

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

Assemblymember Pedro Nava, Chair

WEDNESDAY, MAY 11, 2005
4:00 PM
STATE CAPITOL, ROOM 127

ITEMS TO BE HEARD

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ITEMS TO BE HEARD

ITEM 2660 DEPARTMENT OF TRANSPORTATION

The Department of Transportation (Caltrans) constructs, operates, and maintains a comprehensive transportation system with more than 50,000 miles of highway and freeway lanes. In addition, Caltrans provides intercity rail passenger services under contract with Amtrak, and assists local governments with the delivery of transportation projects, as well as other transportation-related activities.

The Governor's budget proposes \$8 billion, all from special funds and 22,445.5 positions. This reflects a decrease of \$119 million but an increase of 87.2 positions from the current year.

ISSUE 1: BCP# 6 – INFRASTRUCTURE PRESERVATION AND INSPECTION

The Administration requests a permanent increase of 38.0 personnel years and \$45.8 million for highway infrastructure preservation and to implement the statewide culvert inspection and repair program.

The highway infrastructure preservation will assume \$42.3 million for major maintenance contracts. The major maintenance contract dollars will be directed primarily toward pavement preservation projects around the state. Each Caltrans district will be targeted for funds in proportion to the amount of pavement preservation work that exists per district. Pavement preservation is dedicated to preserving pavement in good condition rather than repairing damaged pavement, which is more appropriately completed by capital rehabilitation projects.

The remaining \$3.5 million and 38 personnel years are for the implementation of a statewide culvert inspection program. The state highway system contains approximately 205,000 culverts, which are closed conduits that allow water to pass. Currently, there is no formalized, routine inspection program to identify the present condition of culverts and note deficiencies and repair strategies.

COMMENTS:

On May 4, 2005, the Committee received Caltrans' Five-Year Maintenance Plan. The purpose of the plan is the outline maintenance strategies that will impede the growth of future in the State Highway Operation and Protection Program (SHOPP), by prevent the state's roadway, structural and drainage inventory that is in fair condition from deteriorating.

According to the plan, preventive maintenance results in a cost benefit ratio of 6:1, which would accrue over a five-year cycle. The plan also calls for the creation of a proactive inspection program needed to identify damaged or failed culverts.

Additionally, the plan claims that California has a maintenance backlog of 5,084 miles of roadway and 2,250 bridges. An investment of \$252 million is necessary to prevent a further increase in the state's current backlog.

ISSUE 2: BCP# 12 – HISTORIC PROPERTY MAINTENANCE

The Administration requests a permanent increase in expenditure authority of \$1.5 million to fund repairs and maintenance on historic properties that Caltrans owns for highway right-of-way purposes.

Caltrans owns residential and other properties that were purchased as right-of-way for highway construction. In some cases, the properties included houses that have been declared historically-significant and as such state and federal law require their preservation. Many of these properties are located on the Route 710 corridor in Pasadena and have been owned by Caltrans for over 40 years.

COMMENTS:

During the Subcommittee's May 4th hearing, the director noted that Caltrans would be providing the committee with a status report of the maintenance activities occurring within the Route 710 corridor in Pasadena.

ISSUE 3: EQUIPMENT PROGRAM

The Administration requests one-time funding of \$75,000 to reimburse DOF and the Office of State Audits and Evaluation, to serve in an advisory role as the department develops record keeping systems for the Equipment Program to meet state and federal reporting requirements.

An audit conducted on the Equipment Service Fund by the Office of State Audits and Evaluation (OSAE) has identified inconsistencies in reporting requirements and rental rate complexities. The Department is currently addressing the findings of the audit and will work to continue improving the existing procedures and rates or develop new procedures. The department will develop a work plan with specific action items to accomplish.

OSAE will review and assess the department's work plan, monitor its progress toward accomplishing the steps in the work plan and advise the Department of Finance of Caltrans' progress on a quarterly basis.

COMMENTS:

On April 20, 2005, the subcommittee reviewed the proposal and rejected the item. Subsequently, the Department of Finance, Caltrans and committee staff have engaged in a number of conversations regarding the status of the program, and to ensure that the program is capable of meeting its initial intent.

The Department of Finance January 10th, proposal was narrow in scope, allowing OSAE to act as a Caltrans' consultant to remedy identified accounting system problems. Caltrans contends that they have complied with nearly all the recommendations noted within the OSAE rate review. However, Caltrans has failed to effectively communicate with the Department of Finance to demonstrate their compliance. As a result, the Equipment Program lease rates have never been approved by the Department of Finance.

Additionally, the subcommittee showed significant concern that the program is failing to meet its original intent of increasing internal usage of Caltrans equipment and creating additional revenue by leasing equipment to other public agencies.

The Department of Finance, Caltrans and staff have crafted a proposal that would address the breadth of concerns facing the Equipment Services program. Specifically, the proposal calls for a comprehensive program review by OSAE. The review has two components: (1) address the program's errant accounting system and (2) determine the future status of the current program (whether the program should be maintained, modified or abolished).

