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AMENDED IN ASSEMBLY AUGUST 4, 2014
AMENDED IN ASSEMBLY JULY 1, 2014
AMENDED IN ASSEMBLY JUNE 9, 2014
AMENDED IN ASSEMBLY MAY 23, 2014
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AMENDED IN SENATE APRIL 15, 2013

SENATE BILL

No. 486

Introduced by Senator DeSaulnier
(Coauthors: Senators Cannella, Gaines, Hancock, Lara, Liu, Pavley,
Roth, and Steinberg)
(Coauthor: Assembly Member Lowenthal)

February 21, 2013

An act to amend Sections 14526, 14526.5, and 14536 of, to add Sections 14523.5, 14524.3, 14524.4, 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 authorize the commission, in consultation with the department, to develop and adopt specific goals for the department. The bill would require the commission, in consultation with the department, to identify performance measures with regard to the goals that the commission elects to adopt 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 authorize the commission to prescribe study areas for analysis and evaluation by the department and to establish guidelines for updates to the California Transportation Plan, commencing with the plan required to be updated by December 31, 2020. The bill would require the department, on or before October 15, 2015, to submit to the commission for approval an interregional transportation strategic plan directed at achieving a high-functioning and balanced interregional transportation system.

The bill would revise the procedures for the development of the interregional transportation improvement program by requiring the department to submit a draft 5-year interregional transportation improvement program to the commission by October 15 of each odd-numbered year. The bill would require projects included in the draft interregional transportation improvement program to be consistent with the interregional transportation strategic plan. The bill would require the commission to hold public hearings by November 15 of each odd-numbered year regarding the draft program and to attempt to

reconcile any objections. The department would be required to consider the input received at the hearings and develop and submit a final interregional transportation improvement program to the commission for approval not later than December 15 of each odd-numbered year.

The bill would also require the commission, in cooperation with the department, 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 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.

1 (c) The regional transportation planning process is an inclusive,
2 exhaustive process that moves from a longer-term vision,
3 represented by the regional transportation plan, to a short-term list
4 of specific projects in the regional transportation improvement
5 program, which implements the long-term vision.

6 (d) The regional transportation planning process begins with
7 the California Transportation Commission offering guidance and
8 prescribing study areas for analysis and evaluation by the regional
9 agencies, as well as providing guidelines for the preparation of the
10 regional transportation plans.

11 (e) At the state level, the California Transportation Plan (state
12 plan) is intended to guide long-term, inclusive planning for state
13 transportation systems. The commission should provide guidance
14 for the development of the state plan just as it does for regional
15 transportation plans.

16 (f) An intensive effort is currently underway by the department
17 to develop the next state plan by December 2015. Asking the
18 commission to provide guidance now would be disruptive to that
19 effort. However, the commission's guidance on the interregional
20 transportation strategic plan (interregional plan), which is one of
21 the elements of the state plan, would be helpful in the interim until
22 development of the next state plan, when the commission's
23 guidance should directly inform the development of the state plan.

24 (g) The interregional plan, updated based on the commission's
25 guidance to reflect current state policies, goals, and objectives,
26 can appropriately provide information regarding the department's
27 investments in the interregional transportation improvement
28 program so that this program is more closely aligned with state
29 goals and policies.

30 (h) Developing a process for the department to follow in
31 development of the state's interregional and highway maintenance
32 and operations programs similar to the regional transportation
33 planning process can create a framework for the department to
34 begin to address the flaws identified in the SSTI assessment and
35 allow the state to catch up with the changes in transportation policy
36 such that the department can once again be aligned with the state's
37 policy goals.

38 SEC. 2. Section 14009 of the Government Code is repealed.

39 SEC. 3. Section 14523.5 is added to the Government Code, to
40 read:

1 14523.5. (a) The commission, in consultation with the
2 department, may develop and adopt specific goals for the
3 department.

4 (b) The commission, in consultation with the department, shall
5 identify performance measures for the goals that the commission
6 elects to adopt pursuant to subdivision (a) and shall include an
7 evaluation of the department's progress toward meeting these goals
8 in its annual report to the Legislature pursuant to Section 14535.
9 The department shall comply with requests from the commission
10 for information necessary to perform the required evaluation.

11 SEC. 4. Section 14524.3 is added to the Government Code, to
12 read:

13 14524.3. Commencing with the update to the California
14 Transportation Plan that is required on or before December 31,
15 2020, the commission may, in cooperation with the department,
16 prescribe study areas for analysis and evaluation by the department
17 and may establish guidelines for the preparation of the updates to
18 the California Transportation Plan prepared pursuant to Section
19 65071.

20 SEC. 5. Section 14524.4 is added to the Government Code, to
21 read:

22 14524.4. (a) On or before October 15, 2015, the department
23 shall submit to the commission for approval an interregional
24 transportation strategic plan directed at achieving a high
25 functioning and balanced interregional transportation system. The
26 plan shall be action-oriented and pragmatic, considering both the
27 short-term and long-term future, and shall present clear, concise
28 policy guidance to the department for managing the state's
29 transportation system.

30 (b) The interregional transportation strategic plan shall be
31 consistent with the California Transportation Plan as updated
32 pursuant to Section 65071.

33 SEC. 6. Section 14526 of the Government Code is amended
34 to read:

35 14526. (a) Not later than October 15 of each odd-numbered
36 year, based on the guidelines established pursuant to Section
37 14530.1, and after consulting with the transportation planning
38 agencies, county transportation commissions, and transportation
39 authorities, the department shall submit to the commission the

1 draft five-year interregional transportation improvement program
2 consisting of all of the following:

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

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

6 (3) Projects to improve interregional movement of people,
7 vehicles, and goods.

