

Date of Hearing: January 11, 2016

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 1364 (Linder) – As Introduced February 27, 2015

SUBJECT: California Transportation Commission

SUMMARY: Removes the California Transportation Commission (CTC) from the California Transportation Agency (CalSTA) and establishes the commission as an independent entity in state government.

EXISTING LAW:

- 1) As provided for in the California Constitution, authorizes the Legislature to delegate to the Governor the authority to assign and reorganize functions among executive branch officers, agencies, and their employees.
- 2) Establishes CalSTA in state government, consisting of the Department of the California Highway Patrol, the CTC, the Department of Motor Vehicles, the Department of Transportation, the High-Speed Rail Authority, and the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun.
- 3) Generally vests agency secretaries with responsibility for sound fiscal management of each department within their agency and directs the agency secretary to review and approve the proposed budget for each department. Furthermore, specifically directs agency secretaries to do the following for each department under their purview:
 - a) Hold the head of each department responsible for management control over the administrative, fiscal, and program performance of the department;
 - b) Evaluate the performance of each department; and
 - c) Seek to continually improve each department's organization structure, operating policies, and management information systems.
- 4) Establishes the 13-member CTC and provides that the commission is responsible for appointing an executive director who is to serve at the pleasure of the commission.
- 5) Directs the CTC to advise and assist the Secretary of Transportation and the Legislature in formulating and evaluating state policies and plans for transportation programs in the state.

FISCAL EFFECT: Unknown.

COMMENTS: The Legislature originally created the CTC in 1978 as a result of concerns that the state lacked a single, unified transportation policy. The 13-member commission oversees and coordinates the activities of the state's transportation sector, including planning and allocating money for the construction of highway, rail, and transit improvements throughout California. The commission is statutorily vested with the responsibility to advise both the Governor and the Legislature on transportation issues.

In 2012, Governor Brown proposed a major restructuring of the Executive Branch, presumably to improve clarity, organization, and accountability by eliminating agencies, forming new agencies around better focused missions, and bringing more state activities under agency structures for greater administrative efficiency. The plan included the disbanding of the Business, Transportation, and Housing Agency, the creation of CalSTA, and the inclusion of the CTC within CalSTA.

The CTC move was one of the more contested components of the reorganization plan. At a hearing before California's Little Hoover Commission (which was responsible for reviewing the plan and making recommendations to the Legislature as to whether the plan should go forward or not) opponents to the CTC move suggested that the CTC's independence was vital to the administration of the state's transportation programs and that placing the CTC within CalSTA would threaten that independence. They cited as examples to support this assertion the fact that the CalSTA secretary is statutorily responsible for management control over the administrative, fiscal, and program performance of the CTC, yet the CTC executive director, who serves at the pleasure of the commissioners, is accountable for these functions to the commissioners, not the secretary.

In its recommendation to the Legislature, the Little Hoover Commission generally supported the reorganization plan but suggested that California had been well-served by the policy independence of the CTC and recommended to the Legislature that it create a firewall to protect the independence of the commission, both by letter and in spirit. The Legislature responded to the recommendation by passing [AB 1458 (Buchanan), Chapter 138, Statutes of 2012] that specifically states that the CTC shall retain its status as an independent entity to perform its duties and functions prescribed to it under existing law.

Despite enactment of AB 1458, questions remain as to whether the CTC is sufficiently able to act independently or whether it is subject to undue influence by the Administration. In response, the author introduced AB 1364 to ensure that the CTC is able to independently perform its duties with autonomy from the Governor and Legislature. According to the author, "As the Legislature continues to discuss how to best address our struggling infrastructure, we must look at all options. While funding is often times talked about the most, the Legislature must reexamine how we do business as well. Ensuring the CTC is an independent agency will allow them to be free from any political whims of the Legislature and Administration while continuing to make decisions based on need."

The author accurately notes that the Legislature increasingly looks to the CTC for guidance, policy development, and administration for complicated transportation programs. Often, the CTC serves as a mediator of sorts between state and regional transportation interests. Additionally, the Legislature often looks to the CTC to provide oversight of Caltrans programs. Given these important roles that the CTC plays in the administration of the state's transportation policies and programs and given that questions still linger about its independence, it may be time to reestablish bona fide CTC independence by moving the commission out from under the purview of CalSTA. The benefits of this will likely outweigh whatever organizational efficiencies the Governor's reorganization plan sought to attain.

Previous legislation: AB 1458 (Buchanan), Chapter 138, Statutes of 2012, declared that the CTC is to retain independent authority to perform its duties and functions as prescribed by existing law.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Janet Dawson / TRANS. / (916) 319-2093