

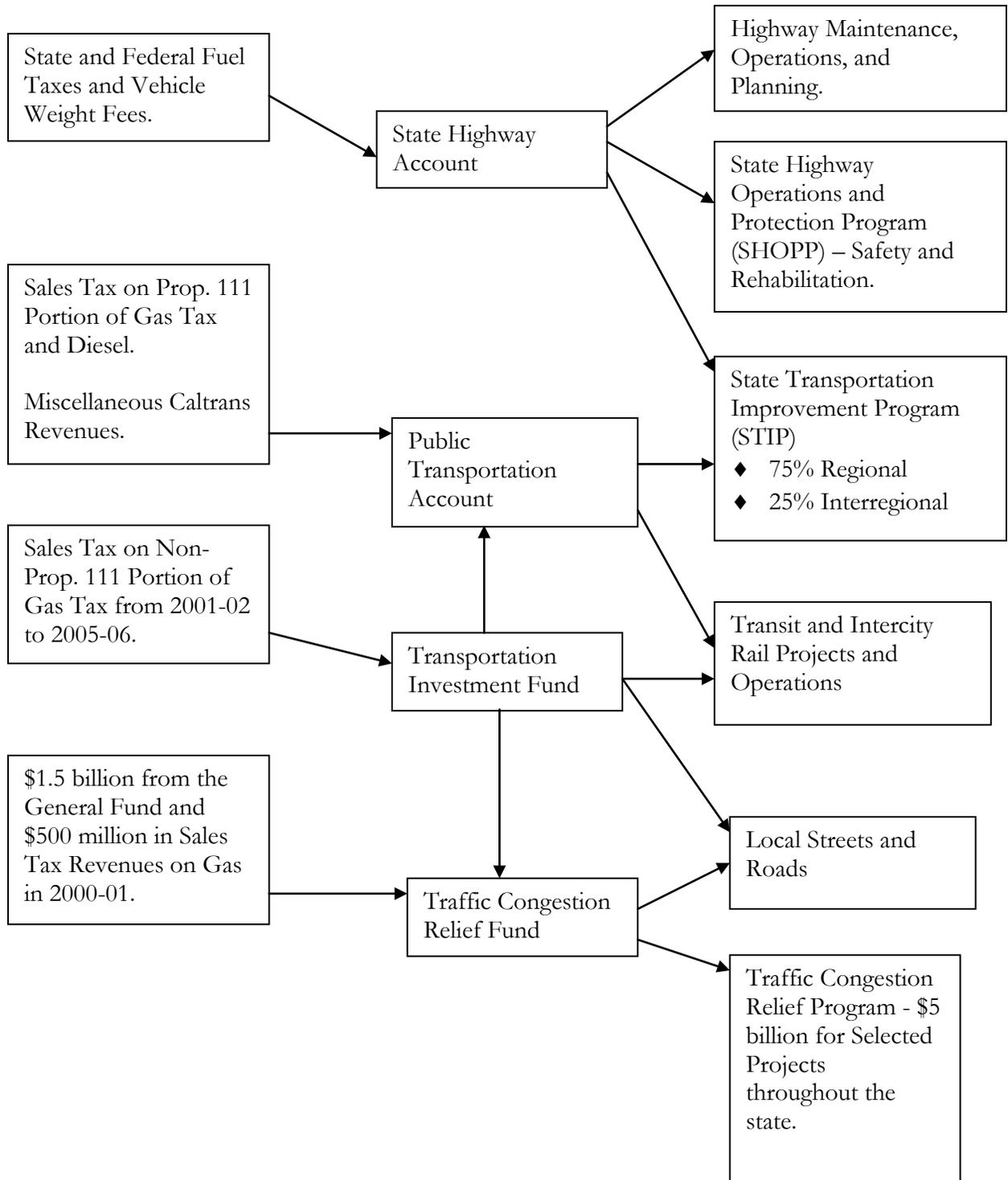
GOVERNOR'S 2001-02 BUDGET PROPOSAL FOR: TRANSPORTATION

The Governor's proposed budget includes expenditures on roads, highways, mass transit, vehicle licensing and registration, and public safety of \$6.6 billion, an increase of 12.1 percent over revised current year spending. Transportation funding includes the Department of Transportation, California Transportation Commission, California Highway Patrol, Department of Motor Vehicles, Special Transportation Programs, High Speed Rail Authority, and Office of Traffic Safety as shown in Table 1. Transportation programs are funded with state and federal fuel taxes, sales and use taxes on diesel fuel, bond proceeds, motor vehicle and driver licensing fees, truck and trailer fees, and local sales taxes.

