearing in person or participate by phone. Any member of the public attending this hearing is strongly encouraged to wear a mask at all times while in the building location. This hearing can be viewed via live stream on the Assembly's website at <https://assembly.ca.gov/todaysevents>.

We encourage the public to provide written testimony before the hearing. Please send your written testimony to: BudgetSub3@asm.ca.gov. Please note that any written testimony submitted to the committee is considered public comment and may be read into the record or reprinted.

*A moderated telephone line will be available to assist with public participation. The public may provide comment by calling the following toll-free number: **877-692-8957 / Access Code: 131 51 26**.*

VOTE-ONLY CALENDAR

2720 CALIFORNIA HIGHWAY PATROL

VOTE-ONLY ISSUE 1: ONGOING SUPPORT OF DISPATCH RADIO CONSOLE SYSTEM

The budget includes a permanent augmentation of \$596,000 and position authority from the Motor Vehicle Account (MVA) to permanently retain four limited-term positions for the ongoing support of the CHP's dispatch radio console system.

BACKGROUND

The CHP operates 25 emergency dispatch communications centers (CC) and two dispatch training centers. The CHP Public Safety Dispatchers provide a critical link between officers in the field and emergency services needed to minimize the toll on human life. These mission critical communications between dispatchers and officers are facilitated through radio console systems and network of radio sites that the consoles control.

Initial funding for the four limited-term positions was approved by Budget Change Proposal 2720-103-BCP-2018-GB, in Fiscal Year 2018/19, to complete replacement of obsolete dispatch consoles in CCs statewide. This request would make those positions permanent.

STAFF COMMENTS

Staff has no concerns with this proposal.

Staff Recommendation: Approve as Budgeted.

ITEMS TO BE HEARD

0521 SECRETARY FOR TRANSPORTATION AGENCY 2740 DEPARTMENT OF MOTOR VEHICLES

ISSUE 1: SUPPLY CHAIN RESILIENCE AND PORT INFRASTRUCTURE NEEDS

The Governor's budget includes \$1.38 billion General Fund for supply chain investments in port, freight, and goods movement infrastructure. This funding would improve the long-term resiliency of the supply chain and would be used to leverage additional federal funding through the Infrastructure Investment and Jobs Act.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Carlos Quant, Deputy Secretary for Budget and Administration, CalSTA
- Eunice Roh, Fiscal & Policy Analyst, Legislative Analyst's Office
- Benjamin Pollack, Finance Budget Analyst, Department of Finance

BACKGROUND

Of the \$1.4 billion available, CalSTA requests \$1.2 billion one-time General Fund (\$600 million in 2022-23 and \$600 million in 2023-24) to be administered by CalSTA, in collaboration with Caltrans, for port-specific high priority projects that increase goods movement capacity on rail and roadways at port terminals, including railyard expansions, new bridges, and zero-emission modernization deployment potentially identified in the EMPA between the U.S. Department of Transportation and CalSTA. Of this funding, \$1.188 billion is for project funding and \$12 million is for state operations costs to support these projects.

The requested funding will be used to leverage additional federal funding available through the Infrastructure Investment and Jobs Act (IIJA) through programs such as the Nationally Significant Freight and Highway Projects Program, the new National Infrastructure Project Assistance Program, and others.

Project funding will be allocated by CalSTA with 70 percent going to infrastructure projects supporting goods movement related to The Ports of Los Angeles and Long Beach, and 30 percent to other high priority projects supporting ports and goods movement infrastructure in the rest of the state, including inland ports.

CalSTA has identified over \$5 billion in port, freight and goods movement infrastructure projects that could be supported by the requested resources. While the needs for freight infrastructure

investment exceed the resources requested in this proposal, CalSTA would coordinate project selection with the ports and other stakeholders.

According to the BCP, the state has taken several actions to reduce the congestion in California's ports to ensure people in California and across the country and world can access goods and supplies. California currently has near and long-term actions under way, in partnership with the Supply Chain Disruptions Task Force established by the Biden-Harris Administration, to strengthen the resilience of California's and the Nation's supply chain:

- The 2021 Budget included \$250 million to help ports offset COVID-19 related losses and \$280 million for port infrastructure projects at and around the Port of Oakland. The Budget also included \$1.3 billion over three years for zero-emission trucks, transit buses and school buses, including the deployment of over 1,000 zero-emission port drayage trucks.
- In August 2021, California launched the California Supply Chain Success Initiative—a partnership with the Port of Long Beach and the California State University, Long Beach Center for International Trade and Transportation to engage the diverse network of stakeholders along the supply chain to discuss key challenges and identify creative solutions.
- In October 2021, Governor Newsom issued Executive Order N-19-21, which directed state agencies to identify additional ways to alleviate congestion at California ports and expanded efforts to ease supply chain issues by engaging stakeholders to discuss challenges created by record demand for imported goods and capacity issues which have slowed distribution at ports along the coast.

DMV. DMV requests \$40 million (General Fund) to enhance California's capacity to issue Commercial Driver's Licenses. This funding includes \$34 million (\$3.5 million in 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 in excess of 30 days. It will also fund associated travel costs for staff and facilities expenses.

Other BCP components. This BCP is part of a larger proposal on Supply Chain Resiliency. The additional two components listed below will be heard in the various departments' budget as listed outside of Subcommittee 3.

- \$110 million for the California Workforce Development Board (CWDB) to invest in the supply chain workforce. (This piece was heard in Subcommittee 4, on February 22, 2022).
- \$30 million for the Governor's Office of Business and Economic Development (GO-Biz) to provide funding for operational and process improvements at ports, which includes

improving data connectivity and enhancing goods movement. (This piece was discussed on February 1, 2022, with Go-Biz budget proposals).

LAO COMMENTS

Proposal Addresses Long-Term Capacity Issues. Many of the projects that this proposal would fund will take years to implement. This is in part because infrastructure projects are costly, time-intensive, and often require multiple phases of work to complete. Therefore, port improvement projects are intended to address long-term capacity issues—expanding the ability of ports and related goods movement infrastructure to move a greater number of containers than currently. In addition, these port infrastructure projects could have other benefits, such as reductions in greenhouse gas (GHG) emissions through the electrification of port vehicles and equipment. While these goals may be worthwhile, it is important to recognize that such infrastructure projects will not address the more immediate issues with the current supply chain disruptions, such as delays in goods movement, stalled ships near ports, and insufficient space for containers at ports.

Proposal Lacks Key Details. This proposal would create a new program intended to fund projects that meet certain goals, such as reduce GHG emissions, promote transportation equity, and reduce freight-related injuries and deaths. However, the Governor’s proposal lacks detail on how projects will be assessed and prioritized for funding. According to CalSTA, this is because additional stakeholder feedback is needed before determining funding guidelines. In addition, the proposal has few accountability measures and no reporting requirements, which in turn will make future legislative oversight of the program’s implementation and outcomes challenging.

