

ASSEMBLY BILL

No. 15

Introduced by Assembly Member Patterson

August 31, 2015

An act to amend Item 2660-001-0042 of Section 2.00 of the Budget Act of 2015 (Chapter 10 of the Statutes of 2015), relating to transportation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 15, as introduced, Patterson. State Highway Operation and Protection Program: local streets and roads: appropriation.

Existing law appropriates the sum of \$663,287,000 for the 2015–16 fiscal year from the State Highway Account to the Department of Transportation for Capital Outlay Support.

Existing law requires the Department of Transportation to prepare a state highway operation and protection program every other year for the expenditure of transportation capital improvement funds for projects that are necessary to preserve and protect the state highway system, excluding projects that add new traffic lanes. Existing law provides for apportionment of specified portions of revenues in the Highway Users Tax Account derived from gasoline and diesel excise taxes to cities and counties by formula, with the remaining revenues to be deposited in the State Highway Account for expenditure on various state transportation programs, including maintenance of state highways and transportation capital improvement projects.

This bill would reduce the \$663,287,000 appropriation for Capital Outlay Support by \$500 million, and would appropriate \$500 million from the State Highway Account for the 2015–16 fiscal year, with 50% to be made available to the Department of Transportation for

maintenance of the state highway system or for purposes of the State Highway Operation and Protection Program, and 50% to be made available to the Controller for apportionment to cities and counties by formula for street and road purposes.

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

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

1 SECTION 1. Item 2660-001-0042 of Section 2.00 of the Budget
2 Act of 2015 is amended to read:

3
4 2660-001-0042—For support of Department of Transporta-
5 tion, payable from the State Highway Account, State ~~2,288,213,000~~
6 Transportation Fund..... ~~1,788,213,000~~
7 Schedule:
8 (1) 1835010-Capital Outlay Support..... ~~663,287,000~~
9 ~~163,287,000~~
10 (2) 1835020-Local Assistance..... 52,241,000
11 (3) 1835029-Program Development..... 40,057,000
12 (4) 1835038-Legal..... 127,230,000
13 (5) 1835047-Operations..... 271,118,000
14 (6) 1835056-Maintenance..... 1,372,191,000
15 (7) 1840019-State and Federal Mass Tran-
16 sit..... 163,000
17 (8) 1840028-Intercity Rail Passenger Pro-
18 gram..... 285,000
19 (9) 1845013-Statewide Planning..... 90,719,000
20 (10) 9900100-Administration..... 494,913,000
21 (11) 9900200-Administration—Distribut-
22 ed..... -494,913,000
23 (12) 1850010-Equipment Service Pro-
24 gram..... 188,729,000
25 (13) 1850019-Equipment Service Pro-
26 gram—Distributed..... -188,729,000
27 (14) Reimbursements to 1835010-Capital
28 Outlay Support..... -265,471,000
29 (15) Reimbursements to 1835020-Local
30 Assistance..... -1,214,000

1	(16) Reimbursements to 1835029-Program	
2	Development.....	-860,000
3	(17) Reimbursements to 1835038-Legal.....	-5,491,000
4	(18) Reimbursements to 1835047-Opera-	
5	tions.....	-31,873,000
6	(19) Reimbursements to 1835056-Mainte-	
7	nance.....	-15,423,000
8	(20) Reimbursements to 1845013-Statewide	
9	Planning.....	-8,746,000
10	(21) Reimbursements to 9900100-Adminis-	
11	tration.....	-12,381,000
12	(22) Reimbursements to 9900200-Adminis-	
13	tration—Distributed.....	12,381,000
14	Provisions:	
15	1. Notwithstanding any other provision of law, funds	
16	appropriated in this item from the State Highway Ac-	
17	count may be reduced and replaced by an equivalent	
18	amount of federal funds determined by the Department	
19	of Transportation to be available and necessary to	
20	comply with Section 8.50 and the most effective	
21	management of state transportation resources. Not	
22	more than 30 days after replacing the state funds with	
23	federal funds, the Director of Finance shall notify in	
24	writing the chairpersons of the committees in each	
25	house of the Legislature that consider appropriations	
26	and the Chairperson of the Joint Legislative Budget	
27	Committee of this action.	
28	2. Notwithstanding any other provision of law, funding	
29	appropriated in this item may be transferred to Item	
30	2660-005-0042 to pay for any necessary insurance,	
31	debt service, and other financing-related expenditures	
32	for Department of Transportation-occupied office	
33	buildings. Any transfer will require the prior approval	
34	of the Department of Finance.	
35	3. Notwithstanding any other provision of law, funds	
36	appropriated in this item may be supplemented with	
37	federal funding appropriation authority and with prior	
38	fiscal year State Highway Account appropriation bal-	
39	ances at a level determined by the Department of	
40	Transportation as required to process claims utilizing	

1 federal advance construction through the plan of finan-
2 cial adjustment process pursuant to Sections 11251
3 and 16365 of the Government Code.

- 4 4. Notwithstanding any other provision of law, funds
5 appropriated in Item 2660-001-0042, 50.00-Adminis-
6 tration from the State Highway Account, may be re-
7 duced and replaced by an equivalent amount of reim-
8 bursements determined by the Department of Trans-
9 portation to be available and necessary to comply with
10 Section 28.50 and the most effective management of
11 state transportation resources. The reimbursements
12 may also be reduced and replaced by an equivalent
13 amount of funds from the State Highway Account.
14 Not more than 30 days after replacing the State High-
15 way Account funds with reimbursements and vice
16 versa, the Director of Finance shall notify in writing
17 the chairpersons of the committees in each house of
18 the Legislature that consider appropriations and the
19 Chairperson of the Joint Legislative Budget Committee
20 of this action.

