



Alameda County
Transportation
Commission

February 27, 2014

Contra Costa County
Transportation Authority

The Honorable Brian Kelly
California State Transportation Agency
915 Capitol Mall, Suite 350B
Sacramento, CA 95814

Fresno County
Transportation Authority

Imperial County
Transportation
Commission

Subject: Comments on California Transportation Infrastructure Priorities (CTIP) and SSTI Independent Caltrans Review

Los Angeles County
Metropolitan
Transportation
Authority

Dear Secretary Kelly:

Madera County
Transportation Authority

On behalf of the Self Help Counties Coalition (SHCC), we are writing to provide additional context to the State Smart Transportation Initiative (SSTI) and California Transportation Infrastructure Priorities (CTIP) reports recently released by the California State Transportation Agency (CalSTA).

Marin County
Transportation Authority

Napa County
Transportation & Planning
Agency

SHCC applauds CalSTA for challenging the status quo in pursuit of improved performance of California's transportation system. Our members have participated in the development process for both reports, the Caltrans Program Review, and other initiatives. We again offer our partnership as you seek to improve the responsiveness and effectiveness of Caltrans and are eager to assist in any proposed working groups established by the Administration.

Orange County
Transportation Authority

Riverside County
Transportation
Commission

SHCC appreciates there is much discussion to come on this effort, however given our role in the transportation community we want to take this opportunity to offer some initial thoughts on the two reports. We want to provide constructive information to improve our partnership for the long term and advance the State in its economic vitality and sustainability.

Sacramento County
Transportation Authority

Sonoma County
Transportation Authority

San Bernardino County
Associated Governments

Self-Help County Perspective - A Responsibility to Local Voters - With Caltrans as a Partner

San Diego County
Association of
Governments

As you know, the self-help county phenomenon grew out of a demand for improved transportation during a time when existing state and federal resources are woefully insufficient to address California's economic vitality and rapid population growth. Since the first sales tax measure passed in 1984, SHCC members, in partnership with Caltrans, local jurisdictions and transit agencies, have delivered billions of dollars in projects and operational support throughout the State.

San Francisco County
Transportation Authority

San Joaquin County
Council of Governments

San Mateo County
Transportation Authority

Santa Barbara County
Association of
Governments

SHCC members help fund California's transportation infrastructure through transportation sales tax measures, which now require 2/3 voter approval. There are 20 self-help counties in California, representing 81 percent of the population or roughly 30 million people. Self-help sales tax measures generate \$4 billion per year for transportation investments on state highways, local roads and all forms of mass transportation as well as active transportation and habitat restoration.

Santa Clara Valley
Transportation
Authority

Tulare County
Association of
Governments

Local voters have approved these measures with confidence knowing that local needs would be addressed and local accountability would be preserved. In many cases, the voter-approved expenditure plans assume and rely upon funding from the State Transportation Improvement Program (STIP).

What SHCC wants to avoid is creating a perception that we are seeking to create conflict between state and local interests and funding sources; however we are concerned that the SSTI and CTIP reports, while somewhat different in nature and scope, make recommendations that will blur the lines between state and local responsibilities and priorities and may jeopardize the positive partnership that all of our agencies seek.

As a result, we respectfully submit our SHCC's proposed principles for guiding and developing an effective transportation partnership.

Proposed Principles

1. Align Caltrans Budget and Structure with Roles and Responsibilities

The SSTI recommendations with respect to establishing an updated mission, vision and goals for the Department, coupled with the realignment of resources and the development of policies that seek to drive change are laudable. As the report notes, the successful implementation of these recommendations will come with the concomitant allocation and alignment of resources by the Legislature and Administration.

SHCC also concurs that system preservation has been a long-neglected portion of the Caltrans work program. SHCC strongly encourages the Administration and the Legislature to align Caltrans program budgets and staffing allocations to focus attention on the dire maintenance needs of the state highway system. Policy leadership is needed to make system preservation more than a rhetorical message but a priority function within Caltrans.

SHCC agrees that Caltrans' current orientation on project delivery diverts attention from the development of relevant performance measures, full implementation of an asset management approach, and development of staff and a culture able to respond to changing policy direction.

The report, however, omits any consideration of the capital outlay support (COS) budget and its overall unsustainable structure. SHCC encourages further consideration of this point by the Administration and Legislature. The COS budget for FY 2013-14 is approximately \$1.6 billion which will allow Caltrans to deliver its commitments for the State Highway Operations and Protection Program (SHOPP), State Transportation Improvement Program (STIP), Toll Bridge Seismic Program, Proposition 1B, and other smaller programs. With the Toll Bridge Seismic Retrofit Program and Proposition 1B nearing their end, the forecast SHOPP and STIP programs can sustain only a fraction of the present COS level.

Any reform of the Caltrans project delivery functions should begin with a right-sizing of the organization that will support a re-defined level of responsibility. With STIP and SHOPP accounting for only one-half of the current COS budget, Caltrans must re-evaluate the current size of its organization and focus its priorities to a narrower range of responsibilities.

SHCC strongly believes that Caltrans' focus should remain on:

- System preservation, including pavement maintenance, cleanliness and landscaping;
- Highway operations and safety;
- Goods movement;
- Interregional planning
- Support of rural counties; and
- Local assistance.