Unclear Whether Geographic Allocations Reflect Needs. According to CalSTA, 70 percent of the funding is proposed to go towards projects related to the Ports of Los Angeles and Long Beach because the majority of the goods movement occurs in this region. However, it is unclear whether this split in funding is reflective of the infrastructure needs in ports, freight, and the goods movement system.

Project Costs Range Widely. Costs for port, freight, and goods movement infrastructure vary significantly. For example, the 2020 California Freight Mobility Plan identified more than 300 freight projects that could be implemented in the next several years, and these project costs ranged from \$350,000 to \$6 billion, with the median cost at about \$50 million. The wide range of costs reflects how varied these projects can be, especially in regards to scale. Therefore, without a clearer understanding of which types of projects will be prioritized, it is difficult to assess how many projects can be implemented with the proposed level of funding.

Proposal Seems Reasonable to Address Current Issues Leading to Increased Wait Times for Commercial Drive Tests... The LAO finds that the proposal is a reasonable approach to addressing the two primary factors that have led to increased wait times. In the near term, expanding testing capacity through the use of overtime would allow the department to process the backlog of applications delayed due to pandemic-related test cancellations and disruptions at test locations. For example, funding overtime would expand the available testing slots immediately, increasing DMV’s testing capacity from 5,000 tests monthly to 8,800 tests monthly

for a year. In the long term, the department could stabilize testing availability and expand testing capacity by having dedicated space for commercial drive tests, instead of having to rely on frequently unavailable public or shared spaces.

But Wait Times Could Vary Depending on Changes in Demand for CDLs. In addition to the factors described above, wait times for commercial drive tests could be impacted by changes in the number of CDL applications. For example, while the number of CDL applications are currently stable, it is possible that the demand for CDLs could increase in the coming months, due to a rising need for truck drivers to move goods. In this case, wait times could increase if the number of CDL applications increases at a pace not readily accommodated by the existing CDL testing capacity. Alternatively, the demand for CDLs could decrease due to other factors. For example, at the time of this analysis, DMV recently implemented a new federal regulation which requires CDL applicants to provide proof of driver training. This additional requirement could discourage some potential CDL applicants from applying, and therefore, possibly decrease the number of CDL applications. Continued assessment of the demand for commercial drive tests is needed to determine whether additional testing capacity is warranted beyond the time frame of this proposal.

Motor Vehicle Account (MVA) Is More Appropriate to Support Proposed Activities. The state currently collects an \$83 fee from CDL applications, which is deposited into the MVA. Given that the proposed activities would directly support the department's work in processing CDLs, they should be funded through the MVA, rather than the General Fund as proposed by the Governor. Currently, the MVA is expected to be in relatively stable condition for the next couple of years to support the proposed costs.

Federal Funding Anticipated, but Allocations Unclear. As discussed above, IIJA includes several billions of dollars for port and freight rail infrastructure. However, the amount of funding California will be eligible for and ultimately receive currently is unclear.

Funding Excluded From SAL. The Governor excludes the proposed spending from the SAL, as the funds would primarily support infrastructure projects. As a result, the Legislature has limited flexibility to reallocate funding from this proposal to other purposes. The Legislature would generally need to repurpose the associated funding for other SAL-related purposes, such as tax reductions or an alternative excluded expenditure.

STAFF COMMENTS

This proposal appears to be fluid with discussions occurring in real time with the Ports. At this time, it is difficult to determine what infrastructure projects will be advanced with these funds and how these dollars will work with federal funding.

The Subcommittee may wish to ask the following:

- Why is the state creating a new program versus using an existing program to award funds?

- When does CalSTA anticipate incorporating stakeholder feedback into their trailer bill proposal?

Staff Recommendation: Hold Open.

0521 SECRETARY FOR TRANSPORTATION AGENCY

ISSUE 2: CALIFORNIA STATE TRANSPORTATION AGENCY OPERATIONAL NEEDS

The Governor's budget requests 3.0 positions and \$1.156 million ongoing to establish a freight policy team, fund transportation research projects, and support increased rent costs. This request includes the following resources:

- 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.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Carlos Quant, Deputy Secretary for Budget and Administration, CalSTA
- Eunice Roh, Fiscal & Policy Analyst, Legislative Analyst's Office
- Benjamin Pollack, Finance Budget Analyst, Department of Finance

BACKGROUND

Freight Policy. In California, responsibility and authority for freight transportation is spread among three departments: (1) The California Department of Transportation (Caltrans); (2) CARB; and, (3) The Governor's Office of Business and Economic Development (GO-Biz):

- Caltrans oversees the Office of Freight Planning (OFP), which is charged with development of the California Freight Mobility Plan and with all issues related to freight transportation, such as conducting the studies and coordinating the projects funded under the CA Proposition 1B bond program.
- CARB is responsible for regulating freight transportation, and Chapter 728, Statutes of 2008 (SB 375) extends its regulatory power to Regional Transportation Plans. CARB is also the authority for the Low Carbon Fuel Standard and the enforcement agency for the California Sustainable Freight Action Plan (CSFAP). The CSFAP establishes clear targets to improve freight efficiency, transition to zero-emission technologies, and increase competitiveness of California's freight system.

- GO-Biz administers the economic competitiveness portion of the CSFAP.

The current freight policy oversight structure among Caltrans, CARB, and GO-Biz results in several challenges. Under the current State organizational structure, freight does not have sufficient visibility. In addition, there is no formal mechanism for cooperation among the agencies and departments that have responsibility. Outside of long-term planning and programming of infrastructure projects, the existing state freight organizational structure does not respond quickly or coordinate effectively with stakeholders to address emerging freight industry issues. CalSTA requires dedicated resources to effectively oversee and coordinate freight policy.

Transportation Research Funding. CalSTA is actively involved in developing and implementing transportation policy, including but not limited to freight, transit, rail, autonomous vehicles, safety, and transportation equity.

In addition to CalSTA-led research, CalSTA is frequently statutorily required to provide evaluations on pilot programs, task forces, and policies, where no funding is appropriated to the agency. Occasionally, CalSTA will contract with consultants to assist with evaluations, studies and reports to comply with statutory requirements. These instances require CalSTA to obtain funding from departments to comply with statutory obligations.

Rent Costs. Prior to December 2021, CalSTA's headquarters was located at the Jesse Unruh building in downtown Sacramento, California. However, this building is currently undergoing a renovation, which required CalSTA to move its headquarters and enter into a new lease agreement with increased costs.

