

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 08/17)

Fiscal Year 2019-20	Business Unit 2600	Department California Transportation Commission	Priority No. 1
Budget Request Name 2600-001-BCP-2019-GB		Program 1800 – ADMINISTRATION OF CALIFORNIA TRANSPORTATION COMMISSION	Subprogram

Budget Request Description
 Transportation System Oversight

Budget Request Summary

The California Transportation Commission requests an increase in its budgetary authority of \$1,393,000 for three permanent positions and eight limited-term positions. Additionally, the Commission requests the reallocation of funding sources within its current authority.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. Project Approval Document: Approval Date:

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Zilan Chen	Date 1/10/19	Reviewed By Mitchell Weiss	Date 1/10/19
Department Director Susan Bransen	Date 1/10/19	Agency Secretary Brian C. Annis	Date 1/10/19

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Dept. of Technology

PPBA	Original Signed By: Steve Wells	Date submitted to the Legislature JAN 10 2019
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Analysis of Problem

A. Budget Request Summary

The California Transportation Commission (Commission) requests an increase in its budgetary authority totaling \$1,393,000. This request consists of:

- \$551,000 for three permanent positions and \$1.1 million for 8 two-year limited-term positions to address workload related to the implementation of Chapter 5, Statutes of 2017, the Road Repair and Accountability Act of 2017 (SB 1), Chapter 95, Statutes of 2017 (SB 103), and Chapter 698 Statutes of 2018 (SB 1328).
- Converting \$122,000 of The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) funding in the Commission's budget to State Highway Account and Public Transportation Account funding.
- Reducing the Commission's reimbursement authority by \$276,000.

SB 1 resulted in a significant increase in workload to the Commission. The requested resources will address increased workload in the Active Transportation Program and the Local Streets and Roads Program, provide advice to the Commission and develop policy related to environmental issues, assist with the State Transportation Improvement Program, and assist with other programs under the Commission's purview. While the Commission received resources for SB 1 in 2017-18, there has been additional unforeseen workload that the Commission is currently completing through redirection of resources and increased levels of overtime by existing staff.

Redirecting staff (including student assistants and retired annuitants) for ongoing workload is not a sustainable long-term solution. Workload being addressed by the redirection of Commission management reduces management's availability to provide oversight of the Commission programs, set strategic direction, manage risks, monitor operations, and implement corrective actions in a timely manner.

In addition to creating new programs, SB 1 expanded the Commission's role in ensuring transportation funding is being used efficiently and effectively, and entities receiving these funds are held accountable. SB 1 increased reporting requirements, resulting in increased workload related to effectively monitoring outcomes of the state's transportation expenditures.

The Department of Finance (Finance) is currently conducting a Mission Based Review with the Commission. The Commission and Finance have identified three positions that will fill immediate and permanent roles at the Commission related to environmental issues, the Active Transportation Program and the Local Streets and Roads Program. The other eight positions in this request are two-year limited term positions. Finance and the Commission will continue to work through the Mission Based Review to assess the impact of continued implementation and oversight of the SB 1 programs to ensure the Commission has adequate resources.

The Commission is requesting resources to fund the following positions:

- One Senior Environmental Planner – This permanent position will advise the Commission and develop policies related to climate change, social equity and environmental justice issues. Since the enactment of Chapter 488, Statutes of 2006 (AB 32), Chapter 728, Statutes of 2008 (SB 375) and subsequent climate change legislation impacting the transportation program, the Commission has absorbed the new workload with existing staff. The Commission does not have sufficient resources to effectively support the climate change and sustainability legislation and administration goals and objectives without staff that possess the unique skills and abilities related to environmental issues.
- Two Associate Government Program Analysts – These two permanent positions will support the Active Transportation Program (ATP) and the Local Street and Roads (LSR) Program. The additional, unanticipated workload for the ATP and LSR programs is currently performed by a combination of two student assistants and redirection of existing resources.
- One Associate Transportation Planner – This two-year limited term position will assist with the Trade Corridor Enhancement Program, a competitive program for infrastructure improvements

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on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement.

