

2015

HIGHLIGHTS OF THE 2015 ANNUAL REPORT TO THE CALIFORNIA LEGISLATURE

*Summary of Recommendations and
Accomplishments*





For the past decade, the lack of sufficient funding available to address the state's transportation needs for a growing population and recovering economy has been of great concern to the California Transportation Commission. Unfortunately, the fiscal crisis has escalated, with an identified \$57 billion ten-year shortfall in funds necessary to rehabilitate and preserve the state highway system, coupled with an inability to program new capacity-enhancing transportation projects through fiscal year 2020-21. These numbers do not include similar needs for local streets and roads as well as transit and rail.

As we look to 2016, the Commission recognizes the sense of urgency to meet the state's transportation goals in a sustainable manner. We also recognize the importance of meeting these goals while at the same time protecting California's economy. Therefore, it is imperative that funding for transportation infrastructure in the 21st Century be sufficient, reliable, and dedicated to the most critical needs to provide the greatest overall benefit to Californians.

The Commission commends the Governor and the Legislature for convening the special legislative session in 2015 in an attempt to address the transportation funding shortfall and secure necessary reforms. To assist as these discussions continue, this document summarizes specific recommendations that we believe should be considered during the upcoming legislative session, with a more detailed discussion of the recommendations contained in the Commission's 2015 Annual Report.

Legislative Recommendations

- Provide additional, reliable, and sufficient transportation funding. Pay transportation loans back, and index all transportation revenues to inflation.
- Reset the price-based excise tax to 18-cents per gallon and eliminate the annual adjustment intended to maintain revenue neutrality.
- Place a constitutional amendment before the voters protecting all transportation revenues and ensure existing revenues are invested in transportation.
- Create a funding stream dedicated to improving freight mobility, and administer the program through the Trade Corridor Improvement Fund.
- Provide environmental review exemptions for specific repairs, safety projects, and transportation projects within existing public rights of way that directly further State policy priorities.
- Require the State Highway Performance Plan to include measurable targets for improving the state system, and require Caltrans to provide regular reports on its progress to CalSTA and the Commission.
- Expand the provisions of SB 743 (Steinberg, 2013) to prohibit a cause of action, under CEQA, challenging a transportation project included in an RTP that is compliant with SB 375 (Steinberg, 2008) requirements.
- Allow direct contracting between Caltrans and federally-recognized Native American Tribes in California for transportation program purposes.
- Authorize the Administration to implement an “advanced mitigation” environmental program, including approving an up-front environmental mitigation program funding set-aside.
- Clarify existing law to permit the expenditure of SHOPP funds for operational projects on state highways.



- Provide flexibility for Caltrans to contract for more engineering and right-of-way workload. Permit Caltrans to prequalify consultants by type of work and draw from a list as work becomes available. Authorize Caltrans and its partners to use alternative procurement methods permanently and without limits.
- Require early engagement of state resource agencies in the CEQA process for transportation projects to reduce permit processing time and require reasonable deadlines for permit approvals.
- Repeal outdated transportation programs and redirect remaining funds to address critical transportation needs.
- Require Caltrans to implement efficiency measures with the goal of generating \$100 million per year in savings to invest in maintenance and rehabilitation of the state highway system.
- Remove the sunset for assignment of the National Environmental Policy Act (NEPA) responsibilities to California, and make the waiver of sovereign immunity permanent for such assignment.^[1]

^[1] At time of publication of the annual report, Congress was considering transportation-authorizing legislation which includes a pilot provision allowing up to five states to substitute their own environmental processes in lieu of NEPA. If this legislation is approved, the Legislature should take any necessary action to include California in the pilot effort.

Administrative Recommendations

- Continue efforts to modernize the Caltrans organization to better reflect current-day realities.
- Encourage and facilitate Caltrans partnerships with local agencies in the delivery of joint transportation projects.
- Encourage and support Caltrans' efforts to provide more outreach regarding SHOPP project selection, and more transparency in the selection process.
- Support CalSTA's efforts to develop a workload forecasting process for Caltrans related to the STIP and SHOPP that includes convening the appropriate agencies in preparing a methodology acceptable to all parties.
- Support CalSTA's efforts to improve oversight of Caltrans' activities by strengthening the organizational independence and role of its internal audits and investigations function.
- Encourage Caltrans to implement new methods, products, and technologies to operate more efficiently.
- Encourage Caltrans to review the hours of HOV lane operations in Southern California and report to the Commission on any recommended changes.
- Reexamine the issue of intercity rail and transit connectivity serving rural areas of the state, particularly those areas with limited access to air service.

2015 Commission Accomplishments

- Allocated over \$4.6 billion in state and federal transportation funding during the 2014-15 fiscal year, helping generate more than 75,000 private and public sector jobs, contributing to a construction program in excess of \$4.9 billion in state-administered construction contracts.
- Formed a Road Charge Technical Advisory Committee that developed pilot program design parameters to explore a road charge as a replacement to the excise tax on gasoline.
- Adopted the 2016 State Transportation Improvement Program (STIP) Fund Estimate and STIP Guidelines.
- Recommended clear priorities and a balance of environmental, economic, and mobility goals for development of the California Transportation Plan.
- Approved the 2015 Interregional Transportation Strategic Plan.
- Reported that Proposition 1B results demonstrate promises made to California voters were kept through good management, accountability measures, and transparent reporting. See report "Proposition 1B: Promises Made, Promises Kept" at www.catc.ca.gov.
- Adopted the Active Transportation Program, programming \$368 million to 265 projects valued at more than \$1 billion.
- Increased transparency and accountability through formation of a project delivery committee, providing greater opportunity for Caltrans to identify, discuss, and report potential problem projects.
- Adopted priorities for the State's Asset Management Plan and implemented processes for greater openness, transparency, and accountability for the State Highway Operation and Protection Program.

Established in 1978 as an independent state body, the California Transportation Commission (Commission) serves as the public review body for the State's Transportation Program. The functions of the Commission are assigned in State statutes, with primary responsibilities that include:

- Program and allocate state and federal funds for the construction of highway, passenger rail and transit improvements throughout California
- Advise and assist the Secretary of Transportation and the Legislature in formulating and evaluating state policies and plans for state transportation programs
- Participate in the development of State and Federal legislation and adopt policies to implement enacted laws

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