

AMENDED IN SENATE SEPTEMBER 3, 2015

CALIFORNIA LEGISLATURE—2015–16 FIRST EXTRAORDINARY SESSION

**SENATE BILL**

**No. 13**

**Introduced by Senator Vidak**

**(Coauthors: Senators Anderson, *Bates*, Fuller, Gaines, Huff,  
Runner, and Stone)**

(Coauthors: Assembly Members ~~Baker and Bigelow~~ *Baker, Bigelow,  
Brough, Gallagher, and Lackey*)

July 16, 2015

---

An act to add Part 5.1 (commencing with Section 14460) to Division 3 of Title 2 of the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 13, as amended, Vidak. Office of the Transportation Inspector General.

Existing law creates various state transportation agencies, including the Department of Transportation and the High-Speed Rail Authority, with specified powers and duties. Existing law provides for the allocation of state transportation funds to various transportation purposes.

This bill would create the Office of the Transportation Inspector General in state ~~government~~ *government*, as an independent office that would not be a subdivision of any other government entity, *to build capacity for self-correction into the government itself and* to ensure that all state agencies expending state transportation funds are operating efficiently, effectively, and in compliance with federal and state laws. The bill would provide for the Governor to appoint the Transportation Inspector General for a 6-year term, subject to confirmation by the Senate, and would provide that the Transportation Inspector General

may not be removed from office during the term except for good cause. The bill would specify the duties and responsibilities of the Transportation Inspector General, would require an annual report to the Legislature and Governor, and would provide that funding for the office shall, to the extent possible, be from federal transportation funds, with other necessary funding to be made available from the State Highway Account and an account from which high-speed rail activities may be funded.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) Over the next 10 years, the state faces a \$59 billion shortfall  
4 to adequately maintain the state highway system in a basic state  
5 of good repair.

6 ~~(b) There is within the Department of Transportation (Caltrans)~~  
7 ~~a culture of waste and fraud, as exemplified by exposure of the~~  
8 ~~deficiencies in the construction of the replacement span of the San~~  
9 ~~Francisco-Oakland Bay Bridge and the efforts to internally conceal~~  
10 ~~those deficiencies, falsified data in the testing of bridge safety, and~~  
11 ~~Caltrans employees consuming alcohol while on the job, misusing~~  
12 ~~state assets, and moonlighting on state time.~~

13 *(b) Numerous audits and reports over the past three years have*  
14 *highlighted inefficiencies and instances of waste within California's*  
15 *transportation agencies.*

16 (c) The 21st Annual Highway Report by the Reason Foundation,  
17 published in September 2014, found the following:

18 (1) California has 50,462 lane miles of highways under the  
19 administration of ~~Caltrans: the Department of Transportation~~  
20 *(Caltrans)*.

21 (2) Overall, California spent \$501,136 per state mile of highway,  
22 more than three times the national average, yet California's state  
23 highway system ranks 45th in overall performance and cost  
24 effectiveness.

25 (3) California spent \$102,889 per state mile of highway  
26 specifically on maintenance, nearly four times the national average.

(4) California spent \$48,754 per state mile of highway specifically on administration, more than four times the national average.

(d) The Legislative Analyst's Office included the following concerns and recommendations related to Caltrans' accountability and efficiency in the Capital Outlay Support Program Review report issued in May 2014:

(1) Data used to request budgetary resources for the program is largely unreliable due to a lack of internal control, lack of data collection, and an incentive to report inaccurate data.

(2) Steps should be taken to improve data quality for the program.

(e) A Transportation Inspector General should be established to independently investigate Caltrans, identify waste and inefficiencies, ~~and report and make recommendations to the Legislature.~~ *Legislature, and build capacity for self-correction into the government itself.*

SEC. 2. Part 5.1 (commencing with Section 14460) is added to Division 3 of Title 2 of the Government Code, to read:

PART 5.1. OFFICE OF THE TRANSPORTATION INSPECTOR  
GENERAL

14460. (a) There is hereby created in state government the independent Office of the Transportation Inspector General, which shall not be a subdivision of any other governmental entity, *to build capacity for self-correction into the government itself and* to ensure that the Department of Transportation, the High-Speed Rail Authority, and all other state agencies expending state transportation funds are operating efficiently, effectively, and in compliance with applicable federal and state laws.

(b) The Governor shall appoint, subject to confirmation by the Senate, the Transportation Inspector General to a six-year term. The Transportation Inspector General may not be removed from office during that term, except for good cause.

14461. The Transportation Inspector General shall review policies, practices, and procedures, and conduct audits and investigations of activities involving state transportation funds in consultation with all affected state agencies. Specifically, the

1 Transportation Inspector General's duties and responsibilities shall  
2 include, but not be limited to, all of the following:

3 (a) To examine the operating practices of the Department of  
4 Transportation, the High-Speed Rail Authority, and all other state  
5 agencies expending state transportation funds to identify fraud and  
6 waste, opportunities for efficiencies, and opportunities to improve  
7 the data used to determine appropriate project resource allocations.

8 (b) To identify best practices in the delivery of transportation  
9 projects and develop policies or recommend proposed legislation  
10 enabling state agencies to adopt these practices when practicable.

11 (c) To provide objective analysis of, and when possible, offer  
12 solutions to, concerns raised by the public or generated within  
13 agencies involving the state's transportation infrastructure and  
14 project delivery methods.

15 (d) To conduct, supervise, and coordinate audits and  
16 investigations relating to the programs and operations of all state  
17 transportation agencies with state-funded transportation projects.

18 (e) To recommend policies promoting economy and efficiency  
19 in the administration of programs and operations of all state  
20 agencies with state-funded transportation projects.

21 14462. The Transportation Inspector General's office shall not  
22 conduct ~~any~~ *an* audit or investigation that would be redundant to  
23 or concurrent with ~~any~~ *an* audit or investigation of the same matter  
24 being conducted contemporaneously by another state entity, or  
25 planned to be initiated pursuant to state or federal law or adopted  
26 agency board policy, within 18 months of the notification of the  
27 intent to undertake the audit or investigation by the Transportation  
28 Inspector General. The state entity shall provide the Transportation  
29 Inspector General with a summary of the results of the audit or  
30 investigation upon its completion, if requested.

31 14463. (a) The Transportation Inspector General shall report  
32 annually to the Governor and Legislature with a summary of his  
33 or her findings, investigations, and audits. The summary shall be  
34 posted on the Transportation Inspector General's Internet Web  
35 site and shall otherwise be made available to the public upon its  
36 release to the Governor ~~and~~

37 ~~Legislature.~~ *and Legislature.* The summary shall include, but  
38 need not be limited to, significant problems discovered by the  
39 Transportation Inspector General and whether recommendations  
40 of the Transportation Inspector General relative to investigations

1 and audits have been implemented by the affected agencies. The  
2 report shall be submitted to the Legislature—~~pursuant to~~ *in*  
3 *compliance with* Section 9795.

4 (b) The Transportation Inspector General shall, in consultation  
5 with the Department of Finance, develop a methodology for  
6 producing a workload budget to be used for annually adjusting the  
7 budget of the Office of the Transportation Inspector General,  
8 beginning with the budget for the 2016–17 fiscal year. To the  
9 extent possible, the office shall be funded with federal  
10 transportation funds. Should federal funding not be available to  
11 fully fund the office, funding shall be made available, in proportion  
12 to the activities of the office, from the State Highway Account and  
13 an account from which high-speed rail activities may be funded.

O