- 21 5. Of the funds appropriated in Program 1835056-
22 Maintenance, \$231,660,000 is for major maintenance
23 contracts for the preservation of highway pavement,
24 and shall not be used to supplant any other funding
25 that would have been used for major pavement main-
26 tenance.

- 27 6. Of the funds appropriated in Program 1835038-Legal,
28 \$68,556,000 is for the payment of tort lawsuit claims
29 and awards. Any funds for that purpose that are unen-
30 cumbered as of April 1, 2016, may be transferred to
31 Item 2660-302-0042. Any transfer shall require the
32 prior approval of the Department of Finance.

- 33 7. Of the funds appropriated in Program 1835010-Capital
34 Outlay Support, transfers of expenditure authority may
35 be made between Items 2660-001-0042, 2660-001-
36 0890, 2660-002-3007, 2660-004-6055, 2660-004-6056,
37 2660-004-6058, 2660-004-6059, 2660-004-6060,
38 2660-004-6062, 2660-004-6063, 2660-004-6064, and
39 2660-004-6072 to accommodate changes in capital
40 outlay and local assistance program-related workload

1 by funding source or changes in availability of funds.
2 The Department of Finance shall authorize the trans-
3 fers not sooner than 30 days after notification of the
4 necessity therefor in writing to the chairpersons of the
5 committees in each house of the Legislature that con-
6 sider appropriations and the Chairperson of the Joint
7 Legislative Budget Committee.

- 8 8. The Department of Finance may augment the amount
9 appropriated in Program 1835047-Operations, by up
10 to \$2,000,000 for the federal Americans with Disabil-
11 ities Act of 1990 consultant contracts if the number
12 of access requests and grievances exceeds the Depart-
13 ment of Transportation's projections. The Department
14 of Finance shall authorize the augmentation not sooner
15 than 30 days after notification of the necessity therefor
16 in writing to the chairpersons of the committees in
17 each house of the Legislature that consider appropri-
18 ations and the Chairperson of the Joint Legislative
19 Budget Committee.
- 20 9. Of the funds appropriated in Program 1845013-
21 Statewide Planning, the Department of Transportation
22 shall exempt project initiation document development
23 and oversight services reimbursed from local govern-
24 ment agencies from full cost recovery as outlined in
25 its Indirect Cost Recovery Plan.
- 26 10. The Department of Transportation shall streamline the
27 cooperative work agreement process related to project
28 initiation document development and oversight to re-
29 duce costs to local agencies.
- 30 11. The Department of Finance may augment the amount
31 appropriated in Schedule (14) by up to \$900,000 for
32 additional reimbursements from the High-Speed Rail
33 Authority for the review and approval of environmen-
34 tal and engineering documents regarding circumstances
35 in which the high-speed train system interfaces with
36 the state highway system, as well as specific highway
37 realignment projects related to the high-speed train
38 system.
- 39 12. The Department of Transportation shall exempt the
40 High-Speed Rail Authority from full cost recovery as

outlined in its Indirect Cost Recovery Plan. The Department of Transportation will charge the High-Speed Rail Authority for functional overhead.

13. The Department of Transportation shall provide data related to its 2016–17 fiscal year Capital Outlay Support budget request on January 10, 2016.

14. Of the funds appropriated in Program 1835010-Capital Outlay Support, \$272,000,000 is for overhead and corporate resources in support of the Capital Outlay Support Program. This amount may be adjusted pursuant to the provisions of Section 3.60 or provisions of Items 9800-001-0001, 9800-001-0494, or 9800-001-0988 with the concurrence of the Department of Finance. The Department of Transportation shall provide quarterly reports, to the Department of Finance, of actual expenditures for overhead and corporate resources beginning October 1, 2014. In addition, the Department of Transportation, in conjunction with the Department of Finance, shall review the overhead and corporate components of the Capital Outlay Support Program. Results associated with this review shall be included in the 2016–17 fiscal year annual May Revision Finance Letter.

15. Notwithstanding any other provision of law, of the amounts appropriated in Schedules (10) and (11), \$8,781,000 shall be available for encumbrance through June 30, 2017, for the purposes of the Road Usage Charge Pilot Program, pursuant to Chapter 835, Statutes of 2014.

16. For Program 1835010-Capital Outlay Support, appropriations from all funding sources up to 973 out of a total of 9,703 full time equivalent staff resources may be used at an average annual labor rate of \$233,400, totaling \$227,041,000, for project direct external consultant and professional services related to project delivery.

17. *The Department of Transportation, in conjunction with the Department of Finance, shall adjust the amounts in Provisions 14 and 16 to account for the*

1 \$500,000,000 reduction in appropriation for Program

2 1835010-Capital Outlay Support.

3
4 SEC. 2. The sum of five hundred million dollars (\$500,000,000)
5 is appropriated from the State Highway Account for the 2015–16
6 fiscal year as follows:

7 (a) Fifty percent to the Department of Transportation for
8 maintenance of the state highway system or for purposes of the
9 State Highway Operation and Protection Program.

10 (b) Fifty percent to the Controller, for apportionment to cities
11 and counties pursuant to the formula in subparagraph (C) of
12 paragraph (3) of subdivision (a) of Section 2103 of the Streets and
13 Highways Code for street and road purposes.

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