

AGENDA
ASSEMBLY BUDGET SUBCOMMITTEE NO. 5
ON TRANSPORTATION AND
INFORMATION TECHNOLOGY

Assemblymember Manny Diaz, Chair

WEDNESDAY, APRIL 10, 2002
STATE CAPITOL, ROOM 127
4:00 P.M.

CONSENT CALENDAR

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CONSENT CALENDAR

ISSUE 1: 2700 OFFICE OF TRAFFIC SAFETY

The Office of Traffic Safety (OTS) administers the California Traffic Safety Program. The OTS is funded primarily with federal funds (\$84.2 million), but also receives funds from the Motor Vehicle Account (\$365 million).

The OTS conducts a wide range of activities designed to reduce deaths, injuries and property damage that result from traffic accidents. Activities include: (1) developing the California Highway Safety Plan, which identifies major traffic safety problems, appropriate countermeasure programs and available state and federal funds; (2) administering funds to state and local governmental entities in the form of project grants; and (3) coordinating statewide traffic safety programs and activities.

The nine priority areas of traffic safety are alcohol and drugs, occupant protection, pedestrian and bicycle safety, traffic records, emergency medical services, roadway safety, police traffic services, motorcycle safety and speed control.

The Governor's proposed budget includes an increase of \$41,883,000 National Highway Traffic Safety Administration funds to support driving-under-the-influence program activities.

ISSUE 2: CALIFORNIA HIGHWAY PATROL FINANCE LETTER

The Department of Finance submitted a Finance Letter requesting \$1.4 million to reimburse Caltrans for jointly occupying buildings with Caltrans (\$1.1 million) and to reflect receipt of reimbursement from the Department of Industrial Relations for providing security services at Workers' Compensation hearings (\$300 million).

ISSUE 3: DEPARTMENT OF MOTOR VEHICLE FINANCE LETTER

The Department of Finance submitted a Finance Letter requesting the following:

- \$582,000 and .7 positions to implement Driving Under the Influence and license reissuance fees. (conforms to Issue 1 on page 8)
- \$645,000 for emergency repairs at the Rancho Cucamonga Field Office.
- \$832,000 for improved network security and virus detection.

ITEM #2720 CALIFORNIA HIGHWAY PATROL

The California Highway Patrol (CHP) is responsible for ensuring the safe, lawful, and efficient transportation of persons and goods along the state's highway system, and providing protective services and security for state employees and property.

The Governor's proposed budget includes \$1.2 billion (special funds) for the CHP, an increase of \$100 million, or 10.4 percent, over revised current year funding.

ISSUE 1: INCREASED HOMELAND SECURITY COSTS

The Governor's proposed budget includes \$89.6 million from the Motor Vehicle Account (reimbursed by federal funds) for enhanced security by the California Highway Patrol including increased fencing, surveillance equipment, aerial patrols, truck inspections, and increased patrols at key facilities.

BACKGROUND:

Since the events of September 11, the majority of the state's increased security responsibilities have fallen on the CHP. For the budget year the Governor's proposed budget includes the following:

- 33 officers to provide enhanced security at the state Capitol and state office buildings and facilities.
- 40 officers to provide security at nine major bridges and the Trans Bay Terminal.
- 100 officers to operate the state's 18 commercial vehicle inspection facilities 24 hours a day.
- 50 officers assigned to inspect carriers of hazardous materials.
- 24 officers to serve on various joint-terrorism task forces and to staff a new Emergency Notification and Tactical Alert Center.
- 24 pilots and flight officers to operate five additional helicopters for expand air operations.
- 18 officers to provide security for nuclear power plants and state health laboratories.
- \$32.5 million for overtime costs in the event of tactical alerts.
- \$2.5 million for equipment to protect officers against chemical weapons.

COMMENTS:

The Legislative Analyst withholds recommendation of this proposal pending additional information regarding the availability of federal funds for the state antiterrorism programs.

In addition, the LAO questions the state's role in protecting private facilities, such as nuclear power plants, and non-state facilities, such as the Golden Gate Bridge. The LAO recommends the Legislature consider the following issues when evaluating proposals for enhanced security against terrorism:

1. What are the appropriate areas and levels of responsibility for the state, federal, and local governments and private entities to assume for protecting citizens and facilities against terrorism?

2. Who should pay for ongoing security services at the local level? Who should pay for the security of private facilities and non-state facilities that have statewide importance? How should these services be funded?
3. Of the security services the state is responsible for providing, which should be under the jurisdiction of CHP, and which should be provided by other agencies?
4. What is the appropriate allocation of resources between programs to prevent terrorism and those that respond to terrorist incidents?

Should the proposed funding be approved, the LAO recommends approval of the following budget bill language pertaining to the \$32.5 million proposal for overtime costs in the event of tactical alerts. The language ensures the funds are limited to overtime during tactical alerts and not for regular overtime.

Of the funds appropriated in this item, \$32.5 million is allocated for security tactical alerts. If the amount used for tactical alerts is less than \$32.5 million, the remainder of that sum shall revert to the Motor Vehicle Account.

In addition to the budget year proposal, the Department of Finance has received a Deficiency Request from the CHP for \$17.8 million for current year increased security costs. The Department of Finance should report on the status of the request.

ISSUE 2: PROTECTIVE SERVICES

The Governor's proposed budget funds protective services for state properties and employees from the Motor Vehicle Account (MVA), rather than a mix of MVA and General Fund.

BACKGROUND:

Until 1995, the California State Police (CSP) provided protective services for state property and employees. The CSP allocated its costs to other departments, which funded CSP through reimbursements.

