

2022

ANNUAL REPORT

TO THE CALIFORNIA LEGISLATURE



CALIFORNIA
TRANSPORTATION
COMMISSION

RECOMMENDATIONS & ACCOMPLISHMENTS

The California Transportation Commission is an independent state agency responsible for funding highway, local road, transit, intercity passenger rail, active transportation, and general aviation projects throughout California. The Commission also advises and assists the California State Transportation Agency Secretary and the Legislature on state transportation policies and plans.

TABLE OF CONTENTS

CHAIR AND VICE CHAIR LETTER	1
COMMISSION IN BRIEF	3
ACCOMPLISHMENTS	5
Equity and Public Engagement.....	6
Transportation, Climate, and Housing Policy Coordination.....	8
Program and Guideline Adoptions	11
Safety and Asset Management	17
RECOMMENDATIONS	21
PROGRAM SUMMARIES	29
Active Transportation Program	31
Local Partnership Program.....	33
Local Streets and Roads Program	35
Solutions for Congested Corridors Program	37
State Highway Operation and Protection Program	39
State Transportation Improvement Program.....	41
Trade Corridor Enhancement Program	43
Transit and Intercity Rail Capital Program	45
Other Programs	47
PLANNING	51
Interregional Transportation Strategic Plan.....	52
State Bicycle and Pedestrian Plan	52
Planning Guidelines.....	52
FINANCING	55
Road Charge	55
GARVEE Bond Financing.....	56
Toll Facilities	57
California Transportation Financing Authority	59
PROJECT DELIVERY	61
Advance Mitigation	61
Design-Build.....	62
Construction Manager General Contractor.....	63
APPENDIX	67
COMMISSIONERS	71
STAFF MEMBERS	71

CHAIR AND VICE CHAIR LETTER

Members of the Legislature:

We are pleased to present the California Transportation Commission's 2022 Annual Report to the Legislature. Pursuant to Government Code 14535 and 14536, this report summarizes the major policies and funding decisions adopted by the Commission in the past year and offers recommendations for legislation to continue improving California's transportation system.

In 2022, the Commission furthered its commitment to enhance equity considerations in transportation decision making. Working in partnership with the California Department of Transportation (Caltrans) and the California State Transportation Agency (CalSTA), the Commission created an interagency Equity Advisory Committee to advise the three agencies on how to achieve meaningful outcomes in transportation equity, environmental justice, and equitable economic opportunities. The establishment of the Committee represents another step forward in the implementation of the Commission's Racial Equity Statement and is the result of a year-long deliberative process.

The Commission, Caltrans, and CalSTA also held six Equity Listening Sessions focused on priority populations in different geographic regions that have been historically marginalized in the planning, funding, and delivery of transportation infrastructure. The purpose for these sessions was to allow people to share their personal stories about the impacts of the transportation system on them as individuals and the communities in which they live. An actionable report based on comments heard at the sessions is forthcoming and will be used to further guide transportation decision making.

As part of these and other equity-focused initiatives, the Commission heard clearly from stakeholders and participants over the past year about the need to adequately compensate individuals for serving on transportation advisory committees. This is necessary not only to recognize the value of their time commitment but also to ensure that individuals are not precluded from serving due to financial constraints. The Commission currently lacks the statutory authority to provide compensation to advisory committee members and would therefore welcome the opportunity to work with the Legislature this coming year to address this issue.

Climate change continued to be another area of focus for the Commission this past year. The Commission is pleased to report that it updated its competitive program guidelines this year to implement strategies identified in CalSTA's Climate Action Plan for Transportation Infrastructure (CAPTI) that will help reduce greenhouse gas emissions from the state's transportation system. This includes policy changes to better prioritize projects that provide travelers with options to opt out of congestion; to integrate zero-emission vehicle infrastructure projects within program evaluation criteria; and to enhance effective and meaningful engagement with local communities, among other changes. With the CAPTI also identifying roadway pricing as a key tool for combatting climate change, the Commission seeks to work with the Legislature this coming year to clarify several of its statutory responsibilities for approving toll facilities.

Another effort focused on reducing emissions from the transportation sector being led by the Commission is the development of the Clean Freight Corridor Efficiency Assessment required under Senate Bill 671 (Gonzalez, Chapter 769, 2021). This Assessment will identify priority freight corridors and projects throughout the state for the deployment of zero-emission medium- and heavy-duty vehicles. The Commission made significant progress over the past year in developing the Assessment, having assembled a work group of over 150 public sector, community, industry, advocacy, and academic stakeholders, and conducted seven workshops. The Commission will submit the Assessment and associated recommendations to the Legislature by the December 1, 2023, statutory due date.

Ensuring adequate funding for the state's transportation system also continues to be a top priority for the Commission. In Fiscal Year 2021-22, the Commission allocated an impressive \$7.5 billion to previously approved projects throughout the state, which will create over 80,000 jobs. The Commission also adopted a new program of projects in three different programs. This includes the Active Transportation Program, which benefitted from a one-time \$1 billion augmentation from the state General Fund. Despite this increased investment, the Active Transportation Program continues to experience tremendous demand, with requests for funding increasing to \$3.1 billion this program cycle. The Commission would like to work with the Legislature this year to achieve an ongoing funding solution for this program, which is critical to meeting state climate, safety and equity goals, as well as to address other funding and programmatic issues involving transit operations, roadway safety, and aviation.

The state's transportation system touches the lives of every Californian. The Commission remains committed to serving them through wise transportation decision making and investments that promote equitable and efficient mobility options and that improve connectivity and grow the state's economy in a sustainable manner. We look forward to continuing to work with the Legislature and our partners to achieve these goals.

Sincerely,



A handwritten signature in blue ink that reads "Lee Ann Eager".

LEE ANN EAGER
Chair



A handwritten signature in blue ink that reads "Carl Guardino".

CARL GUARDINO
Vice Chair

COMMISSION IN BRIEF



The California Transportation Commission funds highway, local road, transit, intercity passenger rail, active transportation, and general aviation projects throughout California.

The Commission consists of 11 voting members and two non-voting, ex officio members. Of the 11 voting members, nine are appointed by the Governor, one is appointed by the Senate Rules Committee, and one is appointed by the Speaker of the Assembly. One ex officio member is appointed by the Senate Rules Committee and one by the Speaker of the Assembly. The Commission holds public meetings throughout California, at which time it discusses a wide range of transportation policy issues, and reviews and approves projects for funding. The Commission also holds town hall meetings and workshops across California to engage the public and stakeholder groups, as well as joint meetings with the California Air Resources Board and the California Department of Housing and Community Development.

In Fiscal Year (FY) 2021–22, the Commission had 37 positions and an administration budget of \$7.7 million. The Commission appoints an Executive Director, who administers the affairs of the Commission, directs the staff of the Commission, and acts as a liaison between the Commission and the Legislature, as well as the Secretary

of the California State Transportation Agency (CalSTA), the Director of the California Department of Transportation (Caltrans), regional transportation agencies, and other state agencies.

The Commission is primarily responsible for the following:

Developing and Coordinating Policy. The Commission sets transportation policies, consistent with state and federal laws, in its program and planning guidelines. Guidelines are developed through workshops open to all stakeholders and the public. The Commission also has a statutory charge to advise the Legislature and the Secretary of Transportation on state transportation policy. To coordinate the implementation of policies that jointly affect transportation, housing, and air quality, the Commission meets at least twice annually with the California Air Resources Board and the California Department of Housing and Community Development.

Funding Transportation Projects. The Commission's responsibilities vary by program but generally include developing guidelines, adopting programs of projects, and allocating funds. Most programs have funding cycles that span multiple years. When the Commission adopts a program of projects, it commits funds to individual projects in each year of the program cycle. During the year a project is programmed, the agency must request an allocation from the Commission. The allocation authorizes the agency to begin incurring expenditures on the project.

Ensuring Project Accountability. After the Commission allocates funds to projects, Caltrans performs administrative oversight and prepares and submits regular progress reports for each project by program. The Commission takes appropriate actions when issues and concerns are identified. The Commission also ensures accountability by requiring agencies to request approval for project scope, schedule, and cost changes.

Evaluating Performance Outcomes. The Commission is required to annually evaluate the progress made by Caltrans toward meeting performance measures for the state highway system, including for pavement and bridge conditions. The Commission also requires regional and local agencies to report on project outcomes, such as lane miles constructed, and estimate project benefits, such as pavement quality improvements, greenhouse gas emissions reductions, and reductions in congestion.

Other Major Responsibilities. The Commission also is responsible for:

- **Approving Toll Facilities.** The Commission has the authority to approve proposals for high-occupancy toll lanes or other toll facilities.
- **Administering a Road Charge Committee.** The Commission administers the Road Charge Technical Advisory Committee, which is responsible for assessing alternatives to the gas tax for generating state transportation revenues.
- **Approving Right-of-Way Matters.** The Commission is responsible for approving right-of-way matters, such as property condemnations, new public road connections, state highway relinquishments to local control, and leases for space underneath state highways.

ACCOMPLISHMENTS



In 2022, the Commission continued to focus on advancing key state transportation goals related to equity, climate, economic growth, mobility, and asset management through its policy, planning, and funding decisions. The Commission accomplished its work at a variety of meetings and events open to stakeholders and the public. This included holding seven regular two-day Commission meetings, six interagency Equity Listening Sessions, two Equity Advisory Roundtable meetings, two joint meetings with the California Air Resources Board and the California Department of Housing and Community Development, two rural Town Hall meetings, four Road Charge Technical Advisory Committee meetings, and over two dozen program workshops. Starting in the spring, meetings and events were held in-person, in accordance with public health guidance related to the COVID-19 pandemic, while participation also continued via web-based platforms, including with sign language and interpretative services, to ensure public accessibility.

In total, the Commission allocated \$7.5 billion to previously approved projects during the fiscal year, which will create over 80,000 jobs throughout the state. The Commission also approved new projects in the State Highway Operation and Protection Program, the State Transportation Improvement Program, and the Active Transportation Program, and adopted new program guidelines for the Solutions for Congested Corridors Program, Trade Corridor Enhancement Program, and Local Partnership Program. The remainder of this section of this report describes the Commission's major accomplishments in more detail.

Equity and Public Engagement

In 2022, the Commission continued its work towards more equitable outcomes and enhancing public engagement throughout the state, in accordance with its Racial Equity Statement. Adopted by the Commission in January 2021, the Racial Equity Statement recognizes that throughout California's history, improvements to the State's transportation system have disproportionately benefitted some population groups and burdened others, and commits to creating mobility opportunities for all Californians, especially those from underserved communities, to thrive in all aspects of life.

Equity Advisory Roundtable

In 2022, the Commission concluded meetings of its Equity Advisory Roundtable, which was established the prior year to elevate diverse perspectives in the transportation process, and enhance relationships with community-based partners. The Roundtable held six meetings in 2021 and 2022 that brought together equity experts, practitioners, and community leaders from throughout the state to collaborate with Commission staff over a series of virtual meetings to develop recommendations to the Commission related to specific equity activities. These activities included the development of an interagency Equity Advisory Committee; feedback on the Statewide Equity Listening Sessions held in partnership with Caltrans and CalSTA; incorporating best practices for engagement with residents, community-based organizations, and tribal governments into the Commission's meetings and program and planning guidelines; and consideration of how to translate feedback from Equity Listening Sessions into meaningful change. The final meeting of the Equity Advisory Roundtable was held on April 29, 2022. More information on the Equity Advisory Roundtable is available on the Commission website at: <https://catc.ca.gov/programs/equity-and-public-engagement/equity-advisory-roundtable>

Interagency Equity Advisory Committee

In June, the Commission approved the formation of an interagency Equity Advisory Committee in partnership with CalSTA and Caltrans. The Committee is intended to elevate diverse and historically marginalized voices to advise the three agencies on how to achieve meaningful outcomes in transportation equity, environmental justice, and equitable economic opportunities, especially as related to transportation planning and programming. The creation of the Equity Advisory Committee represents a tangible step to implement meaningful change within interagency transportation policy and program development.

A call for applicants to serve on the Committee opened on August 8 and closed on September 5. A total of 72 individuals applied. Commission, CalSTA, and Caltrans staff collaboratively reviewed the applications and developed recommendations for Committee membership. At its October 12-13 meeting, in partnership with CalSTA and Caltrans, the Commission approved the recommended list of applicants. The Committee consists of 16 members serving two-year staggered terms and is expected to begin convening in early 2023. More information on the Committee is available on the Commission's website at: <https://catc.ca.gov/programs/interagency-equity-advisory-committee>

Statewide Equity Listening Sessions

In 2022, the Commission, Caltrans, and CalSTA co-hosted six Statewide Equity Listening Sessions. This initiative officially launched in fall 2021 and sessions began in spring 2022. The vision for these sessions was to allow people from different areas of the state to share their personal stories about individual and community impacts created by the transportation system.

Themes discussed throughout the sessions included: impacts of increased truck traffic from commercial and agricultural warehouses in urban and rural communities; the need for improved transit facilities and access; the importance of representation within transportation agency staff members; and environmental justice and infrastructure concerns. Although the initial six sessions have been completed, Commission staff continue to build upon these efforts to reach additional communities and respond to their equity concerns. Potential future opportunities for further engagement include additional listening sessions, site visits, and other virtual or in-person meetings to build relationships with residents and community leaders.

Equity-Focused Staffing

In 2022, the Commission submitted a budget request for one position to support its equity initiatives. The Legislature and Governor approved the Commission's request as part of the 2022-23 state budget. This position has been critical to the success of the Commission's equity efforts, such as the establishment of the Interagency Equity Advisory Committee. Prior to receiving this position, the Commission was required to redirect resources intended to be focused on reviewing statewide and modal transportation plans, which placed a severe strain on the Commission's planning staff. The Commission appreciates receiving this critically important position to allow it to continue to implement its Racial Equity Statement.

Equity Trainings

In July 2022, the Commission hired a contractor to provide Racial Equity Training for Commissioners and select Commission staff. This project reflects the Racial Equity Statement's commitment to "provide expanded opportunities for Commissioners and staff training related to diversity, equity, & inclusion." This effort includes an organization-wide internal assessment of equity initiatives, and individual and small-group training opportunities for Commissioners and select Commission staff. The assessment and trainings started in summer 2022 and will be complete in late fall 2022. The Commission is exploring how to continue these trainings in the future.

In 2022, the Commission, in partnership with Caltrans, and CalSTA, established an interagency Equity Advisory Committee and held six Equity Listening Sessions to allow people from different areas of the state to share their personal stories about individual and community impacts created by the transportation system.

Transportation, Climate, and Housing Policy Coordination

Climate Action Plan for Transportation Infrastructure

On July 12, 2021, the California State Transportation Agency adopted the Climate Action Plan for Transportation Infrastructure (CAPTI). The plan details how the state recommends investing billions of discretionary transportation dollars annually to aggressively combat and adapt to climate change while supporting public health, safety and equity. CAPTI builds on executive orders signed by Governor Gavin Newsom in 2019 and 2020 targeted at reducing greenhouse gas emissions from the transportation sector needed to reach the state's ambitious climate goals. At its August 17-18 meeting, the Commission endorsed the CAPTI's framework and strategies for which the Commission would assume a role in implementing. Within days of receiving this direction, Commission staff began facilitating public dialogue related to implementing Commission-led CAPTI strategies through the appropriate Commission program guidelines development processes.

With the adoption of updated Senate Bill 1 competitive program guidelines at its August 17-18 meeting, the Commission successfully implemented every Commission-led CAPTI strategy recognized as short-term (for implementation within 0-2 years) and began working on strategies noted as medium-term (for implementation within 3-7 years). For all three Senate Bill 1 competitive programs, this included strategies to strengthen and expand coordinated, targeted technical assistance and to integrate best practices on how applicants can effectively and meaningfully engage their local communities around a project's nomination. Additional program-specific strategies included:

- Solutions for Congested Corridors Program: Better prioritization of projects that provide travelers with options to opt out of congestion; a requirement that all projects are contained in Comprehensive Multimodal Corridor Plans; and integration of pro-housing principles into efficient land use criteria.
- Trade Corridor Enhancement Program: Integration of zero-emission vehicle infrastructure projects within the program's evaluation criteria.
- Local Partnership Program: Integration of pro-housing principles in the Regional and Local Transportation, Land Use, and Housing Goals evaluation criteria.

In 2022, the Commission successfully implemented every Commission-led Climate Action Plan for Transportation Infrastructure strategy recognized as short-term and began working on strategies noted as medium-term.

The California State Transportation Agency issued a draft of its first CAPTI Annual Progress Report in October 2022 and presented it at the October 12-13 Commission meeting and the November 2 joint meeting of the Commission, California Air Resources Board, and California Department of Housing and Community Development. The draft 2022 CAPTI Annual Progress Report acknowledges the Commission's successful implementation of the near- and medium-term strategies under its purview.

Joint Meetings with the California Air Resources Board

Pursuant to Assembly Bill 179 (Cervantes, Chapter 737, 2017) and Assembly Bill 185 (Grayson, Chapter 534, 2019), the Commission meets jointly with the California Air Resources Board and the Department of Housing and Community Development to coordinate policies that jointly affect transportation, housing, and air quality. In 2022, two joint meetings were held: one in the spring and one in the fall.