STAFF COMMENTS

The Subcommittee may wish to ask the Agency the following:

- Freight Policy. How will the freight unit interact with the freight position currently housed at GO-Biz?
- With this new structure, will there be better coordination with ports and a clear structure of who is the lead for Port issues?
- What positions at CalSTA currently handle research, and evaluate programs, task force and policies? How much funding did CalSTA spend on contracting with consultants last year to help with this work?

Other agencies have all moved out of the Jesse Unruh building due to the renovation. This part of the request appears reasonable.

Staff Recommendation: Hold Open.

2660 DEPARTMENT OF TRANSPORTATION

ISSUE 3: CLEAN CALIFORNIA INITIATIVE

The Governor's budget proposes \$100 million (General Fund) to continue the Clean California Local Grant Program (CCLGP) into 2023-24. This would provide an additional year of funding after the budget year.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Keith Duncan, Chief, Division of Budgets, Caltrans
- Frank Jimenez, Fiscal & Policy Analyst, Legislative Analyst's Office
- James Moore, Staff Finance Budget Analyst, Department of Finance

BACKGROUND

The 2021-22 budget package included a total of about \$1.1 billion (General Fund) over a three-year period for the Clean California Initiative—specifically, \$475 million in 2021-22 and 2022-23 and \$146 million in 2023-24. The primary goal of the initiative is to increase litter abatement efforts by Caltrans and local entities and to support state and local beautification projects.

Budget trailer legislation adopted as part of the 2021-22 budget package—Chapter 81 of 2021 (AB 149, Committee on Budget)—requires Caltrans to report to the Legislature on the outcomes of program projects, as well as state beautification projects, as part of the 2022-23 and 2023-24 budgets. The reports shall include information on the amount of litter collected, the locations of projects, and the types of activities funded.

LAO COMMENTS

Reject Additional Funding for CCLGP Until More Data on Project Outcomes Are Available. The LAO recommends the Legislature reject the Governor's proposal to provide an additional \$100 million in 2023-24. The program already will receive \$196 million in the budget year. Expanding the program an additional year before data on project outcomes are available is premature. Based on the reported outcomes, the Administration could request the additional funding proposed for 2023-24 as part of the budget process for that year.

STAFF COMMENTS

The Subcommittee may wish to ask the Department about the implementation of the program so far. How much litter has been removed, where this has taken place statewide, and whether the litter has returned to any sites that were cleared?

Last year there was a robust discussion about collecting data for this program in order to evaluate the effectiveness the funding would have. The Subcommittee may want to evaluate the program before adding additional funding to the program.

Staff Recommendation: Hold Open.

ISSUE 4: FLEET REPLACEMENT

The California Department of Transportation requests \$176 million annually for two years from the State Highway Account (SHA) to begin replacing its aging fleet and to install zero emission vehicle (ZEV) infrastructure and fast fueling infrastructure to meet state mandates and regulations.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Keith Duncan, Chief, Division of Budgets, Caltrans
- Frank Jimenez, Fiscal & Policy Analyst, Legislative Analyst's Office
- James Moore, Staff Finance Budget Analyst, Department of Finance

BACKGROUND

This proposal addresses the first two years of a longer-term plan. Caltrans will replace the vehicles removed from service due to collisions or inability to repair, vehicles in the worst condition, vehicles with the highest mileage, and vehicles that generate the most emissions. Caltrans will continue to assess its plan over the next two years and then reevaluate necessary future resources. The resources requested will be used to replace approximately 3,000 vehicles over the two-year period, most of which have far exceeded the state's recommended criteria for fleet vehicle replacement.

Currently, Caltrans operates the largest and most diverse fleet in California with more than 12,000 vehicles ranging in size from light (8,500 Gross Vehicle Weight Rating [GVWR]) and below which includes half-ton pick-ups and sport utility vehicles; medium & heavy (over 8,500 GVWR) which includes F450s (class 4 truck) and heavy-duty diesel trucks; and off-road (over 25 horsepower) which includes diesel-fueled construction equipment. These vehicles are responsible for providing safety barriers for field crews from live traffic, plowing snow-covered roads, performing vegetation control to reduce the risk of catastrophic wildfires, striping roadways to improve visibility, and are operated by field crews for the maintenance of repairing guardrails, removing hazardous debris and litter, and clearing dead and dying trees.

Over 8,000 vehicles in the Caltrans fleet are eligible for replacement under current state fleet management guidelines, including approximately 600 vehicles that have been permanently removed from service and over three thousand vehicles with over 150,000 miles. These vehicles are essential to improve and maintain California's transportation network. This has contributed to Caltrans' increased fleet equipment rentals and leases needed to deliver on transportation projects across the state. Currently, Caltrans rents over 3,000 vehicles annually at a cost of more than \$20,000,000, which further impacts the ability to purchase and replace vehicles.

Specialty equipment such as snow blowers, plow trucks, cone trucks, digger derricks, and bridge inspection vehicles are not available for rental. Unreliable older equipment contributes to longer equipment downtimes and costs more to repair than newer equipment.

Caltrans' old and polluting fleet is not in alignment with the Governor's executive orders for reducing fleet emissions, nor will it be compliant with current CARB requirements on emissions without the requested additional funding.

According to the 2016 Mercury and Associates report, ZEV implementation will require a substantial increase (about 600 percent) in capital than the State historically allocates to replacing vehicles. Caltrans estimates the initial costs to transition to a ZEV fleet will be as high as twice the cost of vehicles using traditional fuel based on current market value. For example, a diesel-fueled sweeper costs \$295,055 per unit, while a ZEV sweeper costs \$650,000 per unit—not including the cost of fast-charging infrastructure. In preparation for the procurement of additional ZEV fleet units, Caltrans must add to its existing infrastructure of Level 2 chargers, as well as install DC Fast Charging Systems, capable of charging medium and heavy-duty vehicles. Caltrans currently has 536 Level 2 chargers either functioning or in development for its fleet. Current industry recommendations are one Level 2 charging port per vehicle or piece of equipment, plus one DC Fast Charging port for every two to three medium and heavy-duty vehicles or pieces of equipment.

STAFF COMMENTS

The Subcommittee may wish to ask the following:

- Is Caltrans working with the Energy Commission on this proposal since they have been working in this space for a number of years?
- With supply issues being a significant concern, will Caltrans be able to acquire the clean vehicles to spend all the funding included in this proposal? How is Caltrans addressing this challenge and will Caltrans be competing for clean vehicles with other departments and businesses that must comply with the California Air Resources Board's Clean Bus and Truck Rule that requires that by January 1, 2023, nearly all trucks and buses have 2010 or newer model year engines to reduce particulate matter (PM) and oxides of nitrogen (NOx) emissions?
- With respect to the charging infrastructure, where will Caltrans build the new charging infrastructure and who will be able to access the infrastructure?

