



# 2015

## ANNUAL REPORT TO THE CALIFORNIA LEGISLATURE

*Recommendations and Accomplishments*



*The California Transportation Commission is an independent state commission responsible for the programming and allocating of funds for the construction of highway, passenger rail, transit and active transportation improvements throughout California. The Commission also advises and assists the Secretary of the California State Transportation Agency and the Legislature in formulating and evaluating state policies and plans for California's transportation programs. The Commission is an active participant in the initiation and development of State and Federal legislation that seeks to secure financial stability for the State's transportation needs.*

# CHAIR AND VICE CHAIR LETTER

## **Members of the Legislature:**

We are pleased to present the California Transportation Commission's (Commission) 2015 Annual Report to the Legislature. This report focuses on timely and relevant transportation issues facing the state, summarizes the Commission's major policy decisions in the past year, and offers specific reform and revenue recommendations for the Legislature to consider.

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

The Commission commends the Governor and the Legislature for convening the special legislative session this year in an attempt to address the transportation funding shortfall and secure necessary reforms. To assist as these discussions continue, the Commission's Annual Report provides specific recommendations and "Consensus Principles for Transportation Funding Reforms and Solutions" that we believe should be considered during the 2016 legislative session.

To develop the Commission's legislative recommendations and consensus principles, the Commission increased its outreach to the Legislature this past year through numerous legislative meetings, briefings, and hearings. The Commission, together with regional agencies, the business community and others, also held six transportation forums throughout the state to seek public input on current highway and road conditions, and consider proposals to provide sufficient and stable state funding for the transportation program. In addition, as a potential long-term funding solution, the Commission formed and supported a committee as required in Senate Bill 1077 (DeSaulnier, Statutes of 2014) that sought and considered public and other stakeholder input in order to formulate design recommendations for a road charge pilot program to explore a revenue replacement to the excise tax on gasoline.

As we look to 2016, the Commission recognizes the sense of urgency to meet the state's transportation goals in a sustainable manner. We also recognize the importance of meeting these goals while at the same time protecting California's economy. Therefore, it is imperative that funding for transportation infrastructure be sufficient, reliable, and dedicated to the most critical needs to provide the greatest overall benefit to Californians. The Commission looks forward to continuing close communication with the Legislature and our partners to effectively address California's transportation goals and objectives.

Sincerely,



A handwritten signature in black ink, appearing to read "Lucetta Dunn".

LUCETTA DUNN  
Chair



A handwritten signature in black ink, appearing to read "Robert Alvarado".

ROBERT ALVARADO  
Vice Chair

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# 1. COMMISSION IN BRIEF

The California Transportation Commission (Commission) is responsible for programming and allocating transportation funds used in the construction of highway, intercity passenger rail, active transportation, aeronautics, and transit improvements throughout California. The Commission consists of eleven voting members and two non-voting ex-officio members. Of the eleven 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. The two ex-officio non-voting members are appointed from the State Senate and Assembly, usually the respective chairs of the transportation policy committee in each house. The Commission is a part-time body that holds public meetings typically one or two days per month, at which time it formally reviews, approves and/or adopts state transportation policy.

The Commission is primarily responsible for the following activities:

- Advise and assist the California State Transportation Agency Secretary and the Legislature in formulating and evaluating state policies and plans for state transportation programs.
- Adopt the biennial five-year fund estimate of state and federal funds expected to be available for the State Transportation Improvement Program and State Highway Operation and Protection Program.
- Adopt the biennial five-year State Transportation Improvement Program and biennial four-year State Highway Operation and Protection Program.
- Adopt the Active Transportation Program.
- Allocate state funds for capital projects, consistent with the State Transportation Improvement Program, State Highway Operation and Protection Program, Active Transportation Program, Traffic Congestion Relief Program, Proposition 116 (Clean Air and Transportation Improvement Act of 1990), Proposition 1A (Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century of 2008), and Proposition 1B (Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006).
- Allocate state funds for capital grants from the Aeronautics Account and the Environmental Enhancement and Mitigation Program Fund.
- Adopt guidelines for the development of Commission-administered programs, the California Transportation Plan, and regional transportation plans.
- Approve project proposals for public private partnerships and high-occupancy toll lanes.
- Approve right-of-way matters such as route adoptions, new public road connections, resolutions of necessity, relinquishments, Director's Deeds and airspace leases.



The Commission is supported by an Executive Director who oversees a staff of 19 and an annual budget of approximately \$4 million. The Executive Director acts as a liaison between the Commission and the Legislature. The Executive Director also acts as a liaison with the California State Transportation Agency Secretary, the California Department of Transportation Director, and regional transportation agency executive directors and their respective staff. Furthermore, the Executive Director serves as a member of the Toll Bridge Program Oversight Committee and the California Transportation Financing Authority.

The Commission is required to adopt and submit an annual report to the Legislature by December 15th of each year. The report must include a summary of the Commission's prior-year decisions in allocating transportation capital outlay appropriations, and identify timely and relevant transportation issues facing the State of California. The annual report must also include an explanation and summary of major policies and decisions adopted by the Commission during the previously completed state fiscal year (FY) and federal fiscal year (FFY), with an explanation of any changes in policy associated with the performance of its duties and responsibilities over the past year. The annual report may also include a discussion of any significant upcoming transportation issues anticipated to be of concern to the public and the Legislature.



## 2. COMMISSION CONSENSUS PRINCIPLES FOR TRANSPORTATION FUNDING, REFORMS, AND SOLUTIONS

As part of its statutory charge, the Commission advises the Administration and the Legislature in formulating and evaluating state policies and plans for California's transportation programs. The future of California's economy and our quality of life depend on a transportation system that provides safe, reliable, and efficient travel for people and goods. Over the past decade, the Commission has consistently urged the Administration and Legislature to address the need for reliable and sufficient funding to preserve and expand the state's transportation system, together with project delivery reforms for improved efficiency and effectiveness.

On June 19, 2015, the Governor called upon the Legislative leaders to convene an Extraordinary Session of the Legislature to address the following purposes:

1. Consider and act upon legislation necessary to enact pay-as-you-go, permanent, and sustainable funding to adequately and responsibly maintain and repair the state's transportation infrastructure, improve the state's key trade corridors, and complement local efforts for repair and improvements of local transportation infrastructure; and
2. Consider and act upon legislation necessary to establish clear performance objectives measured by the percentage of pavement, bridges, and culverts in good condition; and incorporate project development efficiencies to expedite project delivery or reduce project costs.

The Commission has adopted the following Consensus Principles for Reforms and Funding Solutions which are critical to achieving a reliable, balanced, accountable, and performance-driven transportation funding package. The Commission strongly advocates that any new funding sources for transportation must be explicitly linked to reforms in the way we do business delivering transportation projects in California. The Commission will use these principles in the consideration of support positions for legislative proposals.

## TRANSPORTATION REFORMS SHOULD:

### **Expedite Project Delivery**

To safeguard taxpayer dollars and ensure timely delivery of transportation investments, transportation reform proposals should seek to modernize and accelerate procurement and project delivery processes. Innovative delivery and procurement methods such as Public-Private Partnerships, Construction Manager/General Contractor and Design-Build should be emphasized and deployed. Modernization and streamlining of permitting and environmental clearance requirements for transportation projects should be considered as part of a balanced reform package. Innovation and new technology in building materials that extend the lifespan of roads, bridges, and other assets should be encouraged, tested, and approved expeditiously.

### **Ensure Transparency and Accountability**

In order to build on the success of programs funded through Proposition 1B, the Legislature should consider the transparency, accountability, and reporting measures utilized in the delivery of bond projects as important components of a transportation reform package. The public should be satisfied that funds for mobility improvements actually improve mobility.

### **Protect Existing and Future Transportation Revenues**

Constitutional provisions to protect both existing and future transportation revenues from diversion to non-transportation uses and expedited repayment of existing transportation loans should be critical transportation reform considerations.

## TRANSPORTATION FUNDING SOLUTIONS SHOULD BE:

### **Significant and Reliable**

In order to make a meaningful impact, the Commission supports revenue enhancing options that are user-fee oriented and provide a significant level of investment which will demonstrate tangible benefits to taxpayers and drivers. Transportation funding solutions under consideration should seek to raise revenues sufficient to address critical needs, be reliable, and remain in place for at least 10 years or until an alternative method of funding is identified.

### **Consistent**

To ensure greater certainty in planning and delivering infrastructure projects, consistent annual revenue projections are critical. Transportation funding solutions should contain provisions that reduce volatility and extreme fluctuations in funding levels.

### **Focus on Maintenance and Rehabilitation of the Existing System**

To address critical and immediate infrastructure needs and to protect our existing transportation assets, funding proposals should focus on the maintenance and preservation of the existing system.

### **Support Trade Corridor and Goods Movement Investment**

To ensure the economic well-being of California and in recognition that the major transportation and trade corridors in our state are of national importance, funding proposals should provide for investment in trade corridors that are essential for moving goods and services through California.

### **Dedicated and Protected**

To protect taxpayer contributions, transportation funding proposals should ensure that funding is dedicated to transportation infrastructure. Proposals should include constitutional protections to prevent the use of newly generated transportation revenues for any other purpose than transportation infrastructure.

### **Accountable and Performance-Driven**

To ensure efficient and effective use of new funding and to build taxpayer trust, robust and meaningful performance and accountability criteria should be incorporated as an integral part of any transportation funding package.

### **Equitable**

To ensure equitable investment across the entire transportation system, transportation funding solutions should provide for equal distribution of revenues between local and state roadways.



### 3. COMMISSION RECOMMENDATIONS

The Commission's recommendations for statutory and administrative changes and reforms affecting transportation are based on our experiences over the past decade, our workshops during the past year, the California Department of Transportation's (Caltrans) 2012 internal review of its organization and processes, the 2014 State Smart Transportation Initiative (SSTI) report, and the experiences of our partners in delivering transportation projects and services. These partners include: Caltrans; "Self-Help" counties; the metropolitan planning organizations (MPOs); regional transportation planning agencies (RTPAs); transit operators; cities and counties; and the private sector.

In addition, the Commission draws many of its recommendations from the various legislative proposals over the previous year attempting to address the state's transportation funding crisis, as well as the Governor's funding proposal.

Finally, the Commission's recommendations are based on our "Consensus Principles for Transportation Funding Reforms and Solutions" discussed earlier in this report. The Commission has focused on (1) addressing the dire financial crisis facing transportation, and (2) project selection and implementation – a primary Commission responsibility – with the goals of improving project and program management from project selection through completion. The recommendations specifically identify changes that can reduce process costs, enhance efficiency, and provide greater transparency and accountability.