The spring joint meeting was held on April 7 in person in Rocklin with a virtual participation option. This meeting focused on how coordinating housing and transportation in regional planning can help achieve state climate and equity goals. Specifically, the joint bodies heard presentations on the California Transportation Assessment (also known as the Assembly Bill 285 report), the draft 2022 Progress Report on Sustainable Communities Implementation (also known as the Senate Bill 150 Report), and the Regional Early Action Planning Grants (also known as REAP 2.0). The meeting featured a panel of practitioners representing regional and local governments who spoke to the challenges and opportunities of reducing vehicle miles traveled in their communities.

The fall joint meeting was held on November 3 at the California Air Resources Board's new Mary D. Nichols Campus in Riverside, also with a virtual participation option. This meeting highlighted key efforts for advancing implementation of the Climate Action Plan for Transportation Infrastructure. Specifically, the joint bodies heard presentations on the draft Climate Action Plan for Transportation Infrastructure 2022 Annual Progress Report, the Senate Bill 671 Clean Freight Corridor Efficiency Assessment, and the State's Excess Sites for Affordable Housing Program.



Senate Bill 671 Clean Freight Corridor Efficiency Assessment

Senate Bill 671 (Gonzalez, Chapter 769, 2021) requires the Commission to develop a Clean Freight Corridor Efficiency Assessment in coordination with several other state agencies. The Assessment is to identify freight corridors throughout the state that would be priority candidates for the deployment of zero-emission medium- and heavy-duty vehicles; projects to support the deployment along these corridors; and barriers and potential solutions. The Commission must submit the Assessment to the Legislature by December 1, 2023.

To develop the Clean Freight Corridor Efficiency Assessment, the Commission has assembled a work group of over 150 public sector, community, industry, advocacy, and academic stakeholders and has held seven workshops to discuss various topics with the work group. In collaboration with the other state agencies involved in the effort – the California Air Resources Board, the California Energy Commission, the California Public Utilities Commission, the Governor’s Office of Business and Economic Development, and Caltrans – Commission staff have led the development of a methodology for the work group members to identify the priority corridors and prepared a draft list of those corridors. Commission staff also have worked with partner state agencies to develop a clean freight project submittal form to allow work group members to identify zero-emission freight projects. Commission staff received 79 project ideas from work group members. The draft list of priority corridors and project nominations is available on the Commission’s website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2022/2022-10/26-4-22-a11y>

At the Senate Bill 671 Assessment working group meetings, Commission staff have asked participants for suggested recommendations to include in the report to the Legislature due next year. Ideas that have emerged include providing state tax breaks, as well as encouraging local sales tax breaks, on the purchase of zero-emission trucks; creating a government truck buy-back program; and streamlining state grant programs wherever possible. Commission staff are in the process of further researching and discussing the suggestions put forward. A complete list of ideas Commission staff have heard is available in an informational update provided to the Commission at its August 17-18 meeting. This list is available at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2022/2022-08/25-4-12.pdf>

To develop the Senate Bill 671 Clean Freight Corridor Efficiency Assessment, the Commission has assembled a work group of over 150 public sector, community, industry, advocacy, and academic stakeholders and to date has convened seven workshops. Commission staff have led the development of a methodology for the work group members to identify the priority corridors and have finalized a draft list of those corridors.

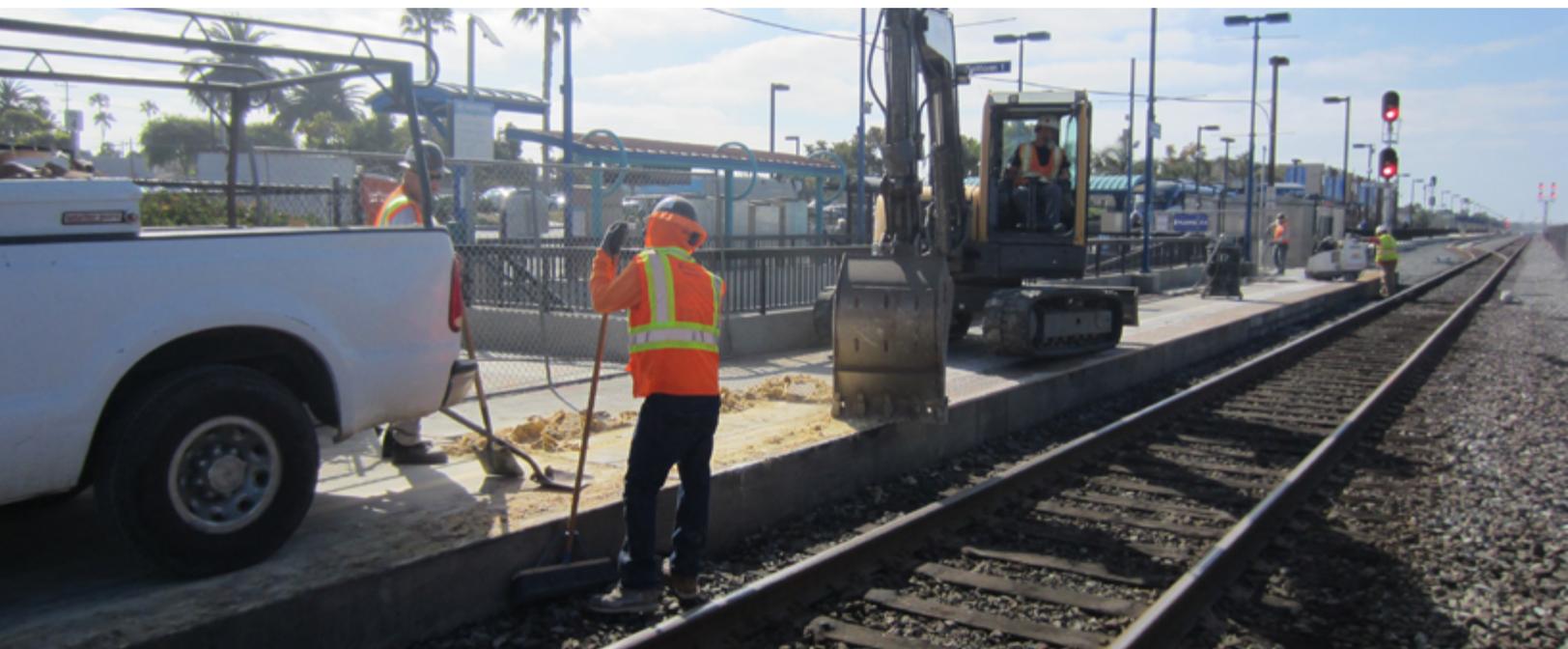
Senate Bill 150 Sustainable Communities and Climate Protection Act Progress Report

Senate Bill 150 (Allen, Chapter 646, 2017) requires the California Air Resources Board prepare a report every four years to discuss progress related to the Sustainable Communities Act, or Senate Bill 375 (Steinberg, Chapter 728, Statutes of 2008), implementation. On June 7, the California Air Resources Board released the draft 2022 Progress Report. The draft report highlights challenges to meeting regional per capita greenhouse gas emission reduction targets for light-duty passenger travel, as well as key actions to achieve the State's climate goals.

In the 2022 Progress Report, the California Air Resources Board recommends several potential actions to achieve the state's greenhouse gas emissions reduction goals, many of which are already reflected in the Commission's transportation funding program guidelines. Examples include considerations for prioritizing community needs and preferences through the evaluation of community engagement, encouraging enhanced resident mobility through the evaluation of how well a project increases accessibility and connectivity to important destinations, addressing the state's housing needs through the evaluation of how well a project supports and advances transportation efficient land-use or pro-housing principles, and encouraging projects that are mindful of the natural environment through requesting project information on climate change resilience and adaptation, as well as a project's protection of natural and working lands. The findings of the 2022 Progress Report also will be considered in the Commission's forthcoming update to Regional Transportation Plan guidelines and discussed at related public workshops.

Program and Guideline Adoptions

In 2022, the Commission approved new programs of projects and continued to allocate funds to previously approved projects. Projects funded through Commission programs include fixing and improving safety and mobility on state highways, bridges, and local streets and roads; investments in transit systems, including buses and rail lines; and



new and improved bicycle and pedestrian facilities. These projects help Californians to get to work, to school, and to recreational activities more easily and safely, and facilitate the efficient delivery of goods. Collectively, they are helping to make California's transportation system more equitable and cleaner, while also creating high-paying jobs and building a strong, sustainable economy. During FY 2021-22, the Commission allocated a total of \$7.5 billion to previously approved projects, creating over 80,000 jobs. An additional \$3.2 billion flowed through the Commission via formulaic distributions in statute.

Figure 1 shows the schedule of program adoptions for the seven largest Commission programs. In 2022, the Commission adopted new projects in the State Highway Operation and Protection Program, the State Transportation Improvement Program, and two components of the Active Transportation Program. In the summer of 2023, the Commission will adopt new projects in the third component of the Active Transportation Program, the three Senate Bill 1 Programs (the Local Partnership Program, the Solutions for Congested Corridors Program, and the Trade Corridor Enhancement Program), and the new Local Transportation Infrastructure Climate Adaptation Program.

Figure 1 - Recent and Upcoming Commission Program Adoptions

Program	Month	Funding (Billions)	# of Years	Fiscal Years
State Highway Operation and Protection Program	March 2022	\$17.9	4	2022-23 to 25-26
State Transportation Improvement Program	March 2022	\$2.6	5	2022-23 to 26-27
Active Transportation Program	December 2022 / June 2023	\$1.7	4	2023-24 to 26-27
Trade Corridor Enhancement Program	June 2023	\$1.1	2	2023-24 to 24-25
Solutions for Congested Corridors Program	June 2023	\$0.5	2	2023-24 to 24-25
Local Partnership Program	June 2023	\$0.4	2	2023-24 to 24-25
Local Transportation Infrastructure Climate Adaptation Program	August 2023	\$0.3	4	2022-23 to 25-26

Note: Includes the seven largest programs for which the Commission approves projects. Funding determined by state law.

2022 State Highway Operation and Protection Program

Adopted by the Commission at its March 16-17 meeting, the 2022 State Highway Operation and Protection Program was developed by Caltrans consistent with the Transportation Asset Management Plan. More than half of the program's \$17.9 billion will address condition improvements across four primary asset classes. This includes rehabilitation of 6,347 lane miles of pavement; improvements to 9.2 million square feet of bridge deck area; rehabilitation of 397,724 linear feet of drainage systems (culverts); and fixing 2,803 transportation management system elements, such as traffic signals. These projects are expected to make significant progress toward meeting the 2027 performance targets established in Senate Bill 1 (Beall, Chapter 5, 2017), the Road Repair and Accountability Act.

On January 21, Commission staff held a workshop to update the program guidelines. Comments received included input on Climate Action Plan for Transportation Infrastructure requirements, complete streets requirements, as well as requests for improved access to project level information during the planning phase. Commission staff then held a hearing on the program of projects proposed by Caltrans on February 16. This hearing included a live demonstration of the online project book in response to feedback received at the January 21 workshop. The purpose of the demonstration was to show stakeholders how to access project level information for all projects in all stages of development. Draft guidelines were then presented to the Commission at the March 16-17 meeting, where additional comments were received. Ultimately, the final guidelines were adopted at the May 18-19 Commission meeting. Substantive changes to the guidelines resulting from input at the various workshops and hearings included:

- Clarifying that bicycle and pedestrian facilities are eligible as operational improvements
- Supporting the inclusion of equity and Climate Action Plan for Transportation Infrastructure strategies
- Enhancing management of projects using the Construction Manager/General Contractor and Design-Build delivery methods
- Inclusion of Title VI non-discrimination policies
- Clarifying time extension language to better align the guidelines with current practices
- Requiring the proposed program of projects be available to the public electronically in tabular format to facilitate analysis by stakeholders
- Enhancing the public availability of Project Initiation Documents to increase the opportunity for public review prior to a project beginning the environmental process

In 2022, the Commission adopted updated guidelines for the State Highway Operation and Protection Program that supports the inclusion of equity and Climate Action Plan for Transportation Infrastructure strategies.

2022 State Transportation Improvement Program

Adopted by the Commission at its March 16-17 meeting, the 2022 State Transportation Improvement Program includes \$2.1 billion for regional and interregional projects, including \$751 million in new projects. Of the new project funding, 54 percent is for highways; 20 percent for rail and transit; 14 percent for active transportation; and 12 percent for local roads. As required by statute, the projects adopted were nominated by Caltrans in the Interregional Transportation Improvement Program and by regional agencies in their Regional Transportation Improvement Programs. The adopted program reflects the following priorities and expectations established in the program guidelines: reprogramming existing projects, as amended; funding new projects that meet State highway and intercity rail needs; and funding new projects that consider climate change and reduce greenhouse gas emissions. The guidelines and fund estimate for this program were updated during 2021 and were highlighted in the Commission's 2021 Annual Report to the Legislature.

2023 Active Transportation Program

By statute, funding for the Active Transportation Program is divided across three components: the Statewide component (50 percent), the Small Urban & Rural component (10 percent), and the large Metropolitan Planning Organization component (40 percent). At its December 7-8 meeting, the Commission adopted the first two components and will adopt the third component at its June 2023 meeting. The two adopted components total \$1 billion and fund 93 new projects, all of which directly benefit disadvantaged communities and two thirds of which fund Safe Routes to Schools. The program remains highly competitive, with projects needing to score 89 (out of 100) or higher to receive funding in the Statewide components; therefore, additional funding remains needed to meet the tremendous demand. Some projects not receiving awards through the Statewide component may still receive funding in the spring through the large Metropolitan Planning Organization component, which has an additional \$700 million available.

In light of the overwhelming demand for the program, the Commission recently embarked on a year-long effort to secure more funding for the program. In June 2022, the Governor signed the Budget Act of 2022, which included a one-time augmentation of \$1.049 billion. A few weeks after the budget was signed, Commission staff held a stakeholder workshop to discuss the distribution and implementation of the funding augmentation. Over 150 stakeholders attended, and there was widespread consensus to distribute all augmentation funding to the 2023 program cycle, which brought total funding up to \$1.7 billion.

To prepare for this program cycle and update the program guidelines, Commission staff conducted nine central workshops, focused on key policy and administrative issues, and eight branch workshops, focused on region-specific issues and challenges. Commission staff also conducted 96 site visits, most held virtually, to discuss 129 potential projects with applicants. To maintain program consistency, there were relatively minor changes to the guidelines. This was intended to lessen the burden on applicants whose projects were not funded in the prior cycle and who wished to reapply in this cycle.

2023 Senate Bill 1 Programs

In June 2023, the Commission is scheduled to adopt new projects in the three Senate Bill 1 Programs: the Local Partnership Program, the Solutions for Congested Corridors Program, and the Trade Corridor Enhancement Program. From August 2021 through April 2022, Commission staff held 23 public workshops to inform the development of guidelines for this program cycle. Each of the workshops covered specific proposed changes, either brought forward by Commission staff, the Commission's Equity Advisory Roundtable, or stakeholders. The draft guidelines were presented at the June 28-29 Commission meeting, and the Commission adopted the final guidelines at its August 17-18 meeting.

Nearly all changes in the guidelines were achieved through a consensus of workshop participants. The changes are intended to advance California's efforts to reduce greenhouse gas emissions, enhance transportation equity, and increase public engagement, so that people across California will benefit from a cleaner, safer, healthier, and more sustainable transportation system that generates economic benefits and allows people to spend less time in congestion. While each set of guidelines incorporated changes unique to each program, there were several common changes that were incorporated consistently through the different program guidelines. Those changes include the following:

- The inclusion of an SB 1 Competitive Programs Transportation Equity Supplement that furthers implementation of the Commission's Racial Equity Statement and guides applicants to provide more detailed information about the project's benefits and impacts to disadvantaged or historically impacted and marginalized communities.
- The elevation of Community Engagement to an evaluated criterion and the integration of additional language to ensure the project selection process results in projects that are more equitable to disadvantaged or historically impacted and marginalized communities.
- The addition of Climate Action Plan for Transportation Infrastructure strategies. (These are described in more detail in the Transportation, Climate, and Housing section of this report.)

Commission staff also led the development of a Performance Metrics Guidebook to improve the Commission's ability to track Senate Bill 1 project benefits. Commission staff also provided structured technical assistance on application development to interested applicants. These technical assistance sessions, referred to as SB 1 Program Office Hours, were held virtually for any interested stakeholders between the months of February 2022 and April 2022. Between the three programs, 58 office hours sessions were held, and feedback received from stakeholders who attended was overwhelmingly positive. The Guidebook is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-workshops/2022/sb-1/performance-measurement-guidebook-final-draft.pdf>.

2023 Local Transportation Infrastructure Climate Adaptation Program

Created by Senate Bill 198 (Chapter 71, Committee on Budget and Fiscal Review, 2022), this new program will provide funding to local agencies for the development and implementation of transportation infrastructure projects that are intended to adapt to the changing climate. Funding for the program is a one-time infusion of funds from the General Fund (\$148 million) and a new federal program, Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation, also known as PROTECT (\$250 million). Commission staff began holding workshops for the development of the guidelines in October. An initial program adoption is anticipated for August 2023.