Staff Recommendation: Hold Open.

ISSUE 5: OFFICE OF UNMANNED AIRCRAFT SYSTEMS

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

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Keith Duncan, Chief, Division of Budgets, Caltrans
- Eunice Roh, Fiscal & Policy Analyst, Legislative Analyst's Office
- James Moore, Staff Finance Budget Analyst, Department of Finance

BACKGROUND

According to the Caltrans, UAS is a new tool that is revolutionizing field work. The incorporation of UAS in field operations increases efficiency and safety while dramatically reducing costs. UAS has been recognized as an innovation by the Department of Transportation, the Federal Highway Administration (FHWA), and by the California Transportation Commission as a source of savings and efficiency. Caltrans currently funds two studies through the University of California Merced and California State University, Fresno on UAS implementation at Caltrans.

Starting in 2017, the Division of Aeronautics has been overseeing Caltrans UAS operations and working on incorporating UAS technology into Caltrans business activities to improve safety, increase operational efficiency, and decrease project delivery and maintenance inspection costs. In 2019, FHWA provided seed money to support the acquisition of drones and training in the amount of \$50,000. UAS is gradually becoming an essential tool for Surveyors, Construction Inspections, Bridge Inspections, Environmental Studies, and Maintenance. North Region Surveys began limited UAS implementation reported savings of nearly \$500,000 in 2020-21. As UAS becomes ubiquitous across Caltrans, additional Districts and Programs will realize those savings as well.

The Division of Aeronautics is seeking to implement a real-time fleet management system/solution for its UAS Program for use by Caltrans employees (internal users) and consultants/contractors (external users) working for/or on behalf of Caltrans. This tool will: (1) allow both desktop and remote users (on a tablet or smartphone) to enter and submit their drone operations; and, (2) allow the Aeronautics to track drone activities (users, drones, missions) in a relational database that will house the data and information that is being entered by users as well as data tracked by systems such as GPS. The system should have the capability to generate dashboards, reports, and analytics from this data. This tool would not track or store any imagery or data collected by the drone, however, it will have the capability to log a flight plan that is entered and to retain that information in the record for the operation. While a final product has not been selected or approved, the cost of a fleet management system 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.

STAFF COMMENTS

The Subcommittee may wish to ask the following:

- With the two studies that Caltrans funded, what was the scope and findings on UAS implementation?
- Can Caltrans provide examples of how jurisdictions are currently using this technology?
- How is Caltrans addressing any privacy issues associated with the UAS program?

Staff Recommendation: Hold Open.

ISSUE 6: PEDESTRIAN AND BICYCLIST SAFETY INVESTIGATION

The Governor's budget includes \$2,256,000 (\$2,147,000 in Personal Services and \$109,000 in Operating Expenses) (State Highway Account) for Caltrans to permanently establish the Pedestrian and Bicyclist Safety Investigations Program.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Keith Duncan, Chief, Division of Budgets, Caltrans
- Eunice Roh, Fiscal & Policy Analyst, Legislative Analyst's Office
- Benjamin Pollack, Finance Budget Analyst, Department of Finance

BACKGROUND

Caltrans, in partnership with the University of California Berkeley, developed the 2016 Pilot Pedestrian Collision Monitoring Program and the 2018 Pilot Bicyclist Collision Monitoring Program to identify and address high concentrations of pedestrian and bicyclist collisions. Additional resources are needed to permanently add the Pedestrian Collision Monitoring Program and the Bicyclist Collision Monitoring Program to the existing permanent traffic safety programs, such as Run Off Road, Wrong Way, Cross Over Collision, High Collision Concentration and High Wet Collision Concentration Programs.

The 2016 Pilot Pedestrian Collision Monitoring Program resulted in 129 traffic safety investigations. The 2018 Pilot Bicyclist Collision Monitoring Program resulted in 252 traffic safety investigations. These safety investigations resulted in recommended improvements, which will be implemented either by maintenance staff or via traffic safety projects.

The 2019 Pedestrian Safety Improvement Monitoring Program was released on July 31, 2020. It identified 150 locations for investigation. As of April 30, 2021, 72 of these investigations have been completed with 64 percent recommending improvements. The 2019 Bicyclist Safety Improvement Monitoring Program is anticipated to be released this fall.

According to the FHWA-published rules, California is required to establish statewide targets annually for reducing pedestrian and bicyclist fatalities and serious injuries and show progress towards meeting the targets to continue to receive Federal HSIP funds. In a letter dated March 25, 2021, FHWA notified Caltrans that California failed to meet the Safety Performance Target for Number of Non-Motorized Fatalities & Serious Injuries.

The Transportation System Network indicates pedestrian and bicyclist fatalities accounted for approximately 21 percent of traffic fatalities on the State Highway System (SHS) in California between 2014 and 2018. Available data indicates that these fatalities are trending higher.

2018 Collision Data on California State Highways

Program Budget	2014	2015	2016	2017	2018	2019
Vehicle Miles Traveled (in Billions)	178.32	183.22	186.94	190.65	190.90	192.51
Pedestrian Fatalities	227	196	271	297	276	297
Bicyclist Fatalities	16	21	26	21	26	31
Vehicle Fatalities	887	992	1092	1112	1060	993

STAFF COMMENTS

The Subcommittee may wish to ask about reporting progress to the Legislature if this program is made permanent.

How will the results of these investigations be incorporated into Active Transportation projects funded by the state?

Staff Recommendation: Hold Open.

ISSUE 7: TECHNOLOGY BUDGET CHANGE PROPOSALS

This item summarizes the 5 budget change proposals related to technology for Caltrans.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Keith Duncan, Chief, Division of Budgets, Caltrans
- Frank Jimenez, Fiscal & Policy Analyst, Legislative Analyst's Office
- James Moore, Staff Finance Budget Analyst, Department of Finance

BACKGROUND

1. **Advantage Management System Augmentation:** The budget includes a one-time augmentation request of \$8,000,000 to upgrade the department's Financial Management System to a supported version of the CGI Advantage software.

Approval of this request would upgrade Caltrans' financial management system to provide a stable, functional, and secured system to meet the financial and reporting requirements of the State Controller's Office, the Department of Finance, the Department of General Services, and FI\$Cal. An upgraded financial management system would support Caltrans during the FI\$Cal onboarding period and provide a secure financial management system to perform Caltrans' mission critical activities while serving and providing critical financial and project information to Caltrans' stakeholders.

2. **Enterprise Data Governance Technology Solution:** The budget requests 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. The resources will be used to procure and implement a suite of enterprise data governance-related tools for data stewards and data custodians.
3. **Enterprise Data Storage:** The budget requests \$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. The request includes six permanent positions, contract resources, and equipment to increase data storage and protection.

