



**CALIFORNIA
HIGH-SPEED RAIL
AUTHORITY**

BRIEFING: MARCH 2011 EXECUTIVE/ADMINISTRATIVE COMMITTEE MEETING
AGENDA ITEM #3

TO: Chairman Pringle and Committee Members

FROM: Jeffrey M. Barker, Deputy Director

DATE: February 23, 2011

RE: Legislation Update

Background

In the 2011 legislative session, February 18 was the last day for bills to be introduced. There are currently a total of 27 bills active related directly to the Authority or the high-speed rail project.

It has been the practice of the Authority staff to update the Board on the progress of legislation over the course of the session and to seek a formal position from the Board on legislation when submitting such a position to a bill's author is appropriate. It being early in the session, many of these bills are in introductory form – in fact, some are simply shells with little to no language behind them – and merit monitoring and discussion. In some cases, however, the intent of a bill is clear and it may be appropriate for the Board to express a formal opinion such that staff can convey that position to a bill's author.

Calendar

The relevant dates related to the passage of bills this session is as follows:

- May 6 - Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house
- May 13 - Last day for policy committees to hear and report to the floor nonfiscal bills introduced in their house
- May 27 - Last day for fiscal committees to hear and report to the floor bills introduced in their house
- June 3 - Last day for each house to pass bills introduced in that house
- July 8 - Last day for policy committees to meet and report bills
- Aug. 26 - Last day for fiscal committees to meet and report bills
- Sept. 2 - Last day to amend on the floor
- Sept. 9 - Last day for any bill to be passed

Bill Summaries

AB 16 (Perea)

Summary: Would require the Authority to make every effort to purchase high-speed train rolling stock and related equipment that are manufactured in California, consistent with federal and state laws.

Status: Referred to transportation policy committee

Recommendation: Monitor

AB 31 (Beall)

Summary: Establishes the High-Speed Rail Local Master Plan Pilot Program, applicable to specified cities and counties, and would authorize each of those jurisdictions to prepare and adopt, by ordinance, a master plan for development in the areas surrounding the high-speed rail system in each jurisdiction. This bill was included in the most recent report to the Board, and since has been changed to not "require" counties to establish plans, but to "authorize" them to do so, and if doing so to then require certain elements of such a plan.

Status: Referred to committee on local government

Recommendation: Work with the author

AB 41 (Hill)

Summary: Would add members of the High-Speed Rail Authority to those specified offices who must publicly identify a financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly. Existing law makes a violation of the Political Reform Act of 1974 subject to administrative, civil, and criminal penalties. This bill would impose a state-mandated local program by exposing these members to potential criminal penalties for failing to make the disclosures and recuse themselves where required by this bill. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Status: Referred to Committee on Elections and Redistricting

Recommendation: Monitor

AB 58 (Galgiani)

Summary: Would authorize the Governor to appoint up to 8 deputy directors exempt from civil service who would serve at the pleasure of the executive director. This bill would declare that it is to take effect immediately as an urgency statute. This ought to be a non-controversial bill as similar language was agreed upon by the Legislature during the past budget session (though did not pass because it was part of a larger transportation trailer bill that failed due to non-HSR related provisions).

Status: Referred to transportation policy committee

Recommendation: Support, and continue to work with author

AB 76 (Harkey)

Summary: This bill would reduce the amount of general obligation debt authorized pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the amount contracted as of January 1, 2012.

Status: Referred to transportation policy committee

Recommendation: Oppose

AB 133 (Galgiani)

Summary: This bill would require federal funds made available to the state for high-speed rail purposes under the above-referenced federal acts to be available, upon appropriation; for certain work on one or more specified rail corridors approved by the Federal Railroad Administration, in a manner consistent with certain provisions of, and subject to certain conditions of, the bond act.

Status: Referred to transportation policy committee

Recommendation: Monitor

AB 145 (Galgiani)

Summary: Would transfer certain of the existing powers and responsibilities of the Authority to the department and would specify additional powers and duties of the Authority and department relative to implementation of the high-speed rail project, including the annual submission of a 6-year high-speed train capital improvement program and progress report to the Legislature. The director of the department would be appointed by the Governor, who would serve at the pleasure of the authority, and the Governor would be authorized to appoint up to 10 officers of the department who would be exempt from civil service and serve at the pleasure of the director. The bill would provide for acquisition and disposition by the department of rights-of-way for the high-speed rail project. The bill would enact other related provisions.

