

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 14, 2010
POSITION: Neutral

BILL NUMBER: SB 1348
AUTHOR: D. Steinberg

BILL SUMMARY: State Transportation Commission: Guidelines

This bill would establish specified procedures that the California Transportation Commission (CTC) would be required to utilize when it adopts guidelines pursuant to statutory authorization or mandate that are exempt from the rulemaking provisions of the Administrative Procedure Act.

FISCAL SUMMARY

The Department of Transportation indicates that delays in the formal adoption of guidelines could drive up construction costs; however, it states that it is not clear that the procedures established in this bill would be longer or more complex than the CTC's current guidelines. The CTC has indicated that it will have additional legal costs of \$50,000 to \$60,000 to develop and review the guidelines, which it could absorb.

COMMENTS

The Department of Finance has identified no significant concerns with this bill. The CTC has indicated that it expects amendments to the bill and will make a recommendation subsequent to the amendments. We concur with the author's office that this bill would provide clear guidelines and transparency to the process of allocating public funds for transportation projects. We note that the addition of a date for this bill to become active would remove a question about whether this bill would be retroactive, which could call any recent transportation funding into question.

Analyst/Principal (0752) J. Parks	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

D. Steinberg

April 14, 2010

SB 1348

ANALYSIS

A. Programmatic Analysis

Current law governs the procedure for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law. Current law exempts state agencies from these requirements in specified cases, such as the California Transportation Commission (CTC) development of guidelines for the Proposition 1B programs.

This bill would establish specified procedures that the CTC would be required to utilize when it adopts guidelines pursuant to statutory authorization or mandate that are exempt from the rulemaking provisions of the Administrative Procedure Act.

Discussion: Currently some agencies, such as the CTC, have been exempted from following a defined procedure when developing guidelines relative to its programming and allocation of state and federal funds. The author's office believes that there have been instances when the public has not been provided ample opportunity to review or comment on proposed guidelines prior to their implementation. The author's office indicates that this bill would provide clear guidelines and transparency to the process of allocating public funds for transportation projects.

We note that the addition of a date for this bill to become active would remove a question about whether this bill would be retroactive, which could call any recent transportation funding into question.

B. Fiscal Analysis

The Department of Transportation indicates that delays in the formal adoption of guidelines could drive up construction costs; however, it states that it is not clear that the procedures established in this bill would be longer or more complex than the CTC's current guidelines. The CTC has indicated that it will have additional legal costs of \$50,000 to \$60,000 to develop and review the guidelines, which it could absorb.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)									Fund Code
	SO	(Dollars in Thousands)								
	LA	CO	PROP	2009-2010		2010-2011		2011-2012		
	RV	98	FC	FC	FC	FC	FC	FC		
2600/Trans Comm	SO	No	-----	See Fiscal Summary	-----	-----	-----	-----	0042	
2660/Caltrans	SO	No	-----	See Fiscal Summary	-----	-----	-----	-----	0042	
<u>Fund Code</u>	<u>Title</u>									
0042	Highway Account, State, STF									