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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~~ *14526 and 14526.5* of, to add Sections ~~14523.5, 14524.3, 14524.4, and 14526.4,~~ *and 14526.6* 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, June 30, 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~~ *department, in cooperation consultation with the department commission, to establish guidelines, including specified standards, for the department to follow in the development and prepare a robust asset management plan to guide selection of projects for the state highway operation and protection program, which plan would be subject to approval by the commission. The bill would require the department to include, for each project in the program, a capital and support budget and projected delivery date for various components of the project.* 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: asset management plan.~~ *This bill would require the department to report quarterly to the commission on the approved capital and support budgets compared to expenditures at contract construction acceptance for each major state highway operation and protection program project completed in the previous quarter.*

~~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.

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 list
14 of specific projects in the regional transportation improvement
15 program, which implements the long-term vision.

16 (d) The regional transportation planning process begins with
17 the California Transportation Commission offering guidance and
18 prescribing study areas for analysis and evaluation by the regional
19 agencies, as well as providing guidelines for the preparation of the
20 regional transportation plans.

21 (e) At the state level, the California Transportation Plan (state
22 plan) is intended to guide long-term, inclusive planning for state
23 transportation systems. The commission should provide guidance
24 for the development of the state plan just as it does for regional
25 transportation plans.

26 (f) An intensive effort is currently underway by the department
27 to develop the next state plan by December 2015. Asking the
28 commission to provide guidance now would be disruptive to that
29 effort. However, the commission's guidance on the interregional
30 transportation strategic plan (interregional plan), which is one of
31 the elements of the state plan, would be helpful in the interim until
32 development of the next state plan, when the commission's
33 guidance should directly inform the development of the state plan.

34 (g) The interregional plan, updated based on the commission's
35 guidance to reflect current state *statutes*, policies, goals, and
36 objectives, can appropriately provide information regarding the
37 department's investments in the interregional transportation
38 improvement program so that this program is more closely aligned

1 with ~~those state goals statutes, policies, goals, and policies.~~
2 ~~objectives.~~

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

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

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

14 ~~14523.5. (a) The commission, in consultation with the~~
15 ~~department, may develop and adopt specific goals for the~~
16 ~~department.~~

17 ~~(b) The commission, in consultation with the department, shall~~
18 ~~identify performance measures for the goals that the commission~~
19 ~~elects to adopt pursuant to subdivision (a) and shall include an~~
20 ~~evaluation of the department's progress toward meeting these goals~~
21 ~~in its annual report to the Legislature pursuant to Section 14535.~~
22 ~~The department shall comply with requests from the commission~~
23 ~~for information necessary to perform the required evaluation.~~

24 ~~SEC. 4.~~

25 ~~SEC. 3. Section 14524.3 is added to the Government Code,~~
26 ~~to read:~~

27 ~~14524.3. Commencing with the update to the California~~
28 ~~Transportation Plan that is required on or before December 31,~~
29 ~~2020, the commission may, in cooperation with the department,~~
30 ~~prescribe study areas for analysis and evaluation by the department~~
31 ~~and may establish guidelines for the preparation of the updates to~~
32 ~~the California Transportation Plan prepared pursuant to Section~~
33 ~~65071.~~

34 ~~SEC. 5.~~

35 ~~SEC. 4. Section 14524.4 is added to the Government Code,~~
36 ~~to read:~~

37 ~~14524.4. (a) On or before October 15 June 30, 2015, the~~
38 ~~department shall submit to the commission for approval an~~
39 ~~interregional transportation strategic plan directed at achieving a~~
40 ~~high functioning and balanced interregional transportation system.~~

1 The plan shall be action-oriented and pragmatic, considering both
2 the short-term and long-term future, and shall present clear, concise
3 policy guidance to the department for managing the state's
4 transportation system.

5 (b) The interregional transportation strategic plan shall be
6 consistent with the California Transportation Plan as updated
7 pursuant to Section 65071.

8 ~~SEC. 6.~~

9 *SEC. 5.* Section 14526 of the Government Code is amended
10 to read:

11 14526. (a) Not later than October 15 of each odd-numbered
12 year, based on the guidelines established pursuant to Section
13 14530.1, and after consulting with the transportation planning
14 agencies, county transportation commissions, and transportation
15 authorities, the department shall submit to the commission the
16 draft five-year interregional transportation improvement program
17 consisting of all of the following:

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

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

21 (3) Projects to improve interregional movement of people,
22 vehicles, and goods.

23 (b) Projects included in the interregional transportation
24 improvement program shall be consistent with the state
25 interregional transportation strategic plan prepared pursuant to
26 Section 14524.4.

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

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

34 (e) Projects included in the draft interregional transportation
35 improvement program shall be consistent with the adopted regional
36 transportation plan.

37 (f) On or before November 15 of each odd-numbered year, the
38 commission shall hold at least one hearing in northern California
39 and one hearing in southern California to attempt to reconcile any

1 objections by any member of the public or other stakeholder to
2 the draft interregional transportation improvement program.

3 (g) The department shall consider the input received at the
4 hearings conducted pursuant to subdivision (f) and shall develop
5 a final interregional transportation improvement program. The
6 final interregional transportation improvement program shall
7 include a summary of the major comments received at the hearings
8 and responses to those comments, and shall be submitted to the
9 commission for approval not later than December 15 of each
10 odd-numbered year.