Existing data storage capacity and related Information Technology (IT) infrastructure cannot meet Caltrans program needs for effective project delivery. There has been an increased number of transportation projects since the 2017 passage of SB 1, which has increased the volume of very large data set collection. In addition, there has been an increasing use of evolving technology to more safely collect the data needed for efficient transportation project delivery and ancillary processes. This collection technology is growing more sophisticated and has the capability of collecting more detailed data points and images that create very large data sets.

4. **Traffic Operations System Network (TOSNet) Cybersecurity Enhancements:** The budget includes \$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 cybersecurity enhancements.

This request is in alignment with the newly required cyber response activities based on the increased cyberattacks against critical infrastructure, the expanding operational technology cybersecurity guidance, and President Biden's May 12, 2021 Executive Order on Improving the Nation's Cybersecurity. The Presidential Executive Order calls for, "bold changes and significant investments in order to defend the vital institutions that underpin the American way of life" in both information technology (IT) and operational technology (OT).

5. **Transportation System Replacement Project Funding for Year 2:** The budget includes ten positions and resources totaling \$6,858,000 in 2022-23 for Transportation System Network Replacement (TSNR) Year 2 project costs. This request is supported by Caltrans TSNR implementation plan as part of the California Department of Technology's (CDT) Project Approval Lifecycle (PAL) process.

The TSNR system development and implementation effort has been identified as a high priority project in the CalSTA TRS Roadmap and is one of the main goals of the TRCC's California Strategic Traffic Safety Data Plan. The requirement to comply with the federal mandates correlates directly with the "Safety First" strategic goal described in the Caltrans 2020 – 2024 Strategic Plan.

STAFF COMMENTS

These five budget change proposals address an array of technology programmatic needs for Caltrans to successfully implement its programs. Data storage and cyber security requests align with requests from other departments that have been approved over the past couple of years.

Staff Recommendation: Hold Open.

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

ISSUE 8: ROAD USAGE CHARGE PILOT (SB 339)

The California Department of Transportation (Caltrans) requests an augmentation of \$6,010,000 in State Highway Account (SHA) over two years and 6 two-year, limited-term positions to conduct the road charge revenue collection pilot authorized by Senate Bill 339 (Chapter 308, statutes of 2001, Wiener).

Additionally, the Department of Motor Vehicles (DMV) requests \$171,000 SHA and one two-year, limited-term position and the California Transportation Commission (CTC) requests \$200,000 in one-time funding to support the pilot.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Keith Duncan, Chief, Division of Budgets, Caltrans
- Frank Jimenez, Fiscal & Policy Analyst, Legislative Analyst's Office
- Benjamin Pollack, Finance Budget Analyst, Department of Finance

BACKGROUND

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.

Caltrans estimates a group of 750 participants would be needed to provide a relevant research sample size that tests behavior choices and public opinion during the road charge collection process.

To implement the pilot project, Caltrans requests the following resources:

- \$4,000,000 for Caltrans to procure consultant services to perform the pilot study.

- \$1,005,000 for 6 limited-term staff for Caltrans to manage the project and interdepartmental coordination work required by this legislation.
- \$171,000 for 1 limited-term position for the DMV to support the SB 339 pilot and interdepartmental coordination work. This position will assist in developing a process to collect the road charge revenue into state systems.
- \$200,000 consultant service dollars for the CTC to support the bill's requirements for the Road Charge Technical Advisory Committee to provide recommendations on pilot design criteria by July 1, 2023.

STAFF COMMENTS

The cost estimates outlined in the Assembly Appropriation analysis estimate the consultant costs to be about \$5 to \$10 million based on the pilot program. Additionally, the analysis estimates the cost for CTC to be about \$450,000 one time. The Subcommittee may wish to ask why the budget change proposal provides lower resources than the analysis and whether those resources will be sufficient to successfully implement the program.

Staff Recommendation: Hold Open.

2600 CALIFORNIA TRANSPORTATION COMMISSION

ISSUE 9: IMPLEMENTATION OF SB 671 – CLEAN FREIGHT CORRIDOR EFFICIENCY ASSESSMENT

The Governor's budget includes an increase in the CTC's budgetary authority in the amount of \$320,000 for two limited-term positions for three years and \$450,000 for a one-time consultant contract to implement the provisions of SB 671 (Chapter 769, Statutes of 2021) relating to the development of the Clean Freight Corridor Efficiency Assessment.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Paul Golaskzewski, Deputy Director, California Transportation Commission
- Frank Jimenez, Fiscal & Policy Analyst, Legislative Analyst's Office
- Benjamin Pollack, Finance Budget Analyst, Department of Finance

BACKGROUND

SB 671 (Gonzalez, Chapter 769, Statutes of 2021) establishes the Clean Freight Corridor Efficiency Assessment (Assessment), to be developed by the Commission in coordination with other state agencies. This bill codifies parts of the Commission's Trade Corridor Enhancement Program (TCEP) guidelines that deem eligible for funding projects that employ advanced and innovative technology to improve the flow of freight and environmental and community mitigation of freight movement impacts.

STAFF COMMENTS

According to the appropriation analysis for SB 671, the estimated one-time costs to implement this bill is approximately \$900,000 for a consultant contract for the performance of research and data analysis necessary to identify the freight corridors and infrastructure needed. Additionally, the analysis estimated the ongoing CTC administrative costs to be approximately \$323,000 for three years and \$178,000 annually thereafter for two staff (one three-year limited term, one permanent) to oversee the consultant contract.

The Subcommittee may wish to ask the Department of Finance to explain the difference in funding for the consultant contract from the appropriation analysis. Also explain why there is no funding for ongoing staffing?

Staff Recommendation: Hold Open.

2720 CALIFORNIA HIGHWAY PATROL

ISSUE 10: CAPITAL OUTLAY PROPOSALS

The Governor's budget includes nine capital outlay proposals for the California Highway Patrol. This item will discuss these proposals.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Amanda Ray, Commissioner, California Highway Patrol
- Mike Alvarez, Assistant Chief, California Highway Patrol
- Eunice Roh, Fiscal & Policy Analyst, Legislative Analyst's Office
- Randy Katz, Finance Budget Analyst, Department of Finance

BACKGROUND

The nine capital outlay proposals included in this item 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 Essential Services Building Seismic Safety Act (ESBSSA) of 1986 requires fire stations, police stations, emergency operations centers, CHP offices, sheriff's offices, and emergency communication dispatch centers be designed and constructed to minimize fire hazards and to resist the forces generated by earthquakes, gravity, and winds. The CHP has a total of 111 offices (103 Area offices, eight Division offices). The majority of CHP offices were constructed prior to establishment of the ESBSSA of 1986.

