

AMENDED IN ASSEMBLY JUNE 9, 2014
AMENDED IN ASSEMBLY MAY 23, 2014
AMENDED IN ASSEMBLY SEPTEMBER 3, 2013
AMENDED IN ASSEMBLY JULY 3, 2013
AMENDED IN SENATE APRIL 15, 2013

SENATE BILL

No. 486

**Introduced by Senator DeSaulnier
(Coauthor: Senator Liu)**

February 21, 2013

An act to *amend Sections 14526, 14526.5, and 14536 of, to add Section Sections 14523.5, 14524.3, 14525.7, and 14526.4 to, and to repeal Section 14009 of, the Government Code, relating to transportation.*

LEGISLATIVE COUNSEL'S DIGEST

SB 486, as amended, DeSaulnier. Department of Transportation: goals and performance measures.

Existing law provides that the Department of Transportation shall have full possession and control of the state highway system and specifies the duties and responsibilities of the department on various other transportation matters. *Existing law requires the department to prepare the interregional transportation improvement program which, along with the regional transportation improvement programs adopted by regional transportation agencies, becomes part of the state transportation improvement program and identifies most transportation capital improvements to be undertaken over a multiyear period with state and federal funds. Existing law also requires the department to*

separately prepare the state highway operation and protection program, which identifies capital projects limited to maintenance, safety, and rehabilitation work necessary to preserve and protect the state highway system. Existing law requires the California Transportation Commission to, among other things, adopt the state transportation improvement program and approve the state highway operation and protection program, and further provides for the commission to allocate transportation capital funds to specific projects contained in the state transportation improvement program, but not the state highway operation and protection program, which is managed by the department.

This bill would require the commission, on or before January 31, 2015, and every 4 years thereafter, and in consultation with the department, to develop and adopt specific goals for the department to achieve specified priorities relative to the operation of effective transportation systems, the maintenance of the state highway system, and the reduction of greenhouse gas emissions in the department's activities. The bill would require the commission, in consultation with the department, to identify performance measures in that regard and to include an evaluation of the department's progress in meeting the goals in the commission's annual report to the Legislature.

This bill would also require the commission to establish guidelines, including specified standards, for the department to follow in the development and selection of projects for the interregional transportation improvement program, and would require the commission to adopt the program. The bill would require the department, on or before December 15, 2015, and every 5 years thereafter, to adopt and submit to the commission an interregional transportation strategic plan directed at achieving a high-functioning and balanced interregional transportation system, reflecting specified legislative priorities. The bill would require projects included in the interregional transportation improvement program to be consistent with the interregional transportation strategic plan, and would require the commission to hold public hearings on the program to attempt to reconcile any objections.

The bill would also require the commission to establish guidelines, including specified standards, for the department to follow in the development and selection of projects for the state highway operation and protection program. The bill would require preparation of a project study report or major investment study prior to inclusion by the department of a project in the state highway operation and protection

program. The bill would specifically authorize the commission to decline to adopt the program if it determines that the program is not sufficiently consistent with the guidelines.

Existing law requires the commission to submit an annual report to the Legislature including, among other things, a discussion of major transportation policy issues.

This bill would require the annual report to contain a discussion of the department's project support costs for capital projects.

Existing law requires the department, by June 30, 1994, to apply for federal funding to be used for conversion of data pertaining to the state highway system from paper storage to intelligent computer information, and to commence implementation of the conversion process within 6 months of receiving federal funding approval.

This bill would repeal these provisions.

The bill would also make legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The state recently contracted with the State Smart
4 Transportation Initiative (SSTI) to conduct an external assessment
5 of the Department of Transportation and provide recommendations
6 for improving the department's performance.

7 (b) The SSTI assessment found that the department has not kept
8 pace with changes in transportation policy and called for reforms
9 to modernize the department's mission, strengthen its performance,
10 and help align the department with the state's policy goals.

11 (c) The regional transportation planning process is an inclusive,
12 exhaustive process that moves from a longer-term vision,
13 represented by the regional transportation plan, to a short-term
14 list of specific projects in the regional transportation improvement
15 program, which implements the long-term vision.

16 (d) The department, which is responsible for the maintenance
17 and operation of the state highway system and for the state's
18 interregional transportation system, does not currently have in
19 place a similarly inclusive planning process that moves from vision
20 to implementation.

1 (e) Developing a process for the department to follow in
2 development of the state's interregional and highway maintenance
3 and operations programs similar to the regional transportation
4 planning process can create a framework for the department to
5 begin to address the flaws identified in the SSTI assessment and
6 allow the state to catch up with the changes in transportation
7 policy such that the department can once again be aligned with
8 the state's policy goals.

9 ~~SECTION 1.~~

10 ~~SEC. 2.~~ Section 14009 of the Government Code is repealed.