11 (h) The commission shall, when approving the final interregional
12 transportation improvement program pursuant to subdivision (g),
13 evaluate the extent to which the program is consistent with funding
14 priorities established in Section 167 of the Streets and Highways
15 Code.

16 ~~SEC. 7.~~

17 *SEC. 6.* Section 14526.4 is added to the Government Code, to
18 read:

19 14526.4. (a) ~~The commission, in cooperation with the~~
20 ~~department, shall establish guidelines for the department to follow~~
21 ~~in the development and in consultation with the commission, shall~~
22 *prepare a robust asset management plan to guide selection of*
23 *projects for the state highway operation and protection program*
24 *required by Section 14526.5. The asset management plan shall be*
25 *consistent with any applicable state and federal requirements.*

26 (b) ~~The guidelines shall include, but not be limited to, all of the~~
27 ~~following:~~ *department may prepare the asset management plan*
28 *in phases, with the first phase to be implemented with the 2016*
29 *state highway operation and protection program, and the complete*
30 *asset management plan to be prepared no later than the 2020 state*
31 *highway operation and protection program.*

- 32 (1) ~~Standards for project deliverability.~~
- 33 (2) ~~Standards for identifying projects and project components.~~
- 34 (3) ~~Standards for cost estimating.~~
- 35 (4) ~~Programming methods for cost increases and schedule~~
36 ~~changes.~~
- 37 (5) ~~Objective criteria for measuring system performance and~~
38 ~~cost-effectiveness of candidate projects.~~

39 (e) ~~The guidelines shall, at a minimum, require that, for each~~
40 ~~project, the state highway operation and protection program shall~~

1 specify the allocation or expenditure amount and the allocation or
2 expenditure year for each project component, as necessary.

3 ~~(d) The guidelines shall be the complete and full statement of~~
4 ~~the policy, standards, and criteria that the commission intends to~~
5 ~~use in reviewing and adopting the state highway operation and~~
6 ~~protection program.~~

7 *(c) In connection with the asset management plan, the*
8 *commission shall do both of the following:*

9 *(1) Adopt targets and performance measures reflecting state*
10 *transportation goals and objectives.*

11 *(2) Review and approve the asset management plan, including*
12 *the final version of the first phase and the complete plan prepared*
13 *by the department pursuant to subdivision (b).*

14 *(d) As used in this section, “asset management plan” means a*
15 *document assessing the health and condition of the state highway*
16 *system with which the department is able to determine the most*
17 *effective way to apply the state’s limited resources.*

18 ~~SEC. 8.~~

19 *SEC. 7.* Section 14526.5 of the Government Code is amended
20 to read:

21 14526.5. (a) Based on the ~~guidelines~~ adopted *asset*
22 *management plan prepared and approved* pursuant to Section
23 14526.4, the department shall prepare a state highway operation
24 and protection program for the expenditure of transportation funds
25 for major capital improvements that are necessary to preserve and
26 protect the state highway system. Projects included in the program
27 shall be limited to capital improvements relative to maintenance,
28 safety, and rehabilitation of state highways and bridges that do not
29 add a new traffic lane to the system.

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

36 *(c) The department, at a minimum, shall specify, for each project*
37 *in the state highway operation and protection program, the capital*
38 *and support budget, as well as a projected delivery date, for each*
39 *of the following project components:*

1 (1) *Completion of project approval and environmental*
2 *documents.*

3 (2) *Preparation of plans, specifications, and estimates.*

4 (3) *Acquisition of rights-of-way, including, but not limited to,*
5 *support activities.*

6 (4) *Construction.*

7 (e)

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

14 (d)

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

28 (e)

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

31 ~~SEC. 9. Section 14536 of the Government Code is amended~~
32 ~~to read:~~

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

1 ~~(b) The annual report may also include a discussion of any~~
2 ~~significant upcoming transportation issues anticipated to be of~~
3 ~~concern to the public and the Legislature.~~

4 ~~(e) As part of its role described in Section 14520, the~~
5 ~~commission's annual report shall also include a discussion of the~~
6 ~~department's project costs, including analyses of the department's~~
7 ~~expenditures on project support at the following points in time:~~

8 ~~(1) Original programming date.~~

9 ~~(2) Upon completion of the environmental review process and~~
10 ~~the approval of the project.~~

11 ~~(3) Upon completion of final design and when the construction~~
12 ~~contract is awarded.~~

13 ~~(4) Project closeout date.~~

14 *SEC. 8. Section 14526.6 is added to the Government Code, to*
15 *read:*

16 *14526.6. (a) The department shall report to the commission*
17 *quarterly, for projects which complete construction in the previous*
18 *quarter, on the information outlined in subdivision (b) for all major*
19 *state highway operation and protection program projects, as*
20 *defined by the commission pursuant to subdivision (f) of Section*
21 *167 of the Streets and Highways Code.*

22 *(b) The department shall report to the commission on the*
23 *approved capital and support budgets compared to expenditures*
24 *at contract construction acceptance for all projects included in*
25 *subdivision (a).*

26 *(c) The department shall develop, in consultation with the*
27 *commission, a plain language performance report to increase*
28 *transparency and accountability of the state highway operation*
29 *and protection program.*