Status: Referred to transportation policy committee

Recommendation: Work with the author

AB 277 (Galgiani)

Summary: This bill would require the commission to coordinate with the High-Speed Rail Authority to determine the power supply system requirements for high-speed rail operations.

Status: Referred to committee on utilities and commerce

Recommendation: Work with the author

AB 385 (Harkey)

Summary: This bill contains no language except to mention the high-speed rail project, and is instead is a shell bill available to be amended.

Status: Introduced

Recommendation: Monitor

AB 471 (Lowenthal)

Summary: Would create the position of Inspector General over the high-speed rail project and require the Authority to hire for the position.

Status: Introduced

Recommendation: Work with the author

AB 492 (Galgiani)

Summary: This bill would authorize the authority to consider, to the extent permitted by federal and state law, the creation of jobs in California when awarding major contracts or purchasing high-speed trains, as specified.

Status: Introduced

Recommendation: Support and work with author

AB 615 (Lowenthal)

Summary: This bill would provide to the Authority certain exceptions, authorizations, and exemptions relative to real property similar to those afforded to Caltrans. It relates to property obtained for high-speed rail purposes by the High-Speed Rail Authority. The bill would make various additional conforming changes. The bill would also enact new provisions governing acquisition or disposal of right-of-way property by the authority.

Status: Introduced

Recommendation: Support and work with the author

AB 650 (Blumenfield)

Summary: This bill would establish the Blue Ribbon Task Force on Public Transportation for the 21st Century. The bill would require the task force to be comprised of 12 specified members and

would require the Senate Committee on Rules and the Speaker of the Assembly to jointly appoint these members, including a chair, by March 31, 2012. The bill would require the task force to prepare a written report that contains specified findings and recommendations relating to, among other things, the current state of California's transit system, the estimated cost of creating the needed system over various terms, and potential sources of funding to sustain the transit system's needs, and to submit the report by March 31, 2013, to the Governor, the Legislature, the Joint Legislative Budget Committee, the Senate Committee on Rules, the Speaker of the Assembly, and the transportation committees of the Legislature. As introduced, the bill does not mention high-speed rail

Status: Introduced

Recommendation: Monitor

AB 845 (Ma)

Summary: This bill relates to the \$950 million in Prop 1A bond funds allocated to regional commuter rail connector services. This bill would require the guidelines adopted by the CTC to determine the funding share for each eligible commuter and urban rail recipient to use the distribution factors gathered from the most current available data in the National Transit Database of the Federal Transit Administration. The bill would require the commission to accept from each eligible recipient a priority list of projects up to the target amount expected to be available for the recipient and would require matching funds provided by the recipient to be from nonstate funds.

Status: Introduced

Recommendation: Monitor

AB 952 (Jones)

Summary: Would prohibit Board members and employees of the Authority from accepting any gifts. Would allow the Authority, as an office, to accept a gift only by Senate resolution. Would prohibit anyone employed by the Authority from doing business with the high-speed rail project for a period of three years following the end of employment.

Status: Introduced

Recommendation: Monitor

AB 953 (Jones)

Summary: Would require a new ridership study and prevent any funds from Proposition 1A to be available to the High-Speed Rail Authority for construction of the high-speed train system until environmental studies are completed based on that new ridership study. The bill would require the authority to contract with the Institute of Transportation Studies at the University of California at Berkeley to complete a revised ridership study, using the ridership methodology of the institute. The bill would require the authority to use that ridership study as the basis for subsequent environmental studies. The bill would also require the authority to reconsider its adoption of the optimal high-speed rail route based both on the new ridership study and the ridership methodology. This bill would effectively add years to the planning of the high-speed rail system and result in the state having to return federal ARRA dollars.

Status: Introduced

Recommendation: Oppose

AB 1054 (Skinner)

Summary: Requires the California Alternative Energy and Advanced Transportation Financing Authority to administer a Clean Energy Reserve Program that would be developed by the State Energy Resources Conservation and Development Commission and the authority to reduce the costs to property owners of a loan provided by a financial institution that has a loan program that satisfies specified requirements. The bill would require the authority to report annually specified information regarding the reserve program. The bill defines high-speed rail as an "advanced transportation technology" related to the program.

Status: Introduced
Recommendation: Monitor

AB 1092 (Lowenthal)

Summary: This bill would require the authority to report biannually to the Legislature beginning March 1, 2012, on the status of the project, including overall progress, the project budget, expenditures to date, a comparison of the current and project work schedule and the baseline schedule contained in the 2009 business plan, project milestones, and other related issues.