- Two Associate Government Program Analysts – These two-year limited term positions will assist with state transportation right of way activities, transportation asset management and the State Highway Operation and Protection Program (SHOPP). Workload for the Commission has shifted from program support for Bay Area Toll Authority to other State Highway Account related work, including the increased oversight of the SHOPP projects required by SB 1.
- One Senior Transportation Planner – This two-year limited term position will coordinate transit and rail issues, assist with the State Transportation Improvement Program (STIP), and coordinate across various programs. The original position that coordinated transit and rail programs and assisted with the STIP has been redirected to complete necessary work in the Trade Corridor Enhancement Program. The Commission has assigned a retired annuitant to coordinate the rail and transit issues over the past two fiscal years, but this is not a sustainable long-term solution and an increase of staffing is needed for coordinating rail and transit issues across programs.
- Three Staff Services Analysts – These limited term positions will address the following workload:
 - Assist with the Trade Corridor Enhancement Program, a competitive program for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement.
 - Assist with the Solutions for Congested Corridors Program, a statewide, competitive program that implements specific transportation performance improvements and are part of a comprehensive corridor plan by providing more transportation choices while preserving the character of local communities and creating opportunities for neighborhood enhancement.
 - Assist with the Local Partnership Program, which provides local and regional transportation agencies that have passed sales tax measures, developer fees or other imposed transportation fees with funding from the Road maintenance and Rehabilitation Account to fund road maintenance, sound walls, and other transportation improvement projects.
- One Executive Assistant – This limited-term position will provide assistance to the Executive Director and the Chief Deputy Director.

The Commission requests converting \$122,000 Proposition 1B funding currently in its budget to the State Highway Account and Public Transportation Account to align the Commission's funding with the Commission's current workload. This request will remove all Proposition 1B funding from the Commission's budget. Much of the Commission's past work involved the oversight of transportation programs and projects that were funded with Prop 1B funds. However, the projects the Commission currently oversees are primarily funded by the State Highway Account and Public Transportation Account.

Workload for the Bay Area Toll Authority (BATA) has also decreased. This work was paid by BATA through reimbursements to the Commission. The Commission will retain a portion of its reimbursement authority to continue BATA work and to perform work on behalf of local transportation agencies seeking to establish toll facilities, per Chapter 687, Statutes of 2015 (AB 194). Therefore, the Commission requests reducing its reimbursement authority from \$426,000 to \$150,000.

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B. Background/History

The Commission is responsible for project programming, oversight, and accountability using guidelines developed through a transparent process with stakeholders including, but not limited to, state and regional partners. The Commission's statutorily established oversight role provides for a continuum of purview that includes project approval, funding allocation and approvals, and performance reporting. SB 1 expands the Commission role for existing activities and establishes new programs for which the Commission has significant oversight and responsibility. Below is a summary of SB 1's impact to the Commission's workload:

State Highway Operation and Protection Program (SHOPP) – Additional Commission oversight of the development and management of the SHOPP is required by SB 1. Specifically, the Commission must develop of new guidelines for planning, implementing, and evaluating SHOPP projects and the progress toward accomplishing specific SB 1 goals. Also, SB 1 requires additional public outreach, ongoing project monitoring, and reporting of results to the Legislature.

Local Streets and Roads – The Commission must receive submissions of proposed projects from cities and counties to be evaluated for eligibility under SB 1 and updated regulations. The Commission will report to the State Controller on cities and counties that are eligible to receive an apportionment and the cities and counties will report to the Commission on the expenditure of these funds.

Solutions for Congested Corridors Program – SB 1 created the Solutions for Congested Corridors Program to fund projects that provide congestion relief within the state's most heavily used transportation corridors. The Commission must develop, review, and regularly update program guidelines- including holding public hearings. As part of implementing the new program, the Commission will review corridor plans, score proposed projects based on adopted criteria, and allocate funding to programmed projects. As part of program accountability, the Commission will report annually to the Legislature on the development and implementation of the program, including the status of each project and an assessment of how the project is meeting the measures identified in the project nomination.

Local Partnership Program – SB 1 creates the Local Partnership Program, to be implemented by the Commission. To carry out this continuous program, the Commission must develop and adopt guidelines, program projects for funding, allocate funds and provide program accountability.