## HIGH PRIORITY STATUTORY RECOMMENDATIONS

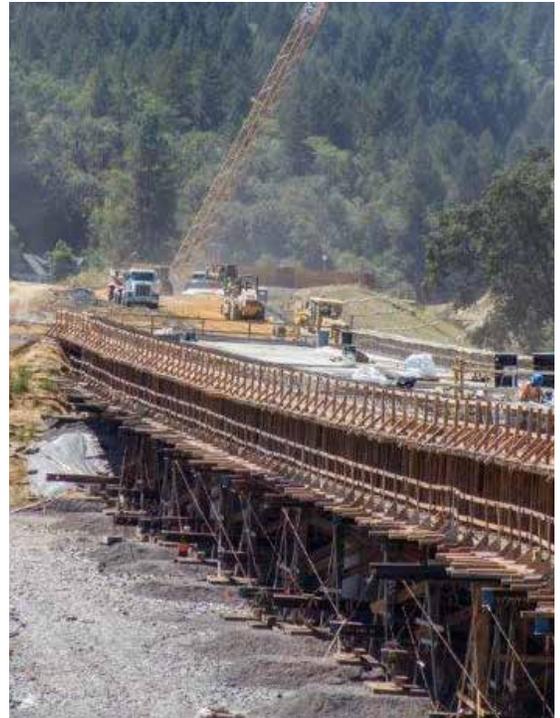
The statutory recommendations in this section reflect the Commission's highest priorities for pragmatic, specific, and effective funding and process reforms.

### *1. Provide additional, reliable and sufficient transportation funding.*

- Approve a significant and reliable increase in transportation funding focused on preserving the existing system coupled with appropriate reform.
- Pay back \$879 million in previous loans from transportation to the General Fund.
- Require annual adjustments to gasoline and diesel excise taxes based on the California Consumer Price Index (CPI).

As noted in the Executive Summary, both the State Transportation Improvement Program (STIP) and the State Highway Operation and Protection Program (SHOPP) suffer from inadequate transportation revenues. Local streets and road systems face dramatic shortfalls in adequate maintenance. For example, in the San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) has noted that the 48,000 lane miles of roadways – and ancillary facilities of sidewalks, gutters, storm drains and signals – need an additional \$590 million per year to bring the condition of the roads to an average Pavement Condition Index (PCI) of 75. The report also notes that when the PCI of a facility drops below 60 the pavement quality drops 40 percent and the cost to repair increases. An annual increase of \$5 to \$6 billion for the STIP, SHOPP and local streets and roads is needed to reasonably address these unfunded needs.

The Legislature needs to provide a sound and consistent base of funding that can keep pace with inflationary increases in costs. Approving additional funding and indexing all state fuel excise taxes to inflation would be significant steps toward that goal. As a general rule, the longer it takes to complete



construction of a project, the higher the cost. A similar rule holds for the SHOPP program and maintenance of local streets and roads. For example, as noted above, once the PCI on a street or road dips below approximately 60 out of 100, the cost of repair becomes increasingly more expensive as deterioration grows.

Altogether, cost increases of 2 to 10 percent can be expected for typical capital projects delayed by inadequate funding for one or more years. Deferred maintenance costs are likely to increase even faster. Providing sufficient transportation funds to maintain and appropriately enhance the existing system, and securing those funds solely for transportation, is therefore essential.

## 2. *Stabilize revenues from the price-based excise tax.*

- Reset the price-based excise tax rate at 18 cents per gallon and apply the same requirement for an annual CPI adjustment as included in the previous recommendation.

As part of any funding package, modify provisions of the so-called “gas tax swap” to stabilize revenue from the price-based excise tax. This tax is the primary source of funding for the STIP and also provides revenue for local street and road repairs as well as the SHOPP. The amount of money derived from the price-based excise tax is based on the cost of fuel, and the volatility in the price of gasoline results in significant swings in the annual amount of revenue from this source. This result has a particularly negative impact on the funding available for programming the STIP when gas prices drop as they have over the past year.



In 2015, the annual adjustment by the Board of Equalization resulted in a 33 percent reduction in proceeds from this important funding source which amounted to a loss of more than \$876 million for the year. In addition to reduced funding for streets and roads and the SHOPP, this means that projects included in the 2014 STIP will be delayed and that there is virtually no new money available for the 2016 program. The inflationary costs associated with delaying projects from the 2014 STIP by 1 to 3 years could be on the order of 4 to 13 percent of the affected projects’ capital costs at today’s relatively low rate of inflation; and more if the actual inflation rate is higher.

If the price-based excise tax is adjusted downward again in 2016 as expected, the Commission will be forced to de-program projects pushing them completely out of the new STIP. This additional delay will result in significantly higher costs for those projects and forestall improvement benefits to users of the transportation system. Fixing the price-based excise tax rate will save the state money in the future and lead to better transportation outcomes today.

### ***3. Restrict the application of transportation revenues to transportation purposes only.***

- Approve placing a constitutional amendment before voters that dedicates all transportation revenues to transportation projects and programs, including related mitigations.
- Impose constitutional restrictions prohibiting the loan of transportation funds for non-transportation purposes.
- Return revenues from sales of properties to the transportation fund from which properties were originally purchased (e.g., Non-Article XIX funds).
- Ensure existing transportation revenues are invested in transportation-related purposes.

When transportation revenues are diverted for non-transportation purposes, it introduces uncertainty and delay. Much of the transportation system is managed on a multi-year basis, particularly with respect to implementation of capital projects making changes and repairs to the system. For a number of such projects, project development work -- environmental review and design engineering -- typically takes from one to five years or more to complete. Significant construction work can also take one to five years, and occasionally more, to finish. Uncertainty and/or delays in funding can disrupt this project delivery process, thereby increasing project costs.

To ensure that sorely needed transportation revenues are not diverted to non-transportation purposes, more strict constitutional protections are needed, including: dedicating all existing funding; forbidding future loans of transportation revenues to other purposes; and returning revenues derived from the sale of properties purchased with transportation funds back to those funds in proportion to the contribution of the acquisition.

### ***4. Create a funding stream dedicated to improving freight mobility.***

- Dedicate a reliable, ongoing amount of funding to address the state's growing freight mobility challenges.
- Administer this funding program through the Trade Corridors Improvement Fund (TCIF).

California's transportation system handles the highest value international commerce of any state in the nation and among the highest total freight volumes. The movement of goods from and through the state is a critical component of the state's economy and must be prioritized in the state's transportation funding plan. Proposition 1B of 2006 provided one-time funding of \$2 billion that was directed to freight mobility through the TCIF. Now that the Proposition 1B TCIF program is essentially complete, the state lacks a significant funding source dedicated to improving freight mobility. Because of the importance of freight to the state's economy, and for the various ancillary benefits that can be achieved from improved freight mobility including reduction of greenhouse gas emissions and other harmful pollutants, the state should create a dedicated funding stream to improve freight mobility. This funding stream should be administered through the successful TCIF program.



## ***5. Repeal outdated transportation programs and redirect remaining funds to fund critical transportation needs.***

Proposition 116, passed by the voters in 1990, designated \$1.99 billion primarily for passenger rail capital projects. As of June 30, 2015, over \$12.7 million remains unallocated to projects authorized in the proposition. Since these projects have not moved forward, the Commission recommends the Legislature enact legislation to sunset the Proposition 116 program and reallocate any remaining funds to other passenger rail programs.

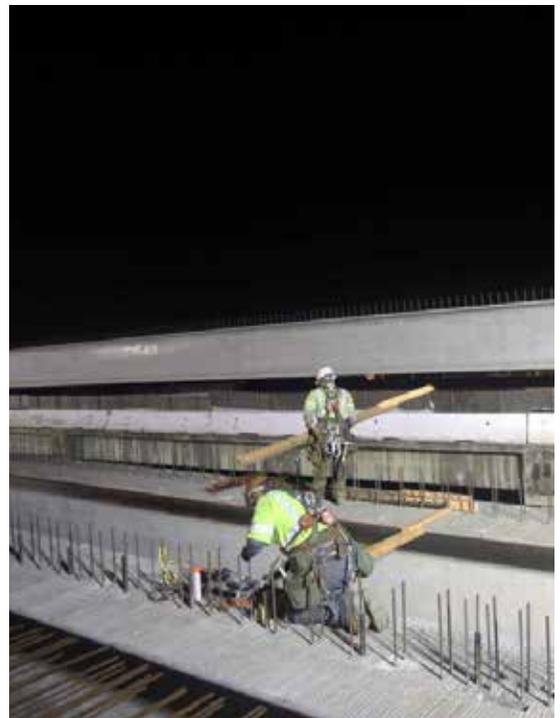
In addition, due to the continuing instability of funding for the Traffic Congestion Relief Program (TCRP), and the unlikely improvement in the foreseeable future for funding to become available, the Commission recommends the TCRP should either be funded in the immediate future or repealed without delay.

Additional information on both programs is provided in the Accomplishments Section of this report.

## ***6. Provide a range of effective project delivery options to Caltrans and its partners.***

- Provide flexibility for Caltrans to contract for more of its engineering and right-of-way workload.
- Lift the prohibitions that currently place restrictions on contracting for right-of-way services.
- Enact permanent authorization for Caltrans, regional, and “self-help” county agencies to use public-private partnership agreements, design-build contracts, and construction manager/general contractor procurements, without restrictions or mandates on who performs specific tasks.
- Permit Caltrans to prequalify consultants by type of work and draw from a list of those consultants as work becomes available.

Expanding Caltrans’ ability to contract with consultants for a larger percentage of its engineering and right-of-way workload would give Caltrans staff more stable staffing levels, more flexibility to match resources and expertise to workload, and provide other benefits as well. A relatively stable core of Caltrans staff, complemented by consultants, would provide several specific benefits, including: (a) reducing the cost impacts of recruitment and training when workload increases would otherwise require significant levels of new staffing; (b) providing intermittent or periodic “on-call” consultant expertise, rather than trying to permanently retain such specialists; and (c) avoiding significant layoffs and the related expenses arising from losses of expertise, institutional and project knowledge. For maximum flexibility and efficiency, consulting efforts should be allowed for all engineering, right-of-way, architectural and other professional services utilized by Caltrans.



Caltrans and other project delivery agencies could also benefit by having permanent authorization for the variety of project delivery mechanisms in broad use elsewhere in the United States and other countries. When conditions are appropriate for alternatives to the traditional “design-bid-build” procurement approach, cost savings can result from the suggested methods by, for example: (1) shortening the time required for design and construction; (2) more fully integrating, focusing, and adapting the design with field conditions as they are encountered; (3) simplifying the procurement process; and (4) adding additional opportunities for value engineering.

Caltrans has estimated, based on its experience with the Design-Build Demonstration Program, that use of design-build could save up to 24 months for work performed prior to the start of construction and save up to 12 months from the time necessary to complete projects once construction has commenced. In addition, based on its prior experience, Caltrans has saved approximately 14 percent on capital construction costs due to design-builder innovations on its design-build projects.

For maximum flexibility, Caltrans, regional, and Self-Help county agencies should have unconstrained ability to utilize the recommended range of delivery tools. While actual results will vary, potential savings could range up to 10 percent, and perhaps more.

#### ***7. Provide environmental review exemptions for specific repairs, safety projects, and transportation projects that directly further state policy priorities and are within existing public rights of way, such as:***

- Infrastructure repairs
- Transportation safety projects
- Construction of new rail or bus rapid transit stations

Project approval and environmental document preparation costs typically range from one to three percent of the overall total cost of a project. The projects in this category would generally fall in the lower end of this scale, so the direct cost savings would be expected to be up to one percent of a project’s costs. Actual savings would depend on the extent to which other permitting issues or considerations under the National Environmental Policy Act (NEPA) are necessary beyond the California Environmental Quality Act (CEQA) process.

However, an exemption for subject projects would have other benefits that could lower costs beyond those of the regular CEQA process: (1) a potentially shorter implementation time due to the exemption; (2) more predictability on the timing for the start of construction; and (3) in those cases where litigation might arise, the expense of that litigation could be mitigated or avoided, saving both staff time and attorney costs.