OSAE states that the comprehensive assessment would cost a total of \$97,000, or \$22,000 more than the requested \$75,000. It has been proposed that the department absorb the additional cost through department efficiencies.

ITEM 2665 **HIGH-SPEED RAIL AUTHORITY**

The California High-Speed Rail Authority (HSRA) was created in 1996 to develop and implement an inter-city high-speed rail service that is coordinated with other public transportation services.

The Governor's budget proposes \$3.9 million and 3.5 positions for HSRA, an increase of \$2.1 million from current year.

ISSUE 1: SOUTHERN SAN JOAQUIN VALLEY STUDY

In January 2005, the HSRA Board accepted staff recommendations for identifying the general alignment and station locations for the High Speed Train Project. In addition, the Board also directed that an additional study of an alignment option between Fresno and Bakersfield to serve a potential Visalia station, or variations thereof, located in an existing and/or planned urbanized area, is to be conducted prior to the commencement of project-level environmental documents for this segment and submitted to the Authority for any appropriate action, provided, however, that such additional study is sufficiently funded in the budget year.

According to the Authority, a study of the Southern San Joaquin Valley would cost \$650,000 and nine months to complete.

COMMENTS

Staff recommendations for the High Speed Train Project selected an alignment that precluded a station between Bakersfield and Fresno. The communities within the Central Valley strongly support the placement of a station within the region and have advocated for the additional corridor study.

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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 \$1.4 billion (no General Fund) to fund 7,285 officers and 3,278 support staff, an increase of \$44.1 million and 5.5 positions above current year.

ISSUE 1: FINANCE LETTER – LOS ANGELES REGIONAL TRANSPORTATION MANAGEMENT CENTER

The administration requests a reappropriation of \$1.9 million of unexpended funding approved in the 2002-2003 Capitol Outlay budget for the long-lead equipment needs associated with the planned Los Angeles Regional Transportation Management Center. Delays in the project have extended the procurement timeline beyond June 30, 2005, the last date to expend the 2002-03 funding.

COMMENTS:

The Los Angeles Regional Transportation Management Center (LARTMC) is a joint between the CHP and Caltrans. Initially funding in 1999-2000 budget, the LARTMC is an innovative and cooperative effort to aggressively manage the statewide transportation system to reduce congestion and provide safe and efficient movement of people, goods and information.

This project has suffered a number of delays due to litigation and disputes between the department and the contractor. In fact, this request constitutes the second request for reappropriation. In the 2002-03 Budget Act, a reappropriation of \$3 million was granted.

CHP fully believes this request would afford the delivery of this project within the standard three year timeframe. Specifically, this request would provide for the completion of the design and procurement process for the LARTMC's radio system.

ITEM 2740 DEPARTMENT OF MOTOR VEHICLES

The Department of Motor Vehicles (DMV) promotes driver safety by licensing drivers, as well as protects consumers and ownership security by issuing vehicle titles and regulating vehicle sales. The DMV also collects various fees that are revenues for the Motor Vehicle Account.

The Governor's proposed budget includes a total of \$762.33 million (no General Fund) and 8,256 positions for the DMV for the 2005-06 budget year, an increase of \$7.3 million and 2.8 positions above the current year.

ISSUE 1: FINANCE LETTER – INTERNATIONAL REGISTRATION PLAN SYSTEM REPLACEMENT

The administration requests \$1.4 million to provide funding to replace DMV's existing computer system for processing International Registration Plan (IRP) registration with a commercial-off-the-shelf software package widely utilized by other state and countries.

The system will enhance automated support for IRP program activities, resulting in more effective and efficient operation and enhanced customer service and convenience. Customer service improvements will include reduced turnaround time for processing IRP applications (from 30-35 days to 10 days) and alternative service delivery options via the Internet instead of the current hard copy submission method.

COMMENTS

This request only funds the budget year spending for the project. Total one-time project costs include \$1.3 million in 2006-07 and \$1.1 million in 2007-08, with an ongoing cost of \$1.04 million. In total the project will cost \$3.8 million over three year, in addition to the ongoing cost.

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ISSUE 2: FINANCE LETTER – QUEUING SYSTEM EXPANSION

The administration request \$2.1 million to install Queuing Management Systems in 42 "high traffic" DMV field offices. These systems will allow field office managers to direct the assignment of customers to different windows to reduce average wait times, improve waiting conditions for customers and more efficiently allocate staff within individual field offices. Each system will also act as a data collection device to allow regional office managers to monitor and manage the field offices on a real-time basis.

COMMENTS

Currently, DMV has queuing systems in 92 of its largest offices. According to the DMV, data collected from the sophisticated electronic queuing systems was instrumental in identifying deficiencies in customer services levels in those offices and allowed the department to better manage workload and significantly reduce wait times.

This request will place queuing systems in 134 of the 168 field offices statewide, placing systems in medium sized offices and busier, smaller offices throughout California.