Active Transportation Program – SB 1 provides additional funding for the Active Transportation Program, increasing the available on-going program funding by more than 80%. This additional funding allows the Commission to develop and adopt biennial programs of projects with each program covering a four-year period with average annual funding of more than \$200 million.

State Transportation Improvement Program (STIP) – SB 1 stabilizes funding for the STIP. This funding will be accounted for in future STIP allocations beginning in 2018 STIP.

Trade Corridors Enhancement Account – SB 1 creates the Trade Corridors Enhancement Account for corridor based freight projects nominated by local agencies and the state. Subsequent legislation, Chapter 95, Statutes of 2017 (SB 103), dedicates the funds in this account (and similar federal freight funding) to a combined program for the Commission to fund trade corridor improvements consistent with various statutory requirements.

The Commission received an increase of six positions in 2017-18 to address workload generated by Chapter 711, Statutes of 2015 (SB 64) and Chapter 917, Statutes of 2014 (SB 486), along with initial implementation of SB 1. With these additions, the Commission currently has 26 authorized positions.

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Resource History

(Dollars in thousands)

The table below shows the resource history of the Commission's state operations budget. The Commission's state operations budget is funded from State Highway Account, Public Transportation Account, numerous Proposition 1B accounts, and reimbursement budget authority.

Program Budget	2013-14	2014-15	2015-16	2016-17	2017-18
Authorized Expenditures	3,644	3,687	3,910	4,102	5,199
Actual Expenditures	2,714	2,846	2,956	3,773	4,273
Authorized Positions	19	19	20	20	26
Filled Positions	15.6	15.5	17.4	17.1	21.1
Vacancies	3.4	3.5	2.6	2.9	4.9
Positions Loaned From Caltrans	1	2	1.2	1.7	1.5

The table below shows the history of the portion of the Commission's state operations budget that is funded with State Highway Account and Public Transportation Account funds. The significant saving for fiscal year 2017-18 was the result of new positions that could not be immediately filled and other positions becoming vacant.

Program Budget: State Highway Account + Public Transportation Account	2013-14	2014-15	2015-16	2016-17	2017-18
Authorized Expenditures	2,232	2,518	2,860	3,558	5,077
Actual Expenditures	2,038	2,517	2,777	3,339	3,686

C. State Level Considerations

SB 1 provided the first significant, stable, and on-going increase in state transportation funding in more than two decades. In providing this funding, the Legislature has provided additional funding to the Commission and increased its role in a number of existing programs and created new programs for the Commission to oversee. This request is necessary for the Commission to ensure the revenue generated by SB 1 is directed to the state's highest transportation needs through reporting more effectively on the outcomes of the state's transportation expenditures, analyzing those outcomes, and recommending improvements to both the Legislature and the Administration for its programs.

D. Justification

Active Transportation Program/Local Street and Roads Program - Workload for the Active Transportation Program and Local Street and Roads Program are significantly greater than anticipated and the Commission is unable to continue redirecting staff without negatively impacting other programs. Therefore, the Commission is requesting two Associate Government Program Analysts to support the Active Transportation Program and Local Street and Roads Program.

Environmental Issues – The Senior Environmental Planner position is needed to advise the Commission and develop policy related to climate change, social equity, environmental justice issues, and to oversee the implementation of Chapter 737, Statutes of 2017 (AB 179). The Commission does not have sufficient resources to effectively support the climate change and sustainability legislation and

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administration goals and objectives without staff that possess the unique skills and abilities related to environmental issues.

Trade Corridors Enhancement Program – The Commission did not receive resources to manage the freight program (Trade Corridor Enhancement Program and federally funded programming). Therefore, the Commission is requesting one Associate Transportation Planner to support the Trade Corridor Enhancement Program.

Solutions for Congested Corridors Program and Local Partnership Program – These two programs do not currently have support and workload for both programs is greater than anticipated. The Commission is unable to continue redirecting staff without negatively impacting other programs. Therefore, the Commission is requesting two Staff Services Analysts to support the two programs.