Infrastructure Investment and Jobs Act

On December 18, 2021, the California State Transportation Agency convened the Infrastructure Investment and Jobs Act Transportation Implementation Working Group to implement the transportation-related provisions of the recently enacted federal legislation. A key issue for the Working Group to address was how to divide Federal Highway Administration formula funds between state programs and regional/local programs. Traditionally, California has divided these federal formula funds 60 percent for state programs and 40 percent for regional/local programs. A State/Local Funding Split Sub Working Group reached an agreement on April 27 on a recommendation to achieve the traditional 60/40 distribution. The Commission heard an information item on the recommended funding distribution at its May 18-19 Commission meeting and adopted the funding distribution at its June 28-29 meeting. The funding distribution is available on the Commission's website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2022/2022-06/15-4-32-a11y.pdf>

In addition to new formula funds, the Infrastructure Investment and Jobs Act also includes new federal discretionary (competitive) programs, such as for economically significant bridges and electric vehicle charging infrastructure. To provide flexibility for agencies to leverage these discretionary federal dollars, the Commission adopted policies that allow for additional time for applicants for Commission competitive grant programs to secure federal funding commitments. The Commission also approved two projects in advance of normal program cycles to allow them to compete for federal funds. Moreover, at its October 12-13 meeting, the Commission adopted a policy for submitting letters of support for agencies applying for federal discretionary funds. This policy is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2022/2022-10/67-4-16-a11y>

At its June 28-29 meeting, the Commission approved a distribution for Federal Highway Administration formula funds from the Infrastructure Investment and Jobs Act. The distribution provides 60 percent of funds for state programs and 40 percent for regional and local programs, consistent with the recommendation of a working group as well as historical practice.

Safety and Asset Management

In 2022, the Commission continued to focus on the safety of the state's transportation system through new interagency collaborations and information-sharing efforts intended to identify opportunities to reduce roadway injuries and fatalities. The Commission also took actions to ensure effective asset management for the state highway system.

Interagency Meeting on Vulnerable Road Users

In September, Commission staff participated in an interagency meeting of CalSTA departments engaged in active transportation, bicycle and pedestrian safety programs. This group is inventorying California's current actions and investments to help identify gaps and needs for future actions and investments for vulnerable road users. Vulnerable road users generally refers to road users who are not inside a vehicle and therefore are unprotected by an outside shield. It includes pedestrians, cyclists, and road maintenance and construction workers. Vulnerable road users are at greater risk of injury in any collision with a vehicle and are therefore highly in need of protection against such collisions. According to the Office of Traffic Safety, pedestrian fatalities increased 46.5 percent from 2010 to 2019, and there has been a greater than 60 percent increase in bicyclists killed per year since 2010. Commission staff will continue to work through the interagency effort to identify ways to reverse these trends.

Transportation Asset Management Plan

Through resource allocation and engineering practices, asset management is a method for efficiently operating, maintaining, and improving assets, such as bridges and roadway pavement, over the course of their life cycle. Federal regulations (12 Code of Federal Regulations, Part 515) require each state Department of Transportation to prepare and update an asset management plan at least every four years. The asset management plan presents the existing inventory and condition of the current state highway infrastructure, performance targets, financial plans, investment strategies,



a risk mitigation plan, life cycle planning documentation, and identified areas of improvement. Senate Bill 486 (DeSaulnier, Chapter 917, 2014) requires the Commission to approve the Transportation Asset Management Plan developed by Caltrans.

In 2022, Caltrans prepared the state's first formal update to its Transportation Asset Management Plan. Caltrans worked with regional transportation agency partners, Commission staff, the Federal Highway Administration, city and county transportation owners, and transportation advocacy groups in the development of the update, holding ten listening sessions and six workshops on specific requirement areas. Caltrans presented an initial draft of the plan at the Commission's March 16-17 meeting. Subsequently, at its June 29-30 meeting, the Commission provided comments back to Caltrans to incorporate into the final plan, which was approved by the Commission at its August 17-18 meeting. The investment strategies outlined in the 2022 Transportation Asset Management Plan focus on the following:

- Preventive maintenance, also known as a "fix it first" approach
- Embracing principles in the state's Climate Action Plan for Transportation Infrastructure
- Embracing equitable transportation solutions to serve citizens of all means
- The four primary asset classes (pavement, bridges, drainage, and transportation management system elements), because they represent a significant portion of State Highway System assets
- Leveraging investments to support safety and health; stewardship and efficiency; sustainability, livability, and economy; and organizational excellence

The Commission's comments on the draft Transportation Asset Management Plan are available on the Commission's website at:

<https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2022/2022-06/yellows/tab-56-4-16-a11y.pdf>

At its August 17-18 meeting, the Commission approved the state's first formal update to the Transportation Asset Management Plan. Developed by Caltrans, the asset management plan presents the existing inventory and condition of the current state highway infrastructure, performance targets, financial plans, investment strategies, a risk mitigation plan, life cycle planning documentation, and identified areas of improvement.

State Highway System Annual Performance Benchmarks and 10-Year Targets

Senate Bill 1 (Beall, Chapter 5, 2017), The Road Repair and Accountability Act of 2017, sets 10-year performance outcomes for the four primary asset classes included in the Transportation Asset Management Plan; requires Caltrans to report annually to the Commission on its progress toward meeting the outcomes; and requires the Commission to evaluate the effectiveness of Caltrans in reducing deferred maintenance and improving road conditions on the state highway system, as demonstrated by Caltrans’s progress toward achieving the outcomes. In March 2018, the Commission set annual performance benchmarks for the four primary asset classes and for nine supplementary asset classes. In December 2021, the Commission adopted updated performance targets based on a more robust condition assessment analysis.

At its August 17-18 meeting, the Commission evaluated Caltrans’ progress towards reducing deferred maintenance and improving road conditions on the state highway system. Figures 3 and 4 shows Caltrans’s progress toward achieving the 10-year outcomes and meeting the annual benchmarks set by the Commission for the four primary assets. (The conditions of the nine supplementary asset conditions will be updated during the development of the 2023 State Highway System Management Plan and will be included in next year’s assessment of performance benchmarks.) In summary, the 2021 year-end benchmarks are being exceeded for pavement and drainage systems and Caltrans is on track to meet the “fix 500 additional bridges” target. However, the Commission also found the current condition of poor bridges and poor traffic management systems increased 0.4 percent and 0.3 percent, respectively, over the prior year. Commission staff will continue to work with Caltrans to monitor progress towards meeting the 10-year targets for these assets. The Commission’s full evaluation is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2022/2022-08/63-4-28.pdf>

Figure 3 Caltrans’ Progress Toward Annual Benchmarks: Primary Assets

Asset Class	Condition	2027 Target	2021 Benchmark	2021 Actual
Pavement*				
Class 1	Good or fair	99.0%	98.0%	98.7%
Class 2	Good or fair	98.0%	97.4%	99.8%
Class 3	Good or fair	98.0%	97.0%	98.4%
Bridges	Good or fair	98.5%	97.8%	96.2%
Drainage Systems (Culverts)	Good or fair	90.0%	87.9%	90.0%
Transportation Management Systems	Good	90.0%	80.4%	78.7%

* Class 1 includes interstates, other principal arterials, and urban freeways and expressways. Class 2 includes rural freeways and expressways, and minor arterials. Class 3 includes major and minor collector routes. They make up 54 percent, 32 percent, and 14 percent of the state highway system, respectively.

Figure 4 - Caltrans' Progress Toward Road Repair and Accountability Act Targets

Asset Class	Measure	2027 Target	2021 Condition
Pavement	Good or fair condition	98.0%	99.0%
Pavement	Level of service*	90.0%	97.0%
Bridges	Fix additional bridges	500	551**
Drainage Systems (Culverts)	Good or fair condition	90.0%	90.0%
Transportation Management Systems	Good condition	90.0%	78.7%

* For maintenance of potholes, cracks, and spalls.

** Adjustments have been made to the total number of additional bridges fixed based on audit recommendations from the Independent Office of Audits and Investigations.

Evaluation of Caltrans' Efficiencies Measures

Senate Bill 1 (Beall, Chapter 5, 2017), The Road Repair and Accountability Act of 2017, requires Caltrans to implement efficiency measures with the goal of generating at least \$100 million per year in savings to invest in maintenance and rehabilitation of the state highway system. The legislation requires Caltrans to report the generated efficiency savings to the Commission annually. The Commission's State Highway Operation and Protection Program Guidelines require these savings be reported to the Commission annually by November 1.

For FY 2020-21, Caltrans reported \$387 million in new and on-going efficiencies that can be reinvested into the maintenance and rehabilitation of the State Highway System. \$177 million of these efficiencies were identified after the passage of the Road Repair and Accountability Act and count towards meeting the efficiencies requirement. Commission staff reviewed the reported efficiencies and presented an informational staff report at the January 2022 Commission meeting. Commission staff found the level of detail provided for the basis of the efficiency savings has been significantly improved in this year's report. Caltrans has reported many efficiencies, most of which are continued practices from prior years. The Commission staff report on FY 2020-21 efficiencies is available on the Commission's website at: <http://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2022/2022-01/21-4-20-a11y.pdf>



RECOMMENDATIONS



The Commission's Annual Report is required to include legislative recommendations to improve the state's transportation system. The Commission recommends the following to advance state transportation goals for equity, climate, economic growth, and safety.

1. Advisory Committee and Commissioner Compensation

The Commission recommends the Legislature authorize compensation for transportation advisory committee members, and adjust Commissioner compensation for inflation, to alleviate financial barriers to providing service to the state.

Throughout its work on equity over the past year, the Commission heard clearly from stakeholders and event participants about the need to adequately compensate individuals for serving on transportation advisory committees. This is necessary to recognize the value of their time commitment and to alleviate financial barriers for qualified and willing individuals to serve on a committee. Several organizations have raised similar concerns in the recent past regarding compensation for serving on the Commission. Those organizations have questioned whether qualified individuals are financially too burdened to serve on the Commission.

Currently, the Commission lacks the statutory authority to provide compensation to advisory committee members. In some instances, the Commission has pursued foundation funding or discretionary grant opportunities to fund advisory committee

compensation; however, these are not guaranteed or sustainable sources of funding. The Commission therefore recommends the Legislature authorize a statutory \$100 per diem for its advisory committee members, modeled after Health and Safety Code Section 39603(a)(2)), which provides for members of advisory groups serving the California Air Resources Board to receive \$100 for each day they attend a meeting of the state board or meet pursuant to a request of the state board, plus actual and necessary travel expenses incurred while performing their duties.

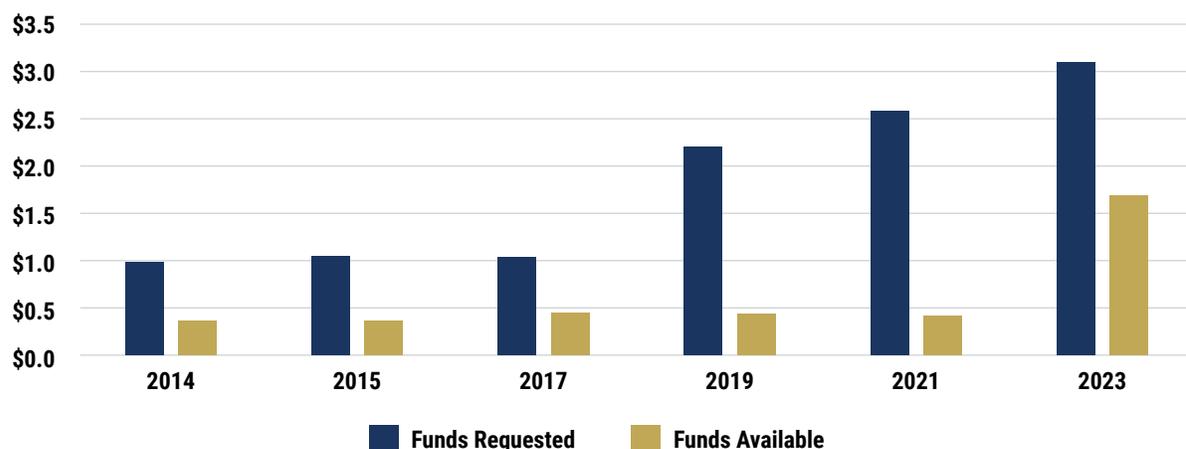
Unlike for advisory committee members, state law does currently authorize a per diem for Commissioners of a \$100 for each day spent conducting Commission business, not to exceed \$800 per month. However, the \$100 per diem was established in legislation over 40 years ago when the Commission was created and has not been adjusted since that time. Due to the effects of inflation, its value has declined considerably, by about 80 percent. Adjusting the per diem for inflation would take it from \$100 to \$500, with a monthly maximum of \$4,000.

2. Active Transportation Program Funding

The Commission recommends the Legislature increase funding for the Active Transportation Program by \$1 billion on an ongoing basis to address the substantial unmet need for critical climate, safety, mobility, and equity projects across the state.

While the Commission is appreciative of the recent \$1 billion one-time augmentation from the Governor and Legislature to fund more projects, the need for additional funding for the Active Transportation Program remains. Figure 2 shows total funding requests across each program cycle compared to the funding available. The 2023 program experienced record demand, with funding requests totaling \$3.1 billion, an approximately \$500 million increase from the prior cycle. Even with the \$1 billion one-time augmentation, funding requests exceed the available funding by nearly \$1.5 billion. As a result, the program remains highly competitive, with applicants needing a score of at least an 89 out of 100 to be funded through the Statewide component. Without the \$1 billion one-time augmentation, the Commission would only have been able to fund projects scoring 95 or higher.

Figure 2 - Active Transportation Program Requests
(in Billions)



The 2023 Active Transportation Program experienced record demand, with funding requests exceeding the available funding by nearly \$1.5 billion, even though the program received a one-time \$1 billion augmentation. As a result, the program remained highly competitive, with applicants needing a score of at least an 89 out of 100 to receive an award in the Statewide component.

Given the significant unmet demand across program cycles, the Commission recommends the Legislature provide an ongoing funding increase of \$1 billion for the Active Transportation Program. This recommendation is consistent with Strategy 2.4 in CalSTA's Climate Action Plan for Transportation Infrastructure, which calls for sustainable funding to address the oversubscription in the program. Funding for the increase could come from one or more sources. One option is for the Legislature to return some or all of the \$1.3 billion in annual truck weight fee revenues that were redirected to pay transportation bond service in 2010 back to the State Highway Account to be used for highway repairs and rehabilitation. This would free up gasoline excise tax revenues that could then be used for the Active Transportation Program. Another option is to create a continuous appropriation from the Greenhouse Gas Reduction Fund, which has been done for other programs such as the Transit and Intercity Rail Capital Program and the Affordable Housing and Sustainable Communities Program. Additionally, to the extent the Legislature were to enact new transportation-related revenues, such as from a penalty on oil windfall profits, some or all of those revenues could be dedicated to the Active Transportation Program.

3. Transit Operations Funding

The Commission recommends the Legislature provide support for transit operators to address the continued impacts of the pandemic on their operations funding.

A robust public transportation system is integral to achieving California's climate, mobility, equity, and economic growth goals. Yet, across California and the nation, the recovery of transit operators from the effects of the pandemic has been slow and uneven. According to the Institute of Transportation Studies at the University of California Los Angeles, as of July 2022, transit boardings nationally were 61 percent of their pre-pandemic baseline and 56 percent in California. While transit ridership in the Los Angeles region has rebounded slightly more than in the San Francisco Bay Area, regions across the state are facing challenges in returning to pre-pandemic ridership levels. Moreover, transit agencies have been experiencing difficulties hiring and face cost pressures from the ongoing transition to zero-emission vehicles.

The loss of ridership has created serious fiscal challenges for transit agencies. In response, the federal government provided relief funding to transit agencies nationally through the Coronavirus Aid, Relief, and Economic Security Act (\$25 billion), the Coronavirus Response and Relief Supplemental Appropriations Act (\$14 billion), and the American Rescue Plan Act (\$30.5 billion). These federal resources were only intended

to fund short-term revenue shortfalls. With the assistance provided by these federal funds coming to an end soon, transit agencies are facing an upcoming “fiscal cliff”. For example, the Metropolitan Transportation Commission projects that the seven largest operators in the Bay Area face a \$2 billion operating shortfall over the next five years, beginning in 2023 and accelerating quickly thereafter.

The Commission continues to support efforts to seek relief funding for transit agencies. As the fiscal challenges for transit operators span the nation and result from an unprecedented public health emergency, a federal response to this issue is appropriate. Absent additional federal relief, however, transit agencies are unlikely to weather the fiscal cliff by relying solely on local sources. Possible fund sources from the state that could help address the shortfalls include cap-and-trade revenues or state General Fund revenues. In addition to providing state support, the Legislature should also consider revisiting work that had begun prior to the pandemic reviewing the performance metrics for the eligibility and distribution of certain state transit revenues.

4. Toll Facilities Approval Responsibilities

The Commission recommends the Legislature clarify provisions of the Commission’s existing statutory authority to approve toll facilities, such as converting non-tolled lanes to tolled lanes, which are critical for achieving state climate and mobility goals.

Priced facilities are widely recognized as a key strategy to reduce or manage vehicle miles traveled and help meet state climate goals and reduce congestion. Under Assembly Bill 194 (Frazier, Chapter 687, 2015), the Commission is assigned the responsibility to approve the tolling of high-occupancy toll lanes or other toll facilities, including the administration and operation of a value pricing program, that are requested by regional transportation agencies or Caltrans. In 2016, the Commission adopted Toll Facility Guidelines to implement the legislation and, since that time, the Commission has received and approved three tolling applications.