When the CHP absorbed CSP and its protective services mission in 1995, it continued this reimbursement-based funding mechanism. The system of charging reimbursements grew increasingly complex and inefficient. In 2000-01, the Legislature funded CHP's protective services directly, with funding divided between the General Fund and MVA.

In 2001-02, with the state facing increasing pressure on the General Fund, MVA became the sole funding source for CHP protective services activities.

COMMENTS:

The LAO notes that since not all the CHP's protective service and security activities are related to transportation and the enforcement of vehicle laws that the MVA may not be an appropriate source to provide ongoing support for non-transportation activities.

The LAO further notes that security services that are non-transportation-related, including the patrol and security of state buildings and state employees in general should be funded from the General Fund. The LAO also notes that where security activities are enhanced for particular departments or programs, those services should be reimbursed.

The LAO recommends that on an ongoing basis beyond 2002-03, CHP protective and security services be funded from a combination of General Fund, MVA funds, and reimbursements. In order to establish a baseline for this funding split, the LAO recommends the adoption of the following supplemental report language directing CHP, in cooperation with the Department of Finance, to prepare a cost-allocation study based on budget-year allocation of resources to transportation versus non-transportation-related security activities and associated expenditures.

The California Highway Patrol (CHP), in cooperation with the Department of Finance, shall prepare a cost-allocation study to provide the baseline for determining the appropriate mix of General Fund money, Motor Vehicle Account funds, and reimbursements to support CHP's protective and security activities. The study shall be based on the 2002-03 allocation of resources to transportation versus non-transportation-related security activities. This report shall be submitted to the Chair of the Joint Legislative Budget Committee and the chairs of the appropriations and budget committees of each house no later than January 10, 2003 as part of the 2003-04 budget proposal.

ISSUE 3: EL PROTECTOR PROGRAM

The Governor's proposed budget makes permanent the recent six position expansion to the el Protection Program

BACKGROUND:

The El Protector program was established in 1988 in response to data that showed Hispanic motorists were disproportionately involved in fatal automobile accidents and alcohol related deaths. In 1999-00 the program was expanded by six positions to serve other "other groups of non-English speaking drivers with disproportionately high percentages of involvement in traffic accidents and fatalities."

The program works to bring awareness to traffic safety issues through the use of bilingual officers making presentations and otherwise interacting with non-English speaking communities.

The six additional positions funded beginning in 1999-00 were approved on a limited term basis and were extended through the end of the current year. This proposal is to make those positions permanent.

COMMENTS:

The El Protector program is a successful program that has been well received by the communities it serves.

The CHP should report at the hearing on the following issues:

- Where are El Protector officers located throughout the state?
- When the program was expanded in 1999-00, the intent was to expand the program beyond Spanish speaking communities, what has been done to achieve this and has the expansion been successful?

ISSUE 4: RADIO DISPATCHER STAFFING LEVELS

CHP radio dispatchers are responsible for handling all cellular "911" calls and the dispatching of CHP officers.

There is concern that radio dispatching is not adequately staffed.

BACKGROUND:

The CHP employs approximately 700 dispatchers at 20 locations throughout California.

The radio dispatchers assert the following:

- CHP radio dispatchers handle over 7 million calls per year.
- 911 callers at times experience several minutes on hold.
- The current workload formula has not been updated since the major expansion of cellular phone usage.
- Turnover has been in excess of 25 percent per year, due at least in part to salary disparities with local agencies.

COMMENTS:

The CHP should testify at the hearing on the concerns of the radio dispatchers. Is there adequate staffing of radio dispatchers to meet the increased use of cellular phone users? Is the CHP able to handle the volume of calls that would result from a major terrorist attack or other catastrophic event? Is there data that supports or refutes the claim that 911 callers are left on hold for several minutes? And can the CHP handle

ITEM #2740 DEPARTMENT OF MOTOR VEHICLES

The Department of Motor Vehicles' (DMV) responsibilities include protecting the public interest in vehicle ownership by registering vehicles and promoting public safety on roads and highways by issuing driver licenses. In addition, the DMV licenses and regulates vehicle-related businesses and provides revenue collection services for state and local agencies.

The Governor's proposed budget includes \$666.7 million (\$1.6 million, General Fund), a decrease of \$20.5 million, or 3.5 percent, from the revised current year budget.

ISSUE 1: PENALTY INCREASES

The Governor's proposed budget includes \$76 million in increased penalties and fees within the Department of Motor Vehicles to mitigate the fund balance problem of the Motor Vehicle Account.

BACKGROUND:

The following penalty increases, along with various expenditure reductions, are proposed to assist the MVA fund balance.

- \$25 million from penalty increases for late registration. The penalty for being late by less than 10 days will increase from \$10 to \$17, while the penalty for missing the deadline by more than two years will increase from \$165 to \$217.
- \$2 million from establishing a fee for second appeals of driving-under-the-influence (DUI) sanctions and from increasing license reissuance fees.
- \$40 million from increasing fees to \$4 per record for information provided to insurers and others who request driver record information.
- \$4 million (beginning in 2003-04) from the imposition of a \$5 fee to retake the driving test.
- \$9 million by merging the Motor Carriers Permit Fee Account with the MVA.

COMMENTS:

The proposed increases provide \$76 million for the MVA in the budget year and \$98 million each year thereafter.

The Legislative Analyst estimates that due to increased pressures on the MVA a \$7 million shortfall by the end of the budget year, and a \$230 million shortfall in 2003-04 if the department's proposals are not approved.