Various types of projects could be eligible for this CEQA exemption, such as basic infrastructure repairs to the existing system, conversion of existing lanes to transit-only lanes, or high-occupancy vehicle lanes to high-occupancy toll lanes. If a project is fundamentally within existing rights of way and does not cause additional significant impacts on the environment, it should be exempted from the CEQA process in order to increase certainty and reduce costs.

## ***8. Authorize the Administration to implement an “advanced mitigation” environmental program.***

- Approve an up-front environmental mitigation program (EMP) set-aside of funding to acquire critical habitat for future projects.
- Establish clear authority for Caltrans and state resource agencies to enter into agreed-upon EMPs.
- For transportation projects on the state system, consider setting aside state transportation funds that can be used to match local transportation funds invested in an EMP.

Advanced mitigation programs are agreements with resource agencies to consolidate mitigation projects for one or more projects, in order to: (a) combine habitat and species mitigation projects to allow for larger aggregations of habitat, better linkages of habitat for endangered species, fewer “islands” of habitat preservation, and other benefits; and (b) provide longer-term certainty regarding required mitigations and costs to the project sponsors.

Riverside, San Diego, and Orange County transportation agencies have been quite successful in applying this approach through local sales tax programs in cooperation with Caltrans. Other agencies are also working on similar efforts. To the extent that such approaches are feasible and can be arranged with federal, state, and local resource agencies, the Commission believes such programs can provide a “win-win” for project sponsors and the environment.

## ***9. Remove the sunset for assignment of the National Environmental Policy Act (NEPA) responsibilities to California, and make the waiver of sovereign immunity permanent for such assignment.***

Assignment of NEPA responsibilities to California has been beneficial in reducing the amount of time for review and approval of NEPA documents. It has also resulted in streamlining the review process for joint NEPA/CEQA documents. For example, since undertaking NEPA Assignment over eight years ago, Caltrans reports a 20% reduction in the time to complete Final Environmental Assessments and a 72% reduction in the time to complete Final Environmental Impact Studies. State legislation is necessary for a permanent waiver of sovereign immunity in order to continue California’s NEPA assignment authority.

## ***10. Allow direct contracting between Caltrans and federally recognized Native American Tribes in California.***

Federally recognized Native American Tribal Governments are important partners in California’s transportation program. Tribal governments are eligible applicants for funding and have been successful in competing for Caltrans planning grants and Active Transportation Program funds. However, Caltrans has been unable to contract directly with these federally recognized tribes due to their sovereign nation status. Caltrans’ inability to contract directly with tribal governments has caused delays for these sovereign governments in conducting the necessary transportation planning and capital projects to benefit their communities. Currently, Caltrans is seeking an alternative contracting method by entering into contracts with FHWA and/or the Bureau of Indian Affairs who are able to transfer state funds to the tribal governments. This contracting approach has been slow to get started and completed, and may not work for every tribe in California.

In order to avoid further lengthy delays and possible project failure, statutory authority allowing for direct contracting with federally recognized tribal governments would ease the process and allow for more tribal participation in transportation programs in the future.

***11. Expand the provisions of Senate Bill (SB) 743 (Steinberg, Chapter 386, Statutes of 2013) to prohibit a cause of action, under CEQA, challenging a transportation project that has been included in a Regional Transportation Plan (RTP) with a certified Environmental Impact Report (EIR) and an approved Sustainable Communities Strategy (SCS) that has been accepted by the California Air Resources Board as a part of the region's greenhouse gas reduction strategy.***

The concept of this recommendation is to prohibit a cause of action, under CEQA, challenging the adequacy of (a) the alternatives analyses and conclusions, (b) the transportation analyses, mitigation measures and conclusions (including without limitation traffic level of service, vehicle miles traveled), (c) the greenhouse gas emissions analysis, mitigation and conclusions, and (d) the criteria air pollutant analysis, mitigation and conclusions; against transportation infrastructure improvement projects that are included in the applicable approved RTP for which an EIR has been certified; and included in a corresponding SCS that has been adopted along with the RTP and accepted by the California Air Resources Board. This will still allow CEQA lawsuits to be filed, especially by neighbors and activists concerned with localized impacts (e.g., toxic air contaminants from construction and operation of new roadway/transit facilities, aesthetic/"character of community challenges, etc.).

***12. Require early engagement of state resource agencies in the CEQA process for transportation projects to reduce permit processing time and require reasonable deadlines for permit approvals.***

Obtaining all necessary environmental permits and approvals from responsible agencies is a critical milestone in the project development process. If permits are delayed – whether due to insufficient staffing levels, competing priorities, or other factors affecting the responsiveness of the permitting agency – a project will be delayed beyond the control of Caltrans or other project sponsors. Early engagement of permitting agencies, and a commitment to reasonable deadlines for permit approvals, would improve the predictability and management of the project development process.

Under current practices, Caltrans and other agencies often pay to support staff in resource agencies to facilitate timely review of project permitting and approval requirements. However, early engagement of resource agency staff, including at the supervisory or higher level, and making sure that the resource agencies are adequately staffed, continues to be challenging. In addition, requirements of different permitting agencies can be in conflict and application requirements may be subjective. Early involvement in the natural resources issues associated with a project, and timely identification of likely impacts and assurance of expected mitigations, could save significant processing time compared to the current, relatively "ad hoc" involvement of permitting agencies.

***13. Require the State Highway Performance Plan, part of the state’s maintenance program, to include measurable targets for improving the state system, and require Caltrans to provide regular reports on achieving these targets to the California State Transportation Agency (CalSTA) and the Commission.***

The Commission’s “Consensus Principles” emphasize the importance of ensuring transparency and accountability in the implementation of transportation investments. The “Principles” state explicitly that “. . . the public should be satisfied that funds for mobility improvements actually improve mobility.” Accordingly, defining meaningful targets for measuring improvement in the performance plan, and providing periodic and public reports on the results, is essential for confirming to the public the value received from transportation investments.

***14. Amend Government Code Section 14526.5 to include operations as an eligible component for capital expenditure under the terms of SB 486.***

This would add the eligibility of operational capital improvements for inclusion in the Asset Management plan and the SHOPP program under the provisions of SB 486 (DeSaulnier, Chapter 917, Statutes of 2014). Examples of such improvements are lane management systems, changeable message signs, ramp meters, and similar devices and facilities specifically focused to improve operations.

***15. Require the implementation of efficiency measures at Caltrans with the goal of generating \$100 million per year in savings to invest in maintenance and rehabilitation of the state highway system and further require Caltrans to report annually to the Commission on how these savings were achieved.***

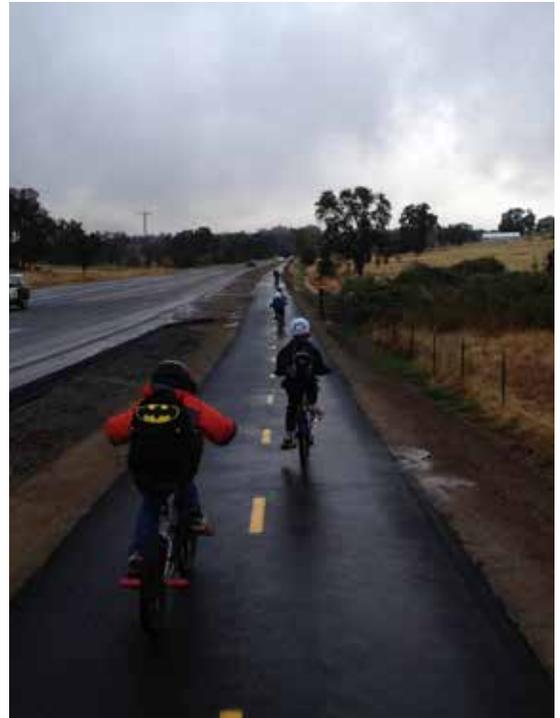
Caltrans’ annual operations budget is roughly \$4.1 billion, including maintenance and operations of the State Highway System, design and construction engineering, support of the Department, and reimbursed work for others. Over the last 10 years, Caltrans has reduced staffing by nearly 15 percent, and the Department continues to identify improvements in how it operates in order to become more efficient. These efficiency savings can be reinvested in maintaining our state highway system.

One way Caltrans is working to facilitate this effort is by identifying and implementing continuous improvement strategies. One such strategy includes implementing “Lean Six Sigma” principles. Lean Six Sigma is a managerial approach that combines Six Sigma methods and tools and the lean manufacturing/lean enterprise philosophy, striving to eliminate waste of physical resources, time, effort, and talent, while assuring quality in production and organizational processes. In partnership with the Governor’s Office of Business and Economic Development, Caltrans’ initial Lean Six Sigma efforts resulted in significant efficiencies for five Departmental processes. The Legislature should require Caltrans to continue seeking new ways to improve the way it does business, and to reinvest savings into the state system.

## ADMINISTRATIVE RECOMMENDATIONS REGARDING CALTRANS

### 1. *Continue efforts to modernize the Caltrans organization to better reflect current-day realities.*

Caltrans recognizes that its organizational structure dates to the creation of the Department of Transportation in the early 1970's. The Department launched an extensive Program Review effort in 2012, with a strong set of improvements it continues to work on. It has recently launched a 2015 to 2020 Strategic Plan to build on the Program Review and the SSTI Report, as it continues work to make the organization a better match for 21st Century realities demanding more multimodal transportation and freight mobility improvements. The Commission endorses these efforts and supports the Department's continued focus on improving and modernizing its organizational structure and culture. The Commission encourages Caltrans to continue to widen its focus beyond highways to include all modes and also acknowledge the importance of freight mobility to the state.



### 2. *Encourage and facilitate Caltrans partnerships with local agencies in the delivery of joint transportation projects.*

- Encourage Caltrans to structure jointly-funded projects as a partnership within the cooperative agreements signed with local agencies.
- For projects over \$100 million, Caltrans should offer creation of a joint leadership team.
- Pursue expanding the corridor management approach that has been utilized successfully in a few Caltrans districts to other large projects, and determine how to gain broader authorization for local supplemental pay.
- Adopt policies and agreements that respect local government voter commitments.

Caltrans has enjoyed significant project delivery successes in its partnerships with local agencies, particularly in its on-going relationships with self-help counties. These partnerships have produced billions of dollars of new and enhanced infrastructure on the state highway system, and offered a variety of models for expediting project delivery. The first Caltrans-County-private sector partnership in the 1980's resulted in delivery of approximately \$1.2 billion in new and enhanced freeways for Santa Clara in 12 years, with a savings of \$116 million from "value engineering" and other steps. With Caltrans Districts 11 and 8, the San Diego Association of Governments (SANDAG) and the Riverside County Transportation Commission (RCTC) are delivering major corridor improvements, respectively, in the billions and in the hundreds of millions of dollars utilizing a Caltrans corridor manager and staff, local staff and the private sector. This recommendation seeks to further institutionalize such partnerships, and encourage Caltrans to use "best practices" for forming and holding together these partnerships in the future. In addition, Caltrans must recognize and respect the promises made to local voters by their partners and not expect partners to compromise on delivering those promises.