11 ~~SEC. 2.~~

12 ~~SEC. 3.~~ Section 14523.5 is added to the Government Code,
13 to read:

14 14523.5. (a) No later than January 31, 2015, and every four
15 years thereafter, the commission, in consultation with the
16 department, shall develop and adopt specific goals for the
17 department to achieve each of the following priorities:

18 (1) The operation of effective transportation systems for moving
19 people and goods between regions and through the state using, for
20 example, traffic demand strategies and technology that do not
21 require the addition of capacity.

22 (2) The maintenance of the state's state highway system in a
23 state of good repair.

24 (3) The reduction of greenhouse gas emissions to the maximum
25 extent feasible in all of the department's activities.

26 (b) The commission, in consultation with the department, shall
27 identify performance measures for each of the goals adopted
28 pursuant to subdivision (a) and shall include an evaluation of the
29 department's progress toward meeting these goals in its annual
30 report to the Legislature pursuant to Section 14535. The department
31 shall comply with requests from the commission for information
32 necessary to perform the required evaluation.

33 ~~SEC. 4.~~ Section 14524.3 is added to the Government Code, to
34 read:

35 14524.3. (a) On or before December 15, 2015, and every five
36 years thereafter, the department shall adopt and submit to the
37 commission an interregional transportation strategic plan directed
38 at achieving a high-functioning and balanced interregional
39 transportation system. The plan shall be action oriented and
40 pragmatic, considering both the short-term and long-term future,

1 *and shall present clear, concise policy guidance to the department*
2 *for managing the state's transportation system.*

3 *(b) The plan shall reflect, in order, the following legislative*
4 *priorities:*

5 *(1) Maintaining the state's existing transportation system in a*
6 *state of good repair.*

7 *(2) Addressing the state's responsibility of efficient goods*
8 *movement through and within the state.*

9 *(3) Improving system operations through traffic demand*
10 *strategies and technology.*

11 *(4) Improving the livability of the state's transportation system,*
12 *and improving access to the system to all users, where appropriate.*

13 *(5) Reducing greenhouse gas emissions consistent with the*
14 *California Global Warming Solutions Act of 2006 (Division 25.5*
15 *(commencing with Section 38500) of the Health and Safety Code).*

16 *(6) Assisting regions with congestion reduction when*
17 *appropriate.*

18 *(c) The interregional transportation strategic plan shall be*
19 *consistent with the California Transportation Plan required by*
20 *Section 65071.*

21 *SEC. 5. Section 14525.7 is added to the Government Code, to*
22 *read:*

23 *14525.7. (a) The commission shall adopt guidelines for the*
24 *department to follow in the development and the selection of*
25 *projects for the state's interregional transportation improvement*
26 *program required by Section 14526.*

27 *(b) The guidelines shall include, but not be limited to, all of the*
28 *following:*

29 *(1) Standards for project deliverability.*

30 *(2) Standards for identifying projects and project components.*

31 *(3) Standards for cost estimating.*

32 *(4) Programming methods for cost increases and schedule*
33 *changes.*

34 *(5) Objective criteria for measuring system performance and*
35 *cost-effectiveness of candidate projects.*

36 *(c) The guidelines shall, at a minimum, require that, for each*
37 *project, the program shall specify the allocation or expenditure*
38 *amount and the allocation or expenditure year for each project*
39 *component, as necessary.*

1 (d) *The guidelines shall be the complete and full statement of*
2 *the policy, standards, and criteria that the commission intends to*
3 *use in selecting interregional transportation projects to be included*
4 *in the state transportation improvement program.*

5 (e) *The commission may amend the adopted guidelines after*
6 *conducting at least one public hearing. The commission shall make*
7 *a reasonable effort to adopt the amended guidelines prior to its*
8 *adoption of the fund estimate pursuant to Section 14525. In no*
9 *event shall the adopted guidelines be amended, or otherwise*
10 *revised, modified, or altered during the period commencing 30*
11 *days after the adoption of the fund estimate pursuant to Section*
12 *14525 and before the adoption of the state transportation*
13 *improvement program pursuant to Section 14529.*

14 SEC. 6. *Section 14526 of the Government Code is amended to*
15 *read:*

16 14526. (a) Not later than December 15, 2001, and December
17 15 of each odd-numbered year thereafter, *based on the guidelines*
18 *established pursuant to Section 14525.7*, and after consulting with
19 the transportation planning agencies, county transportation
20 commissions, and transportation authorities, the department shall
21 submit to the commission *for adoption* its five-year interregional
22 transportation improvement program consisting of all of the
23 following:

24 (1) Projects to improve state highways, pursuant to subdivision
25 (b) of Section 164 of the Streets and Highways Code.

26 (2) Projects to improve the intercity passenger rail system.

27 (3) Projects to improve interregional movement of people,
28 vehicles, and goods.

29 (b) *Projects included in the interregional transportation*
30 *improvement program shall be consistent with the state*
31 *interregional transportation strategic plan prepared pursuant to*
32 *Section 14524.2.*

33 ~~(b)~~

34 (c) Projects may not be included in the interregional
35 transportation improvement program without a project study report
36 or major investment study.

