

SENATE BILL

No. 13

Introduced by Senator Vidak

(Coauthors: Senators Anderson, Fuller, Gaines, Huff, Runner, and Stone)

(Coauthors: Assembly Members Baker and Bigelow)

July 16, 2015

An act to add Part 5.1 (commencing with Section 14460) to Division 3 of Title 2 of the Government Code, relating to transportation.

LEGISLATIVE COUNSEL’S DIGEST

SB 13, as introduced, Vidak. Office of the Transportation Inspector General.

Existing law creates various state transportation agencies, including the Department of Transportation and the High-Speed Rail Authority, with specified powers and duties. Existing law provides for the allocation of state transportation funds to various transportation purposes.

This bill would create the Office of the Transportation Inspector General in state government as an independent office that would not be a subdivision of any other government entity, to ensure that all state agencies expending state transportation funds are operating efficiently, effectively, and in compliance with federal and state laws. The bill would provide for the Governor to appoint the Transportation Inspector General for a 6-year term, subject to confirmation by the Senate, and would provide that the Transportation Inspector General may not be removed from office during the term except for good cause. The bill would specify the duties and responsibilities of the Transportation Inspector General, would require an annual report to the Legislature

and Governor, and would provide that funding for the office shall, to the extent possible, be from federal transportation funds, with other necessary funding to be made available from the State Highway Account and an account from which high-speed rail activities may be funded.

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) Over the next 10 years, the state faces a \$59 billion shortfall
4 to adequately maintain the state highway system in a basic state
5 of good repair.

6 (b) There is within the Department of Transportation (Caltrans)
7 a culture of waste and fraud, as exemplified by exposure of the
8 deficiencies in the construction of the replacement span of the San
9 Francisco-Oakland Bay Bridge and the efforts to internally conceal
10 those deficiencies, falsified data in the testing of bridge safety, and
11 Caltrans employees consuming alcohol while on the job, misusing
12 state assets, and moonlighting on state time.

13 (c) The 21st Annual Highway Report by the Reason Foundation,
14 published in September 2014, found the following:

15 (1) California has 50,462 lane miles of highways under the
16 administration of Caltrans.

17 (2) Overall, California spent \$501,136 per state mile of highway,
18 more than three times the national average, yet California's state
19 highway system ranks 45th in overall performance and cost
20 effectiveness.

21 (3) California spent \$102,889 per state mile of highway
22 specifically on maintenance, nearly four times the national average.

23 (4) California spent \$48,754 per state mile of highway
24 specifically on administration, more than four times the national
25 average.

26 (d) The Legislative Analyst's Office included the following
27 concerns and recommendations related to Caltrans' accountability
28 and efficiency in the Capital Outlay Support Program Review
29 report issued in May 2014:

(1) Data used to request budgetary resources for the program is largely unreliable due to a lack of internal control, lack of data collection, and an incentive to report inaccurate data.

(2) Steps should be taken to improve data quality for the program.

(e) A Transportation Inspector General should be established to independently investigate Caltrans, identify waste and inefficiencies, and report and make recommendations to the Legislature.

SEC. 2. Part 5.1 (commencing with Section 14460) is added to Division 3 of Title 2 of the Government Code, to read:

PART 5.1. OFFICE OF THE TRANSPORTATION INSPECTOR
GENERAL

14460. (a) There is hereby created in state government the independent Office of the Transportation Inspector General, which shall not be a subdivision of any other governmental entity, to ensure that the Department of Transportation, the High-Speed Rail Authority, and all other state agencies expending state transportation funds are operating efficiently, effectively, and in compliance with applicable federal and state laws.

(b) The Governor shall appoint, subject to confirmation by the Senate, the Transportation Inspector General to a six-year term. The Transportation Inspector General may not be removed from office during that term, except for good cause.

14461. The Transportation Inspector General shall review policies, practices, and procedures, and conduct audits and investigations of activities involving state transportation funds in consultation with all affected state agencies. Specifically, the Transportation Inspector General's duties and responsibilities shall include, but not be limited to, all of the following:

(a) To examine the operating practices of the Department of Transportation, the High-Speed Rail Authority, and all other state agencies expending state transportation funds to identify fraud and waste, opportunities for efficiencies, and opportunities to improve the data used to determine appropriate project resource allocations.

(b) To identify best practices in the delivery of transportation projects and develop policies or recommend proposed legislation enabling state agencies to adopt these practices when practicable.

1 (c) To provide objective analysis of, and when possible, offer
2 solutions to, concerns raised by the public or generated within
3 agencies involving the state's transportation infrastructure and
4 project delivery methods.

5 (d) To conduct, supervise, and coordinate audits and
6 investigations relating to the programs and operations of all state
7 transportation agencies with state-funded transportation projects.

8 (e) To recommend policies promoting economy and efficiency
9 in the administration of programs and operations of all state
10 agencies with state-funded transportation projects.

11 14462. The Transportation Inspector General's office shall not
12 conduct any audit or investigation that would be redundant to or
13 concurrent with any audit or investigation of the same matter being
14 conducted contemporaneously by another state entity, or planned
15 to be initiated pursuant to state or federal law or adopted agency
16 board policy, within 18 months of the notification of the intent to
17 undertake the audit or investigation by the Transportation Inspector
18 General. The state entity shall provide the Transportation Inspector
19 General with a summary of the results of the audit or investigation
20 upon its completion, if requested.

21 14463. (a) The Transportation Inspector General shall report
22 annually to the Governor and Legislature with a summary of his
23 or her findings, investigations, and audits. The summary shall be
24 posted on the Transportation Inspector General's Internet Web
25 site and shall otherwise be made available to the public upon its
26 release to the Governor and

27 Legislature. The summary shall include, but need not be limited
28 to, significant problems discovered by the Transportation Inspector
29 General and whether recommendations of the Transportation
30 Inspector General relative to investigations and audits have been
31 implemented by the affected agencies. The report shall be
32 submitted to the Legislature pursuant to Section 9795.

33 (b) The Transportation Inspector General shall, in consultation
34 with the Department of Finance, develop a methodology for
35 producing a workload budget to be used for annually adjusting the
36 budget of the Office of the Transportation Inspector General,
37 beginning with the budget for the 2016–17 fiscal year. To the
38 extent possible, the office shall be funded with federal
39 transportation funds. Should federal funding not be available to
40 fully fund the office, funding shall be made available, in proportion

- 1 to the activities of the office, from the State Highway Account and
- 2 an account from which high-speed rail activities may be funded.

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