In 2009, the CHP requested the Department of General Services (DGS) to review over 20 Area offices of various ages for issues, including seismic; ADA compliance, heating, ventilation, and air conditioning (HVAC), and roofing. Using the data developed by state engineers and engineering consultants, the CHP determined that approximately 75 of the 111 total offices (103 Area offices, eight Division offices) are seismically at-risk. Many of the identified offices are also older buildings that no longer meet the CHP's programmatic requirements.

The overall California Highway Patrol Enhanced Radio System (CHPERS) Phase I project includes the construction of a fully operational communications tower and associated support infrastructure at seven sites to ensure CHP has the radio coverage statewide needed to maintain operations.

STAFF COMMENTS

The Subcommittee may wish to ask DOF what the total capital outlay costs are for these BCPs and what is the plan for paying for them in the future? Does it make sense to dedicate more funds now when there is a surplus?

Staff Recommendation: Hold Open.

ISSUE 11: INCREASED FUNDING FOR RECRUITMENT ADVERTISING

The Governor's 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.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Amanda Ray, Commissioner, California Highway Patrol
- Mike Alvarez, Assistant Chief, California Highway Patrol
- Eunice Roh, Fiscal & Policy Analyst, Legislative Analyst's Office
- Kathy McCloud, Finance Budget Analyst, Department of Finance

BACKGROUND

Recruitment of law enforcement personnel has been on the decline for over seven years. Agencies have been forced to compete more fiercely for the same candidate pool. This had led to declining numbers of applicants for CHP positions. At the same time, CHP has seen a growing number of uniformed officers depart over the last several years.

In 2019, the CHP implemented the first statewide all digital marketing campaign with outstanding results, effectively reversing the national trend in recruitment. In December 2019, at the onset of the campaign, the CHP received 899 applications. The number of applications increased incrementally month over month during the campaign, which ended with 1576 applications received in June 2020.

STAFF COMMENTS

CHP currently has a vacancy rate of approximately 14 percent for uniformed officers. The goal for the recruitment effort would be for 1,000 new uniformed officers for the department.

The Subcommittee may wish to ask the following:

- What is the current vacancy rate at CHP? What are the challenges for CHP with regard to their vacancies?
- How long they anticipate it will take to get those new officers fully on boarded? What are the biggest challenges in the hiring process? What is causing the delays?

Staff Recommendation: Hold Open.

ISSUE 12: COMBATING ORGANIZED RETAIL THEFT

The Governor's budget includes \$6 million General Fund annually through 2024-25, \$10.5 million in 2025-26, and \$15 million in 2026-27 and ongoing for the CHP to expand and make permanent its Organized Retail Crime Taskforce. The resources for the CHP is part of a larger request to combat organized retail theft. This Subcommittee will focus on the CHP funding.

	Department	2022-23	2023-24	2024-25	2025-26	2026-27 and Ongoing
Proposals Addressing Organized Retail Theft						
Organized Retail Theft Prevention Grant Program	BSCC	\$85.0	\$85.0	\$85.0	—	—
Vertical Prosecution Grant Program	BSCC	10.0	10.0	10.0	—	—
CHP Organized Retail Crime Task Force Expansion	CHP	6.0	6.0	6.0	\$10.5	\$15.0
DOJ Organized Retail Crime Enterprises Program	DOJ	6.0	6.0	6.0	0.4	0.5
Grants to Small Business Victims of Retail Theft	GO-Biz	20.0	—	—	—	—

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Amanda Ray, Commissioner, California Highway Patrol
- Mike Alvarez, Assistant Chief, California Highway Patrol
- Eunice Roh, Fiscal & Policy Analyst, Legislative Analyst's Office
- Kathy McCloud, Finance Budget Analyst, Department of Finance

BACKGROUND

In 2019, the state established three CHP Organized Retail Crime Task Forces (ORCTFs) that operate in the greater Bay Area and portions of Southern California. These three task forces are currently supported with \$5.6 million General Fund annually, which is scheduled to expire in 2026-27. The Governor's budget proposes \$6 million annually through 2024-25 (increasing to \$10.5 million in 2025-26 and \$15 million in 2026-27 and ongoing) for CHP to make the three existing ORCTFs permanent and establish two new permanent ORCTFs in the Fresno and Sacramento areas. Due to CHP's high officer vacancy rate, the proposal assumes that these new task forces will be operated by existing officers working overtime for at least three years. After that time, the new ORCTFs would be operated using dedicated staff rather than overtime.

As CHP's organized retail crime program has evolved over the past two years, investigators have routinely identified a nexus to criminal organizations involved in human trafficking, drug trafficking, weapons violations, and vehicle theft. By specifically addressing organized retail crime groups, ORCTFs will bring stability to a fragile atmosphere.

CHP will use these funds to expand operations into the Valley and Central Divisions, purchase equipment and investigative technology, and support travel and training expenses.

In conjunction with the DOJ and allied law enforcement agencies, the CHP will deliver criminal investigative leadership and support when conducting and/or assisting with related criminal investigations. Examples of support include, but are not limited to, providing/coordinating investigative leads, sharing of criminal intelligence, trend analysis, training other law enforcement personnel, conducting follow up investigations, and collecting/preserving evidence required for prosecution.

LAO COMMENTS

One of the Governor's three goals is to reduce organized retail theft. The types of criminal activities related to organized retail theft can range from two people working together to steal merchandise and return it for store credit to a criminal organization that exploits marginalized people to steal on its behalf and sells the stolen merchandise through online marketplaces. As such, there are essentially numerous ways to potentially reduce organized retail theft. However, without clear and specific objectives it is difficult to determine which of the various criminal activities related to organized retail theft to target and to identify the specific actions to pursue with limited resources. For example, if the objective is to arrest individuals engaged in basic shoplifting or organized retail theft at a low level of sophistication, the use of video surveillance cameras could be an effective use of state resources. In contrast, if the objective is to dismantle criminal organizations engaged in organized retail theft, employing complex operations to uncover individuals who are running theft rings, as opposed to those they hire or exploit to shoplift for them, could be an effective use of state resources.

CHP ORCTF Expansion Could Face Challenges. If the state is interested in targeting organized theft coordinated by criminal gangs or networks, DOJ could be a better entity than CHP to administer such task forces. This is because DOJ has existing expertise in operating dedicated task force teams as well as managing task forces that consist of federal, state, and local partners. Additionally, DOJ employs both law enforcement investigative personnel as well as attorneys who can more easily work together to successfully investigate and prosecute cases. Furthermore, CHP currently does not have the ability to dedicate full-time sworn officers to the two new ORCTFs proposed by the Governor due to a high vacancy rate. The requested funding would instead go to support overtime to pay for patrol officers to conduct increased enforcement in the initial three years. This may not be the most effective way to operate a task force as the patrol officers likely would not be able to fully focus on addressing retail theft in the same manner as full-time dedicated officers. This could then impact the outcomes that can be achieved in the near term.