37 ~~(e)~~

38 (d) Major projects shall include current costs updated as of
39 November 1 of the year of submittal and escalated to the

1 appropriate year, and shall be consistent with, and provide the
2 information required in, subdivision (b) of Section 14529.

3 ~~(d)~~

4 (e) Projects included in the interregional transportation
5 improvement program shall be consistent with the adopted regional
6 transportation plan.

7 (f) *Prior to adopting the department's interregional*
8 *transportation improvement plan, the commission shall hold not*
9 *less than one hearing in northern California and one hearing in*
10 *southern California to attempt to reconcile any objections by any*
11 *member of the public or other stakeholder to the department's*
12 *plan.*

13 SEC. 7. *Section 14526.4 is added to the Government Code, to*
14 *read:*

15 14526.4. (a) *The commission shall establish guidelines for the*
16 *department to follow in the development and selection of projects*
17 *for the state highway operation and protection program required*
18 *by Section 14526.5.*

19 (b) *The guidelines shall include, but not be limited to, all of the*
20 *following:*

21 (1) *Standards for project deliverability.*

22 (2) *Standards for identifying projects and project components.*

23 (3) *Standards for cost estimating.*

24 (4) *Programming methods for cost increases and schedule*
25 *changes.*

26 (5) *Objective criteria for measuring system performance and*
27 *cost-effectiveness of candidate projects.*

28 (c) *The guidelines shall, at a minimum, require that, for each*
29 *project, the state highway operation and protection program shall*
30 *specify the allocation or expenditure amount and the allocation*
31 *or expenditure year for each project component, as necessary.*

32 (d) *The guidelines shall be the complete and full statement of*
33 *the policy, standards, and criteria that the commission intends to*
34 *use in reviewing and adopting the state highway operation and*
35 *protection program.*

36 SEC. 8. *Section 14526.5 of the Government Code is amended*
37 *to read:*

38 14526.5. (a) ~~The~~ *Based on the guidelines adopted pursuant*
39 *to Section 14526.4, the department shall prepare a state highway*
40 *operation and protection program for the expenditure of*

1 transportation funds for major capital improvements that are
2 necessary to preserve and protect the state highway system. Projects
3 included in the program shall be limited to capital improvements
4 relative to maintenance, safety, and rehabilitation of state highways
5 and bridges ~~which~~ *that* do not add a new traffic lane to the system.

6 (b) The program shall include projects ~~which~~ *that* are expected
7 to be advertised prior to July 1 of the year following submission
8 of the program, but which have not yet been funded. The program
9 shall include those projects for which construction is to begin
10 within four fiscal years, starting July 1 of the year following the
11 year the program is submitted.

12 (c) *Projects may not be included in the state highway operation*
13 *and protection program without a project study report or major*
14 *investment study.*

15 (e)

16 (d) The program shall be submitted to the commission not later
17 than January 31 of each even-numbered year. Prior to submitting
18 the plan, the department shall make a draft of its proposed program
19 available to transportation planning agencies for review and
20 comment and shall include the comments in its submittal to the
21 commission.

22 (d)

23 (e) The commission may review the program relative to its
24 overall adequacy, *consistency with the guidelines adopted pursuant*
25 *to Section 14526.4, the level of annual funding needed to*
26 *implement the program, and the impact of those expenditures on*
27 *the state transportation improvement program. The commission*
28 *shall ~~approve and submit~~ adopt the program and submit it to the*
29 *Legislature and the Governor not later than April 1 of each*
30 *even-numbered year. The commission may decline to adopt the*
31 *program if the commission determines that the program is not*
32 *sufficiently consistent with the guidelines established in Section*
33 *14526.4.*

34 (f) Expenditures for these projects shall not be subject to
35 Sections 188 and 188.8 of the Streets and Highways Code.

36 *SEC. 9. Section 14536 of the Government Code is amended to*
37 *read:*

38 14536. (a) The annual report shall include an explanation and
39 summary of major policies and decisions adopted by the
40 commission during the previously completed state and federal

1 fiscal year, with an explanation of any changes in policy associated
2 with the performance of its duties and responsibilities over the
3 past year.

4 (b) The annual report may also include a discussion of any
5 significant upcoming transportation issues anticipated to be of
6 concern to the public and the Legislature.

7 ~~(c) The annual report submitted to the Legislature for the years
8 2001 to 2008, inclusive, shall include all of the following:~~

9 ~~(1) A summary and discussion of loans and transfers authorized
10 pursuant to Sections 14556.7 and 14556.8.~~

11 ~~(2) A summary and discussion on the cash-flow and project
12 delivery impact of those loans and transfers.~~

13 ~~(3) A summary of any guidance provided to the department
14 pursuant to Section 14556.7.~~

15 (c) *As part of its role described in Section 14520, the
16 commission's annual report shall also include a discussion of the
17 department's project support costs, including analyses of the
18 department's expenditures on project support based on cost
19 estimates at the following points in time:*

20 *(1) Original programming date.*

21 *(2) Upon completion of the environmental review process.*

22 *(3) Upon completion of final design and when contract is let.*

23 *(4) Project closeout date.*