

**Senate Bill No. 486**

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Passed the Senate August 28, 2014

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*Secretary of the Senate*

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Passed the Assembly August 25, 2014

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Sections 14526 and 14526.5 of, to add Sections 14524.3, 14524.4, 14526.4, and 14526.6 to, and to repeal Section 14009 of, the Government Code, relating to transportation.

## LEGISLATIVE COUNSEL'S DIGEST

SB 486, 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 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 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 require the department, in consultation with the commission, to prepare a robust asset management plan to guide selection of projects for the state highway operation and protection, which plan would be subject to approval by the commission. The bill would require the department to specify, 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 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 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.

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

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

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

(b) The SSTI assessment called for reforms to modernize the department's mission, strengthen its performance, and help align the department with the state's policy goals.

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

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

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

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

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

(h) Developing a process for the department to follow in development of the state's interregional and highway maintenance and operations programs similar to the regional transportation planning process can create a framework for the department to begin to address the flaws identified in the SSTI assessment such that the department can once again be aligned with the state's policy goals.

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

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

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

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

14524.4. (a) On or before June 30, 2015, the department shall submit to the commission for approval an interregional transportation strategic plan directed at achieving a high functioning and balanced interregional transportation system. The plan shall be action oriented and pragmatic, considering both the short-term and long-term future, and shall present clear, concise policy guidance to the department for managing the state's transportation system.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14526.4. (a) The department, in consultation with the commission, shall prepare a robust asset management plan to guide selection of projects for the state highway operation and protection program required by Section 14526.5. The asset management plan shall be consistent with any applicable state and federal requirements.

(b) The department may prepare the asset management plan in phases, with the first phase to be implemented with the 2016 state highway operation and protection program, and the complete asset management plan to be prepared no later than the 2020 state highway operation and protection program.

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

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

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

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

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

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

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

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

(1) Completion of project approval and environmental documents.

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

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

(4) Construction.

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

(e) The commission may review the program relative to its overall adequacy, consistency with the asset management plan prepared and approved pursuant to Section 14526.4 and funding priorities established in Section 167 of the Streets and Highways Code, the level of annual funding needed to implement the program, and the impact of those expenditures on the state transportation improvement program. The commission shall adopt the program and submit it to the Legislature and the Governor not later than April 1 of each even-numbered year. The commission may decline to adopt the program if the commission determines that the program is not sufficiently consistent with the asset management plan prepared and approved pursuant to Section 14526.4.

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

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

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

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

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













Approved \_\_\_\_\_, 2014

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*Governor*