

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 21-22, 2018

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Action

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Subject: **ADOPTION OF THE 2018 STATE HIGHWAY OPERATION AND PROTECTION PROGRAM**
RESOLUTION G-18-13

ISSUE:

Should the California Transportation Commission (Commission), after considering the 1) funding priorities established in Section 167 of the Streets and Highways Code, 2) level of annual funding needed to implement the SHOPP, and 3) impact of the SHOPP expenditures on the State Transportation Improvement Program (STIP) find that the Proposed 2018 SHOPP is adequate overall and consistent with the Transportation Asset Management Plan prepared and approved pursuant to Government Code section 14526.4 and adopt the 2018 SHOPP?

RECOMMENDATION:

Commission staff recommends that the Commission, upon considering the funding priorities established in Section 167 of the Streets and Highways Code, the level of annual funding needed to implement the program, the impact of the proposed SHOPP expenditures on the state transportation improvement program, find that the 2018 SHOPP is adequate and consistent with the Transportation Asset Management Plan and adopt the 2018 SHOPP.

BACKGROUND:

The Commission set the annual level of SHOPP funding and evaluated the impact of SHOPP expenditures on the STIP when the Commission adopted the 2017 STIP Fund Estimate. Government Code section 14526.5, requires the Commission to review the SHOPP relative to its overall adequacy and consistency with the Transportation Asset Management Plan (TAMP) and to hold at least one hearing in Northern California and one hearing in Southern California. After a finding that the SHOPP is consistent with the TAMP, the Commission shall adopt the SHOPP and submit it to the Legislature and the Governor not later than April 1 of each even-numbered year. The Commission may decline to adopt the SHOPP if it determines that it is not sufficiently consistent with the TAMP.

The 2018 SHOPP is a four-year program of projects including reservations necessary to preserve and protect the state highway system. Projects included in the 2018 SHOPP are informed and guided by the performance targets set forth in the Road Repair and Accountability Act (Senate Bill 1 (SB-1), Beall, 2017), Commission adopted SHOPP and TAMP Guidelines and the Department prepared and Commission approved the TAMP. The Commission approved TAMP enumerates the performance measures and targets for the primary and supplementary asset classes adopted by the Commission. The ten year targets for the four primary asset classes are:

- Pavement - not less than 98 percent of pavement in good or fair condition,
- Bridges – not less than 98.5 percent of bridge deck area in good or fair condition and fix not less than an additional 500 bridges,
- Culverts - not less than 90 percent of culverts in good or fair condition, and
- Transportation Management System (TMS) elements - not less than 90 percent of the TMS units in good condition.

The 2018 SHOPP will invest approximately \$9.70 billion of the available \$17.96 billion for improving the condition of the four primary asset classes. At this investment level, the Department anticipates the 2018 SHOPP investments will achieve the following performance outcomes by June 30, 2022:

- 98% of Class 1 pavement will be in good or fair condition,
- 97.1% of Class 2 pavement will be in good or fair condition,
- 97% of Class 3 pavement will be in good or fair condition,
- 97.8% of all bridge deck area will be in good or fair condition,
- 87.9% of the culverts will be in good or fair condition, and
- 80.4% of the TMS units will be in good condition.

This 2018 SHOPP investment is necessary to achieve the ten year 2027 targets as required by the Commission and SB 1.

Attachment – Resolution G-18-13 Adoption of the 2018 State Highway Operation and Protection Program

CALIFORNIA TRANSPORTATION COMMISSION

Adoption of the 2018 State Highway Operation and Protection Program March 22, 2018

RESOLUTION G-18-13

- 1.1 WHEREAS, Government Code section 14526.5(a) requires the California Department of Transportation (Department) to prepare, based on the Transportation Asset Management Plan, a State Highway Operation and Protection Program (SHOPP) containing projects that are necessary to preserve and protect the state highway system; and
- 1.2 WHEREAS, pursuant to Government Code section 14526.4, the Department, in consultation with the California Transportation Commission (Commission), prepared a Transportation Asset Management Plan consistent with state and federal regulations to guide selection of projects for the SHOPP as required by Section 14526.5; and
- 1.3 WHEREAS, the Department's Transportation Asset Management Plan is a document assessing the health and condition of the state highway system with which the Department is able to determine the most effective way to apply the state's limited resources; and
- 1.4 WHEREAS, pursuant to Government Code section 14526.4, in connection with the Transportation Asset Management Plan, the Commission has adopted targets and performance measures reflecting state transportation goals and objectives; and
- 1.5 WHEREAS, Government Code section 14526.5(b) requires the SHOPP to include those projects for which construction is to begin within four fiscal years, starting July 1 of the year following the year the SHOPP is submitted; and
- 1.6 WHEREAS, Government Code sections 14526.5(c) and (d) require that each project in the SHOPP specifies the capital and support budget for each phase, the delivery date of each major component and performance matrices as determined by the Commission; and
- 1.7 WHEREAS, Government Code section 14526.5(d), requires the Department to submit the SHOPP to the Commission not later than January 31 of each even-numbered year, and prior to submitting the SHOPP to the Commission the Department shall make a draft of the SHOPP available to transportation planning agencies for review and comment and shall include the comments in its submittal to the Commission; and
- 1.8 WHEREAS, Government Code section 14526.5(e) requires the Commission to review the SHOPP relative to its overall adequacy and consistency with the Transportation Asset Management Plan and that the Commission may decline to adopt the SHOPP if the Commission determines that it is not sufficiently consistent with the Transportation Asset Management Plan; and

- 1.9 WHEREAS, the Department has provided, and the Commission has approved, asset class performance benchmarks based on the 2018 SHOPP investment level to measure progress towards meeting the ten year Transportation Asset Management Plan performance targets; and
- 1.10 WHEREAS, the performance benchmarks demonstrate the 2018 SHOPP investment and subsequent SHOPP investments are necessary to achieve the 2027 targets adopted by the Commission and as specified in SB 1; and
- 1.11 WHEREAS, Government Code section 14526.5(e) requires the Commission to adopt the SHOPP and submit it to the Legislature and the Governor not later than April 1 of each even-numbered year; and
- 1.12 WHEREAS, Government Code section 14526.5(f) requires the Commission, prior to adopting the SHOPP, to hold at least one SHOPP hearing in Northern California and one hearing in Southern California; and
- 1.13 WHEREAS, the Commission has held the required Northern and Southern SHOPP hearings; and
- 1.14 WHEREAS, the Commission has reviewed the Proposed 2018 SHOPP relative to its overall adequacy, consistency with the Transportation Asset Management Plan prepared and approved pursuant to Government Code section 14526.4 and funding priorities established in Section 167 of the Streets and Highways Code, the level of annual funding needed to implement the program, and the impact of those expenditures on the State Transportation Improvement Program.
- 2.1 NOW THEREFORE BE IT RESOLVED, that the Commission finds that the 2018 SHOPP is consistent with the Transportation Asset Management Plan, the funding priorities established in Section 167 of the Streets and Highways Code, the level of annual funding needed to implement the program, and the impact of those expenditures on the State Transportation Improvement Program; and
- 2.2 BE IT FURTHER RESOLVED, that the Commission hereby adopts the 2018 SHOPP; and
- 2.3 BE IT FURTHER RESOLVED, that the Commission expects the Department to report annually to the Commission on its progress toward meeting the targets and performance measures adopted by the Commission and established by Senate Bill 1.