***3. Encourage Caltrans to implement new methods, products and technologies to operate more efficiently.***

To increase assurance that Caltrans operates as efficiently as possible, the Department should identify current barriers that prevent the implementation of innovative concepts proven to be effective in designing, operating and maintaining the transportation system. For example, Caltrans should identify and prevent barriers to expedite the approval of new cost effective products and technologies.

***4. Encourage and support Caltrans' efforts to provide more outreach regarding SHOPP project selection, and more transparency in the selection process.***

Based on comments heard during the past year in advance of the preparation of the 2016 SHOPP program, the Commission has encouraged further outreach and discussion by Caltrans of SHOPP proposals, openness to consider local input into project selection, and more transparency regarding the criteria and process for final recommendations to the Commission.

Commission staff is aware that draft SHOPP programs have been shared with local agencies – particularly Self-Help counties – in the past, and have been advised that there has been some outreach and discussion of priorities in advance of submittal of the draft 2016 SHOPP. The Commission urges the Department to expand and institutionalize formal outreach to MPOs, RTPAs, and the Self-Help counties several months in advance of submitting its proposed SHOPP to the Commission, which under SB 486 is due no later than January 31 of each even-numbered year.

***5. Support CalSTA's efforts to develop a workload forecasting process for Caltrans related to the STIP and SHOPP that includes convening the appropriate agencies in preparing a methodology acceptable to all parties.***

Approximately 50 percent of the Caltrans budget corresponds to the relevant five-year STIP and the four-year SHOPP. Therefore, developing an agreement on a four-year forecasting methodology for determining the amount of Caltrans resources necessary to accomplish the programmed workload could prove beneficial and help inform the legislative budget process. This would also be helpful when changes during the fiscal year arise due to unexpected circumstances and workload requirements.

***6. Support CalSTA's efforts to improve oversight of Caltrans' activities by strengthening the organizational independence and role of its internal audits and investigations function.***

Caltrans' Internal Audits and Investigations Director (Audit Director) reports to the Caltrans Director and Chief Deputy Director as well as an Audit Committee of Caltrans employees. To improve oversight of Caltrans' activities, the Commission recommends that CalSTA consider the following measures:

- Gubernatorial appointment of the Audit Director.
- Requirement that the Audit Director report to an Audit Committee of members external to Caltrans.
- Expansion of Caltrans' internal audits and investigations role in implementation of performance-based management throughout Caltrans.
- A statutory description of the functions and duties of Caltrans' internal audits and investigations.

***7. Caltrans should review the hours of High Occupancy Vehicle (HOV) lane operations in Southern California and report to the Commission on any recommended changes.***

HOV lanes in Southern California are restricted to use by eligible vehicles 24 hours a day, in contrast to the limited hours of restriction applied in Northern California. Changes in operations, if recommended by Caltrans, could allow utilization of the HOV lanes by non-eligible vehicles in Southern California during off-peak periods. Hours of operation would be determined by operational and usage studies.

***8. Reexamine the issue of intercity rail and transit connectivity serving rural areas of the state, particularly those areas with limited access to air service.***

Much of California's Central Valley, North Coast, Inland Empire, and more rural areas rely primarily on the state highway system – and perhaps to a lesser extent on county roads – to provide linkages to major urban areas and beyond. Air services, and often intercity rail and bus service options, can be very limited. This recommendation asks Caltrans to explicitly examine the connectivity limitations facing areas outside California's major metropolitan areas, and to consider options for improving intercity rail and transit connectivity for all Californians.

## 4. COMMISSION ACCOMPLISHMENTS, 2014-15

The California Transportation Commission has had a challenging and productive year since our last annual report. The sections below highlight both the Commission's accomplishments and those of our partners with respect to the Commission's statutory responsibilities.





## 4.1 COLLABORATION AND OUTREACH

**D**uring 2015, the Commission increased its outreach to the Legislature and other stakeholders. The Commission participated in numerous legislative briefings and hearings; held a legislative breakfast to discuss transportation policy issues with Senate and Assembly transportation committee members; offered and provided individual briefings with legislative members and staff relative to the design of a road charge pilot program, the successful management and administration of the Proposition 1B bond program, and other transportation funding and reform issues; communicated input on legislative proposals; and provided transportation policy recommendations for funding.

In addition to the Legislature, the Commission undertook an extensive effort to seek out input from regional and local agencies, the business community, environmental interest groups, other transportation stakeholders and the public. For example, the Commission participated in Town Hall meetings held in Fresno and Weaverville to better understand the key transportation issues faced by these rural areas of California.

The Commission also convened six transportation forums with regional and business sector partners to seek public input on current highway and road conditions and proposals to stabilize state funding for transportation system repairs and maintenance. These forums offered an opportunity for the Commission as well as state, regional, and private sector partners to inform and educate the public on California's transportation system needs, the funding shortfall, and the numerous funding proposals under consideration to address these needs, including efforts underway to explore a road charge as a replacement to the gas tax.





## 4.2 TRANSPORTATION PLANNING

Caltrans' California Transportation Plan (CTP) 2040, the periodic update of the statewide, long range transportation plan, is required by statute to be completed in December 2015. CTP 2040 is intended to reflect a major transformation in transportation planning, as it is designed to move California forward in achieving its transportation goals for mobility, safety, and sustainability within the context of California's climate change goals. In doing so, it is intended to form a common policy framework at all levels for transportation investments, and identify the statewide integrated multi-modal transportation system that is needed to achieve those climate change goals.

The CTP 2040 is required to incorporate all regional transportation plans as well as statewide rail, highway, freight, transit, aviation, and other relevant plans. The CTP 2040 reflects the evolution of statewide transportation planning policy to fully address greenhouse gas emissions and sustainability as overarching goals. That evolution began with the passage of Assembly Bill (AB) 32 (Nunez, Chapter 488, Statutes of 2006), which first set greenhouse gas emissions reduction targets for California. AB 32 was further strengthened by the passage of SB 375 (Steinberg, Chapter 728, Statutes of 2008), SB 391 (Liu, Chapter 585, Statutes of 2009), SB 486 (DeSaulnier, Chapter 917, Statutes of 2014), and was most recently underscored by the Governor's Executive Order (E.O.) B-15-30 and SB 64 (Liu, Frazier, Statutes of 2015).



The CTP will guide long-term planning in the state and will form the basis for investment decisions affecting California's transportation system, economy, resources, and quality of life. To meet these objectives in implementing the 2040 CTP and for the future, Caltrans must work with all partner agencies and stakeholders to deliver coordinated transportation plans and projects with clear priorities that (1) recognize the importance of achieving greenhouse gas emissions reductions and long-term sustainability, while (2) balancing economic and mobility needs within those overarching goals and with other environmental objectives.

To ensure that limited transportation dollars are directed to projects offering greatest overall benefit to California, planning efforts should carefully consider the role of new vehicle technology, land use changes in California's core metropolitan areas and other methods to reduce transportation related greenhouse gas emissions. Reducing vehicle miles traveled through increased transit ridership and other mode shift is commonly seen as the primary means by transportation planners to reduce greenhouse gas emissions from the transportation sector. However, the cultural mode shift required for motorists to give up the automobile is a huge challenge that must be considered as plans are developed. For example, the American Community Survey's recently released national survey data for 2014 identifies that a vast majority of the population in California's major Metropolitan Areas continue to drive alone to and from work. The following table indicates work trips by mode for six metropolitan areas in California.

## Transit Work Trip Market Share: 2014 Major Metropolitan Areas (1,000,000 Population)

Source: American Community Survey 2014

Metropolitan Area	Drive Alone	Car Pool	Transit	Bicycle	Walk	Other	Work at Home
Los Angeles, CA	74.6%	9.7%	5.8%	1.0%	2.5%	1.3%	5.1%
Riverside-San Bernardino, CA	77.4%	13.3%	1.6%	0.3%	1.7%	1.0%	4.7%
Sacramento, CA	76.4%	10.2%	2.7%	1.8%	2.0%	1.3%	5.5%
San Diego, CA	76.0%	8.6%	2.7%	0.8%	2.9%	1.4%	7.5%
San Francisco-Oakland, CA	59.2%	9.4%	16.7%	2.2%	4.7%	1.6%	6.2%
San Jose, CA	76.2%	10.4%	4.0%	1.6%	1.7%	1.2%	4.8%
Major U.S. Metropolitan Areas	73.6%	8.8%	8.1%	0.7%	2.8%	1.2%	4.7%
Outside Major U.S. Metropolitan Areas	80.4%	9.8%	1.2%	0.5%	2.7%	1.2%	4.1%

The Commission's involvement in the development of the CTP has traditionally been limited to reviewing and commenting on the draft document. For example, during 2015, the Commission recommended the CTP 2040 clearly identify priorities and ensure that environmental, economic and mobility goals are balanced. Pursuant to SB 486 and the Legislature's determination that the statewide transportation planning process would benefit from guidance similar to what is developed by the Commission for regional transportation plans, the Commission will assume a new role in 2016 to develop guidelines and prescribe study areas for analysis and evaluation by Caltrans in the development of the CTP. This new role for the Commission was further defined by SB 64 which requires the Commission to, beginning in 2016, review the CTP and prepare specific, action-oriented, and pragmatic recommendations for transportation system improvements which shall be reported to the Legislature by December 31, 2016, and every 5 years thereafter.

The Commission will embrace this new role in shaping the statewide transportation planning process by undertaking transparent and inclusive development, review, and reporting efforts in preparing the CTP guidelines that will address the objectives of SB 486, E.O. B-15-30, and SB 64. The Commission is committed to providing clear guidance and sound recommendations that will inform the transportation planning process and subsequent system investments.

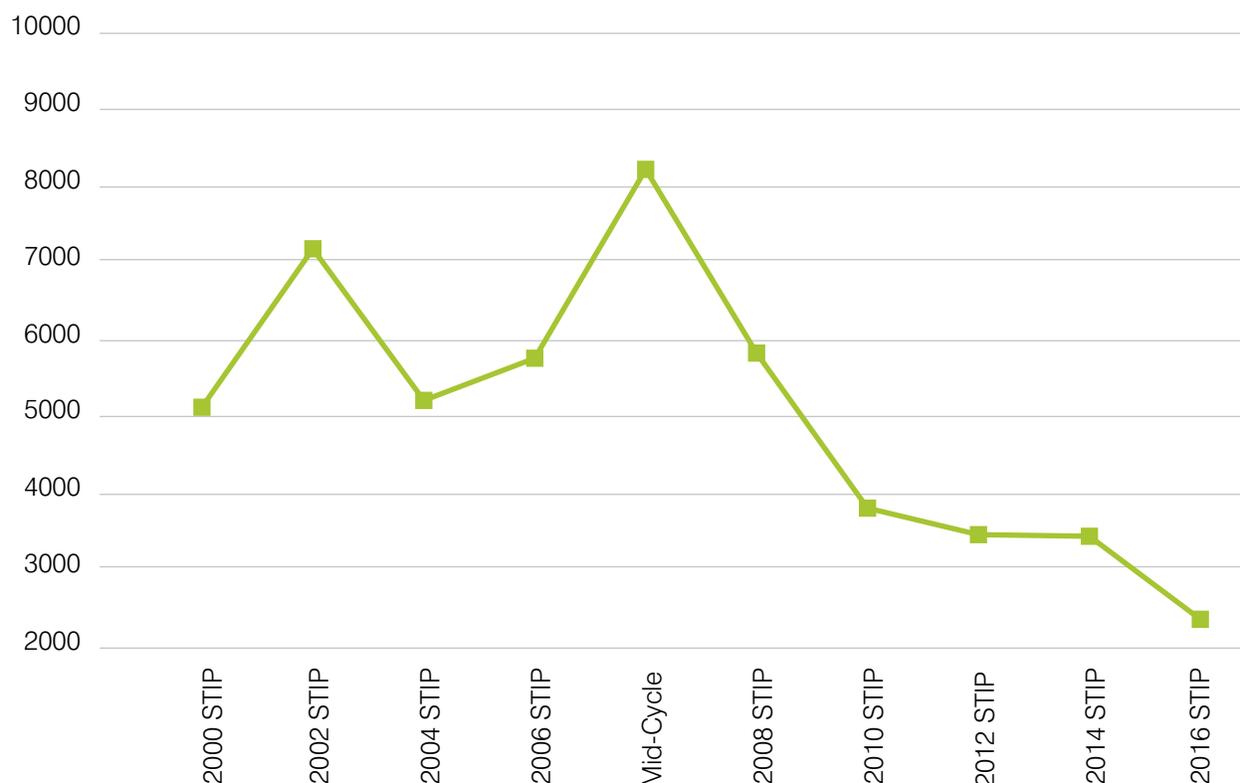


## 4.3 STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

The STIP is the biennial five-year plan adopted by the Commission for future allocations of specified state transportation funds for state highway improvements, intercity rail, and regional highway and transit improvements. State law requires the Commission to update the STIP biennially, in even-numbered years, with each new STIP adding two new years to prior programming commitments.