8 (b) Projects included in the interregional transportation
9 improvement program shall be consistent with the state
10 interregional transportation strategic plan prepared pursuant to
11 Section 14524.4.

12 (c) Projects may not be included in the draft interregional
13 transportation improvement program without a project study report
14 or major investment study.

15 (d) Major projects shall include current costs updated as of
16 November 1 of the year of submittal and escalated to the
17 appropriate year, and shall be consistent with, and provide the
18 information required in, subdivision (b) of Section 14529.

19 (e) Projects included in the draft interregional transportation
20 improvement program shall be consistent with the adopted regional
21 transportation plan.

22 (f) On or before November 15 of each odd-numbered year, the
23 commission shall hold at least one hearing in northern California
24 and one hearing in southern California to attempt to reconcile any
25 objections by any member of the public or other stakeholder to
26 the draft interregional transportation improvement program.

27 (g) The department shall consider the input received at the
28 hearings conducted pursuant to subdivision (f) and shall develop
29 a final interregional transportation improvement program. The
30 final interregional transportation improvement program shall
31 include a summary of the major comments received at the hearings
32 and responses to those comments, and shall be submitted to the
33 commission for approval not later than December 15 of each
34 odd-numbered year.

35 (h) The commission shall, when approving the final interregional
36 transportation improvement program pursuant to subdivision (g),
37 evaluate the extent to which the program is consistent with funding
38 priorities established in Section 167 of the Streets and Highways
39 Code.

1 SEC. 7. Section 14526.4 is added to the Government Code, to
2 read:

3 14526.4. (a) The commission, in cooperation with the
4 department, shall establish guidelines for the department to follow
5 in the development and selection of projects for the state highway
6 operation and protection program required by Section 14526.5.

7 (b) The guidelines shall include, but not be limited to, all of the
8 following:

9 (1) Standards for project deliverability.

10 (2) Standards for identifying projects and project components.

11 (3) Standards for cost estimating.

12 (4) Programming methods for cost increases and schedule
13 changes.

14 (5) Objective criteria for measuring system performance and
15 cost-effectiveness of candidate projects.

16 (c) The guidelines shall, at a minimum, require that, for each
17 project, the state highway operation and protection program shall
18 specify the allocation or expenditure amount and the allocation or
19 expenditure year for each project component, as necessary.

20 (d) The guidelines shall be the complete and full statement of
21 the policy, standards, and criteria that the commission intends to
22 use in reviewing and adopting the state highway operation and
23 protection program.

24 SEC. 8. Section 14526.5 of the Government Code is amended
25 to read:

26 14526.5. (a) Based on the guidelines adopted pursuant to
27 Section 14526.4, the department shall prepare a state highway
28 operation and protection program for the expenditure of
29 transportation funds for major capital improvements that are
30 necessary to preserve and protect the state highway system. Projects
31 included in the program shall be limited to capital improvements
32 relative to maintenance, safety, and rehabilitation of state highways
33 and bridges that do not add a new traffic lane to the system.

34 (b) The program shall include projects that are expected to be
35 advertised prior to July 1 of the year following submission of the
36 program, but which have not yet been funded. The program shall
37 include those projects for which construction is to begin within
38 four fiscal years, starting July 1 of the year following the year the
39 program is submitted.

1 ~~(e) Projects may not be included in the state highway operation~~
2 ~~and protection program without a project study report or major~~
3 ~~investment study.~~

4 ~~(d)~~

5 (c) The program shall be submitted to the commission not later
6 than January 31 of each even-numbered year. Prior to submitting
7 the plan, the department shall make a draft of its proposed program
8 available to transportation planning agencies for review and
9 comment and shall include the comments in its submittal to the
10 commission.

11 ~~(e)~~

12 (d) The commission may review the program relative to its
13 overall adequacy, consistency with the guidelines adopted pursuant
14 to Section 14526.4 and funding priorities established in Section
15 167 of the Streets and Highway Code, the level of annual funding
16 needed to implement the program, and the impact of those
17 expenditures on the state transportation improvement program.
18 The commission shall adopt the program and submit it to the
19 Legislature and the Governor not later than April 1 of each
20 even-numbered year. The commission may decline to adopt the
21 program if the commission determines that the program is not
22 sufficiently consistent with the guidelines established in Section
23 14526.4.

24 ~~(f)~~

25 (e) Expenditures for these projects shall not be subject to
26 Sections 188 and 188.8 of the Streets and Highways Code.

27 SEC. 9. Section 14536 of the Government Code is amended
28 to read:

29 14536. (a) The annual report shall include an explanation and
30 summary of major policies and decisions adopted by the
31 commission during the previously completed state and federal
32 fiscal year, with an explanation of any changes in policy associated
33 with the performance of its duties and responsibilities over the
34 past year.

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

38 (c) As part of its role described in Section 14520, the
39 commission's annual report shall also include a discussion of the

- 1 department's project costs, including analyses of the department's
- 2 expenditures on project support at the following points in time:
- 3 (1) Original programming date.
- 4 (2) Upon completion of the environmental review process and
- 5 the approval of the project.
- 6 (3) Upon completion of final design and when the construction
- 7 contract is awarded.
- 8 (4) Project closeout date.

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