In 2022, Senate Bill 1050 (Dodd) was introduced to authorize tolling on State Route 37, including on an existing non-tolled lane, as part of a project to enhance the corridor’s resiliency to sea level rise. While this bill ultimately did not pass out of the Legislature, it raised questions about the Commission’s ability to approve tolling on an existing non-tolled lane under existing statute. Given the importance of pricing to achieving state climate and mobility goals, the Commission recommends the Legislature clarify the



language in existing statute to make it clearer that the Commission has the authority to approve the conversion of non-toll lanes into tolled lanes.

Along with this clarification, the Commission believes there are other opportunities where existing statute could be clarified or strengthened. This includes: clarifying whether the Commission's tolling authority extends to projects off the highway system and/or to authorize cordon pricing; clarifying that tolling discounts may be provided for equity purposes; clarifying that project improvements may be for climate-related purposes; and clarifying authority for projects that cross county boundaries. Additionally, the Commission recommends the Legislature consider adding a new requirement that projects must have completed the environmental review phase in order to apply for tolling authority. This is advisable so the Commission knows under which project alternative it is approving the authority to toll.

In making these recommendations, the Commission recognizes that currently there is a working group of state, regional, and local agencies inventorying roadway pricing efforts across the state and developing strategies to implement them. This working group, in which the Commission participates, was created pursuant to CalSTA's Climate Action Plan for Transportation Infrastructure. While the working group continues to develop broader policy on pricing, the Commission believes that it is necessary now to address clarifications to its tolling authority given the issue brought to the forefront by Senate Bill 1050.

5. General Aviation Funding Needs

The Commission recommends the Legislature authorize a funding needs assessment for California's general aviation airports, including recommendations to ensure that California airports can fully leverage available federal general aviation funding grants, address community impacts from airport activities, and support electric vertical takeoff and landing vehicles.

California's general aviation airports provide critical flight services such as for medical emergencies, law enforcement, firefighting, and pilot training. In its 2021 Annual Report to the Legislature, the Commission highlighted funding issues for programs supporting California's general aviation airports, including unfunded Acquisition and Development Program projects. The Commission recommended the repayment of a \$22 million loan made from the Local Airport Loan Account to the General Fund in the FY 2020-21 budget in order to fund more general aviation improvements. The Commission continues to recommend the repayment of this loan. Additional information on this recommendation is available at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-reports/annual-reports/ctc-12152021-ar-final-web-dor.pdf#page=28>

In 2022, the Commission became aware of another funding issue involving California's general aviation airports. At its March 16-17 meeting, the Commission heard from the California Division of the Federal Aviation Administration that California's general aviation airports have lost on average \$4 million per year in federal funding over the past 10 years—approximately \$40 million in total. The lost funding was provided through the federal Airport Improvement Program State Apportionment and Airport Entitlement Programs.

The federal grants require a 10 percent local match from general aviation airports. The state's Airport Improvement Program provides funds to California's general aviation airports for half of the match needed to draw down the federal funds. However, funding for the state's Airport Improvement Program has fluctuated over the years. Over a period of 10 years, Caltrans was only able to fund 70 percent of the total amount of eligible state Airport Improvement Program requests. Currently, the state's Airport Improvement Program is funded at \$2.5 million per year through FY 2024-25 from excess funds available from the Local Airport Loan Account. This is not a long-term, sustainable fund source but has been needed to make up for declining revenues from general aviation excise fuel taxes.

The aviation gasoline excise tax of \$0.18 a gallon was last adjusted in 1994. The jet fuel excise tax was set at \$0.02 in 1969 and has not been adjusted since that time. These excise tax revenues can no longer adequately support grant funding for two of the state's three airport grant programs, including the Airport Improvement Program. Prior to FY 2009-10, these revenues averaged approximately \$7.5 million annually but since that time have dropped to an average of less than \$6 million annually.

Given the instability of state funding for general aviation airports, and the consequent loss of federal funds due to insufficient matching funds, the Commission recommends the Legislature authorize the Commission to conduct a funding needs assessment for California's general aviation airports, in consultation with Caltrans, representatives of the aviation industry, and other stakeholders. The assessment also should identify funding needs related to addressing community impacts from airport activities and supporting electric vertical takeoff and landing vehicles.

6. Vehicle Sizes and Impacts on Vulnerable Road Users

The Commission recommends the Legislature authorize a study on the implementation of weight-based passenger vehicle fees to account for the disproportionate impacts of larger vehicles on vulnerable road user injuries and fatalities.

In recent years, research has begun to draw a connection between trends in the average size of vehicles on the road and increases in pedestrian fatalities. The association is that larger vehicles increase the severity of collisions. This could be due both to a greater impact from having more weight as well as less front and rear visibility. For instance, one recent academic study estimated that, between 2000 and 2019, replacing the growth in sport utility vehicles with other types of cars would have averted 1,100 pedestrian deaths. This same study also found no evidence that the shift towards larger vehicles improved aggregate motorist safety. Advocates for roadway and vehicle safety have drawn similar conclusions, some focusing on the effects on children. One advocacy organization reports that larger size vehicles are involved in about 75 percent of deaths that involve the blind spot in the front of the vehicle. Over 90 percent of the victims are 6 years old or younger.

While vehicle safety standards are regulated at the federal level, some states are starting to consider policies to encourage car buyers to purchase smaller vehicles, which could reduce average vehicle size and help protect pedestrians from the dangers

posed by larger vehicles. For instance, Washington DC enacted increases to its vehicle registration fees based on weight for passenger vehicles, with annual fees for cars above 6,000 pounds being tripled. Maryland already charges over \$50 more over a two-year period for passenger vehicles over 3,700 pounds.

Currently, California charges registration fees based on weight only for commercial vehicles. With the average size of passenger vehicles increasing, the Commission believes it an appropriate time for the state to begin to consider whether to implement weight-based fees for passenger vehicles. This could both encourage consumers to purchase smaller vehicles, which appear to be less dangerous for pedestrians, as well as raise revenue for roadway safety programs. As a first step, the Commission recommends the Legislature authorize the Commission to convene a task force consisting of state agencies, such as the Office of Traffic Safety, the Department of Motor Vehicles, local transportation agencies, and industry, safety, and other advocacy groups, to study the potential costs and benefits of a passenger vehicle weight fee and report back to the Legislature.

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PROGRAM SUMMARIES



Over a dozen transportation funding programs fall under the Commission's purview. These programs have a tremendous positive impact on the quality of life of Californians. Projects funded through Commission programs include fixing and improving safety and mobility on state highways, bridges, and local streets and roads; investments in transit systems, including buses and rail lines; and new and improved bicycle and pedestrian facilities. These projects help Californians travel to work, to school, and to recreational activities more easily and safely, and facilitate the efficient delivery of goods. Collectively, they help to make California's transportation system more equitable and cleaner, while creating high-paying jobs and a strong, sustainable economy.

The programs under the Commission's purview are established in federal and state laws, which set forth the program funding levels and overarching program frameworks. The Commission's responsibilities vary by program but generally include developing guidelines, adopting programs of projects, and allocating funds. Program guidelines establish the specific policies and procedures used to administer the program and are developed through public workshops open to all partner agencies, stakeholder groups, and the public.

Program guidelines and statute set forth program funding cycles. Most programs have funding cycles that span multiple years. When the Commission adopts a program of projects, it commits funds to individual project phases in each year of the program cycle. During the year a project phase is programmed, the agency must request an allocation from the Commission. The allocation authorizes the implementing agency to begin incurring expenditures on the project.

After the Commission allocates funds to projects, Caltrans performs administrative oversight and prepares and submits regular progress reports for each project by program. The Commission takes appropriate actions when issues and concerns are identified. The Commission also ensures accountability by requiring agencies to request approval for project scope, schedule, and cost changes and to report on project outputs.

Senate Bill 1: The Road Repair and Accountability Act of 2017

In 2017, the Legislature passed, and Governor Brown signed into law, Senate Bill 1 (Beall, Chapter 5, 2017), the Road Repair and Accountability Act, which provided the first significant, stable, and ongoing source of state transportation funding in decades. Funding from this legislation goes for the repair of state highways and local roads and improvements to transit, intercity rail, and active transportation. The legislation also provides funds to improve goods movement and alleviate congestion through multimodal solutions in critical corridors throughout the state. Funding comes from gas and diesel excise taxes, diesel sales taxes, transportation improvement fees (paid at vehicle registration based on the value of a vehicle), and zero-emission vehicle fees.

Programs funded in part or in whole by the Road Repair and Accountability Act in which the Commission has a role include:

- Active Transportation Program
- Local Partnership Program
- Local Streets and Roads Program
- Solutions for Congested Corridors Program
- State Highway Operation and Protection Program
- State Transportation Improvement Program
- Trade Corridor Enhancement Program
- Transit and Intercity Rail Capital Program

Some of these programs were in existence prior to the passage of the legislation and receive other state and federal funds, including the Active Transportation Program, the State Highway Operation and Protection Program, the State Transportation Improvement Program, and the Transit and Intercity Rail Capital Program. For this reason, the Commission generally uses the term “Senate Bill 1 Program” to refer to the three new programs where the Commission approves individual projects: the Local Partnership Program, the Solutions for Congested Corridors Program, and the Trade Corridor Enhance Program.

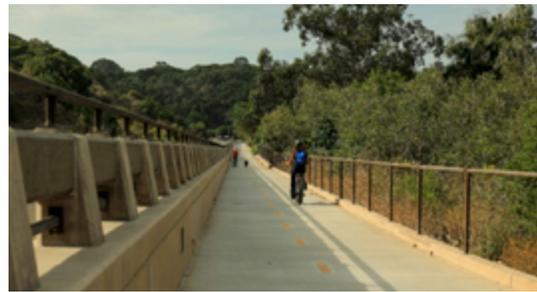
To meet the legislative intent to hold agencies accountable for Senate Bill 1 expenditures, the Commission adopted Senate Bill 1 Accountability and Transparency Guidelines in March 2018. In addition to requiring timely delivery of projects and reporting on outcomes and benefits for all projects, the guidelines require Baseline Agreements for larger projects with enhanced reporting and accountability measures.

Active Transportation Program

Investment in active transportation is critical to California's efforts to make its transportation system more sustainable and equitable and meet its greenhouse gas reduction targets. Active transportation projects can include elements such as comfortable bikeways, comprehensive sidewalks, multi-use paths, and safer street crossings. These projects improve quality of life, build healthier communities, reconnect neighborhoods, and allow Californians to access jobs, schools, community resources, and transit, without the use of a car.

The Active Transportation Program is the state's only dedicated funding source for walking and biking projects. The program is in high demand and highly oversubscribed. In the 2023 program cycle, the Commission received a record \$3.1 billion in funding requests for 434 projects. Although the program received a one-time \$1 billion augmentation in the 2022 State Budget, more sustained funding is needed to clear the backlog of critically needed projects and support the increasingly ambitious and transformative nature of proposed projects, nearly all of which benefit disadvantaged communities.

One example of how the Active Transportation Program is helping communities create comprehensive, low-stress walking and biking networks is the Las Positas Multi-Use Path in the City of Santa Barbara. Completed in March 2022, this project was awarded \$17.1 million to construct a separated, 2.6-mile multi-use path along two high-speed roads with narrow shoulders and limited sidewalks. The project closed a gap in city and regional bike routes and directly connects to the future Modoc Road Multimodal Path Gap Closure project, a 1.1-mile multi-use path that was awarded \$5.4 million and is scheduled to start construction in 2023. Together, these two Active Transportation Program projects will close a gap in a 9-mile, low-stress network connecting residents to schools, transit, parks, shopping, and employment centers. The projects serve several neighborhoods with low levels of vehicle ownership and high levels of poverty.



The Las Positas Multi-Use Path built a separate space for bicyclists and pedestrians along a high-speed road with narrow shoulders.



The Las Positas Multi-Use Path fills a 2.6-mile gap in a 9-mile low-stress connection between schools, transit, parks, shopping, and employment centers.

Program Background

Types of Projects Funded

Infrastructure projects (e.g., bike lanes, sidewalks, multi-use paths, quick-build improvements, and intersection enhancements); non-infrastructure programs (e.g., skills courses and encouragement campaigns); and active transportation plans in disadvantaged communities.

Goals of the Program

Increase active modes of transportation, including walking and biking, increase the safety and mobility of non-motorized users, reduce greenhouse gas emissions, improve public health, and enhance the mobility of disadvantaged community members.

How to Access Funds

Program funds are awarded through a competitive process every two years. Cities, counties, school districts, tribal

governments, regional agencies, Caltrans, transit agencies, and natural resources and public land agencies may apply.

Funding Available

Each four-year program cycle has approximately \$650 million available from state and federal sources. The 2023 program received a one-time funding augmentation of \$1 billion from the state General Fund, bringing the total available to \$1.7 billion. The 2023 program received a record \$3.1 billion in project applications.

Evaluation Criteria

Potential for increased walking and bicycling, safety, benefit to disadvantaged communities, public participation and planning, scope and plan consistency, and cost effectiveness. Larger projects are also evaluated for innovation, potential to be transformative, and context sensitivity.

Projects Funded

Programmed Funds: All Program Cycles

- \$2.1 billion committed to 938 projects
- 95 percent of funds benefit disadvantaged communities
- 511 Safe-Routes-to-School projects

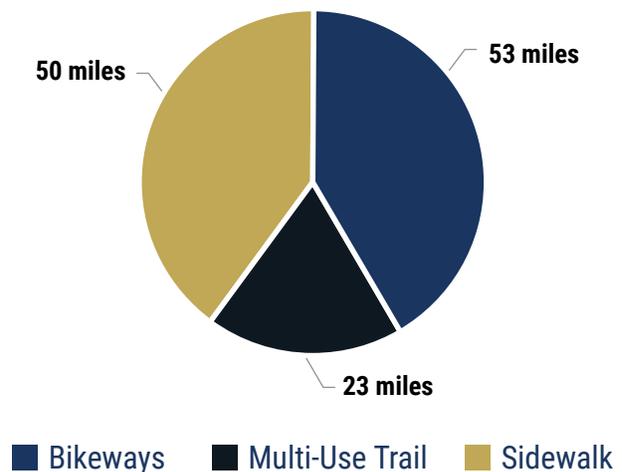
Allocated Funds: FY 2021-2022

- \$229 million allocated to 164 projects:
 - \$179 million for construction
 - \$37 million for pre-construction
 - \$13 million for non-infrastructure

Outputs:

- 53 miles of bikeways
- 50 miles of sidewalk
- 23 miles of multi-use trail

**Project Outputs by Type
(FY 2021-22)**



Local Partnership Program

Local and regional agencies generate more than a third of all transportation revenues in California. These revenues support improved infrastructure, new infrastructure, and help California receive more federal discretionary funds. Much of this revenue is generated by voter-approved taxes, tolls, and fees, such as county sales tax measures, but also includes agency-imposed fees, such as developer fees.

The Local Partnership Program funds transportation improvement projects for local and regional agencies that have enacted or voter-approved taxes, tolls, and fees dedicated to transportation. This provides an incentive for agencies to continue or start to raise transportation revenues. The program includes a formulaic component that allocates funding to each eligible jurisdiction and a competitive component that selects specific projects for funding. This is consistent with SB 1, which balances directing increased revenue to the state's highest transportation needs while fairly distributing the economic impact of increased funding.

Projects funded by the Local Partnership Program are having a transformative impact on communities across California. For example, the Town of Truckee was awarded \$630,000 in competitive program funds in 2020 to construct the Legacy Trail-Brockway Road Multi-Use Trail Connection project. The project, which was completed in 2021, constructed a 10-foot-wide multi-use trail and short section of sidewalk adjacent to Brockway Road that is a missing pedestrian and bicycle link to downtown Truckee. The project provides a vital connection between senior and low-income residential areas, commercial centers, the transit center, and downtown Truckee. The project also provides a link to the future Truckee River Legacy Trail, which is slated to begin construction this year.



Before: Legacy Trail-Brockway Road Multi-Use Trail Connection



After: Legacy Trail-Brockway Road Multi-Use Trail Connection

Program Webpage: <https://catc.ca.gov/programs/sb1/local-partnership-program>

Program Background

Types of Projects Funded

New transit stations; tracks for passenger and commuter rail; high-occupancy vehicle, express, and other lanes; bicycle and pedestrian improvements; traffic light synchronization; bus purchases; sound walls; and local road improvements and rehabilitation.

Goals of the Program

Provide funding to counties, cities, districts, and regional transportation agencies in which voters have approved fees or taxes dedicated solely to transportation improvements or that have imposed fees, including developer fees, dedicated solely to transportation improvements.

How to Access Funds (Competitive)

Eligible taxing authorities and eligible agencies with imposed fees submit project nominations that are evaluated according to criteria set by the Commission.

How to Access Funds (Formulaic)

Eligible taxing authorities submit project nominations consistent with their approved funding distribution amount set by the Commission.

Funding Available

Annual funding is \$200 million. Funds are split 40 percent for the competitive program and 60 percent for the formulaic program, after \$20 million is taken off the top for incentive funding for agencies with new taxes or fees.

Evaluation Criteria

Accessibility, air quality and greenhouse gases, community engagement, cost effectiveness, deliverability, projects that leverage funds above the required match, safety, system preservation, land use and housing goals, and vehicle-miles traveled.