STIP programming peaked in 2007 due to \$2 billion in added capacity approved by voters in November 2006 as part of the Proposition 1B bond funds. In response to the one-time bond fund increase, Caltrans updated the Fund Estimate. The update also incorporated increases to the estimated Public Transportation Account (PTA), Transportation Deferred Investment Fund (TDIF) and Tribal Gaming funds, which increased the estimated STIP capacity by about \$500 million. The large but one-time augmentations were followed by biennial reductions in programming capacity to subsequent STIPs. In fact, as reflected in the graph and the table below, the biennial STIP revenues available have decreased from approximately \$5.8 billion to \$2.4 billion – a drop of \$3.4 billion – since the 2008 STIP adoption.

### HISTORIC STIP PROGRAMMING LEVELS (5-Year STIP Periods Without Carryover From Prior Years)



The mid-cycle peak is primarily due to the Proposition 1B STIP Augmentation in 2007.

STIP Trends (\$ millions)	2000 STIP	2002 STIP	2004 STIP	2006 STIP	Mid-Cycle (STIP Aug.)	2008 STIP	2010 STIP	2012 STIP	2014 STIP	2016 STIP
Enhancement (TE)			\$399	\$342	\$338	\$361	\$396	\$418	-	-
Transit (PTA)				\$1,010	\$1,809	\$938	\$833	\$511	\$65	\$200
Roads (TIF,TFA)	\$5,134	\$7,196	\$4,824	\$4,420	\$6,083	\$4,540	\$2,592	\$2,547	\$3,390	\$2,175
Total (5-Yr STIP Periods)	\$5,134	\$7,196	\$5,223	\$5,772	\$8,230	\$5,839	\$3,821	\$3,476	\$3,455	\$2,375



## 2014 STIP Adoption

The 2014 STIP was adopted on March 20, 2014, with additional technical changes approved by the Commission on May 21, 2014. A total of \$1.253 billion in additional projects were programmed for the Regional Transportation Planning Agencies (RTPAs) and Caltrans. Of that added total, \$237.7 million, or almost 19%, was programmed to rail and transit projects, with the balance directed to highway and other transportation infrastructure projects.

The Commission adopted the 2014 STIP for FYs 2014-15 through 2018-19 on March 20, 2014. The total adopted program, including prior year commitments, of approximately \$4.7 billion included: \$3.9 billion (83 percent) in highway and road projects; \$630.3 million (13.4 percent) in rail and transit projects, and \$165 million (3.5 percent) in bike and pedestrian projects. At the time of the 2014 STIP adoption, \$4.7 billion in STIP funding supported approximately \$17 billion in total project costs, leveraging an additional \$12.5 billion from a variety of federal and local funding sources.

The STIP allocation capacity for FY 2014-15 was \$745 million (including \$77 million in Proposition 1B Transportation Facilities Account STIP augmentation funds). The Commission allocated \$531.3 million for STIP projects (including projects with allocation extensions expiring in FY 2014-15 and projects advanced from FY 2015-16 and later). In addition, the Commission allocated \$115.1 million for Caltrans administered STIP right-of-way activities, for a total of \$646.4 million (87% of programmed capacity; details are shown in the following two tables).

It is estimated that the updated STIP allocation capacity for FY 2015-16 (\$430 million) will not be sufficient to fund projects programmed in FY 2015-16 and projects carried over from the 2014-15 FY.

## STIP Project Delivery

The Commission tracks project allocations against an adopted STIP schedule. For Caltrans projects, the Commission allocates project funding only for construction and right-of-way capital outlay and, beginning in January 2013, for construction capital support. The Commission does not allocate funds for Caltrans pre-construction activities (environmental and design work) or right-of-way support.

For local agency projects, unlike Caltrans projects, the Commission allocates all programmed STIP funds and tracks each individual programming component (environmental, design, right-of-way, and construction) as a separate project.

The following table compares STIP delivery for FYs 2012-13, 2013-14 and 2014-15:

### STIP DELIVERY (dollars in millions)

	2012-13		2013-14		2014-15	
	Dollars	Projects	Dollars	Projects	Dollars	Projects
Programmed	\$436.787	219	\$545.481	190	\$402.499	149
Extensions	-\$69.646	-24	-\$83.650	-22	-\$35.698	-15
Lapsed	-\$15.270	-25	-\$47.759	-36	-\$36.176	-9
Delivered as programmed	\$351.871	170	\$414.072	132	\$330.625	125
Percent delivered as programmed	81%	78%	76%	69%	82%	84%
Advanced	\$22.09	39	\$88.957	19	\$87.772	21
Delivered with advances	\$373.961	209	\$503.029	151	\$418.397	146
Percent delivered with advances	86%	95%	92%	79%	104%	98%
Prior-year extensions delivered	\$87.580	25	\$128.352	25	\$112.816	19
Total delivered	\$461.541	234	\$631.381	176	\$531.213	165
Funded by allocation	\$461.541	234	\$631.381	176	\$531.213	165

### 2016 STIP Fund Estimate

The 2016 STIP Fund Estimate methodology and assumptions were approved by the Commission on June 25, 2015. The 2016 STIP Fund Estimate, covering the five-year period of FYs 2016-17 through 2020-21, was adopted at the Commission's August 27, 2015 meeting. Statutorily, the draft Interregional Transportation Improvement Program (ITIP) must be submitted by October 15, 2015, and the Regional Transportation Improvement Programs (RTIPs) and the final ITIP must be submitted by December 15, 2015.

The draft 2016 Fund Estimate presented at the June 2015 meeting forecast essentially no additional capacity for the five-year period of the 2016 STIP. As a result, the first three years of the 2016 STIP period, FYs 2016-17 through 2018-19, are over-programmed with projects carried over from the 2014 STIP. The 2014 estimate of funding capacity for the FYs 2015-16 through 2018-19 was over \$1 billion higher than what Caltrans estimated in the 2016 Fund Estimate. This decline in estimated programming capacity is primarily due to the drop in the price of gasoline over the past year and the consequent decrease in the price-based excise tax. This tax decreased from 18 cents in FY 2014-15 to 12 cents in FY 2015-16. Therefore, some projects programmed in the 2014 STIP must be delayed to FYs 2019-20 and 2020-21, and no new projects can be programmed in the 2016 STIP without deleting previously programmed projects.

The following table reflects the estimated STIP capacity over the six-year period including the pre-STIP “base” year of FY 2015-16.

### SUMMARY OF 2016 STIP FUND ESTIMATE - STIP CAPACITY BY YEAR (dollars in millions)

	2016 STIP Period						6 year Total
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	
Transit (PTA)	\$50	\$40	\$40	\$40	\$40	\$40	\$250
Roads (SHA, Federal)	\$328	\$365	\$380	\$430	\$500	\$500	\$2,503
Total 2016 STIP	\$378	\$405	\$420	\$440	\$540	\$540	\$2,723
<b>2014 STIP Comparison with 5-Year Total</b>	<b>\$680</b>	<b>\$675</b>	<b>\$675</b>	<b>\$670</b>	n/a	n/a	<b>\$4,194</b>
<b>Change in Programming, 2016 STIP Period</b>	<b>(\$ 302)</b>	<b>(\$270)</b>	<b>(\$255)</b>	<b>(\$230)</b>	<b>\$540</b>	<b>\$540</b>	<b>\$46</b>

### 2016 STIP Guidelines

After Commission adoption of the 2014 STIP on March 20, 2014, the process to amend the guidelines for the 2016 STIP began. The process began early, in June 2014, due to the extensive interest in how STIP programming decisions are made. During the summer of 2014, workshops were held to gather feedback on the 2014 STIP and receive suggestions for improvements to incorporate into the 2016 STIP guidelines. The most notable input received and the Commission’s responses were:

- Improve programming process transparency by including detailed explanations of how Caltrans determines the projects proposed in the ITIP. As a result, the 2016 guidelines require that each RTIP and the draft ITIP be posted on the RTPA and Caltrans websites, respectively. Also, the Commission will hold two public hearings by November 15th of each odd-numbered year to provide opportunity for public input.
- Revise the “Criteria for Measuring Performance and Cost Effectiveness,” to simplify assessment measures and concentrate on the most crucial measures where data is available. In addition, it was suggested that performance evaluation should be conducted at the regional level rather than at a statewide level. The Regional Transportation Plan is a long-term plan that includes all planned transportation improvements and the region’s Sustainable Communities Strategy (SCS). The proposed STIP programming in the RTIP is, in many cases, only a portion of the overall program of projects within the region. Therefore, it is important to have a regional-level performance evaluation that also includes an assessment of how effective the RTIP (and ITIP, as relevant) is in helping to achieve the goals and objectives spelled out in the RTP and/or SCS. As a result, STIP guidance now incorporates simplified and more meaningful measures that emphasize a regional-level performance evaluation.

In addition to the above recommended and incorporated changes, many other changes were made. For example: expanding flexibility for projects to be delivered using the Construction Manager/General

Contractor method; incorporating the Governor's emergency drought declaration; and addressing the Governor's Executive Order B-30-15 related to climate change.

The 2016 guidelines provided the following schedule for development and adoption of the 2016 STIP:

- Draft ITIP submitted by October 15;
- ITIP hearings on October 28, 2015 (Northern California) and November 4, 2015 (Southern California);
- Final RTIPs and the ITIP due to the Commission by December 15, 2015;
- STIP hearings in Northern and Southern California on January 21, 2016 and January 26, 2016, respectively;
- Staff recommendations published on February 19, 2016; and
- 2016 STIP adoption by the Commission March 16 or 17, 2016.

## 2015 Report on County and Interregional Share Balances

Section 188.11 of the Streets and Highways Code requires the Commission to maintain a record of County and Interregional Share STIP balances, and to make the balances through the end of each FY available for review no later than August 15th of each odd-numbered year.

