

AMENDED IN SENATE MARCH 26, 2015

AMENDED IN SENATE MARCH 2, 2015

SENATE BILL

No. 16

Introduced by Senator Beall

December 1, 2014

An act *to add Section 14526.7 to the Government Code*, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 16, as amended, Beall. Department of Transportation: budgetary cost-savings—~~plan~~. *plan: state highway operation and protection program.*

~~Under~~

(1) *Under* existing law, the Department of Transportation is responsible for the planning, design, construction, maintenance, and operation of the state highway system. Existing law requires the department to prepare and submit to the Governor a proposed budget and to develop budgeting, accounting, fiscal control, and management information systems to provide budget oversight.

Existing law authorizes the California Transportation Commission to prepare an independent evaluation of the department's budget regarding the adequacy of funding levels and the relative needs of program categories and to submit its recommendations to the Legislature by April 1 of each year.

This bill would require the Department of Transportation, by April 1, 2016, and as part of its budget for the 2016–17 fiscal year, to prepare a plan to identify up to \$200,000,000 annually in cost savings from its budget, and to submit the plan to the appropriate policy committees of the Senate and the Assembly.

(2) 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. The program is required to be based on an asset management plan, as specified. Existing law requires the department to specify, for each project in the program, the capital and support budget and projected delivery date for various components of the project. Existing law provides for the California Transportation Commission to review and adopt the program, and authorizes 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, on and after February 1, 2016, would require the commission to make an allocation of all capital and support costs for each project in the program, and would require the department to submit a supplemental project allocation request to the commission for each project that experiences cost increases above the amounts in its allocation. The bill would require the commission to establish guidelines to provide exceptions to the requirement for a supplemental project allocation requirement that the commission determines are necessary to ensure that projects are not unnecessarily delayed.

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. Section 14526.7 is added to the Government Code,
2 to read:
3 14526.7. (a) On and after February 1, 2016, an allocation by
4 the commission of all capital and support costs for each project
5 in the state highway operation and protection program shall be
6 required.
7 (b) For a project that experiences increases in capital or support
8 costs above the amounts in the commission's allocation pursuant
9 to subdivision (a), a supplemental project allocation request shall
10 be submitted by the department to the commission for approval.
11 (c) The commission shall establish guidelines to provide
12 exceptions to the requirement of subdivision (b) that the

1 *commission determines are necessary to ensure that projects are*
2 *not unnecessarily delayed.*

3 **SECTION 1.**

4 *SEC. 2.* The Department of Transportation shall, by April 1,
5 2016, and as part of its budget for the 2016–17 fiscal year, prepare
6 a plan to identify up to two hundred million dollars (\$200,000,000)
7 annually in cost savings from its budget, and shall submit the plan
8 to the appropriate policy committees of the Senate and the
9 Assembly.

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