Projects Funded

Programmed Funds: All Program Cycles

- \$1.1 billion committed to 174 projects by 46 local/regional agencies
- \$30 million incentive funds to 6 agencies

Allocated Funds: FY 2021-2022

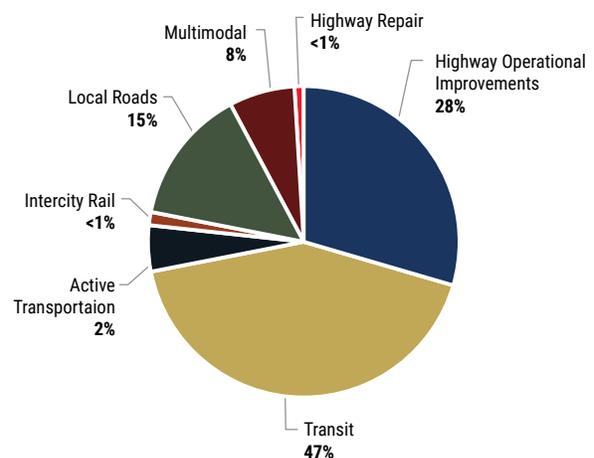
- \$306 million allocated:
 - \$281 for construction
 - \$25 million for pre-construction

Outputs*:

- 200 miles of local road rehabilitation
- 185 transit station improvements
- 68 intersection/signal improvements
- 12 new accessible ramps
- 10 miles of auxiliary lanes
- 9 miles of bikeways and walkways

*List does not include all output types.

Project Allocations by Type (FY 2021-22)



Local Streets and Roads Program

California's 58 counties and 481 cities own and maintain over 300,000 paved lane-miles of local streets and roads, as well as related infrastructure including bridges, drainage systems, and traffic signals. The local road system is a critical component of the state's transportation network for virtually all types of travelers, including drivers, bicyclists, pedestrians, and bus riders. Local roads also help transport goods and services, contributing to economic vitality throughout the state. Investing in local road maintenance and preservation helps save money in the long run by delaying pavement deterioration and replacement.

Under Senate Bill 1, the Local Streets and Roads Program provides formula funds to cities and counties for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. As a result of this program, communities are benefitting from potholes being filled, pavement repaired, lanes restriped, bike lanes added, and crosswalks and sidewalks made accessible.

The Bonita Canyon Drive and Ford Road Pavement Rehabilitation project is an example of a project funded through the Local Streets and Roads Program. The project was completed in Fiscal year 2020-21. Road improvements included reconstructing deteriorated concrete sidewalks, curbs, and access ramps, overlaying the existing pavement with recycled rubberized asphalt concrete, adjusting utilities to the new finished grade, and installing street signs and striping. The City of Newport Beach spent \$1.5 million in Local Streets and Roads Program funds to rehabilitate this road. The project extended the useful life of this public roadway by at least 15 years.



Before: Bonita Canyon Drive and Ford Road Pavement Rehabilitation Project.



After: Bonita Canyon Drive and Ford Road Pavement Rehabilitation Project.

Program Background

Types of Projects Funded

Eligible projects include road maintenance and rehabilitation; safety projects; railroad grade separations; complete streets components (such as bike lanes or sidewalks); and traffic control devices, among others.

Goals of the Program

Address deferred maintenance on the local streets and roads system as well as critical safety projects.

How to Access Funds

The Commission adopts a report of eligible cities and counties and sends it to the State Controller. Cities and counties then receive annual funding apportionments from the State Controller according to a statutory formula.

Funding Available

Approximately \$1.5 billion is available for Fiscal Year 2022-23.

Evaluation Criteria

Cities and counties that have prepared and submitted a project list to the Commission each fiscal year and that have been included in a list of eligible entities submitted by the Commission to the State Controller.

Program Workshops

Commission staff held two trainings to assist agencies prepare their Fiscal Year 2020-21 expenditure report. Trainings were attended by 65 percent of cities and 78 percent of counties. Staff held two technical training sessions to prepare jurisdictions for the 2021-22 project list submittals, where 65 percent of all agencies registered for at least one session.

Projects Funded

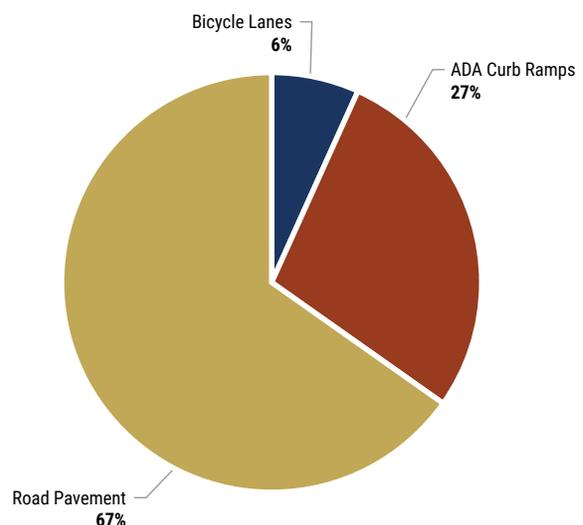
All Program Cycles (2017 to 2021)

- Total Expended: \$2.6 billion
- FY 2022-23 Funding: \$1.5 billion

FY 2020-21 Program Accomplishments

- 4,124 projects:
 - 1,554 completed
 - 1,450 in-progress
 - 1,120 carried over
- \$979 million spent

Project Outputs by Type (FY 2020-21)



Solutions for Congested Corridors Program

Californians know congestion. The state is home to nearly 40 million people and some of the country's most congested travel corridors. While congestion is a vexing challenge, regions are addressing congestion in highly traveled corridors by undertaking long-term innovative, comprehensive, and multimodal approaches that seek to reduce congestion by expanding travel choices, improving the quality of life, and preserving the local community character within the corridor.



The Redlands Passenger Rail projects connects riders to the existing Metrolink network with connections to local destinations such as educational centers, employment hubs, and healthcare services.

Created by Senate Bill 1, the Solutions for Congested Corridors Program supports collaborative and comprehensive proposals to reduce congestion in highly traveled corridors across the state. To prepare for the third cycle of this competitive program, the program guidelines underwent an extensive, consensus-driven development process. As a result, the 2022 Solutions for Congested Corridors Program Guidelines expanded the consideration of climate impacts to incorporate key strategies from the Climate Action Plan for Transportation Infrastructure, added community engagement to the list of evaluation criteria used to determine project selection, and added public health as an additional information area to encourage projects that promote and consider public health impacts.

An example of a transformative project funded through the Solutions for Congested Corridors Program is the Redlands Passenger Rail Project in San Bernardino County. This project was awarded \$65 million in the program's first cycle in 2018. This nine-mile project is concluding construction between the existing San Bernardino Transit Center and the University of Redlands to connect the cities of San Bernardino and Redlands with new rail service, along with four new stations. With the development of this line, riders can connect to the existing Metrolink network with connections to local destinations such as educational centers, employment hubs, and healthcare services, as well as have a one-seat ride from Redlands all the way to Los Angeles with a Metrolink train during peak periods.

Senate Bill 1 requires the Commission to include in its Annual Report a list of all Solutions for Congested Corridors Program projects funded and their status. This information is included in the Appendix of this report.

Program Webpage: <https://catc.ca.gov/programs/sb1/solutions-for-congested-corridors-program>

Program Background

Types of Projects Funded

Infrastructure projects such as high occupancy vehicle lanes, express lanes, transit and rail infrastructure, transit fare system improvements, zero-emission buses, and safety improvements.

Goals of the Program

Reduce congestion in highly congested corridors through performance improvements that balance transportation improvements, community impacts, and provide environmental benefits.

How to Access Funds

Program funds are awarded through a competitive process. Regional transportation planning agencies, county transportation commissions, and Caltrans are eligible to apply.

Funding Available

Total annual funding is \$250 million. Each program cycle combines funds for multiple years. A two-year cycle awards

\$500 million. The third program cycle will provide two years of funding for Fiscal Years 2023-24 and 2024-25.

Evaluation Criteria

Congestion; safety; accessibility; community engagement; economic development, job creation and retention; air quality and greenhouse gas emission reductions; efficient land use and housing; matching funds; and project deliverability, collaboration, and cost effectiveness.

Public Engagement and Equity

Community engagement is one of the evaluation criteria used to determine project selection and a Transportation Equity Supplement provides resources to applicants on how to consider equity in project nominations. The Commission held seven public workshops to inform the 2022 program guidelines and hosted 18 virtual office hour sessions for potential applicants.

Projects Funded

2021-2022 Allocations

- \$125 million to 9 project segments for construction
- \$5.7 million in construction cost savings

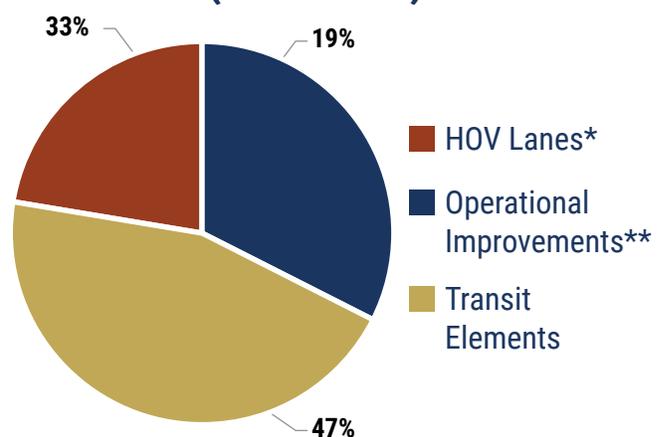
Outputs

- 9.5 miles of HOV lanes
- 2 miles of bike and pedestrian facilities
- 9,000 feet of double tracking
- 5 new electric buses

Programmed Funds: All Program Cycles

- \$1.5 billion programmed to 16 projects
- \$1.1 billion allocated
- Total project costs of over \$1.6 billion

Project Allocations by Type (FY 2021-22)



*A portion includes additional multimodal improvements.

**Includes light synchronization, intersection improvements, road rehabilitation, and additional multimodal improvements.

State Highway Operation and Protection Program

The State Highway System is critical to California's economic well-being and quality of life, as it enables the movement of people and goods around the state. Maintaining and preserving state highways, which includes bridges and drainage systems, and associated assets, such as lighting, and signage is critical for protecting the state's investment and allowing for efficient mobility. Backlogs of deferred maintenance ultimately cost the state more money in repairs, as well as drivers and public transit operators in damage to their vehicles.

The State Highway Operation and Protection Program (SHOPP) is the State's "fix-it-first" funding mechanism for the State Highway System. It is a four-year program of projects built entirely through the performance-driven asset management process that collectively improves the condition, operation, and sustainability of the State Highway System and associated transportation infrastructure in California. By continuously repairing and rehabilitating the State Highway System, the SHOPP protects the enormous investment that has been made over many decades to create and manage the approximately 16,000-mile State Highway System.

The SHOPP funds critical highway projects all throughout the state. One example is the New Klamath River Bridge, completed in May 2022. This project replaced the old Klamath River Bridge in Siskiyou County, which was constructed in 1931 and had exceeded its expected service life. The old bridge exhibited signs of significant structural fatigue, did not meet modern seismic standards, did not have standard shoulder width, and had inadequate turning radii where it intersected State Route 96.

The new Klamath River Bridge provides a crossing that meets modern highway design standards and accommodates interregional transportation needs, safely connecting the communities of Yreka and Happy Camp at the juncture of State Route 263 and 96 for generations to come.



Old Klamath River Bridge (left) with the new bridge in the background (right).



New Klamath River Bridge completed in May 2022.

Program Webpage: <https://catc.ca.gov/programs/state-highway-operation-and-protection-program>

Program Background

Types of Projects Funded

Projects are limited to maintenance, safety, operation, and rehabilitation of state highways and bridges, including complete streets elements for bicyclists and pedestrians. Projects cannot add new traffic lanes to the State Highway System.

Goals of the Program

Preserve and maintain State Highway System assets and ensure safety and operational efficiency on the system.

How to Access Funds

Projects must be consistent with the Transportation Asset Management Plan adopted by the Commission. Caltrans, as the owner and operator the State Highway System, is the only agency that receives funds through this program.

Funding Available

The program receives over \$4 billion annually from the Road Maintenance and Rehabilitation Account as well as other state and federal funds from the State Highway Account.

Evaluation Criteria

The Commission reviews the program of projects proposed by Caltrans for consistency with the Transportation Asset Management Plan and the goals of the program.

Public Engagement and Equity

Caltrans' SHOPP development process solicits input from public agencies, Native American tribal governments, non-governmental organizations, and members of the public. Caltrans has committed to including appropriate complete street improvements in projects from the earliest planning stages.

Projects Funded

2021-2022 Allocations

- \$3 billion for construction
- \$978 million for pre-construction

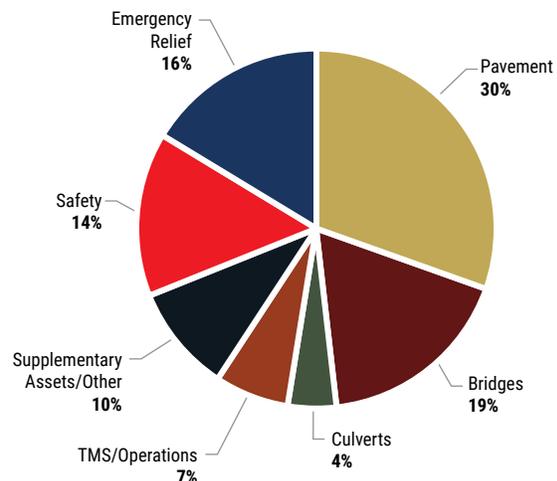
Outputs

- 131 bridges fixed
- 500 lane miles of pavement rehabilitated
- 470 culverts (drainage systems) fixed

Recent Program Cycles

- 2016: \$10.1 billion to 872 projects
- 2018: \$18.0 billion to 1,000 projects
- 2020: \$17.4 billion to 920 projects
- 2022: \$17.9 billion to 733 projects

Project Allocations by Type (FY 2021-22)



State Transportation Improvement Program

California has diverse transportation needs across its different regions. Urban areas tend to experience significant congestion and wear and tear on transportation systems, while rural areas face challenges in connecting people and goods to more remote locations. Differences in density, climate, and economic activity mean that one sized solutions do not fit all. Connecting California's varied regions through efficient, sustainable interregional transportation networks also is of paramount importance for the state's economy and quality of life.

The State Transportation Improvement Program (STIP) is a five-year program of projects that addresses these needs. By statute, 75 percent of funds are for regionally nominated projects with the other 25 percent reserved for interregional projects. The STIP includes a wide variety of projects that improve local roads, support active transportation, and help facilitate the movement of people and goods by improving the state highway system, intercity rail, and transit.

One example of a project funded through the STIP is the San Elijo Lagoon Highway Bridge Replacement project in San Diego County. This project is part of the first phase of construction of the North Coast Corridor program, a 40-year, \$6 billion balanced set of highway, rail, environmental, bike and pedestrian mobility, and coastal access projects along a 27-mile corridor stretching from La Jolla to Oceanside.

The San Elijo Lagoon Highway Bridge Replacement project widened the bridge to relieve traffic congestion by adding a new high-occupancy vehicle lane in each direction. The widening served as a wetland restoration for the lagoon with its tidal channels now wider, deeper and extending farther inland. The project also constructed a new bike and pedestrian bridge underneath the highway bridge to provide connectivity for alternative modes of transportation. The new bridge has 22 support columns running 145 feet deep and eight support columns running 255 feet deep below ground level, which will allow the bridge to support current and future travel demands and to withstand seismic events.



The San Elijo Highway Bridge under construction, in San Diego County.



The San Elijo Highway Bridge after construction is complete, with both high-occupancy vehicle lanes open.

Program Webpage: <https://catc.ca.gov/programs/state-transportation-improvement-program>

Program Background

Types of Projects Funded

The STIP funds a wide variety of projects, including, bicycle and pedestrian facilities, intercity rail and public transit improvements, highway and local road improvements, and transportation system and demand management.

Goals of the Program

Address regional priorities by providing funding that meets the region's most urgent needs as well as the effective and efficient interregional movement of people and goods.

How to Access Funds

Funding is divided 75% to the regional program (with each county receiving a share via a formula) and 25% to the interregional program. Projects are nominated by regional agencies in their Regional Transportation Improvement Programs and by Caltrans in its Interregional Transportation Improvement Program.

Evaluation Criteria

Proposed projects must be consistent with adopted long range Regional Transportation Plans, the Interregional Transportation Strategic Plan, the Sustainable Communities Strategies, and all applicable state and federal laws.

Funding Available

Funding is made available from a portion of the state excise tax on gasoline that is adjusted annually for inflation. The 2022 STIP, covering Fiscal Years 2022-23 to 2026-27, totals \$2.1 billion.

Public Engagement and Equity

Public engagement and equity are performed at the regional and state level and included in the adopted long range Regional Transportation Plans and Interregional Transportation Strategic Plan.