Table 1

Transportation Expenditures (All Funds) (Dollars in Millions)			
Agency	Revised 2000-01 Expenditures	Proposed 2001-02 Expenditures	Percent Change
Caltrans	\$7,198.6	\$8,314.5	15.5%
California Highway Patrol	910.9	936.0	2.7
Department of Motor Vehicles	667.7	674.7	1.0
California Transportation Commission	122.5	132.3	8
Special Transportation Programs	111.8	189.2	69.2
Office of Traffic Safety	42.5	42.7	.5
High Speed Rail Authority	6.0	1.0	-83.3
TOTALS	\$9,060	\$10,290.8	13.6%

Sources and Uses of Major Transportation Funding



DEPARTMENT OF TRANSPORTATION

The Department of Transportation (Caltrans) constructs, operates, and maintains a comprehensive transportation system of more than 50,000 miles of highway and freeway lanes. Caltrans also provides rail passenger services under a contract with Amtrak and provides support to over 100 local airports. The Governor's proposed budget includes \$8.3 billion for 2001-02, an increase of \$1.1 billion, or 15.5 percent, over revised current-year spending.

MAJOR PROPOSALS

- ◆ **Traffic Congestion Relief Program.** AB 2928 (Torlakson), Chapter 91, Statutes of 2000 and SB 406 (Ortiz), Chapter 92, Statutes of 2000, together make historic changes in transportation funding over a six year period, 2000-01 through 2005-06. The Legislation implements the Traffic Congestion Relief Program and established Transportation Investment Fund (TIF) and the Traffic Congestion Relief Fund (TCRF).

For the current year, the Legislation provides a total of \$2 billion for the program, including \$1.5 billion from the General Fund and \$500 million in state gasoline sales tax revenues. Of this funding, \$1.6 billion is allocated for projects designated in the legislation and \$400 million is allocated to local governments for street and road maintenance and rehabilitation.

Beginning in the budget year and continuing through 2005-06, the legislation requires the state share of gasoline revenues that were previously deposited into the General Fund be dedicated to transportation through the TIF. Of the revenues deposited into the TIF, \$678 million is allocated annually for designated projects and the balance is divided among local streets and roads (40 percent), the State Transportation Improvement Program (STIP-40 percent), and the Public Transportation Account (PTA-20 percent).

At the time the legislation was enacted, it was estimated the Traffic Congestion Relief Program would provide a total of \$6.9 billion to address transportation needs over the life of the six-year program. Due to increased revenues from the state share of sales tax on gasoline, the proposed budget increases the six-year estimate to \$8.2 billion.

As a result of the increased estimate, the proposed budget allocates \$171 million for local roads and the STIP (up from \$119 million), and \$85 million for the PTA (up from \$60 million). The budget maintains the \$678 million specified projects.

In addition to the increased funding for the PTA from the TIF, Chapter 91 provides for funds deposited into the State Highway Account (SHA) that are not subject to the restrictions of Article XIX of the State Constitution to be transferred to the PTA. The proposed budget transfers \$46.5 million from the SHA to the PTA.

- ◆ **State Transportation Improvement Program (STIP).** The STIP is a four-year planning document that is adopted every two years by the California Transportation Commission (CTC). The STIP identifies projects to be funded from the SHA, the TIF, the PTA, and federal

transportation funds over the next four-year period. Beginning in 2002, the STIP will identify projects to be funded over a five-year period.

Each regional transportation planning agency is allocated a share of the STIP's programming capacity. Of available funds to program, 75 percent are allocated to regional projects. The remaining 25 percent of available funds are allocated to interregional projects that are identified by Caltrans.

In August of 2000, the CTC adopted a revised 2000 STIP Fund Estimate that, in addition to \$200 million in previously unappropriated balances, added \$1.5 billion to available STIP resources. The additional funds included \$640 million in increased federal resources, \$275 million from the SHA, \$332 million from the new TIF, and \$264 million from the PTA.

The CTC adopted a revised 2000 STIP in December 2000, which programmed a total of \$1.3 billion in new construction projects, including \$871 million for regional projects and \$442 million for regional projects. The balance of \$422 million remains available for programming through additional STIP amendments or the 2002 STIP.