2. Encourage Revenue Opportunities

We are pleased to see that CTIP includes support for efforts to maintain and expand the availability of local funds dedicated to transportation improvements. We do however have concerns regarding the proposed approach to implementation. It is becoming increasingly difficult to pass new sales tax measures, regardless of prior success. Lowering the voter threshold could be an option to expand the availability of transportation funds, but the voters have been clear that the success of these sales tax measures is heavily dependent on the accountability and transparency available at the local level. Voters are not likely to extend the same confidence that they have in existing local measures to new measures with additional requirements to fund state priorities.

SHCC challenges the SSTI's assertion that self-help counties may be less likely to support new revenues in the future. With the precipitous drop-off in funding looming as Proposition 1B and the federal stimulus funds are fully expended, coupled with the diminishing capacity of the federal Highway Trust Fund – SHCC members recognize that the gaps cannot be filled with local measures alone. SHCC members have been very supportive of a strong State role in funding transportation projects and continue to support investigating any and all ideas to expand long-term revenue generation. We look forward to working with CalSTA to discuss and consider various proposals.

In terms of the STIP, both reports suggest possible legislative changes to SB 45 to seemingly compensate for the State's insufficient financial commitment to its system. We concur with the CTIP report on the need for more discussion of the topic, but SHCC places a strong value on this funding for regional needs. STIP projects are not developed and funded in isolation and are heavily dependent on local and federal contributions. Diversion of funding away from regions discourages further partnerships with the State on major projects and jeopardizes the funding structures for critical projects.

SHCC would like to note that there are not any capacity projects built in California, using any fund source, which properly address life cycle issues at the outset – including state-initiated projects. Managed lane projects are an exception; these projects are sponsored by local agencies and can address life cycle issue due to their ability to collect tolls. Most local sales tax measure projects include highway operational and safety improvements at a time when the state has all but abandoned the Operations component of the State Highway Operations and Protection Program.

Unless -- and until -- the state chooses to significantly increase revenue for transportation projects, undermining the regional component of the STIP as outlined in SB 45 will not achieve improved policy outcomes and will only dampen the ability of self-help counties to meet their commitments to California's voters. Instead, SHCC encourages the State to seriously pursue revenue to adequately maintain state highways, the intercity rail system, and transit.

Finally, expanded use of pricing is discussed by SSTI and CTIP. SHCC members are operating and developing priced managed lanes and have communicated specific principles to Caltrans that should guide any future pricing policies adopted by the State.

3. Partnering for a sustainable future

SSTI suggests that Caltrans increase its role and responsibility over land use to foster more sustainable transportation. SHCC disagrees with the report's assertion that transportation agencies can quickly and effectively impact future land use decisions which rightfully rest in the hands of local cities and counties. The report finds that MPO's have advanced capabilities to model land use and transportation relationships, yet Caltrans does not. The sophistication of MPOs is appropriate considering that SB 375 tasks MPO's with implementing Sustainable Communities Strategies (SCS's) and federal law tasks MPOs with many other transportation planning responsibilities.

SB 375, together with the Regional Transportation Program, is a prime example of how the regions can partner with the state to deliver projects that meet statewide goals and priorities. These processes reflect an understanding that the diverse areas of our state require a diverse set of tools to address AB 32 and sustainable transportation goals, while the state sets the overall guiding policies. This can continue to occur through collaboration between the Air Resources Board (ARB) and the California Transportation Commission (CTC) without unnecessarily adding to project delivery timelines and processes by requiring additional reviews and project selection authority.

Transportation agencies have long recognized that capacity investments can only go so far and that transit alternatives, active transportation, and other investments are a part of how we can successfully support our local jurisdictions in future planning needs. This is clearly reflected in the projects included in our local expenditure plans. These are modes that work together for a complete system and are not something that should be viewed as exchangeable.

Conclusion

Several self-help counties and MPOs are larger individually than all but a few states. Collectively, we are focused on addressing long-term impacts of climate change while preserving our robust economy. We believe that a major shift to centralized decision-making and reduced local control will put a great strain on meeting the state's future transportation needs.

SHCC member agencies support many of the reforms identified in the SSTI and CTIP reports and other recent CalSTA and Caltrans initiatives. While this letter comments on a few areas of concern, there are many recommendations that we believe will strengthen the partnership between regions and the state.

Local initiatives, whether it be through sales tax measures or other innovative programs, have been critical in providing needed transportation projects, especially during our State's challenging economic times.

Over the last few years, California has resorted to short-term means of financing transportation needs. For example the state enacted the Traffic Congestion Relief Program of 2000, Proposition 42 and Proposition 1B while keeping the gas tax value level and routinely borrowing from

transportation accounts. Funding still lags far behind what is needed to support our multi-modal transportation needs. SHCC and its member agencies look forward to partnering with CalSTA in

developing and implementing an action plan that focuses on properly aligning funds with roles, risks, and responsibilities in order to improve how we collectively deliver transportation services and maintain a high quality system for the citizens of California.

Sincerely



Keith Dunn
Executive Director
Self Help Counties Coalition