Status: Introduced
Recommendation: Support and work with the author

AB 1164 (Gordon)

Summary: This bill would require that the five gubernatorial appointments to the Authority Board be made with the "advice and consent of the Senate."

Status: Introduced
Recommendation: Monitor

AB 1206 (Galgiani)

Summary: This bill would require the authority to describe, and adopt, a "small emerging business enterprise program" as part of contracts to be awarded by the authority relative to development and construction of the high-speed rail system. The bill would require the authority to provide certain bidding preferences and to establish a goal methodology to determine the appropriate level of involvement of small emerging business enterprises in authority contracts. The bill would require at least one public hearing by the authority before the program is adopted and would require the authority to include a plan for outreach to small emerging business enterprises.

Status: Introduced
Recommendation: Monitor

SB 22 (LaMalfa)

Summary: Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes. This bill would state the intent of the Legislature to reexamine the bond funding mechanism of the authority relative to the authority's high-speed rail project.

Status: Referred to Committee on Rules
Recommendation: Oppose

SB 50 (Correa)

Summary: The language of this bill is nearly identical to that of AB 41 (Hill). It would add members of the High-Speed Rail Authority to those specified offices who must publicly identify a financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly. This bill contains other related provisions and other existing laws.

Status: Referred to the Committee on Elections and Constitutional Amendments
Recommendation: Monitor

SB 325 (Rubio)

Summary: This bill would state the intent of the Legislature relative to the creation of the Central California Railroad Authority as an alternative for ensuring continuation of short-line railroad operations in the Counties of Kern, Kings, Tulare, and Fresno. Current language does not refer to the Authority or high-speed train project.

Status: Introduced
Recommendation: Monitor

SB 517 (Lowenthal)

Summary: This bill would place the High-Speed Rail Authority within the Business, Transportation and Housing Agency and would provide for the Secretary of Business, Transportation and Housing to serve on the authority Board as a nonvoting, ex officio member. The bill would require the members of the authority appointed by the Governor to be appointed with the advice and consent of the Senate. The bill would provide for the members that are appointed to have specified background or experience, as specified. This bill would vacate the membership of the current authority Board and provide for the appointment or reappointment of members as of January 31, 2012. This bill would thereafter. This bill would provide that the executive director is subject to appointment with the advice and consent of the Senate and that an employment agreement for the executive director shall be agreed to but not executed until Senate confirmation.

Status: Introduced

Recommendation: Monitor and work with the author

SB 733 (Price)

Summary: Related to small business participation, this bill would require the authority to include in the business plan to be submitted on January 1, 2012, or as an addendum to that plan to be submitted as soon as possible after that date, a strategy for ensuring the participation of small business enterprises in contracts awarded by the authority with state or federal funds during all phases of the project.

Status: Introduced

Recommendation: Support and work with the author

SB 734 (Price)

Summary: Related to small business participation Existing law provides for various programs to encourage the participation of small businesses, as certified by the Department of General Services, in state agency contracts; encourages the participation of small businesses by requiring state agencies to establish a 25% goal for the participation of small businesses; requires each state agency that has awarded any contract financed with the proceeds of the infrastructure-related bond acts in the previous fiscal year to report to the Director of General Services on an annual basis on certain statistics regarding small business and microbusiness participation. This bill would extend the application of the above-referenced small business participation goals and reporting provisions to the High-Speed Rail Authority relative to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

Status: Introduced

Recommendation: Monitor

SB 735 (Price)

Summary: This bill would require the authority, in awarding contracts for the construction of the high-speed rail system, to require that 25% of the workforce used at each worksite be from the local workforce. The bill would require the authority to also grant an additional contract price preference of 2.5% of the bid amount to qualified state-certified microbusinesses that are local to a worksite. The bill would require the Department of Housing and Community Development to evaluate the effect of these requirements and to submit quarterly reports to the authority in that regard. The bill would require the authority to include the findings of the department in its business plan.

Status: Introduced

Recommendation: Work with the author

SB 749 (Steinberg)

Summary: This bill would provide that the members of the authority appointed by the Governor are subject to appointment with the “advice and consent” of the Senate. Language nearly identical to AB 1164 (Gordon).

Status: Introduced

Recommendation: Monitor

Recommendation

Staff recommends the Board make clear statements of position on the few bills above whose intent is clear and direct Authority staff to monitor other pieces of legislation as well as work with bill authors on the items as outlined above.