On August 5, 2015, the Commission released its Eighteenth Annual Report of STIP Balances, County and Interregional Shares. The report included the 2014 STIP adopted on March 20, 2014, including allocations and other actions approved through June 2015. The balances in the report are based on the capacity identified through FY 2018-19 in the 2014 STIP Fund Estimate, adopted in August 2013.

The 2015 STIP Balances, County and Interregional Shares Report can be found at <http://www.catc.ca.gov/programs/stip.htm>.



## 4.4 ASSET MANAGEMENT PLAN & STATE HIGHWAY OPERATION AND PROTECTION PROGRAM (SHOPP)

**S**B 486 changed the Commission's duties and responsibilities vis-à-vis the SHOPP. As of July 1, 2015, the Commission is required to adopt and manage the SHOPP in a manner similar to the STIP, Proposition 1B and other programs under its purview. Caltrans is, at a minimum, required to specify for each SHOPP project the capital and support budget, as well as a projected delivery date for each project component. SB 486 also requires Caltrans, in consultation with the Commission, to prepare a robust asset management plan to guide the selection of projects for SHOPP programming. The asset management plan is subject to approval by the Commission. The legislation mandates the asset management plan to be consistent with any applicable state and federal requirements. The implementation of the asset management plan can be prepared in phases, with the complete plan to be prepared no later than the 2020 SHOPP.

At the March 2015 Commission meeting, Caltrans presented 19 asset classes and recommended four of the classes, (1) Pavements, (2) Bridges, (3) Culverts and (4) Intelligent Transportation System (ITS) elements, be included by the Commission in the first phase of the asset management plan. The four enumerated asset classes collectively represent 70% of the ten-year SHOPP needs. Caltrans also recommended the Commission approve measurement units and performance measures for each of the four enumerated asset classes. The Commission added one additional asset class (Transportation Office Buildings) to the 19 asset classes presented by Caltrans and approved the four enumerated asset classes and their corresponding measurement units and performance measures for inclusion in the first phase of the asset management plan. Caltrans is committed to present at future Commission meetings the baseline conditions and performance targets for the four asset classes approved by the Commission for inclusion in the first phase of the asset management plan.

The Commission intends to use the asset management plan as a prioritization tool to evaluate asset benefits across all SHOPP projects and to determine the most effective means to apply the state's limited resources to protect and preserve the state's transportation investments. Caltrans intends to run an asset management pilot test process, parallel with the traditional project selection methods used in the development of the 2016 SHOPP, and report the results to the Commission and other stakeholders.

During FY 2014-15, allocations for SHOPP projects totaled just over \$1.56 billion, with \$1.48 billion allocated to 275 projects and \$84.7 million allocated in a lump sum for sub-allocation by Caltrans for minor projects.



## 4.5 ACTIVE TRANSPORTATION PROGRAM (ATP)

The implementation of the ATP during FY 2014-15 was a major accomplishment. The first cycle of this new program was well received among active transportation stakeholders, and a total of 771 applications requesting over \$1 billion in ATP funding were evaluated. The adopted program included 126 projects totaling \$183.8 million in the statewide component, 22 projects totaling \$36.99 million in the small urban and rural component, and 117 projects totaling \$147.1 million in the metropolitan planning organization (MPO) component. Of these, 220 projects benefited disadvantaged communities and 149 were safe-routes-to-school projects.

For the projects programmed in FY 2014-15, 164 (72%) of the projects received a total of \$69.09 million (77 percent) of funds programmed. Eight projects were advanced into FY 2014-15 with allocations of \$5.88 million, resulting in delivery of 78 percent of the committed funding and 80 percent of the programmed project total. A total of \$187,000 lapsed – the local agencies involved used other funds to deliver those 5 projects. Forty-five projects totaling \$27.18 million were granted extensions into FY 2015-16.

Following final adoption of the 2014 ATP, the Commission began the process for the next phase, holding three workshops to consider changes to the ATP guidelines. The revised guidelines were adopted in March 2015, along with the Fund Estimate for the next cycle (2016-17 through 2018-19). The call for projects occurred immediately after guidelines adoption, with an application deadline of June 1, 2015.

The Commission received 617 applications for the second cycle of the program. The statewide and small urban & rural components were adopted at the October 2015 Commission meeting, and the MPO component was scheduled for adoption at the December 2015 Commission meeting. Legislation is pending that could change the deadline for the MPO component adoption to January 2016.

## Active Transportation Program (ATP) Delivery

### 2014-15 ATP DELIVERY (First Year) (dollars in millions)

	Dollars	Projects
Programmed	\$96.455	214
Extensions	-\$27.180	-45
Lapsed	-\$0.187	-5
Delivered as programmed	\$69.088	164
Percent delivered as programmed	72%	77%
Advanced	\$5.879	8
Delivered with advances	\$74.967	172
Percent delivered with advances	78%	80%
Prior-year extensions delivered	\$0	0
Total delivered	\$74.967	172



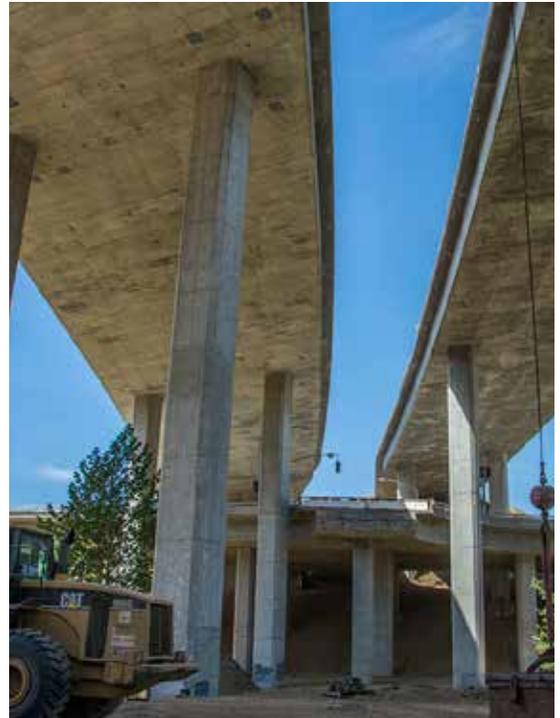
## 4.6 PROJECT DELIVERY AND TRANSPARENCY

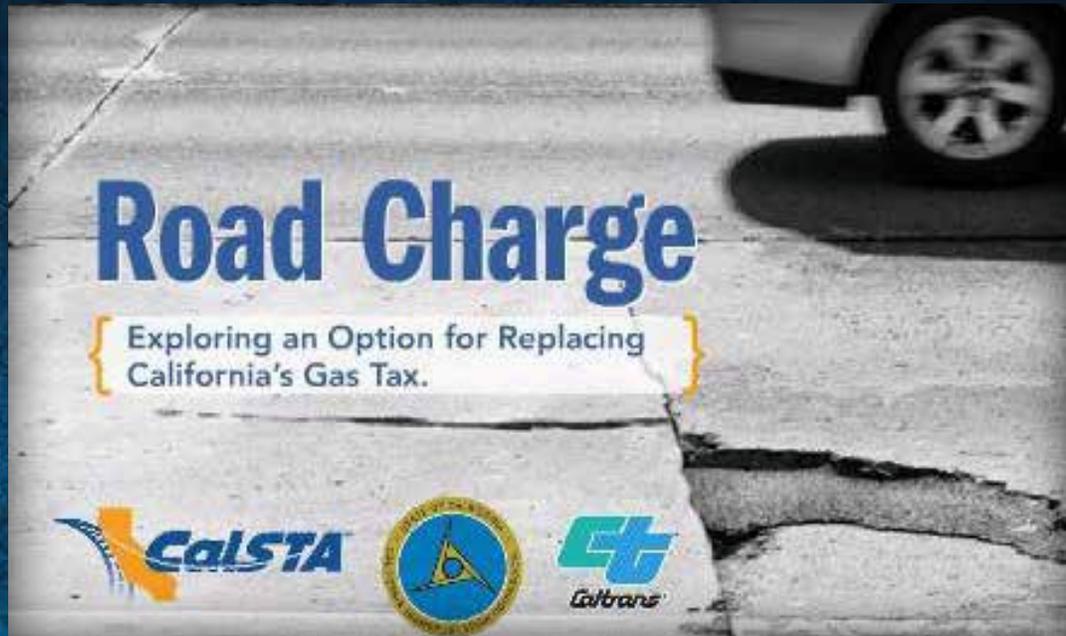
The Commission allocated over \$4.6 billion in state and federal transportation funding during FY 2014-15, helping generate more than 75,000 private and public sector jobs and contributing to a construction program in excess of \$4.9 billion in state-administered construction contracts.

SB 486 (DeSaulnier, Chapter 917, Statutes of 2014) requires Caltrans, in consultation with the Commission, to develop a plain language project performance report to increase transparency and accountability, and to provide information comparing approved project capital and support budgets to expenditures at construction contract acceptance. In response and in the interests of improved monitoring and reporting for capital projects outside of the SHOPP, the Commission formed a four-member Delivery Committee to help the Department improve its quarterly project delivery report. The Committee serves to provide a forum for Caltrans to identify, discuss and transparently report project issues that create a risk of not meeting schedule, cost, scope or benefit expectations. The goal is to identify risks early in the delivery process, before supplemental funds are requested, in order to determine solutions for resolution and avoid future project amendments.

At the June 2015 Commission meeting, Caltrans presented its Third Quarter FY 2014-15 Project Delivery Report, the first quarterly report re-engineered with the Commission's Delivery Committee input, making the report more transparent and easier to understand. Although Caltrans' quarterly project delivery report remains a work in progress, the Commission believes Caltrans has made the report more transparent, informative and understandable. The report is presented quarterly at publicly held Commission meetings and provides plain-language performance measures, a project watch list with identified risks (budget and schedule), and associated charts and tables.

Local Agency project performance, including for Active Transportation projects, is reported by the Department through the Commission in this annual report. For the Active Transportation Program, future reports will include a summary of projects completed by project type, geographic distribution, and benefit to disadvantaged communities. The effectiveness of the Active Transportation Program in terms of planned and achieved improvements will also be included as the program matures and projects begin reaching completion milestones.





## 4.7 ROAD CHARGE TECHNICAL ADVISORY COMMITTEE

The California Road Charge Technical Advisory Committee was established in 2014 by SB 1077 (Chapter 835, Statutes of 2014). SB 1077 created the California Road Charge Pilot Program and tasked the Chair of the Commission, in consultation with the California State Transportation Agency (CalSTA) to convene a fifteen-member Technical Advisory Committee (TAC) to study road charge alternatives to the gas tax, gather public comment, and make recommendations to CalSTA regarding the design of a road charge pilot program. The TAC may also make recommendations on the criteria to be used to evaluate the pilot program. CalSTA is charged with implementing a pilot program by January 1, 2017 and reporting its findings on the pilot program to the TAC, the Commission, and the appropriate policy and fiscal committees of the Legislature by June 30, 2018. The Commission shall include its recommendations regarding the pilot program in its annual report to the Legislature. The provisions of SB 1077 will sunset on January 1, 2019.