STAFF COMMENTS

The Subcommittee may wish to ask the following:

- What is the focus of the CHP ORCTF today and how will that change under this new proposal?

- To DOF, were additional resources included in the budget to fund AB 331 (Jones-Sawyer, 2021) or are the resources included in this proposal meant to cover those costs?
- The BCP above talked about the challenges with vacancies, how does CHP plan to balance overtime dedicated to maintaining services on the highways with overtime for new task force?

Staff Recommendation: Hold Open.

ISSUE 13: HIGHWAY VIOLENCE TASK FORCE

The Governor's budget proposes one-time funding from the General Fund of \$4.034 million in 2022-23, \$3.314 million in 2023-24 and \$3.314 million in 2024-25, to address violent crime occurring on state highways through a Highway Violence Task Force.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Amanda Ray, Commissioner, California Highway Patrol
- Mike Alvarez, Assistant Chief, California Highway Patrol
- Eunice Roh, Fiscal & Policy Analyst, Legislative Analyst's Office
- Kathy McCloud, Finance Budget Analyst, Department of Finance

BACKGROUND

The primary mission of CHP is to ensure safety and enforce traffic laws on state highways and county roads in unincorporated areas. When a violent crime occurs on state highways, CHP officers in the near vicinity—who generally are on road patrol duty—get called to the scene. These officers often become the primary investigators of the crime that occurred, and lead in collecting evidence, investigating criminal offenses, and submitting associated reports. If the investigating officer needs additional support or resources, or if the investigation requires in-depth or lengthy examination to complete, CHP's Investigative Services Unit can provide investigative support, depending on the circumstances. In response to the rising incidence of highway shootings, CHP has recently established the Highway Violence Task Force, aiming to deter highway violence and bolster investigative resources.

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. (The operations of CHP are divided across eight geographic divisions throughout the state.) 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.

This proposal requests \$879,000 General Fund to fund salaries and benefits for seven Associate Governmental Program Analyst positions to analyze crime data and conduct criminal analytics and research. The proposal also would provide \$2.160 million from the General Fund in overtime funding for concentrated enforcement details throughout the CHP field Divisions affected by increases in highway violence. An additional \$995,000 General Fund would provide for training, information technology, and equipment costs.

LAO COMMENTS

Modify Proposal if Addressing Highway Violence Is a Priority. To the extent that the Legislature considers highway violence a priority and wants to dedicate the same overall amount of resources as the Governor proposes, the recommends modifying the Governor's proposal in ways to ensure the funded activities will be most effective at meeting their objectives. Specifically, we recommend the following:

- ***Consider Funding Research-Based Alternatives.*** The LAO recommends the Legislature consider options that research has found to be effective at reducing violent crime. For example, researchers have found that certain infrastructure modifications—such as installation of cameras or lighting—can reduce crime without requiring additional law enforcement presence. Accordingly, funding the installation of cameras on highway ramps to provide law enforcement with more resources to identify and apprehend suspects could be a more effective approach than that proposed by the Governor. In addition, these types of solutions might be more efficient alternatives compared to funding overtime, given that CHP is experiencing high rates of vacancies and is not fully staffed. In order to effectively weigh the trade-offs of different alternatives, the Legislature could request that CHP assess specific alternatives and present a modified proposal later this spring.
- ***Approve Positions and Funding for Investigative Supports.*** The LAO recommends the Legislature approve the proposed \$879,000 for seven Associate Governmental Program Analyst positions and \$995,000 for training, IT, and equipment to support criminal investigations. These additional resources could help provide additional information regarding the associated factors of highway shootings and help inform future legislative policy and funding decisions regarding the Highway Violence Task Force.
- ***Shift Fund Source to the MVA.*** The LAO recommends the Legislature change the fund source of this proposal from the General Fund to the MVA. Given that this proposal is intended to directly benefit users of the state highway system, it would be more appropriate to use MVA for these activities. The LAO's recommendation would "free up" \$4 million in General Fund resources in 2022-23 that the Legislature could redirect to its other priorities.
- ***Require Reporting on Prevalence and Associated Factors of Highway Violence.*** With the additional investigative support positions and resources, CHP reports it would be able to better identify suspects and their vehicles, more effectively identify crime patterns, investigate links between interrelated crimes, as well as collate and analyze crime data in real time. The LAO recommends the Legislature require 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). This report would allow the Legislature to determine whether future resources are needed to continue the Highway Violence Task Force after the expiration of the limited-term funding proposed.

STAFF COMMENTS

The Subcommittee may wish to ask CHP how stretched their resources are for covering new task forces? The goal of this task force aligns with CHP's duties but ensuring that CHP can be meet its goal of maintaining the level of services on the highways without over extending the officers is very important.

Staff Recommendation: Hold Open.

ISSUE 14: CANNABIS TAX FUND GRANT PROGRAM STAFFING

The Governor's budget proposes authority for nine additional positions. These positions will provide the necessary oversight for the administration of the Cannabis Tax Fund (CTF) Grant Program as required by the passage of both the Control, Regulate, and Tax Adult Use of Marijuana Act and the Medicinal and Adult-Use of Cannabis Regulation and Safety Act.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Amanda Ray, Commissioner, California Highway Patrol
- Mike Alvarez, Assistant Chief, California Highway Patrol
- Eunice Roh, Fiscal & Policy Analyst, Legislative Analyst's Office
- Kathy McCloud, Finance Budget Analyst, Department of Finance

BACKGROUND

California voters approved Proposition 64, AUMA, on November 9, 2016. This immediately added and amended various provisions of law, including Revenue and Taxation Code (RTC), Section 34019. RTC Section 34019 provides the CHP with funding from the Cannabis Tax Fund to:

- Establish and adopt protocols to determine whether a driver is operating a vehicle while impaired – including impairment by cannabis.
- Establish best practices to assist law enforcement with determining impairment.
- Award grants for the purpose of developing technology in determining when a driver is operating a vehicle while impaired, including impairment by cannabis.
- Conduct training programs for enforcing laws against driving under the influence of alcohol and other drugs, including cannabis.
- Fund CHP programs and grants to qualified organizations for education, prevention, and enforcement of laws related to driving under the influence of alcohol and other drugs, including cannabis.

Prior to the Cannabis Tax Fund revenues being available, Senate Bill 94 (Committee on Budget and Fiscal Review), Chapter 27, Statutes of 2017 authorized initial startup funding of \$3 million from the Cannabis Control Fund for the CHP to train drug recognition experts.

