

Date of Hearing: April 18, 2016

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 2382 (Lopez) – As Amended April 11, 2016

**SUBJECT:** High-Speed Rail Authority: membership

**SUMMARY:** Requires that at least one member of the California High-Speed Rail Authority Board of Directors (Board) appointed by the Governor be a person who is from a disadvantaged community, identified as the most disadvantaged 25% of areas in the state by CalEnvrio Screen.

**EXISTING LAW:**

- 1) Creates the California High-Speed Rail Authority (Authority) with specific powers and duties relative to the development and implementation of an intercity high-speed rail system in California.
- 2) Prescribes the membership of the Board to include nine members, with five members appointed by the Governor, two members appointed by the Senate Committee on Rules, and two members appointed by the Speaker of the Assembly.
- 3) Defines the terms for office and filling vacancies.
- 4) Authorizes members of the Authority to compensation for Authority business and actual travel expenses.
- 5) Requires, pursuant to SB 535 (de León), Chapter 830, Statutes of 2012, that a minimum of 25% of the moneys available in GGRF be used to benefit disadvantaged communities.

**FISCAL EFFECT:** Unknown

**COMMENTS:** According to the author, AB 2382's purpose is to ensure that a person from a disadvantaged community is added to Authority's Board. The author goes on to state that, given that the high-speed rail project is the largest infrastructure project in North America spanning 520 miles, the project will affect certain segments and certain populations in California. Segments affected are mostly geographical and populations affected include, but are not limited to, disadvantaged communities. Further she contends that for those disadvantaged communities, it is essential that their unique needs and/or concerns be heard and represented at Board meetings.

Currently, the Authority's Board provides oversight of the planning, design and construction of the high-speed rail system. The Board reviews and approves contracts entered into by the Authority and oversees ongoing work of the Authority with public and private partners. Additionally, the Board oversees the hiring of the Executive Director of the Authority, the top state executive; and the Authority's Risk Manager and Auditor report directly to the Board to identify risks or concerns for the project.

California's voters approved Proposition 1A in 2008 to provide \$9.95 billion in General Obligation bonds for the planning, design and building of a high-speed rail system to connect San Francisco and Los Angeles through the Central Valley. In July 2012, the Legislature approved SB 1029 (Committee on Budget and Fiscal Review), Chapter 152, Statutes of 2012, which appropriated

nearly \$8 billion in federal funds and state bond funds to begin the construction of the Initial Operating Section (IOS) from Madera to Bakersfield. Additionally, as part of the 2014-15 state budget, 25% of cap and trade revenues were dedicated to the project. In February 2016, the Authority released its draft 2016 Business Plan which reconfigures the IOS to travel from north of Bakersfield to San Jose by 2025 at a cost of \$20.9 billion with the full Phase I, from San Francisco to Los Angeles/Anaheim, projected to cost \$64.2 billion.

The author notes that when cap and trade funds are used, a portion of those funds must be used to serve disadvantaged communities. Further, she states that since it is the case that funds are to be used to serve disadvantaged communities, the Board should reflect a person who is from a disadvantaged community.

Last year, AB 1288 (Atkins), Chapter 586, Statutes of 2015, added two additional members to the California Air Resources Board (ARB), who “work directly with communities in the state that are most significantly burdened by, and vulnerable to, high levels of pollution, including, but not limited to, communities with diverse racial and ethnic populations and communities with low-income populations.” These appointment criteria are consistent with other ARB Board members that are currently selected based upon specific qualifications and criteria. For example, of the twelve members appointed by the Governor, one member must have training and experience in chemistry, meteorology, or related scientific fields; and one member must be a physician and surgeon or an authority on health effects of air pollution. Additionally, the appointees must also come from a certain area of the state, such as the south coast district or the San Joaquin Valley Unified Air Pollution District.

The current requirements for appointments to the Authority Board do not include qualifications or criteria. AB 2382 would change this dynamic by requiring the appointee to come from a specific area of the state, a disadvantaged community. Unlike ARB’s Board, however, it would not apply certain qualification requirements representing other state priorities to the remaining Authority Board member positions.

*Related legislation:* AB 1813 (Frazier), will add one member of the California State Assembly and one member of the California State Senate to the Authority Board, as ex-officio, non-voting members.

*Previous legislation:* AB 1288 (Atkins), Chapter 586, Statutes of 2015, added two additional members to the ARB, one appointed by the Senate Committee on Rules and one appointed by the Speaker of the Assembly who works directly with communities that are most significantly burdened by, and vulnerable to, high levels of pollution, including, but not limited to, communities with diverse racial and ethnic populations and communities with low-income populations.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

None on file

### **Opposition**

None on file

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