Transit and Rail Program/State Transportation Improvement Program – The Commission redirected the position responsible for a broad range of programming duties, including the State Transportation Improvement Program, and rail and transit issues, to manage the Trade Corridor Enhancement Program. The Commission hired a retired annuitant to backfill those programming responsibilities, but with its limited hours and non-permanent nature, a retired annuitant is not a sustainable long-term solution and an increase of staffing is needed for coordinating transit issues across programs.

E. Outcomes and Accountability

With approval of this request, the Commission will hire staff to fully undertake effective implementation of SB 1, advise the Commission and staff on environmental issues, coordinate transit and rail programs, and assist with responsibilities related to state transportation right of way activities, transportation asset management and the State Highway Operation and Protection Program.

F. Analysis of All Feasible Alternatives

Alternative 1 – Approve the request to increase the Commission resources by \$1,393,000 in order to implement SB 1, advise the Commission and staff on environmental issues, coordinate transit and rail programs, and assist with responsibilities related to state transportation right of way activities, transportation asset management and the State Highway Operation and Protection Program.

Alternative 2 – Do not approve this budget change proposal. The Commission will be unable to adequately fulfill statutory requirements in these high-profile efforts, provide reasonable assurance that billions of dollars in state funds are delivered in a cost-efficient manner, and achieve the goals and objectives set forth in the law. The Commission will need to delay other activities such as the review of project allocation requests. This could also require staff to work an excessive amount of overtime, which may cause staff burnout, and loss of knowledge and expertise leading to reduced ability to provide the accountability required by SB 1.

G. Implementation Plan

The Commission has, to the greatest extent possible, implemented SB 1 by redirecting existing staff, including the four new positions received through the 2017-18 SB 1 BCP, borrowing Caltrans staff, utilizing two student assistants and one retired annuitant, and absorbing workload by Commission management. Upon approval of the budget proposal, the Commission will hire staff to fully undertake effective implementation of SB 1, address workload under the Active Transportation Program, the Local Streets and Roads Program, advise the Commission and staff on environmental issues, coordinate transit and rail programs, provide back up support to the State Transportation Improvement Program, to support the Trade Corridor Enhancement Program, the Solutions for Congested Corridors Program, Local Partnership Program, assist with responsibilities related to state transportation right of way activities, transportation asset management and the State Highway Operation and Protection Program. As SB 1 is implemented, the Commission will continue to evaluate its staffing needs to ensure it has the resources necessary to provide accountability and to help ensure the revenue generated by SB 1 is directed to the state's highest transportation needs while fairly distributing the economic impact of the funding.

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H. Recommendation

The Commission recommends Alternative 1, to approve the request to increase Commission resources by \$1,393,000 in order to address workload under the Active Transportation Program, the Local Streets and Roads Program, advise the Commission and staff on environmental issues, coordinate transit and rail programs, provide back up support to the State Transportation Improvement Program, to support the Trade Corridor Enhancement Program, the Solutions for Congested Corridors Program, the Local Partnership Program, assist with responsibilities related to state transportation right of way activities, transportation asset management and the State Highway Operation and Protection Program.

BCP Fiscal Detail Sheet

BCP Title: Transportation System Oversight

BR Name: 2600-001-BCP-2019-GB

Budget Request Summary

	FY19					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Personal Services						
Positions - Permanent	0.0	3.0	3.0	3.0	3.0	3.0
Positions - Temporary	0.0	8.0	8.0	0.0	0.0	0.0
Total Positions	0.0	11.0	11.0	3.0	3.0	3.0
Salaries and Wages						
Earnings - Permanent	0	20	20	20	20	20
Earnings - Temporary Help	0	493	493	0	0	0
Total Salaries and Wages	\$0	\$513	\$513	\$20	\$20	\$20
Total Staff Benefits	0	464	464	143	143	143
Total Personal Services	\$0	\$977	\$977	\$163	\$163	\$163
Operating Expenses and Equipment						
5301 - General Expense	0	161	161	44	44	44
5302 - Printing	0	11	11	3	3	3
5304 - Communications	0	20	20	3	3	3
5320 - Travel: In-State	0	180	180	50	50	50
5322 - Training	0	20	20	6	6	6
5346 - Information Technology	0	11	11	3	3	3
5368 - Non-Capital Asset Purchases - Equipment	0	13	6	3	3	3
Total Operating Expenses and Equipment	\$0	\$416	\$409	\$112	\$112	\$112
Total Budget Request	\$0	\$1,393	\$1,386	\$275	\$275	\$275

