

2016

HIGHLIGHTS OF THE 2016 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 (Commission). The Commission sincerely appreciates that the Legislature took up many of the Commission's previous recommendations in the last session to improve the state's transportation system. However, despite efforts by both the Administration and the Legislature, no long-term solutions to address the transportation funding shortfall have been enacted and the fiscal crisis continues to escalate.

As we look to 2017, 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 systemic reforms and sufficient, reliable, and dedicated funding are secured for transportation infrastructure in the 21st century to address the most critical needs to provide the greatest overall benefit to Californians.

In its 2016 Annual Report to the Legislature, the Commission continues to recommend that the state's transportation funding needs and related reforms be addressed by the Legislature to ensure that California's safety, mobility, economy, environment and quality of life are protected. Recommendations are also provided for delivering the transportation program more efficiently and effectively while increasing transparency and accountability of public funds.

This document summarizes the specific recommendations that the Commission believes should be considered during the 2017 Legislative Session. A comprehensive discussion of these recommendations is contained in the Commission's 2016 Annual Report.

2017 Legislative Recommendations

Address the Transportation Funding Shortfall (Funding)

- Provide additional, reliable, and sufficient transportation funding, and index all state fuel excise tax revenues to address inflation.
- Reset the price-based gasoline excise tax to 18-cents per gallon and eliminate the annual revenue neutrality adjustment.
- Place a constitutional amendment before the voters to protect all transportation revenues and ensure these revenues are invested in transportation.
- Create a funding stream dedicated to improving freight mobility, and administer the program through the Trade Corridor Improvement Fund, or a similar program.

Promote Efficiency Through Innovation (Reforms)

- Permanently authorize Caltrans and its regional partners to use alternative project delivery tools such as public-private partnerships, design-build, and construction manager/general contractor methods.
- Expand Caltrans' ability to hire consultant teams as needed, including for any engineering, right-of-way, architectural, and other professional services utilized by Caltrans and its regional partners.
- Apply the provisions of SB 743 (Steinberg, 2013), which prohibit a court from staying or enjoining a project solely because of the project's potential contribution to greenhouse gas emissions, to transportation projects included in an RTP that is compliant with SB 375 (Steinberg, 2008) requirements.
- Authorize the Administration to implement an "advance mitigation" environmental program, including approving an up-front environmental mitigation program funding set-aside.
- Permanently re-enact the waiver of sovereign immunity necessary for the state to review and approve projects pursuant to the National Environmental Policy Act (NEPA), known as the NEPA Assignment.
- Direct an independent entity such as the Legislative Analyst's Office to recommend additional measures for use in identifying and evaluating the cost and benefit of future regulations on State Transportation Programs prior to regulatory adoption.
- Create a task force to establish a process for early engagement of all parties in project development to reduce permit processing time, establish reasonable deadlines for permit approvals, and provide greater certainty of permit approval requirements.
- Provide environmental streamlining measures for bike and pedestrian projects awarded funding through the Commission's Active Transportation Program (ATP).
- Expand statutory authority for regions statewide to adopt and implement a regional commuter benefits ordinance similar to the successful program in the Bay Area.
- Extend statutory authority related to environmental review exemptions for specific repairs within existing public rights of way.

Instituting Accountability and Transparency (Reforms)

- Assign to the Commission the responsibility to allocate Caltrans' project development costs by project component and provide the Commission with the resources necessary to effectively review allocation requests.
- Clarify in statute that the Caltrans-prepared Transportation Asset Management Plan must integrate Caltrans' Maintenance and State Highway Operation & Protection (SHOPP) workload.

2017 Administrative Recommendations

- Require Caltrans to estimate and communicate the cost of new regulatory proposals and the impact such proposals will have in the delivery of California's transportation program to help ensure that fiscal impacts are considered prior to legislative or regulatory enactment.
- Support the Transportation Agency's efforts to strengthen the organizational independence and role of its internal audits and investigations function.
- Require Caltrans to establish a centralized innovative project delivery team comprised of technical, legal, and financial expertise to oversee all alternative procurement methods such as public-private partnership, design-build, and construction manager/general contractor.
- Update the California Transportation Plan 2040 recommendations to identify the implementation priority, estimated cost, timeframe and responsible agency.
- Require Caltrans to review the hours of High Occupancy Vehicle (HOV) lane operations in Southern California as a part of its statutorily-required report to the Legislature on the degradation status of the HOV lanes on the state highway system.
- Implement the Governor's proposal for Caltrans to generate \$100 million in efficiencies. Provide annual reports to the Commission and the Legislature on the savings generated.

FY 2015-16 Commission Accomplishments

- Allocated over \$4.5 billion in state and federal transportation funding, helping generate more than 72,000 private and public sector jobs, contributing to a construction program in excess of \$8.8 billion in state-administered construction contracts. Allocations were \$100 million less than in FY 2014-15, resulting in less contributed to the construction program and job creation.
- The Road Charge Technical Advisory Committee adopted and released Road Charge Pilot Design Recommendations. The Pilot Program is now in progress, with details at: http://www.catc.ca.gov/meetings/Committees/Road_Charge/Road_Charge.html
- Amended the 2016 State Transportation Improvement Program (STIP) Fund Estimate and adopted the 2016 STIP, resulting in the deletion of \$754 million and delay of \$755 million in highway, rail, transit, bicycle and pedestrian project spending due to declining transportation revenues.
- Initiated development of the California Transportation Plan and Regional Transportation Plan Guidelines through an intensive stakeholder-driven, transparent, public process.
- 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 priorities for the State's Transportation Asset Management Plan and implemented processes for greater openness, transparency, and accountability for the State Highway Operation and Protection Program.
- Convened a workgroup to review Caltrans' current and projected capital outlay support staffing levels and methodology resulting in recommendations for improving accountability and transparency.
- Approved the development and operation of a high-occupancy toll facility on Interstate-405 between State Route 73 and Interstate-605 in Orange County that will improve the corridor's performance by increasing passenger throughput and reducing delays.
- Adopted the 2015 Active Transportation Program, programming \$359 million to 208 projects valued at approximately \$500 million.

Established in 1978 as an independent state body, the California Transportation 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, transit, and active transportation improvements throughout California.
- Advise and assist the California State Transportation Agency Secretary 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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