- ◆ **Passenger Rail Service.** Through a contract with Amtrak, Caltrans administers intercity passenger rail services on three routes. The routes include: the Pacific Surfliner, which runs between San Diego, Los Angeles, Santa Barbara, and San Luis Obispo; the San Joaquin, which runs between Bakersfield, Stockton, Sacramento, and Oakland; and the Capitol, which runs between Auburn, Roseville, Sacramento, Oakland, and San Jose.

The proposed budget makes the following investments in intercity rail.

- ◆ \$73.3 million (PTA) for intercity rail operations, an increase of \$9.5 million over current year funding. The proposed additional funding would provide additional service on the San Joaquin and Capitol Corridor routes.

Of the proposed increase, \$4.1 million is to provide an additional round trip on the San Joaquin between Bakersfield and Sacramento. Currently, the San Joaquin provides four round trips run between Bakersfield and Oakland and one round trip between Bakersfield and Sacramento.

The balance of the proposed increase, \$5.4 million, is to provide increased service on the Capitol Corridor. This includes providing two additional round trips between Sacramento and Oakland, two additional round trips between Oakland and San Jose, and two additional round trips between Sacramento and Roseville. Currently, seven round trips operate between Sacramento and Oakland, four of these extend to San Jose, and one extends to Auburn.

- ◆ \$98 million (PTA) for three intercity track improvement projects, including: \$48 million to double and triple track portion of the Pacific Surfliner in Orange County; \$29.4 million to double track portions of the San Joaquin between Oakley and Pittsburg in Contra Costa County; and \$20.6 million to double track on the Yolo Causeway between Davis and West Sacramento on the Capitol Corridor Route.

- ◆ \$800,000 (PTA), from savings due to the completion of the heavy overhaul of the intercity rail equipment fleet, for quality control inspection of new rail equipment to be delivered in 2001-02.

The proposed budget also includes \$18 million to implement the proposed Rural Transit System Program for competitive grants to rural public agencies for capital improvement projects, such as bus replacement, transit facilities improvements, signage and shelters, vehicle rehabilitation, and American with Disabilities Act compliance.

- ◆ **Public Transportation Account (PTA).** Prior to the funding changes enacted by Chapter 91, the PTA revenues were generated primarily through a sales tax on diesel fuel, the price of which had been low in the preceding years. This factor, along with significant PTA revenues being allocated to seismic retrofit and rail service projects, resulted in chronic solvency problems for the account.

However, Chapter 91 established new revenue sources for the PTA. The TIF is estimated to provide the PTA \$564 million over the next five years (\$171 million in 2001-02) and the PTA will receive nearly \$50 million annually (\$46.5 in 2001-02) in transfers from the SHA.

One-half of the PTA's revenues go to the State Transportation Assistance Program. The State Transportation Assistance Program is funded through the Special Transportation Programs line item and provides funds to local agencies for the operation of public mass transit systems and for street and road purposes in rural areas. The proposed budget includes \$189 million for the State Transportation Assistance Program, an increase of \$88 million over the 2000 Budget Act.

The remainder of the PTA revenues are available for transit capital projects programmed through the STIP, maintenance and operation of the state's intercity rail lines, and support of the California Transportation Commission, Bay Area Water Transit Authority, and research projects conducted by the University of California's Institute for Transportation Studies.

- ◆ **Farmworkers Transportation Services Pilot Project.** The proposed budget includes \$8.3 million for Caltrans to implement the Farmworkers Transportation Services Pilot Project and provide administrative and technical assistance to local agencies. This includes \$4.3 million in new funding and a reappropriation of \$4 million from the current year budget. The purpose of the project is to provide safe transportation services for seasonal and residential farmworkers during commutes to agricultural work sites in Kern, Kings, Tulare, and Fresno Counties.
- ◆ **Caltrans Staffing.** The proposed budget contains 46 fewer personnel years for the budget year than contained in the current year. The decrease results from eliminating a total of 234 excess vacancies, most of which were redirected into other critical activities. According to the Governor's Budget Summary, the May Revision will contain an update for capital outlay support staffing in order for it to reflect the most accurate information available on workload for the 2000 STIP and the TCRF.
- ◆ **Other Significant Caltrans Investments.** The proposed budget contains the following significant Caltrans investments.