Fund Summary

Fund Source - State Operations						
0042 - State Highway Account, State Transportation Fund	0	841	838	315	315	315
0046 - Public Transportation Account, State Transportation Fund	0	950	946	358	358	358
0995 - Reimbursements	0	-276	-276	-276	-276	-276
6055 - Corridor Mobility Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006	0	-6	-6	-6	-6	-6

6056	- Trade Corridors Improvement Fund Public Transportation Modernization, Improvement and Service	0	-39	-39	-39	-39	-39
6059	- Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fd of 2006	0	-12	-12	-12	-12	-12
6060	- State-Local Partnership Program Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006	0	-6	-6	-6	-6	-6
6062	- Local Bridge Seismic Retrofit Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006	0	-6	-6	-6	-6	-6
6063	- Highway-Railroad Crossing Safety Account, Highway Safety, Traffic Reduction, Air Quality and Port Security Fund of 2006	0	-22	-22	-22	-22	-22
6064	- Highway Safety, Rehabilitation, and Preservation Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006	0	-19	-19	-19	-19	-19
6072	- State Route 99 Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006	0	-12	-12	-12	-12	-12
Total State Operations Expenditures		\$0	\$1,393	\$1,386	\$275	\$275	\$275
Total All Funds		\$0	\$1,393	\$1,386	\$275	\$275	\$275

Program Summary

Program Funding

1800	- Administration of California Transportation Commission	0	1,393	1,386	275	275	275
Total All Programs		\$0	\$1,393	\$1,386	\$275	\$275	\$275

Personal Services Details

Positions	Salary Information			CY	BY	BY+1	BY+2	BY+3	BY+4
	Min	Mid	Max						
1728 - Exec Asst				0.0	1.0	1.0	0.0	0.0	0.0
4713 - Sr Envirnal Plnr				0.0	1.0	1.0	1.0	1.0	1.0
4721 - Assoc Transp Plnr				0.0	1.0	1.0	0.0	0.0	0.0
4724 - Sr Transp Plnr				0.0	1.0	1.0	0.0	0.0	0.0
5157 - Staff Svcs Analyst (Gen)				0.0	3.0	3.0	0.0	0.0	0.0
5393 - Assoc Govtl Program Analyst				0.0	4.0	4.0	2.0	2.0	2.0
VR00 - Various				0.0	0.0	0.0	0.0	0.0	0.0
Total Positions				0.0	11.0	11.0	3.0	3.0	3.0
Salaries and Wages	CY	BY	BY+1	BY+2	BY+3	BY+4			
1728 - Exec Asst	0	47	47	0	0	0			
4713 - Sr Envirnal Plnr	0	87	87	87	87	87			
4721 - Assoc Transp Plnr	0	74	74	0	0	0			
4724 - Sr Transp Plnr	0	87	87	0	0	0			
5157 - Staff Svcs Analyst (Gen)	0	151	151	0	0	0			
5393 - Assoc Govtl Program Analyst	0	269	269	135	135	135			
VR00 - Various	0	-202	-202	-202	-202	-202			
Total Salaries and Wages	\$0	\$513	\$513	\$20	\$20	\$20			
Staff Benefits									
5150350 - Health Insurance	0	127	127	39	39	39			
5150500 - OASDI	0	44	44	13	13	13			
5150630 - Retirement - Public Employees - Miscellaneous	0	210	210	65	65	65			
5150800 - Workers' Compensation	0	64	64	20	20	20			
5150900 - Staff Benefits - Other	0	19	19	6	6	6			
Total Staff Benefits	\$0	\$464	\$464	\$143	\$143	\$143			
Total Personal Services	\$0	\$977	\$977	\$163	\$163	\$163			

POV	
Year	FY19
Department	2600
House	GB Working
BR Name	2600-001-BCP-2019-GB
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