Projects Accomplishments

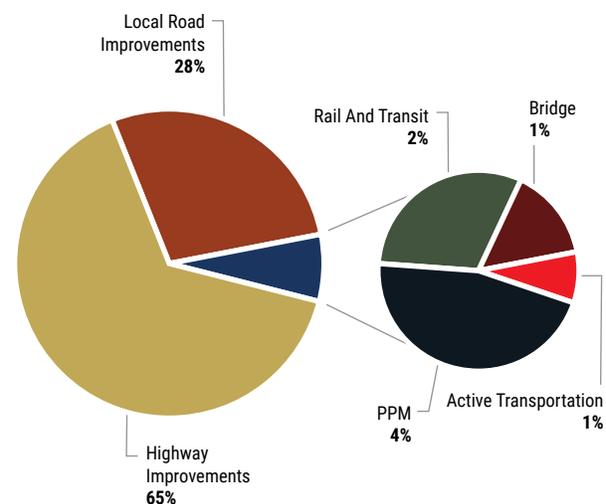
2021-22 Allocations

- \$502.5 million to 126 projects:
 - \$449.6 million for construction
 - \$34.9 million for pre-construction
 - \$17.9 million for planning, programming, and monitoring

Project Types

- \$326 million for 12 highway projects
- \$138.5 million for 40 local road projects
- \$17.9 million for planning, programming, and monitoring
- \$11.4 million for 3 rail and transit projects
- \$4 million for 5 active transportation projects
- \$4.3 million for 1 bridge project

Project Allocations by Type (FY 2021-22)



Trade Corridor Enhancement Program

California is a preeminent global goods movement gateway; The Ports of Los Angeles and Long Beach move roughly 35 percent of all containers in the US and approximately 40 percent of US imports and 25 percent of US exports pass through the San Pedro Bay. California's nationally significant goods movement network has recently been negatively impacted by global disruptions, resulting in port congestion, extended shipping container and chassis dwell times, and challenges exporting agricultural products.

The Trade Corridor Enhancement Program provides critical funds for projects on significant freight corridors to facilitate goods movement. The program also supports the state's transition to zero-emission freight by allowing funds for zero-emission freight infrastructure.

Funded through the Trade Corridor Enhancement Program, the Fyffe Avenue Grade Separation project constructed a four-lane overcrossing over the Fyffe Avenue rail line and removed an at-grade intersection. This project is anticipated to reduce travel times for vehicles entering the West Complex of the Port of Stockton and facilitate movement of goods. Removing the at-grade intersection also provides vehicle and rail safety improvements and enables a critical emergency evacuation route.

The I-10 Corridor Express Lanes project constructed express and auxiliary lanes in San Bernardino County to reduce congestion, increase throughput, and enhance trip reliability. The project is expected to reduce lane travel time by approximately 50 percent during peak hours and reduce truck delay by 76,000 hours annually in 2025 and by 109,500 hours annually in 2045.



Fyffe Avenue Grade Separation – Port of Stockton.



I-10 Corridor Express Lanes.

Program Webpage: <https://catc.ca.gov/programs/sb1/trade-corridor-enhancement-program>

Program Background

Types of Projects Funded

Eligible projects include highway improvements, zero-emission freight infrastructure, freight rail system improvements, port capacity and efficiency enhancements, border access improvements, road connector improvements, technology improvements, and environmental and community mitigation.

Goals of the Program

Fund freight infrastructure improvements on significant freight corridors.

How to Access Funds

The program is competitive. Eligible applicants include public entities, such as cities, counties, metropolitan planning Organizations, regional transportation planning agencies, port authorities, public construction authorities, and Caltrans. Project proposals from private entities may be submitted by a public agency sponsor.

Funding Available

The third program cycle, covering Fiscal Years 2023-24 and 2024-25, has \$1.1 billion available, including \$805 million from state diesel excise tax revenues and \$246 million in federal National Highway Freight Program funds.

Evaluation Criteria

Evaluation criteria include freight and transportation system factors, community impact factors, project readiness, leveraging funds, jointly nominated project status, zero-emission freight features, and community engagement.

Public Engagement and Equity

Community engagement is an evaluation criterion, and a Transportation Equity Supplement provides resources to applicants on how to consider equity in project nominations. The Commission held nine public workshops to solicit input to inform the third cycle program guidelines and hosted 24 virtual office hour sessions for potential applicants.

Projects Funded

2021-22 Allocations

- \$1.8 billion in total:
 - Cycle 1 projects: \$1.3 billion
 - Cycle 2 projects: \$540 million

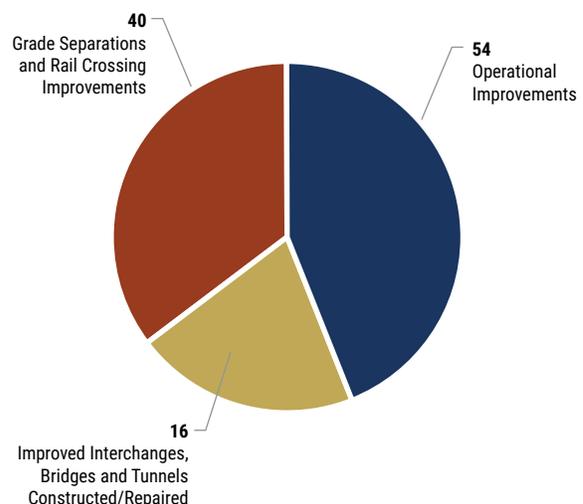
Outputs

- 40 Grade separations and rail crossing improvements
- 16 Improved interchanges, bridges, and tunnels construction
- 54 Operational Improvements

All Program Cycles

- \$2.8 billion programmed to 56 projects

**Project Outputs by Type
(FY 2021-22)**



Transit and Intercity Rail Capital Program

California's transit systems deliver transportation services to the public through buses, light rail, heavy rail, commuter rail, ferry service, and other means. Transit serves a critical role in the state's transportation network by enabling subsidized access to transportation services for individuals unable to own or ride in a privately owned vehicle. Transit also can move large numbers of people more efficiently than passenger vehicles, which can help alleviate congestion on the state's highways and roads as well as reduce greenhouse gas emissions.

The Transit and Intercity Rail Capital Program funds capital improvements that modernize California's intercity rail, commuter rail, urban rail, and bus and ferry transit systems to reduce greenhouse gas emissions, vehicle miles traveled, and congestion. Under the program's statute, the California State Transportation Agency is responsible for selecting the projects for this program. After projects are selected, the Commission allocates funds to projects when ready to be implemented and monitors project delivery milestones.

The Monterey Bay Operational and Maintenance Facility/Salinas Transit Service Project and Electric Blue: Electrification of City of Santa Monica's Big Blue Bus Project are two examples of projects funded from the Transit and Intercity Rail Capital Program.

The Monterey Bay Operational and Maintenance Facility/Salinas Transit Service Project includes the renovation and expansion of the 37-year-old Monterey maintenance facility to accommodate bus fleets overnight and reduce deadhead trips, resulting in operational cost savings. Cost savings have been redirected to provide more frequent transit service, increase access within disadvantaged communities, and enhance connectivity to intercity rail and bus services.

The Electric Blue: Electrification of City of Santa Monica's Big Blue Bus Project consists of the acquisition of ten 40-foot zero-emission battery electric buses for deployment on the new Express 7 route operating from downtown Los Angeles to downtown Santa Monica, providing a 20-minute express service on weekdays and reducing travel times.



Monterey Bay Operational and Maintenance Facility/Salinas Transit Service Project.



Electric Blue: Electrification of City of Santa Monica's Big Blue Bus Project.

Program Background

Types of Projects Funded

Improvements to modernize transit services by enhancing and improving intercity, commuter, and light rail; procuring rolling stock; expanding existing or building new transit facilities; rehabilitating transit facilities; and integrating networks amongst various transit operators.

Goals of the Program

Reduce greenhouse gas emissions, expand and improve transit service to increase ridership, integrate the state's various rail services, and improve transit safety.

How to Access Funds

The California State Transportation Agency selects projects through a competitive process. Public agencies, including joint powers agencies, that operate or have planning responsibility for existing or planned regularly scheduled intercity or commuter passenger rail

service, urban rail transit service, or bus or ferry transit service are eligible to apply.

Funding Available

Funding comes from 10 percent of Cap-and-Trade auction proceeds and 70 percent of Transportation Improvement Fees (paid by vehicle owners at registration). Each award cycle varies in available funds; the most recent cycle had \$800 million. For Fiscal Year 2022-23, the program received a \$3.6 billion augmentation, plus \$2 billion in 2023-24 and \$2 billion in 2024-25 from the General Fund.

Evaluation Criteria

Ability to reduce greenhouse gas emissions, increase ridership, integrate rail and transit service, implement safety improvements of the transit systems, reduce vehicle miles traveled, demonstrate alignment with state housing policies and goals, invest in clean air technology, and promote active transportation.

Projects Funded

2021-22 Allocations

- \$157 million for 41 components:
 - \$115 million for construction
 - \$42 million for pre-construction

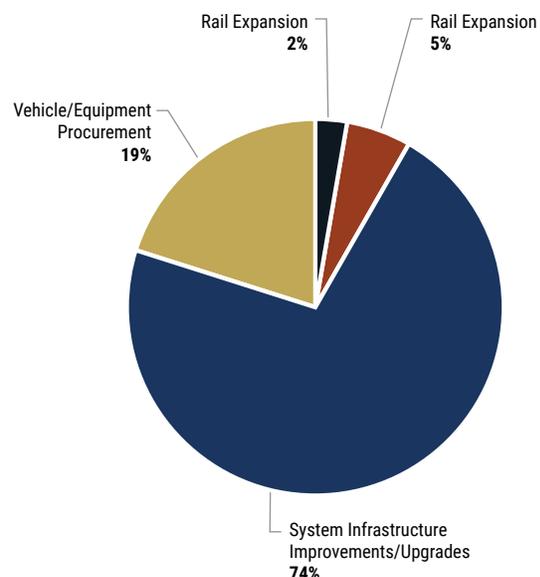
2021-22 Allocations by Commuter Type

- Commuter Rail - \$40 million
- Intercity Rail - \$44 million
- Urban Rail - \$68 million
- Transit - \$6 million

2021-22 Outputs

- \$116 million to implement system infrastructure improvements/upgrades
- \$30 million to procure vehicles/equipment
- \$8 million to expand rail
- \$3 million to implement new systems and supporting infrastructure

Project Allocations by Type (FY 2021-22)



Other Programs

Aeronautics Program. This program consists of: (1) an Annual Credits Program, which provides \$10,000 grants or “credits” to each of the state’s 149 general aviation airports for use at the sponsor’s discretion, subject to applicable laws and regulations; (2) Airport Improvement Program Matching Grants, which assist airports in meeting the local match for an Airport Improvement Program grant from the Federal Aviation Administration; and (3) Acquisition and Development Grants, which fund capital improvement projects, including repair or replacement, and expenditures for compatible land use planning in the area surrounding an airport. In FY 2021-22, the Annual Credits Program was fully funded at \$1.5 million, and the Commission allocated \$2.5 million for Airport Improvement Program Matching Grants (to be used in FY 2022-23) from available funds. No funding was available for the Commission to allocate for Acquisition and Development Grants, for which there are currently 10 projects programmed totaling \$2.2 million. A list of the 10 unallocated projects is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2022/2022-08/32-3-5.pdf>

Enhanced Mobility of Seniors and Individuals with Disabilities Program. This is a federal grant program for the purchase of transit capital equipment to meet the specialized needs of elderly and disabled people for whom mass transportation services are unavailable, insufficient, or inappropriate. The Commission adopted the 2021 Federal Transit Administration Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program – Small Urbanized and Rural Areas Component in June 2022. A complete list of projects for the 2021 Program is available at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2022/2022-06/18-4-13-a11y.pdf>

Environmental Enhancement and Mitigation Program. This program funds environmental projects directly or indirectly related to transportation projects. Any local, state or federal agency, or nonprofit entity is eligible to participate in the program. The Commission is required to allocate funds to projects recommended by the California Natural Resources Agency. Due to impacts related to the COVID-19 pandemic, the Natural Resources Agency combined the 2020 and 2021 grant cycles into one program. The Commission approved the combined program in January of 2022, programming the 18 projects included on the Projects Recommended for Funding list totaling \$12 million. A complete list of projects is available at: <https://catc.ca.gov/programs/environmental-enhancement-mitigation>

Local Transportation Infrastructure Climate Adaptation Program. Created by Senate Bill 198 (Chapter 71, Committee on Budget and Fiscal Review, 2022), this new program will provide funding to local agencies for the development and implementation of transportation infrastructure projects that are intended to adapt to the changing climate. Funding for the program is a one-time infusion of funds from the General Fund and a new federal program, Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (also known as PROTECT). Commission staff began holding workshops for the development of the guidelines in October. An initial program adoption is anticipated for June 2023.

Local Assistance Program. This program is made up of various Federal and State programs specifically designed to assist the transportation needs of local agencies. The Commission allocates these funds to Caltrans to then sub-allocate to local agencies. Caltrans is required to update the Commission quarterly about the status of state and federal local assistance allocations. In Federal Fiscal Year 2020-2021 the Commission allocated \$2 billion to Caltrans for sub-allocation to local agencies. Based on projected funding levels, the Commission expects to allocate \$2.6 billion in Federal Fiscal Year 2021-2022. Figure 5 includes detail on the federal and state allocations by program for each year.

Figure 5 Local Assistance Allocations by Program

As of June 30, 2022 (Dollars in Millions)

Federal	2020-21	2021-22
Surface Transportation Block Grant Program	\$539	\$621
Congestion Mitigation and Air Quality Improvement Program	564	515
National Highway Performance Program (Bridge) and Off-System Bridge	331	326
Discretionary and Special Programs	179	353
Highway Safety Improvement Program	59	110
Highway Infrastructure Program	158	105
Community Development/Congressionally Directed Spending Program	-	92
Carbon Reduction Program	-	63
PROTECT Program	-	45
Railroad Grade Crossing Protection	17	17
Safe Routes to School Program	3	-
Federal Total	\$1,850	\$2,247
Coronavirus Response and Relief Supplemental Appropriation Act	\$0	\$182
State	2020-21	2021-22
Surface Transportation Block Grant Program State Match and Exchange	\$65	\$64
Senate Bill 137 Exchange – Highway Safety Improvement Program	40	60
Freeway Service Patrol	25	25
Freeway Service Patrol - Senate Bill 1	25	25
Railroad Grade Separations	15	15
Miscellaneous Unassigned Local Programs	3	3
Bridge Inspection	1	1
Railroad Grade Crossing Maintenance	4	-
State Total	\$178	\$193
Grand Total	\$2,028	\$2,622

PROTECT = Promoting Resilient Operations for Transformative, Efficient, and Cost Saving Transportation
Numbers may not add due to rounding.

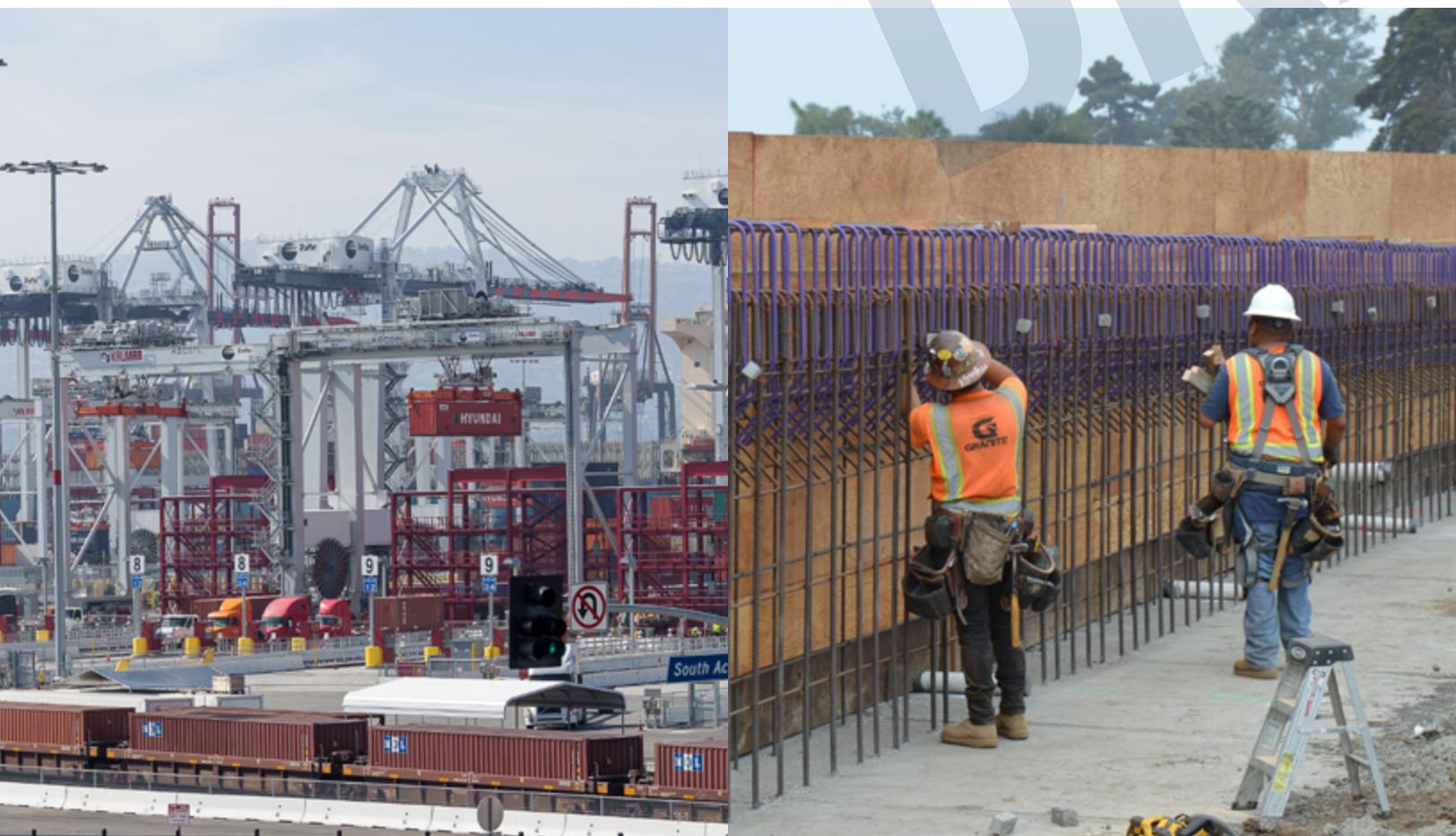
Proposition 1A. Also known as The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, this measure created nearly \$10 billion in state general obligation bond funding to be paid off over 30 years. Of that amount, \$9 billion was directed toward the high-speed rail project connecting San Francisco and Los Angeles. The Commission is responsible for programming and allocating the remaining \$1 billion in bond proceeds to intercity rail lines, commuter rail lines, and urban rail systems that provide direct connectivity to the high-speed train system, or that provide capacity enhancements and safety improvements. Since the program's inception, the Commission has allocated in total more than \$880 million for Proposition 1A projects. Approximately \$50 million in Proposition 1A funds remains unallocated. Commission staff continues to work with Caltrans to allocate the remaining balance and closeout the program.

