

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: August 15, 2011
POSITION: Neutral

BILL NUMBER: AB 427
AUTHOR: J. Perez

BILL SUMMARY: Transportation Bond Funds: Transit System Safety

This bill would allow transit operators that receive funds from the Transit System Safety, Security, and Disaster Response Account (TSSDRA) allocated for intercity passenger rail and commuter rail systems to also be eligible for funds designated for capital expenditures of specified transit-related agencies. This bill would require an eligible operator, within a specified period of time, to submit a document to the California Emergency Management Agency (Cal EMA) detailing how those funds will be used, and would authorize Cal EMA to reallocate those funds if the document is not submitted and would provide for specified notifications and processes related to this change.

FISCAL SUMMARY

According to Cal EMA changing the reporting requirements would not have a fiscal impact on the state. However, developing the annual report would require Cal EMA to redirect workload from other high priority areas.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the June 29, 2011 version are minor and do not alter our position.

COMMENTS

The Department of Finance is neutral on this bill.

Current law authorizes the issuance of \$19.925 billion of general obligation bonds for the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 and requires that \$1 billion of the bond proceeds be deposited in the TSSDRA to be used, upon appropriation, for capital projects that provide increased protection against security threats, and for capital expenditures to increase the capacity of transit operators to develop disaster response transportation systems that can operate after a disaster event. Existing law designates Cal EMA as the administrative agency for these funds and requires that 25 percent of the bond funds be used for regional public waterborne agencies, 60 percent used for transit-related agencies, and 15 percent used for intercity passenger and commuter rail systems. Existing law provides that operators that receive funds for intercity passenger and commuter rail systems are not eligible for funds designated for transit-related agencies.

This bill would allow transit operators that receive funds from the TSSDRA allocated for intercity passenger rail and commuter rail systems to also be eligible for funds for transit-related agencies. This bill would require an eligible operator, within a specified period of time, to submit a document to the Cal EMA detailing how those funds will be used, and would authorize Cal EMA to reallocate those funds if the document is not

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Analyst/Principal (0212) J. Osborn	Date	Assistant Program Budget Manager	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)

J. Perez

August 15, 2011

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COMMENTS (cont.)

submitted. This bill would require Cal EMA to notify the transportation agency if funds allocated to an entity within its jurisdiction are being reallocated. The transportation planning agency would be required to submit a document to Cal EMA within a specified time period, indicating its intent to reallocate those funds to other transit or rail operators for security-related projects. If the planning agency fails to provide the documentation, Cal EMA would be authorized to allocate those funds, on a competitive basis, to an entity in another region. Finally, this bill would require Cal EMA to report specific information regarding projects selected for funding, including a list of transit entities that have not used those allocated funds, to specified Legislative committees and the Legislative Analyst's Office by May 1 of each year.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	
0690/Cal EMA	SO	No		-----	No/Minor	Fiscal Impact	-----		0001