- ◆ \$20.3 million for Caltrans to retrofit diesel vehicles to use cleaner-burning diesel fuels and increase the number of fleet vehicles that use liquefied petroleum gas.
- ◆ \$1.8 million for a comprehensive study of highway management techniques and technology used both in California and other states to determine how to improve mobility on the state highway system, and relieve traffic congestion as alternative or supplement to building major capital projects.
- ◆ \$7.6 million (reimbursed from the Bay Area Toll Authority) to complete the Advance Toll Collection and Accounting System, now being installed on all seven Bay Area Toll Bridges.
- ◆ \$1.5 million for equipment to continue the bridge painting program started in 1998-99.
- ◆ \$570,000 for video technology to inspect culverts, which are the closed conduits that allow water to pass under roadbeds. Caltrans is responsible for over 206,000 culverts, which can erode and collapse roadbeds if not maintained.
- ◆ \$3.7 million for Caltrans to assist in the maintenance and rehabilitation of historical properties, in accordance with state and federal mandates.

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 \$74.7 million for the DMV, an increase of \$7 million, or one percent, above the revised current year spending.

MAJOR PROPOSALS

- ◆ **Driver's License Fraud.** The proposed budget contains \$13.3 million to increase efforts to eliminate fraudulent activities such as counterfeiting and identity theft. The proposed funds would provide computer hardware and software to perform facial recognition and thumbprint verification of persons applying for replacement licenses, additional investigative staff, and increased video surveillance equipment.
- ◆ **Vehicle License Fee Rebate.** As a result of the state illegally collecting additional vehicle license fees for the registration of out-of-state vehicles, legislation has been passed requiring the DMV to determine the amount of rebates owed to affected vehicle owners and notify the State Controller for the issuance of the rebates. The proposed budget contains a total of \$15.1 million (\$9.4 million in 2000-01 and \$5.7 million for 2001-02) for the administration of processing the rebates.
- ◆ **Commercial Vehicle Registration Act of 2000.** The passage of the Commercial Vehicle Registration Act of 2000 brought California into compliance with the International Registration Plan and federal laws that require uniform administration of registration and reporting laws for commercial vehicles registered on an apportioned basis. The proposed budget contains a total of \$7.4 million (\$3.4 million in 2000-01 and \$4 million in 2001-02) for the administrative costs to implement the Act.

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 \$936 million for the CHP, an increase of \$25.4 million, or 2.7 percent, over revised current year funding.

MAJOR PROPOSALS

- ◆ **Traffic Congestion Relief.** The proposed budget contains \$8.9 million for 76 additional motorcycle officers to focus on traffic congestion relief during peak periods on the most congested freeways. With this addition, the proposed budget funds 172 urban-based motorcycle

officers for the CHP to staff 15 operational areas on the highway system identified as being some of the most congested. The officers will serve the Sacramento region, Bay Area, southern portion of the San Joaquin Valley, and Southern California. The 76 new officers will be trained in time to be deployed by May 2002.

- ◆ **Racial Profiling.** The proposed budget contains \$7 million for grants to local law enforcement agencies to collect data on the race of persons stopped for traffic offences. Governor Davis vetoed legislation that would have required all law enforcement agencies to collect racial profiling data. In addition, the 2000 Budget Act contained \$5 million for incentive grants to local law enforcement agencies to collect the data. The proposed budget continues the grant program and increases the funds available to \$7 million.
- ◆ **Farm Labor Vehicle Safety Inspections.** The proposed budget contains \$1.8 million and 10 additional officers to expand farm labor vehicle inspection and safety certification statewide. The proposed additional ten officers take the total number of officers for the program to 20. According to the Governor's budget summary, the magnitude of the workload in the Central Valley prohibits the expansion of the programs without the additional officers.
- ◆ **El Protector Program.** The proposed budget continues the two-year pilot El Protector Program that began in 1999-00. The El Protector program serves limited and non-English speaking communities to address disproportionately high involvement in traffic accidents by providing traffic safety information through the non-English media, community groups, and schools. While the proposed budget continues this important program, the budget does not include any increased staffing or services.
- ◆ **Motor Carrier Safety.** The proposed budget includes \$1.7 million and 16 positions to address increased workload in the Commercial Enforcement Program. The CHP inspects vehicles to prevent truck and bus accidents related to mechanical maintenance failures of driver training errors to reduce traffic congestion resulting from road closures due to these accidents.