Proposition 1B. Also known as The Highway Safety, Traffic Reduction, Air Quality, and Port Security Act of 2006, this measure authorized the issuance of \$19.9 billion in state general obligation bonds. Proposition 1B requires the Commission to program and allocate approximately \$12.4 billion of that funding to specific transportation programs intended to relieve congestion, facilitate goods movement, improve air quality, and enhance the safety of the state's transportation system. As of the end of FY 2021-22, the Commission has allocated \$12.2 billion of the \$12.4 billion in bond funds programmed under its purview. Most Proposition 1B projects have either been constructed or are nearing completion. To better administer the program, the Commission developed and implemented an accountability plan, which required bond fund recipients to report to the Commission quarterly, and the Commission to submit semiannual reports to the Department of Finance to document whether projects are proceeding on schedule and within their estimated cost. In 2020, the Commission changed bond recipient reporting from quarterly to semiannually. The quarterly and semiannual reports and the list of projects funded are available on the Commission website at: <https://catc.ca.gov/programs/proposition-1b-highway-safety-traffic-reduction-air-quality-and-port-security-bond-act-2006>

Proposition 116. This measure enacted the Clean Air and Transportation Improvement Act of 1990 and designated nearly \$2 billion toward specific projects primarily for passenger rail capital projects. In 2016, Assembly Bill 2620 (Chapter 763, Dababneh) authorized the Commission to re-program any funds not expended or encumbered by July 1, 2020, to other existing passenger rail projects with existing rail service. On July 1, 2020, \$9.5 million was identified as available for re-programming. In June 2021, the Commission approved a close-out policy for the Proposition 116 Program and programmed the remaining available funds of \$9.5 million to the Stockton Regional Maintenance Facility Expansion project in San Joaquin County. The Commission has successfully programmed and allocated all available Proposition 116 funds since the program's inception.

Seismic Safety Retrofit Program. This program was established by the Legislature following the 1989 Loma Prieta earthquake to improve the safety of bridges on the state highway system and the local streets and roads network. The State Highway System Component totaled \$12 billion and seismically retrofitted a total of 2,199 bridges. As of February 2019, the State Highway System Component has been completed. In 2006, the Local Streets and Roads Component, which originally consisted of 1,235 bridges, received \$125 million from Proposition 1B to retrofit the remaining 479 local bridges in the program. As of June 2022, \$79 million has been suballocated. Of the 1,235 bridges in the program, 1,185 bridges have been completed and 50 bridges have not been completed. Of the 50 incomplete bridges, 20 bridges are in construction and 30 bridges have yet to move into construction.

Short-Line Railroad Improvement Program. This program funds short-line railroad infrastructure projects intended to improve freight mobility, increase volume thresholds, and support modern rail freight traffic throughout California. The program was funded by a one-time appropriation with savings from Proposition 1B through Senate Bill 87 (Committee on Budget and Fiscal Review, Chapter 32, 2019). In Fiscal Year 2021-22, a total of \$5.2 million was allocated to seven projects and the program was amended to split one of the funded projects to two. Collectively, the projects rehabilitate aging rail and rail bridges to modern standards and construct new rail spurs and rail track. The projects entail a variety of benefits including increasing goods movement, reducing congestion, reducing truck miles traveled, providing safety and operational improvements, and reducing greenhouse gas emissions. The list of projects funded is available at: <https://catc.ca.gov/programs/short-line-railroad-improvement-program>



PLANNING



The Commission provides direction on the development of Caltrans' statutorily required long-range planning documents. These include the California Transportation Plan, which provides a vision for the State's transportation future, as well as several statewide plans that are intended to advance the goals and objectives of the California Transportation Plan. These plans, also known as the State's modal plans, include:

- The California Aviation System Management Plan
- The California Freight Mobility Plan
- The California State Rail Plan
- The Interregional Transportation Strategic Plan
- The State Bicycle and Pedestrian Plan

The California Transportation Plan and the modal plans are subject to various federal and state statutory requirements. While the plans are on different update cycles, they are required to be updated every four to five years depending on the plan.

In 2022, the Commission received updates from Caltrans on the Interregional Transportation Strategic Plan and the State Bicycle and Pedestrian Plan.

Interregional Transportation Strategic Plan

The Interregional Transportation Strategic Plan is a long-range planning document that communicates the vision for investing in California's interregional transportation system to support the interregional movement of people and goods. The Interregional Transportation Strategic Plan provides a framework that guides project selection for the Interregional Transportation Improvement Program, which is a component of the State Transportation Improvement Program. Caltrans presented the final 2021 Interregional Transportation Strategic Plan to the Commission on October 13, 2021 and began work in coordination with Commission staff to, by December 31, 2022: (1) provide an assessment of system needs in strategic interregional corridors identified in the Interregional Transportation Strategic Plan; and (2) report to the Commission on progress made toward expanding this assessment to include all state highways that are specified in California Streets and Highways Code Sections 164.10 through 164.20, consistent with the 2022 State Transportation Improvement Program Guidelines.

In response, Caltrans prepared the 2022 Interregional Strategic Plan Addendum. On August 5, 2022, Caltrans released the draft Addendum for public comment. At the August 17-18 Commission meeting, the Commission heard a presentation on the draft Addendum and voted to delegate the authority to Commission staff to submit comments. The Commission's comment letter is available at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2022/2022-10/22-4-8-a11y>.

The final Addendum was released on December 30, 2022, and is available at <https://dot.ca.gov/programs/transportation-planning/division-of-transportation-planning/multi-modal-system-planning>. Caltrans is expected to report to the Commission annually on the progress made toward expanding the assessment of system needs to include all state highways that are specified in California Streets and Highways Code Sections 164.10 through 164.20.x

State Bicycle and Pedestrian Plan

California's first State Bicycle and Pedestrian Plan was released by Caltrans in 2017 under the title *Toward an Active California*. At the December 7-8 Commission meeting, Caltrans presented a progress report on State Bicycle and Pedestrian Plan implementation. The State Bicycle and Pedestrian Plan draft progress report also highlights current active transportation efforts at Caltrans, other state agencies, regional and local transportation agencies, and other partners. The final progress report will incorporate feedback received during the public comment period and is expected to be released in early 2023.

Planning Guidelines

In addition to providing direction on the development of Caltrans' long-range planning documents, the Commission also maintains guidelines for the development of transportation plans, including the California Transportation Plan, Regional Transportation Plans, and Comprehensive Multimodal Corridor Plans. In October 2022, the Commission initiated the update of the California Transportation Plan Guidelines

and the Regional Transportation Plan Guidelines in partnership with Caltrans. At the October 12-13 Commission meeting, staff presented the schedule, scope, and engagement activities for the guideline updates. The updated guidelines will incorporate new federal and state legislation; add reference to new reports, plans, and best practices; and integrate feedback from partners. The California Transportation Plan Guidelines are expected to be adopted by the Commission in Spring 2023, and the Regional Transportation Plan Guidelines are expected to be adopted in December 2023. The update of the Comprehensive Multimodal Corridor Plan Guidelines is anticipated to be initiated in 2023.

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FINANCING



Road Charge

Senate Bill 1077 (DeSaulnier, Chapter 835, 2014) tasked the Chair of the Commission, in consultation with the California State Transportation Agency, to convene a 15-member Road Charge Technical Advisory Committee to study road usage charge alternatives to the gas tax, make recommendations to the Secretary of the Transportation Agency on the design of a pilot program, and recommend criteria to be used to evaluate the pilot program. In 2015, the Chair of the Commission established the Technical Advisory Committee, which includes membership that represents technical and public interest areas. The pilot program called for under Senate Bill 1077 concluded in 2017, having enrolled 5,000 vehicles to test a variety of mileage tracking methods while using mock invoices and payments.

More recently, the need for a road charge has been heightened due to the issuance of Executive Order N-79-20, in September 2020, which requires a complete transition for new passenger vehicle sales to a fully zero-emission vehicle market by 2035. Since the timeline for zero-emissions vehicle adoption will likely accelerate over the next fifteen years as result, there is even more of a need to move toward a different way of collecting transportation taxes that are not based on traditional fuel taxes.

Recognizing this need, in 2021, the Legislature passed, and the Governor signed into law, Senate Bill 339 (Wiener, Chapter 308, 2021), which implements a legislative recommendation from the Commission's 2020 Annual Report to authorize a new road charge pilot program to test revenue collection. Under the legislation, the California State Transportation Agency, in consultation with the Commission, must implement the pilot program and submit a final report to the Legislature by December 31, 2026. The legislation also requires the Technical Advisory Committee to make recommendations on the design of the pilot program by July 1, 2023. At its October 29, 2021 meeting, the Technical Advisory Committee heard an informational item from Commission staff outlining an implementation timeline and next steps for the committee.

In 2022, Commission staff developed draft pilot design recommendations after research into the topics of the responsibilities of Commercial Account Managers and a State Administrator Manager, along with payment methods, the revenue collection process, pilot participants, and privacy and security. Commission staff also conducted interviews with Caltrans, the California Department of Tax and Fee Administration, the Department of Motor Vehicles, and the State Controller's Office. At the July and September Technical Advisory Committee meetings, Commission staff presented the draft pilot design recommendations and are in the process of incorporating feedback received.

GARVEE Bond Financing

Federal Grant Anticipation Revenue Vehicle (GARVEE) bonds may be used to finance projects in the State Transportation Improvement Program and the State Highway Operation and Protection Program. GARVEE bonds are tax-exempt anticipation notes backed by annual federal appropriations for federal aid transportation projects. They generally are used to finance large projects that would otherwise be unaffordable with available funding. Although this allows strategic projects to be delivered earlier than otherwise, the debt service limits future flexibility. The Commission has approved the issuance of GARVEE notes twice: once for State Transportation Improvement Program projects in 2004 and once for State Highway Operation and Protection Program projects in 2008. Both bonds have been repaid and all projects funded with the bond proceeds have been completed.

Government Code Section 14553.10 requires the Commission report, on or before October 1 each year, to the Governor, the Chairs of the Senate and Assembly Transportation Committees, the Department of Finance, and the Legislative Analyst on the amount of GARVEE bonds the Commission intends to issue for the subsequent fiscal year. In October 2022, the Commission notified these parties that it did not anticipate requesting issuance of GARVEE bonds in Fiscal Year 2023-24, which was based on an assessment of funding levels available for the two programs, as identified in the 2022 Fund Estimate adopted by the Commission on August 18, 2021. In its notification, the Commission also reported that neither the California Department of Transportation nor regional transportation agencies had requested the issuance of GARVEE bonds in the upcoming fiscal year to deliver their programs.

Toll Facilities

Assembly Bill 194 (Frazier, Chapter 687, 2015), authorizes the Commission to approve tolling of transportation facilities in California. Under this legislation, regional transportation agencies or Caltrans may apply to the Commission to develop and operate high-occupancy toll lanes or other toll facilities, including a value pricing program and exclusive or preferential lane facilities for public transit or freight. The legislation includes specific eligibility criteria for approving a facility, including that the facility will improve the corridor's performance such as increasing passenger throughput or reducing delays for freight shipments and travelers. The Commission also has established additional required information for applicants to submit in its Toll Facility Guidelines.

The Commission has received and approved three tolling applications under this legislation. Assembly Bill 194 requires the Commission to summarize the progress of the development and operation of the toll facilities it approves in its Annual Report to the Legislature, in cooperation with the Legislative Analyst's Office. Approved facilities and their progress are as follows:

Interstate 405 High-Occupancy Toll Facility in Orange County

In May 2016, the Commission approved an application from the Orange County Transportation Authority to develop and operate a high-occupancy toll facility on Interstate 405 between State Route 73 and Interstate 605 in Orange County. The Orange County Transportation Authority reports that the following additional milestones were accomplished as of the end of FY 2021-22:

- Approaching 80% completion of design-build project from time and earned value perspective
- Completion of nine bridge replacements with all remaining bridges under construction
- Approaching 90% completion of necessary walls, 80% completion of ramp reconstruction, 70% completion of paving operations, and 70% of utility relocations
- Completion of initial planning documentation for in-lane tolling systems
- Execution of agreement for back-office system and customer service center operations
- Execution of lease for customer service center
- Nearing completion on construction activities related to traffic operations center
- In July 2017, the Orange County Transportation Authority executed a Transportation Infrastructure Finance and Innovation Act loan agreement with the US Department of Transportation's Build America Bureau for up to approximately \$629 million. In October 2020, Orange County Transportation Authority staff received Board approval to pursue a reset of the interest rate on the loan. After approximately one year of working with the Bureau, the Orange County Transportation Authority successfully executed a

new loan agreement with the Bureau on September 9, 2021, establishing it as the first agency to close a rate reset loan for a Transportation Infrastructure Finance and Innovation Act loan that had been drawn upon. As part of the new loan, the interest rate was reset from 2.91 percent to 1.95 percent. The lower interest rate will result in a net present value savings of approximately \$158 million.

San Mateo County U.S. 101 Express Lanes Project

In August 2019, the Commission approved an application from the San Mateo County Express Lanes Joint Powers Authority, a joint venture between the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority, to develop and operate a 22-mile high-occupancy toll facility on U.S. 101 in San Mateo County between the Santa Clara County line to the south and Interstate 380 to the north. The San Mateo County Express Lanes Joint Powers Authority reports that the following milestones were accomplished in FY 2021-22:

- In February 2022, the Southern project segment, stretching from Whipple Avenue in Redwood City to the San Mateo-Santa Clara County line, officially opened to the public, with operations of lanes contracted to the Bay Area Infrastructure Financing Authority.
- Civil contract portion of the northern project segment, running from Whipple Avenue to Interstate 380, is largely complete, as is installation of tolling equipment.
- Testing of the equipment for the northern segment expected to begin in winter 2022-23, to be completed by early 2023 when the full corridor is expected to open.
- Launched first-in-the-country express lanes-funded choice-based equity program, known as the US 101 Express Lanes Community Transportation Benefits Program, with some revenues collected from the tolls funding a \$100 credit on a FasTrak toll transponder or a Clipper Card for eligible community members

Interstate 105 High Occupancy Toll Facility in Los Angeles County

In October 2019, the Commission approved an application from the Los Angeles County Metropolitan Transportation Authority to develop and operate a high-occupancy toll facility along Interstate 105 between Interstate 405 and Interstate 605. The Los Angeles County Metropolitan Transportation Authority reports that the following milestones were accomplished in FY 2021-22:

- July 2021: Began Plans, Specifications & Estimates phase for project Segment 1 (Interstate 405 to Interstate 110)
- November 2021: Began procurement for Roadside Toll Collection System contractor
- December 2021: Began procurement for Program Management Support Services contractor
- January 2022: Began procurement for Construction Manager/General Contractor
- June 2022: Began Plans, Specifications & Estimates phase for project segments 2 and 3 (Interstate 110 to Studebaker Road)

California Transportation Financing Authority

Assembly Bill 798 (Nava, Chapter 474, 2009) created the California Transportation Financing Authority (Financing Authority). Assembly Bill 798 provides that a project sponsor, as defined in Government Code section 64102(g), may apply to the Financing Authority for bond financing or refinancing of a transportation project that Caltrans and the Commission have approved for construction. The Financing Authority and the Commission are required to develop an approval process that results in project approval by the Commission and financing approval by the Financing Authority in a cooperative manner that is not sequential, so that both approvals may be delivered to a project at approximately the same time.

Beginning in June 2011, and annually thereafter, the Financing Authority is required to present to the Commission a summary of actions taken in the previous calendar year, including the number of project sponsors that sought financing through the Financing Authority, a description of each project, a summary of the sources of funding used to finance or refinance the project, and any recommendations the Financing Authority may have to improve the financing of transportation infrastructure. This information is to be included in the Commission's Annual Report to the Legislature. Since enactment of this legislation, the Financing Authority has not received a formal request to finance or refinance a project.