The Commission appointed 15 members to its Road Charge TAC at the December 2014/January 2015 meetings. The TAC membership includes representatives from: the telecommunications industry; highway user groups; data security and privacy industries; privacy rights advocacy organizations; the social equity community; regional transportation agencies; national research and policymaking bodies (including members of the Legislature); and other relevant stakeholders. The TAC convened monthly meetings throughout the state to (1) study road charge alternatives to the excise tax on gasoline, (2) develop recommendations for the design of a road charge pilot program, (3) develop recommendations for the criteria to evaluate the road charge pilot program, and (4) gather public input.

A 22-member workgroup was formed by the TAC as a resource to efficiently gather and provide expert input on options for the design and evaluation of the road charge pilot program. The workgroup included representatives from: vehicle users; vehicle manufacturers; fuel distributors; tribal governments; social equity and sustainability advocates; taxpayers; state, local, and regional transportation agencies; and building, construction, business and economic interests.

After meeting monthly at locations throughout California to gather public input and develop design recommendations, the TAC finalized its recommendations. In summary, the TAC recommended that during the pilot: (1) specific privacy and data security protections be provided; (2) drivers be offered a choice of account managers and mileage recording methods; (3) out of state vehicles be included and payment be simulated for driving on California roads; (4) an open system design be tested; (5) interoperability of California's system be tested with that of other states; (6) individuals, households, businesses, and at least one government agency be included; (7) a cross-section of at least 5,000 vehicles reflective of the fleet currently using California's road network be included; and (8) methods to exempt miles driven on private roads or out of state be tested. In addition, the TAC recommended that the pilot be evaluated according to 50 criteria that span 8 categories: revenue; cost of administration and collection; operations; user experience; privacy; data security; equity; and communications. Recommendations on the design of and evaluation criteria for a road charge pilot program are expected to be formally communicated to CalSTA during December 2015 and can be found at [www.catc.ca.gov](http://www.catc.ca.gov) or [www.californiaroadchargepilot.com](http://www.californiaroadchargepilot.com).



## 4.8 HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY BOND ACT OF 2006 (PROPOSITION 1B)

Proposition 1B, approved by the voters in November 2006, authorized the issuance of \$19.925 billion in state general obligation bonds for specific transportation programs intended to relieve congestion, facilitate goods movement, improve air quality, and enhance the safety of the state's transportation system. These transportation programs include: the Corridor Mobility Improvement Account; State Route 99 Corridor Account; Trade Corridors Improvement Fund; State-Local Partnership Program; Local Bridge Seismic Retrofit Account; Highway-Railroad Crossing Safety Account; Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA); Traffic Light Synchronization Program; and augmentations to the existing State Transportation Improvement Program and the State Highway Operation and Protection Program. Consistent with the requirements of Proposition 1B, with the exception of PTMISEA, the Commission programs and allocates bond funds in each of the above-mentioned programs.

As of June 2015, the Commission allocated \$11.4 billion of the \$12.025 billion in Proposition 1B funds programmed under its purview. The economic downturn that began in 2009 resulted in lower construction bids, significantly benefiting the Proposition 1B program. This trend continued in FY 2014-15 at a slightly reduced rate. Caltrans received an average 5.4 bids per advertised contract, slightly lower than the prior fiscal year. The average low bid was 7.8% below the Engineer's estimate for FY 2014-15 versus 8.6% below the Engineer's estimate for FY 2013-14. Through FY 2014-15, the Commission reinvested approximately \$2.0 billion in resulting bid savings to enable the delivery of additional transportation improvements throughout the state.

With almost all Proposition 1B funds allocated and most of the allocated bond projects under construction, the Commission continues to monitor the progress of the projects through the close-out phase of the program. As projects are completed, the Commission is working with Caltrans and project sponsors to determine the degree to which benefits identified at the time of programming have been achieved. Although, for many of the projects, the benefits will not be immediately identifiable, the Commission will continue to monitor and require that project sponsors report the benefits achieved over time. In addition, the Commission continues to consult with Caltrans, ensuring that Caltrans' annual audit plan encompasses audits of completed bond funded projects. Status reports for Proposition 1B programs and projects can be found at <http://www.bondaccountability.dot.ca.gov/bondacc/>.

## Corridor Mobility Improvement Account Program

Proposition 1B authorized \$4.5 billion in general obligation bond proceeds to be deposited in the Corridor Mobility Improvement Account (CMIA). Funds in the CMIA are available for performance improvements on the state highway system, or major local access routes to the state highway system, that relieve congestion by expanding capacity, enhancing operations, or otherwise improving travel times within high-congestion travel corridors.

When the CMIA program was adopted in February 2007, the Commission programmed 54 projects for \$4.5 billion, leveraging another \$4.6 billion in federal, state and local funds. The Commission and its partners were successful in allocating the CMIA program funds within the statutory deadline of December 31, 2012. Capitalizing on cost savings realized at construction contract award, the Commission grew the CMIA program from 54 corridor projects valued at \$9.1 billion to 90 projects valued at \$12.3 billion. Due to complexity, timing and construction phasing, some corridor projects were constructed in stages, resulting in 129 individual construction contracts.

Consistent with the Proposition 1B savings policy approved in January 2014, the Commission in June 2015 transferred approximately \$72 million in CMIA project close-out and administrative savings to replace an equal amount of STIP funds on six projects that were eligible to receive CMIA program funds. The State Highway Account capacity gained was then transferred to fund additional SHOPP projects. As CMIA projects are completed and final close-outs are done, Caltrans will continue to apply CMIA fund savings to eligible STIP projects and transfer the STIP savings to increase SHOPP State Highway Account Capacity.

As of June 30, 2015, 77 construction contracts were completed with 51 of these having submitted Final Delivery Reports to the Commission. The status of individual projects in the CMIA program is reported to the Commission on a quarterly basis.

## State Route 99 Corridor Program

Proposition 1B authorized \$1 billion in general obligation bond proceeds to be deposited in the State Route (SR) 99 Account. Funds in the SR 99 Account may be used for safety, operational enhancements, rehabilitation, or capacity improvements to improve the SR 99 corridor, traversing approximately 400 miles of the state's central valley. There are 23 corridor projects in the program (some corridor projects were constructed in stages, resulting in 27 construction contracts). These projects are valued at more than \$1.3 billion accounting for the addition of other funds.

As of June 30, 2015, the Commission had allocated \$967 million in SR 99 account funds. Of the 27 construction contracts, 13 projects have completed construction, with 5 of these submitting Final Delivery Reports to the Commission.

## Trade Corridors Improvement Fund

Proposition 1B authorized \$2 billion of state general obligation bonds for the Trade Corridors Improvement Fund (TCIF). Funds in the TCIF are available to the Commission, upon appropriation by the Legislature, for allocation to infrastructure improvements along federally designated "Trade Corridors of National Significance" in the state or along other corridors within the state that have a high volume of freight movement. Proposition 1B provides for highway capacity and operational improvements to more efficiently accommodate the movement of freight, for improvements in the freight rail system's ability to move goods from seaports, land ports of entry and airports to warehousing and distribution centers throughout California; truck corridor improvements, including dedicated truck facilities or truck toll facilities; border access improvements to enhance goods movement between California and Mexico; and surface transportation improvements to facilitate the flow of goods to and from the state's airports. Proposition 1B requires that the Commission allocate funds for trade infrastructure improvements in a manner that places an emphasis on projects that improve trade corridor mobility while reducing diesel particulate and other pollutant emissions.

Recognizing the critical freight needs in California, the Commission proposed a strategy to increase TCIF funding by moving \$500 million from the State Highway Account (via the SHOPP Program) to fund state-level priorities that are critical to goods movement. This strategy was subsequently codified in AB 268 (Committee on Budget, Chapter 756, Statutes of 2008).

There are currently 87 projects in the TCIF program which, with matching funds, are valued at \$7 billion. Of the 87 projects, 22 projects are complete (9 have completed a Final Delivery Report), 60 projects are either under construction or about to start construction and 5 projects remain unallocated.

During FY 2014-15 the Commission allocated \$56.5 million of TCIF funds to projects ready to commence construction. As of June 30, 2015, the Commission had allocated \$2.4 billion (\$1.91 billion in TCIF Bonds and \$0.490 billion in TCIF SHOPP funds).

## Traffic Light Synchronization Program

Proposition 1B authorized \$250 million for the Traffic Light Synchronization Program (TLSP). The TLSP is subject to the provisions of the Government Code and is a program for traffic light synchronization or other technology-based improvements to safely operate and effectively manage capacity of local streets and roads.

Government Code Section 8879.64(b), added by SB 88 (Chapter 181, Statutes of 2007), directed that \$150 million from the TLSP be allocated to the City of Los Angeles for upgrading and installing traffic signal synchronization within its jurisdiction. SB 88 also designated the Commission as the administrative agency responsible for adopting guidelines and programming funds for the TLSP program.

On May 28, 2008, the Commission programmed 22 traffic light synchronization projects totaling \$147 million for the City of Los Angeles and \$96.8 million for 59 additional traffic light synchronization projects for agencies other than the City of Los Angeles.

As of June 2015, the Commission had allocated \$237 million in bond funds to TLSP projects. Of the 81 projects included in the TLSP Program, 64 projects are complete (40 of these submitting a Final Delivery Report), 14 are under construction and 3 remain unallocated.



## Highway-Railroad Crossing Safety Account

Proposition 1B authorized \$250 million for the Highway-Railroad Crossing Safety Account (HRCSA) program to fund the completion of high-priority grade separation and railroad crossing safety improvements. The HRCSA funds are available, upon appropriation by the Legislature, to Caltrans, as programmed and allocated by the Commission.

The HRCSA program is subject to the provisions of the Government Code and includes two parts as follows:

- Part 1 - Government Code Section 8879.23(j)(1) provides \$150 million for projects on the Public Utilities Commission's (PUC) project list pursuant to the process established in Chapter 10 (commencing with Section 2450) of Division 3 of the Streets and Highways Code.
- Part 2 - Government Code Section 8879.23(j) (2) provides \$100 million for high-priority railroad crossing improvements that are not part of the PUC priority list process.

The HRCSA program concluded its third two-year cycle in June 2014. A total of \$18.306 million in program savings was available for programming in the 2014 HRCSA Program (fourth cycle). Applications were due on July 1, 2014. On September 18, 2014, Commission staff released its recommendations and the 2014 HRCSA Program was adopted by the Commission at its October 2014 meeting.

There are currently 37 projects programmed in the HRCSA Program valued at \$1.3 billion. Of the 37 projects included in the program, one remains unallocated and 15 have completed construction and submitted Final Delivery Reports to the Commission.

As of June 30, 2015, the Commission had allocated \$225 million to projects included in the HRCSA Program.

## Public Transportation Modernization, Improvement, and Service Enhancement Account

Proposition 1B authorized \$4 billion for the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Funds in the account are available, upon appropriation by the Legislature, to: Caltrans for intercity rail projects; commuter or urban rail operators; bus operators; waterborne transit operators; and other transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus and rapid transit improvements, and rolling stock procurement, rehabilitation, and/or replacement.

Of the \$4 billion authorized for the PTMISEA, \$3.6 billion is available for allocation by the State Controller in accordance with Public Utilities Code (PUC) distributions: 50 percent allocated by formula to Local Transit Operators as specified in PUC Section 99314 and 50 percent allocated by formula to Regional Entities as specified in PUC Section 99313.

