

Date of Hearing: March 14, 2016

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 1813 (Frazier) – As Introduced February 8, 2016

SUBJECT: High-Speed Rail Authority: membership

SUMMARY: Adds one member of the California State Assembly and one member of the California State Senate to the California High-Speed Rail Authority (Authority) Board of Directors, as ex-officio, non-voting members. Specifically, **this bill:**

- 1) Provides for the addition of two ex-officio, non-voting members to the California High-Speed Rail Authority Board of Directors: one member of the California State Senate appointed by the Senate Committee on Rules and one member of the California State Assembly appointed by the Speaker of the Assembly.
- 2) Provides that the ex-officio members would not vote on issues before the Authority Board of Directors but shall participate in the activities of the Authority to the extent that participation is not incompatible with their positions as Members of the Legislature.
- 3) Clarifies that only voting members of the Authority Board of Directors shall elect a chairperson, constitute a quorum, receive compensation for Authority business, and receive reimbursement for actual travel expenses.

EXISTING LAW:

- 1) Creates the Authority with specific powers and duties relative to the development and implementation of an intercity high-speed rail system in California.
- 2) Defines that the be composed of 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) Authorizes the Authority to appoint an Executive Director and key executives for various areas of management.

FISCAL EFFECT: Unknown

COMMENTS: According to the author, the State of California and its voters have committed billions of dollars of public funds to the largest infrastructure project in the United States, and the oversight of its ongoing development and construction is of utmost importance to the Legislature. To that end, by adding two ex officio members, one member of the Assembly and one member of the Senate, to the Authority Board of Directors consistent oversight regarding the development and construction of the system could be enhanced. Additionally, the ex-officio members can serve as direct liaisons to the Legislature for Members to have a better

understanding of the workings of the project and offer counsel and assistance from the legislative branch perspective.

Currently, the Authority's Board of Directors provides oversight of the planning, design and construction of the high-speed rail system. The Board of Directors reviews and approves contracts entered into by the Authority and oversees ongoing work of the Authority with public and private partners. Additionally, the Board of Directors 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 percent 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 one, from San Francisco to Los Angeles/Anaheim, projected to cost \$64.2 billion.

In addition to the Authority Board of Directors, a critical part of oversight of the high-speed rail project was created by AB 3034 (Galgiani), Chapter 267, Statutes of 2008, which established a Peer Review Group whose duty is to evaluate the Authority's funding plans and prepare an independent judgment as to the feasibility and the reasonableness of the Authority's plans, appropriateness of assumptions, analyses and estimates, and any observations or evaluations the group deems necessary. As an advisor to the Legislature on the Authority, the group has recommended that the Legislature increase its direct oversight of the program. Adding two ex-officio members to the Authority Board is a step in that direction.

Numerous other boards and commissions in California have ex-officio, non-voting seats for members of the Assembly and the Senate. For example, in addition to the commissioners appointed by the Governor and the Legislature, one member of the Assembly and one member of the Senate are appointed to the California Transportation Commission (CTC). Currently, Assemblymember Jim Frazier (D-Oakley), Chair of the Assembly Transportation Committee, and Senator Jim Beall (D-San Jose), Chair of the Senate Transportation and Housing Committee serve on the commission. These members help provide critical oversight of the Commission's programs, including the approval of thousands of highway and rail projects and the expenditure of billions of dollars in public funds. Participation on the CTC by members of the Legislature has provided valuable insight into the workings of the state's transportation system, including the roles of regional and local government partners and stakeholders. Attendance at meetings and access to briefing materials and department staff keep legislative members involved on a more consistent basis than legislative oversight hearings may afford.

In addition to the CTC, members of the Legislature also serve on the Delta Protection Commission, the Central Valley Flood Protection Board and the California State Park and Recreation Commission.

Related Legislation: AB 2382 (Lopez) which would add at least one member to the High-Speed Rail Authority who works directly with communities in the state that are most significantly burdened by, and vulnerable to, high levels of pollution. AB 2382 is currently awaiting hearing in this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Association for California High Speed Trains

Opposition

None on file

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