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PROJECT DELIVERY



Advance Mitigation

Advance mitigation for transportation projects can address potential future environmental compensatory mitigation needs in a way that provides better ecological, economic, and overall project delivery outcomes. Senate Bill 1, The Road Repair and Accountability Act of 2017, required that commencing with fiscal year 2017-18, and over a four-year period, a total of \$30 million dollars would be set aside each year. This set aside would provide Caltrans a total of \$120 million dollars to conduct an Advance Mitigation Program, with the intent for it to become self-sustaining.

California Streets and Highways Code section 800.7 requires Caltrans to submit an annual report on the program to the Commission. These reports are intended to provide the Commission with information on the financial activity in the Advance Mitigation Account, the transportation projects that have purchased mitigation credits from the Advance Mitigation Program, and the amount, type and location of mitigation credits that the Advance Mitigation Program has made available to transportation projects. Caltrans staff has also provided an update each year at a Commission meeting.

In Fiscal Year 2021-22, the Advance Mitigation Program entered a new phase in its development, in which the emphasis is shifting away from planning and more on advance mitigation project delivery. Regional Advance Mitigation Needs Assessment documents were completed for nine Caltrans districts (with two more anticipated to be completed during the 2nd Quarter of Fiscal Year 2022-23), allowing for the nomination and scoping of advance mitigation projects statewide. In addition to projects in Districts 8 and 6 being funded from the Advance Mitigation Account, project initiation proposals for advance mitigation projects in Districts 1 and 5 are being advanced toward funding

approval. Planning outreach efforts to the districts, to assess planning resource needs for Fiscal Year 2022-23, identified as many as fifteen additional advance mitigation projects to be nominated and funded, and it is anticipated that nearly the entirety of the Advance Mitigation Account will be encumbered by the end of Fiscal Year 2022-23.

Design-Build

Design-build is a project delivery system used in the construction industry in which the design and construction services are contracted by a single entity. Assembly Bill 401 (Daly, Chapter 586, 2013) superseded prior design-build legislation, Senate Bill X2-4 (Cogdill, Chapter 2, 2009), to provide Caltrans and local transportation entities the authority to use the design-build project delivery method. Assembly Bill 401 authorized 10 design-build projects for Caltrans over a 10-year period from 2014 to 2024 and granted unlimited design-build authority on projects on the State Highway System sponsored by local transportation entities. Assembly Bill 1499 (Daly, Chapter 212, 2021) extended the 10-year period authorization period for Caltrans through 2034 and also requires Caltrans to submit a report to the Legislature on or before January 1, 2033, on its experience with the use of the design-build method of procurement, including relative costs and time to complete projects.

As of July 2022, Caltrans has six projects in its design-build program authorized by Assembly Bill 401. These six projects are listed in Figure 6. Local transportation agencies have also continued to utilize their unlimited design-build authority to deliver projects on the State Highway System.

Figure 6 - Design-Build Projects Authorized Under Assembly Bill 401

Project	Scope	Construction Cost* (in millions)	Status
US 50 Multimodal Corridor Enhancement and Rehabilitation Project	Construct HOV lanes and rehabilitate US 50 in Sacramento	\$388	In construction
Riv-10 Pavement Rehabilitation	Pavement rehabilitation	\$188	In construction
I-405 Improvement Project	Pavement rehabilitation and operational improvements	\$164	In procurement
District 4 Replace Traffic Management System Devices	Replace traffic management system devices throughout District 4	\$40	Approved by Steering Committee. Request For Quote release target is Spring 2023
Construct/Upgrade Pedestrian Facilities (Americans with Disabilities Act Compliance)	Improve pedestrian accessibility and Americans with Disabilities Act compliance at various locations	\$24	In construction
District 8 Maintenance Building	Maintenance building	\$22	In construction

*Construction cost for projects in construction are the awarded amount to Design-Build contractor.

Construction Manager General Contractor

The Construction Manager General Contractor contracting method is a two-step process in which an agency enters into a pre-construction services agreement with a contractor but remains the engineer of record and utilizes the contractor as a construction manager during the design process to leverage the contractor's construction expertise, means, and methods to optimize project cost and schedule. The incorporation of the construction manager on the project delivery team, especially during constructability reviews, is a tool for identifying and mitigating project risks prior to entering the construction phase of a project. At a mutually agreed point in the design phase, the agency and the construction manager negotiate the price to construct the project, and an independent estimating team confirms this price is reasonable. After an agreement has been reached, the two parties enter into a construction agreement, the construction contract is awarded, and the construction manager becomes the general contractor for the project. If they cannot reach agreement on the price, the Construction Manager General Contractor is relieved of their duties and the standard design-bid-build contracting process commences.

Assembly Bill 2498 (Gordon, Chapter 752, 2012) authorized Caltrans to use the Construction Manager General Contractor project delivery tool for six projects as a pilot program, and the Commission subsequently incorporated provisions specific to the contracting method in its program guidelines. As of July 2022, all six projects authorized as a pilot program under the Assembly Bill 2498 legislation have either been completed or are currently in construction. The status of these projects is outlined in Figure 7.

Figure 7 - Construction Manager General Contractor Projects Authorized Under Assembly Bill 2498

Project	Scope	Construction Cost* (in millions)	Status
Interstate 5 North Coast Corridor	HOV lanes and rail	\$753	Construction (Work Packages)
Mariposa State Route 140 - Ferguson Slide Restoration	Slide restoration	\$269	Construction (Work Packages)
Bay Bridge Demolition	Bridge demolition	\$186	Complete
State Route 58 Kramer Junction Widening and Realignment	Widening and realignment	\$182	Complete
Fresno State Route 99 Realignment	Realign State Route 99 to accommodate high-speed rail	\$162	Complete
Interstate 215 at Barton Road Interchange Reconstruction	Interchange reconstruction	\$49	Complete

*Construction cost for completed projects is the final construction amount paid to the contractor. For projects still in construction, construction cost is an estimate to complete construction.

More recent legislation expanded Caltrans' authority for Construction Manager General Contractor project delivery. Assembly Bill 2126 (Mullin, Chapter 750, 2016) authorized Caltrans to use Construction Manager General Contractor on up to six additional projects, and Assembly Bill 115 (Committee on Budget, Chapter 20, 2017) authorized Caltrans to use the project delivery method on up to ten additional projects. Senate Bill 1262 (Beall, Chapter 465, 2018) removed the limit on the number of authorized Construction Manager General Contractor projects for Caltrans, while also requiring interim and final reports that comprehensively assess the effectiveness of the project delivery method relative to project cost and time savings. Projects authorized under Assembly Bill 2126, Assembly Bill 115, and Senate Bill 1262 are listed in Figure 8.

Figure 8 - Construction Manager General Contractor Projects Authorized Under Assembly Bill 2126, Assembly Bill 115, and Senate Bill 1262

Project	Scope	Construction Cost* (in millions)	Status
Santa Barbara US 101 High Occupancy Vehicle Lanes	High Occupancy Vehicle lanes	\$706	Construction (Work Packages)
State Route 101 Managed Lanes	High Occupancy Toll lanes	\$424	Construction
San Luis Obispo State Route 46 Corridor Improvements	Construct a 4-lane divided expressway	\$293	Construction (Work Packages)
Fresno 99 Rehabilitation	State Route 99 Rehabilitation from El Dorado Street to Clinton Avenue Project	\$257	Pre-Construction
Sacramento State Route 99 Cosumnes River Bridges	Replacement and rehabilitation of bridges	\$163	Construction
Sacramento State Route 99 Cosumnes River Bridges	Replacement and rehabilitation of bridges	\$163	Construction
Westbound Interstate 80 Cordelia Truck Scales	Replace the existing Cordelia Commercial Vehicle Enforcement Facility	\$155	Pre-Construction
Sacramento State Route 51 American River Bridge Rehab	Replace bridge deck	\$138	Construction (Work Packages)
Sacramento River Bridge Deck Replacement and Dunsmuir Gap	Rehabilitate Sacramento River Bridge and Overhead and rehabilitate pavement on Northbound Interstate 5	\$131	Pre-Construction
Alameda Interstate 80 University Avenue	Increase vertical clearance	\$103	Pre-Construction
Yuba State Route 70 Binney Junction Roadway Rehabilitation and Complete Streets	Roadway rehabilitation and operational improvements	\$101	Pre-Construction

Figure 8 - Construction Manager General Contractor Projects Authorized Under Assembly Bill 2126, Assembly Bill 115, and Senate Bill 1262 (Cont.)

Project	Scope	Construction Cost* (in millions)	Status
San Diego Interstate 5 State Highway Operation and Protection Program Asset Management	Roadway rehabilitation and corridor improvements	\$81	Pre-Construction
San Dieguito Lagoon Restoration	Restore wetlands of adjacent San Dieguito Lagoon	\$74	Construction
Yreka Rehabilitation	Pavement rehabilitation and accessibility improvements	\$72	Construction
Interstate 80/Interstate 680/State Route 12 Interchange Package 2A	Interchange connection	\$67	Construction
Nevada Interstate 80 Acid Flat Bridge Replacement	Replace bridge	\$59	Pre-Construction
Ventura State Route 1 Slope Restoration	Permanent slope restoration	\$52	Construction
Interstate 405 Active Transportation Management and Integrated Corridor Management	Rehabilitate and upgrade transportation management systems	\$30	Pre-Construction
Los Angeles Interstate 210 Hinge Replacement	Reconstruct hinge diaphragms	\$20	Construction
Scofield Retrofit	Retrofit Scofield Ave undercrossing	\$18	Construction
Saratoga Creek Bridge Rehabilitation	Bridge rehabilitation	\$16	Pre-Construction
Los Angeles Interstate 405 San Gabriel River Bridge Scour Mitigation	Bridge scour mitigation	\$16	Pre-Construction

*Construction cost for completed projects is the final construction amount paid to the contractor. For all other projects listed, the cost is an estimate at this point in time for the respective phase of project delivery.

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APPENDIX

Solutions for Congested Corridors Project Status

#	Project Segment	Programmed (\$000s)	Allocation (Date)	Allocated (\$000s)	Expended (\$000s)	Milestones Completed (FY 2021-22)	Milestones Upcoming (FY 2022-23)
2018 PROGRAM (CYCLE 1)							
1	US 50 Multimodal Corridor Enhancement Project/US 50 HOV Lanes (I-5 to Watt Ave)	90,000	Mar-19	90,000	46,486		
2	Gold Line Light Rail Improvements - Construct track siding	20,300	Oct-21	20,300	0	Allocation and Begin Construction	
3	Franklin Boulevard Cycle Track Phase 1	200	Jun-19	200	0		End Construction
4	Sac 5 Corridor Enhancement Project	14,800	May-18	14,800	13,857		
5	Marin Sonoma Narrows Segment C2 - HOV Lanes Gap Closure	84,791	Mar-19	84,791	71,968		
6	US 101 Managed Lanes Project - Northern Segment - Express Lanes	125,190	Oct-19	125,190	116,351		End Construction
7	US 101 Managed Lanes project - Northern Segment - Tolling System Integration	0					
8	US 101 Managed Lanes project - Northern Segment - Landscaping	0					
9	US 101 Managed Lanes Project - Southern Segment	74,810	Dec-18	74,810	74,465		End Construction
10	Silicon Valley Express Lanes Program - Phase 3	33,200	Aug-18	33,200	33,200		End Construction
11	North Padaro Lane Coastal Access Improvements	1,770					Allocation
12	Summerland Area Coastal Access Improvements	8,320					Allocation
13	Santa Claus Lane Class I Bikeway	6,830					Allocation
14	Santa Claus Lane Streetscape, Coastal Access Parking and Railroad Crossing	7,040					Allocation
15	Santa Monica Road and Via Real Intersection Improvements	1,476	Aug-21	1,476		Allocation & Begin Construction	End Construction

#	Project Segment	Programmed (\$000s)	Allocation (Date)	Allocated (\$000s)	Expended (\$000s)	Milestones Completed (FY 2021-22)	Milestones Upcoming (FY 2022-23)
16	South Coast 101 HOV Lanes - Carpinteria (Segment 4A)	0					
17	South Coast 101 HOV-Padaro (Segment 4B)	63,310	May-21	63,310	19,632		
18	South Coast 101 HOV-Summerland (Segment 4C)	44,040	Oct-20	44,040	25,973		
19	Airport Metro Connector 96th Street Transit Station	150,000	Jun-20	150,000	0		
20	Redlands Passenger Rail Project	65,000	Oct-18	65,000	0		End Construction
21	I-5 North Coast Corridor HOV Extension - Phase 1 - Encinitas HOV	195,000	Aug-18	195,000	169,878		
22	I-5 North Coast Corridor HOV Extension - Phase 1 - Carlsbad HOV	0					
23	Orange County Central Corridor - Bravo! Main Street Rapid Bus	4,331	Jun-20	4,331	0		
24	Orange County Central Corridor - Traffic Light Synchronization - Warner Avenue	4,092	Jun-20	4,092	0		
25	Orange County Central Corridor Traffic Light Synchronization MacArthur Boulevard	2,951	Jun-20	2,951	0		
26	Orange County Central Corridor - Traffic Light Synchronization - Edinger Avenue	4,957	Jun-20	4,957	0		
27	Santa Clara Bicycle and Pedestrian Improvements	3,243	May-22	3,243	0	Allocation	Begin Construction
28	Route 53/553 (Bravo!Main St) - Bus Stop Improvements - Signage and Real Time Displays	230	Jun-21	230	0	Begin Construction	
29	Route 53/553 (Bravo!Main St) - Bus Stop Improvements - Shelters	114					Allocation
Cycle 1 Total		1,005,995		981,921	571,810		

#	Project Segment	Programmed (\$000s)	Allocation (Date)	Allocated (\$000s)	Expended (\$000s)	Milestones Completed (FY 2021-22)	Milestones Upcoming (FY 2022-23)
2020 PROGRAM (CYCLE 2)							
30	Train Control Modernization Program - Switch Machine Cabling BART Labor	41,800	Dec-21	41,800	0	Allocation and Begin Construction	
31	Train Control Modernization Program - Switch Machine Cabling Procurement of Non-Revenue Equipment	3,350	Dec-21	3,350	0	Allocation and Begin Construction	
32	Train Control Modernization Program - Downtown Oakland Interlock Upgrade	14,850					Allocation
33	Train Control Modernization Program - Communications-based Train Control	0					
34	Soscol Junction Project	19,341	Jun-21	19,341	2	Allocation and Begin Construction	
35	West Valley Connector Bus Rapid Transit - Mainline Improvements	65,000					Allocation
36	West Valley Connector Bus Rapid Transit - Maintenance Facility	0					
37	West Valley Connector Bus Rapid Transit - Vehicle Acquisition	0					
38	Placer-Sacramento Gateway - Auburn Boulevard Ramp Meter	500	Oct-21	500	16	Allocation and Begin Construction	
39	Placer-Sacramento Gateway - Auburn Boulevard Complete Streets	2,860					Allocation
40	Placer-Sacramento Gateway - Dry Creek Greenway	6,239					Allocation
41	Placer-Sacramento Gateway - Watt Avenue Complete Streets	8,100					Allocation
42	Placer-Sacramento Gateway - Watt/I-80 Light Rail Station	7,937					Allocation

#	Project Segment	Programmed (\$000s)	Allocation (Date)	Allocated (\$000s)	Expended (\$000s)	Milestones Completed (FY 2021-22)	Milestones Upcoming (FY 2022-23)
43	Placer-Sacramento Gateway - Light Rail Modernization - Stations	2,942					Allocation
44	Placer-Sacramento Gateway - I-80 Transit Reliability	9,503	Jun-22	9,503	0	Allocation	Begin Construction
45	Placer-Sacramento Gateway - South Placer Transit - Five Electric Buses	4,705	May-22	4,705		Allocation and Begin Construction	
46	Placer-Sacramento Gateway - South Placer Transit - Five Chargers	1,295					Allocation
47	Placer-Sacramento Gateway - Light Rail Modernization - Light Rail Vehicles	22,994					Allocation
48	Marin Sonoma Narrows - Contract B7	40,118	Aug-21	40,118	103	Allocation and Begin Construction	
49	I-105 Express Lanes - Construction	150,000					Allocation
50	I-105 Express Lanes - Roadside Toll Collection System	0					
51	Watsonville - Santa Cruz Multimodal Corridor Program - 41st Avenue to Soquel Avenue Auxiliary Lanes	23,507	Jun-21	23,507	0		Begin Construction
52	Watsonville - Santa Cruz Multimodal Corridor Program - State Park to Bay/Porter Auxiliary Lanes	52,837					Allocation
53	Watsonville - Santa Cruz Multimodal Corridor Program - Soquel Drive Buffered Bike Lane and Congestion Mitigation Project	16,463					Allocation
Cycle 2 Total		494,341		142,824	121		
Program Total		1,500,336		1,124,745	571,931		

NOTE: The Congested Corridors Program only funds the construction phase of a project. Projects beginning construction normally take about 36 months to complete construction.

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2022

ANNUAL REPORT

TO THE CALIFORNIA LEGISLATURE

RECOMMENDATIONS & ACCOMPLISHMENTS

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