As specified, a portion of cannabis taxes are to be distributed to the CHP for the purposes of coordinating research efforts related to impaired driving; conducting training for CHP and other California law enforcement agencies; assessing new and existing impaired driving enforcement technologies; and administering impaired driving grants. To accomplish these directives, in the 2019-2020 budget year, the CHP hired additional staff for the purposes of coordinating impaired driving research efforts, assessing new and existing impaired driving enforcement technologies,

expanding existing training capabilities to meet growing demand, and initial development and implementation of a cannabis grants program.

The CHP will receive an appropriation of \$50 million dollars in 2022-23. This will create additional grant opportunities for local assistance, vertical prosecution programs and continued toxicology laboratory development. With the anticipated workload increase, the original personnel resources provided will be insufficient as the program continues to expand with increased funding and grant opportunities.

STAFF COMMENTS

The Subcommittee may wish to have the Department of Finance discuss who makes the decisions for Allocations 1, 2, and 3, for the Cannabis tax fund? How can the Legislature influence those allocations?

Staff Recommendation: Hold Open.

ISSUE 15: CENTRALIZED CUSTODIAN OF RECORDS UNIT

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

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Amanda Ray, Commissioner, California Highway Patrol
- Mike Alvarez, Assistant Chief, California Highway Patrol
- Eunice Roh, Fiscal & Policy Analyst, Legislative Analyst's Office
- Kathy McCloud, Finance Budget Analyst, Department of Finance

BACKGROUND

The CHP operates 25 regional Communication Centers staffed by 800 Public Safety Operators (PSO) and Public Safety Dispatchers. The CHP provides communication records relating to cases involving departmental employees and allied law enforcement agencies, city and county prosecutors, and defense counsel. The CHP also supports the right of the public to request communication records subject to the CPRA and Freedom of Information Act. In the current model, the CHP's 25 CCs are independently responsible for receiving, processing, and responding to requests for communication records.

AB 748 (Ting), Chapter 960, Statutes of 2018, and SB 1421 (Skinner), Chapter 988, Statutes of 2018, both increased the volume and complexity of CHP's work in responding to communication records requests. Due to the higher-level coordination and review of CPRA requests which reference SB 1421 or AB 748, the processing of these requests calls for specialized training.

The CHP has indicated that the requested positions would focus on responding to communication records requests related to four of the larger metropolitan regional communications centers. These four centers have experienced a rising volume of records requests over the last several years. While the CHP has managed to handle most of the requests, two of the four centers have built up a backlog of requests, as detailed in the following.

Table 1: Top Four Communication Centers

Communications Center	Total Requests 2016	Total Requests 2017	Total Requests 2018	Total Requests 2019 ¹	Total Requests 2020 ^{1,2}	Current Backlog
Border	1,781	1,484	1,731	2,166	1,498	No
Golden Gate	NA ³	602 ⁴	577 ⁴	6,724	5,611	604
Los Angeles	NA ³	1,172	1,122	3,586	3,522	No
Orange County	1,588	1,871	2,206	2,720	1,345	434
Total	3,369	5,129	5,636	15,196	11,976	1,038

1 - Total includes CPRA, informal discovery, and subpoena requests.

2 - The local COR requests have decreased due to court closures as a result of COVID-19.

3 - Records have been purged.

4 - Insufficient records were kept during these periods.

STAFF COMMENTS

The resources are reasonable given the increase in workload increase.

Staff Recommendation: Hold Open.

ISSUE 16: IT BASELINE COST INCREASE

The budget includes one-time funding of \$15 million in 2022-23 from the Motor Vehicle Account to cover increased technology costs.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Amanda Ray, Commissioner, California Highway Patrol
- Mike Alvarez, Assistant Chief, California Highway Patrol
- Eunice Roh, Fiscal & Policy Analyst, Legislative Analyst's Office
- Kathy McCloud, Finance Budget Analyst, Department of Finance

BACKGROUND

The CHP has leveraged new technologies to enhance efficiencies and better meet the needs of the public. These new technology solutions result in improved delivery of public safety and service to those who reside and travel within California. The baseline costs for these technologies include, but are not limited to, the Department's Computer Aided Dispatch system, statewide network upgrades, statewide wireless installations, modem replacements, disaster recovery, privacy and risk management, cyber security and threat assessment, cloud computing, and Microsoft Office 365 licensing.

The table below reflects 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. The table 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. The \$1.7M will fund the modernization of the Academy infrastructure and virtualization of Division and Area offices.

Item	FY 12/13	FY 16/17	FY 21/22
Adobe Licensing	**	\$154,500.00	\$374,700.00
Cisco Software	\$466,427.69	\$825,315.25	\$1,437,496.00
CommVault	**	\$194,499.33	\$775,000.00
CDT (Formerly OTech)	\$3,202,650.16	\$5,535,203.88	\$800,000.00
F5	**	\$193,164.64	*
Ruggedized Tablets	**	\$407,374.92	*
HaiVision	\$17,577.84	\$99,556.40	\$9,000.00
Timekeeping/Scheduling (Kronos)	**	\$4,219,415.00	**
Log Rhythm SEIM	**	\$297,838.70	*
Microsoft Licensing	\$3,368,394.27	\$6,837,240.72	\$8,200,000.00
Microsoft Premium Tech Support	**	\$471,363.00	*
Netmotion	\$214,347.36	\$135,257.00	*
Network Infrastructure Upgrade & Refresh	\$190,135.23	\$1,605,395.54	\$2,416,470.00

Oracle	**	\$244,072.09	\$333,800.00
Palo Alto	**	\$133,490.64	*
PC Equipment (Hardware, Laptops, Docking Stations, Tablets)	\$3,929,538.59	\$200,646.78	\$4,000,000.00
Perceptive	**	\$453,525.50	\$20,000.00
Servers Equipment & Maintenance	\$2,002,123.65	\$1,032,120.61	\$350,700.00
Modems & Components (MDC)	**	\$231,748.36	\$65,000.00
VMWare	\$32,692.30	\$499,026.00	\$885,200.00
Cloud Computing	**	*	\$820,000.00
Cybersecurity Tools/Threat Assessment	**	*	\$2,891,800.00
Computer Aided Dispatch	**	*	\$3,346,040.00
Total	\$13,423,887.09	\$23,770,754.36	\$26,725,206.00

* Purchased under a different category

** Not purchased

STAFF COMMENTS

The resources requested are consistent with requests for IT from other departments. The Subcommittee may wish to ask DOF, why use the Motor Vehicle Account versus General Fund?

Staff Recommendation: Hold Open.

This agenda and other publications are available on the Assembly Budget Committee's website at: <https://abgt.assembly.ca.gov/sub3hearingagendas>. You may contact the Committee at (916) 319-2099. This agenda was prepared by Genevieve Morelos.