The remaining \$400 million is available for programming and allocation by the Commission to Caltrans for intercity rail improvements. AB 268 (Chapter 756, Statutes of 2008) requires Caltrans to report to the Commission annually on the administration and status of the PTMISEA program. As of June 30, 2015, the Commission had allocated \$307 million to 15 projects, of which 5 projects have been completed.

The Commission approved one PTMISEA allocation of \$108 million to Caltrans for procurement of locomotives, railcars, and to install an on-board information system on the rolling stock for all state-supported rail systems. To date, of the 17 programmed projects, a total of \$307.1 million was allocated by the Commission to fifteen projects.

## Local Bridge Seismic Retrofit Account

Proposition 1B authorized \$125 million for the Local Bridge Seismic Retrofit Account (LBSRA). The LBSRA funds are available to the Commission, upon appropriation by the Legislature, to provide the 11.5% required match for Federal Highway Bridge Program funds available to the state for seismic retrofit work on local bridges, ramps and overpasses, as identified by Caltrans.

In April 2007, Caltrans identified 479 remaining local bridges as needing seismic retrofit under the Local Bridge Seismic Retrofit Program funded with Federal Highway Bridge funds. Caltrans and local agencies subsequently revised the list of eligible bridges to 383.

The Commission allocates LBSRA funds to Caltrans for sub-allocation to Local Agencies. During FY 2014-15, the Commission allocated \$7 million, and Caltrans sub-allocated \$1.1 million in LBSRA funds to Local Agencies for 5 eligible projects. As of June 2015, the Commission had allocated more than \$74.2 million in LBSRA funds to Caltrans, with \$46 million of these funds sub-allocated by Caltrans to Local Agencies. Progress of LBSRA projects is tracked by Caltrans on the FFY basis since 88.5% of funds used to retrofit local bridges are Federal Highway Bridge Program funds. Commission allocated funds not sub-allocated by Caltrans by the end of the FFY revert back to the LBSRA.

## State-Local Partnership Program Account

Proposition 1B authorized \$1 billion to be deposited in the State-Local Partnership Program (SLPP) Account to be available, upon appropriation by the Legislature, for allocation by the Commission over a

five-year period to eligible transportation projects nominated by an applicant transportation agency.

Through the end of the five-year SLPP program period that ended June 30, 2013, the Commission had allocated \$981 million of SLPP funds, with the \$19 million balance set aside for administration. The Commission's role is now directed to project delivery and accountability. No further allocations can be made from the SLPP Account.

As of June 30, 2015, 185 projects have completed construction, with 140 of these submitting Final Delivery Reports.

## State Transportation Improvement Program Augmentation

Proposition 1B authorized \$2 billion in bond proceeds to augment the State Transportation Improvement Program (STIP). Through this augmentation, the Commission convened a special STIP development cycle for the 2006 STIP in advance of the development of the 2008 STIP. The Commission's primary intent for augmenting the 2006 STIP was to advance the programming of funds for STIP projects so that projects were delivered prior to the adoption of the 2008 STIP, freeing up capacity to program additional projects. Thus, the Commission was able to provide an early opportunity for the regions to program new STIP projects with the added capacity created by the bond funds. Projects are tracked as part of the normal STIP process. As of June 30, 2015 the Commission had allocated approximately \$1.9 billion to more than 85 STIP projects.

## State Highway Operation and Protection Program

Proposition 1B set aside \$500 million to augment the State Highway Operation and Protection Program (SHOPP). Projects funded with SHOPP funds serve to rehabilitate and improve the operation of state highways and local roads. Projects are tracked as part of the normal SHOPP process. As of June 30, 2015, the Commission had allocated \$405 million to 34 SHOPP projects. The balance of \$95 million includes \$10 million set aside for administration and \$85 million available for programming, which includes savings from the original 34 SHOPP projects.



## 4.9 IMPLEMENTATION OF THE SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND ACT OF THE 21ST CENTURY (PROPOSITION 1A)

In November 2008, the voters passed The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A), a rail bond amounting to \$9.95 billion. Proposition 1A set aside \$9 billion to initiate construction of a high-speed train system under administration by the California High-Speed Rail Authority (HSRA). The Commission is responsible for programming and allocating the remaining \$950 million to eligible recipients for capital improvements to intercity and commuter rail lines and urban rail systems. Eligible recipients can use the funding for capital improvements that:

- Provide or improve connectivity to the high-speed train system and its facilities;
- Are part of the construction of the high-speed train system;
- Provide capacity enhancements and safety improvements; and/or
- Provide for the rehabilitation or modernization of, or safety improvements to, tracks utilized for passenger rail service, signals, structures, facilities, and rolling stock.

Under Proposition 1A, the Commission was responsible for developing guidelines in consultation with the HSRA to implement the program. In 2009, the Commission deemed it prudent to delay developing the guidelines and adopting a program of projects until the American Recovery and Reinvestment Act grant process was complete and the projects receiving federal grants were known. In addition to consulting with the HSRA, the Commission sought input from the eligible commuter and urban rail agencies and Caltrans.



The Commission developed guidelines for programming requests by eligible commuter and urban operators and Caltrans. The Commission included in the guidelines its expectations on eligible projects, program amendments and allocation requests. State administrative costs were limited to two percent by the Commission. The Commission deducted the two percent from the \$950 million, prior to establishing the amounts available for programming.

The Commission adopted its Proposition 1A High-Speed Passenger Train Bond guidelines at its February 2010 meeting. Then, on May 19, 2010, the Commission adopted a three-year program (2010-11 through 2012-13), totaling approximately \$500 million, based on priorities identified by eligible agencies.

In April 2012, the HSRA released its Revised Business Plan that incorporated a blended approach to high-speed rail. The Commission, in consultation with the Administration and the HSRA, requested that local agencies and the Department re-apply for Proposition 1A funds for projects consistent with the Revised Business Plan. The revised program of projects was presented to the HSRA for their review and input, and then was subsequently adopted by the Commission at its June 2012 meeting. Total allocations for Proposition 1A projects through June 2015 amounted to \$805.65 million, with \$68.06 million allocated in FY 2014-15 (\$78.64 million allocation less \$10.58 million de-allocation).



## 4.10 STATE-SUPPORTED INTERCITY PASSENGER RAIL SERVICE

State-supported intercity rail passenger service operates in three corridors:

- Capitol Corridor (Auburn-Sacramento-Oakland-San Jose)
- Pacific Surfliner Route (San Luis Obispo-Los Angeles-San Diego)
- San Joaquin Route (Bay Area/Sacramento-Fresno-Bakersfield, via bus to Los Angeles)

During FY 2014-15, the Capitol Corridor Joint Powers Authority (CCJPA) planned and administered the Capitol Corridor, and Caltrans planned and administered state funding for the Pacific Surfliner and San Joaquin route services.

Caltrans is responsible for developing annual state budget requests for all three services. The National Passenger Rail Corporation (Amtrak) operates the services under contract with Caltrans. Under the Federal 1970 Rail Passenger Service Act (49 USC 24102), only Amtrak has statutory rights to access privately owned railroads at incremental cost for intercity passenger rail service.

In September 2012, two pieces of legislation were signed by the Governor regarding Intercity Rail Agreements, specifically SB 1225 (Padilla, Chapter 802, Statutes of 2012) and AB 1779 (Galgiani, Chapter 801, Statutes of 2012). The legislation enables the transfer of administrative responsibility of the Pacific Surfliner and the San Joaquin intercity passenger rail service from Caltrans to two specific joint powers authorities. The composition of each joint power's authority is set forth in legislation. These transfers of responsibility to the San Joaquin Joint Powers Authority and the LOSSAN Rail Corridor Agency took place on June 29, 2015, effective July 1, 2015.

The California State Transportation Agency remains responsible for the overall planning, coordination, and budgeting of the intercity passenger rail service, and the state will continue funding service operations, administration and marketing. Additionally, Caltrans will remain responsible for coordination and integration between the three state-supported intercity passenger rail services.

Annual operating subsidies for the intercity rail services was stable in the recent past at \$90.3 million, but started increasing in FY 2014-15. At the time of the 2014 Fund Estimate, total annual subsidies were expected to be \$104.7 million by FY 2018-19. Now, the 2016 Fund Estimate shows that these subsidies are expected to be about \$119.5 million in FY 2015-16 and increase by about \$4 million per year – up to about \$138.57 million in FY 2020-21. Amtrak continues to provide approximately \$13 million annually from federal funds to operate the 30 percent of Pacific Surfliner service that is not state-supported.

Intercity rail corridors in the state are some of the most heavily traveled intercity rail routes in the country. The Pacific Surfliner Route is the second most heavily traveled intercity rail corridor in the country, surpassed only by the Washington-Boston Northeast Corridor. The Capitol Corridor and the San Joaquin Routes rank the third and fifth most heavily traveled corridors in the nation, respectively. Similar to other transportation modes, the intercity capital rail program has suffered from unreliable infrastructure funding that now threatens its ability to meet increased passenger demands. While intercity rail operations funding and costs can be considered relatively stable, the same cannot be said for infrastructure funding. The uncertainty of reliable funding makes it difficult for Caltrans to develop long-range service plans that are dependent upon new equipment and capital projects.

Overall, intercity ridership increased 1.6 percent (about 84,000 riders) in FY 2014-15 over ridership in FY 2013-14. Revenues in the overall state system increased from \$139.35 million to \$146.35 million in the same time period, an increase of 5.0 percent, while expenditures increased 3.2%. The on-time performance, a measure of the train's reliability in maintaining its schedule, decreased from 85.9 percent in FY 2013-14 to 83.8 percent in FY 2014-15.

In FY 2014-15, 5 intercity rail projects received STIP allocations totaling \$12.756 million, including \$7.2 million for the Sealed Corridor project in Ventura County; \$4 million for two siding upgrade projects in Ventura and Santa Barbara Counties; \$1 million for capitalized maintenance on the Capitol Corridor; and \$556,000 to install bicycle lockers at Capitol Corridor stations. One project, the Northern California Maintenance Facility project, totaling \$18.85 million, lapsed at the end of the FY.



## 4.11 LOCAL ASSISTANCE

The Commission is responsible for the allocation of state and Federal transportation funds to local agencies. The two largest federally funded transportation programs designated by formula to local agencies are the Federal Regional Surface Transportation Program (RSTP) and the Congestion Mitigation and Air Quality (CMAQ) Program.

## RSTP and CMAQ Programs

The RSTP was established by California State Statute utilizing Surface Transportation Program (STP) Funds identified in Section 133 of Title 23 of the United States Code. In accordance with Section 133 (f), approximately 76% of the state's RSTP funds must be obligated to projects that are located within the 11 urbanized areas of California with populations greater than 200,000 people. The apportionment and distribution for such obligation is calculated based on the relative population of each such area to the total. The RSTP provides flexible funding for projects to preserve and improve the conditions and performance on any public road except those functionally classified as local roads or rural minor collectors. These roads are collectively referred to as federal-aid highways. RSTP funds may be used for federal-aid highway, bridge, tunnel, public road, pedestrian, bicycle, and transit capital improvement projects. The most recent federal transportation legislation, Moving Ahead for Progress in the 21st Century (MAP-21), modified the activities eligible for these funds to include the preservation of highways and congestion pricing projects and strategies.

The CMAQ Program funds transportation projects or programs that contribute to attainment or maintenance of the National Ambient Air Quality Standards (NAAQS) for ozone and carbon monoxide. The CMAQ program provides a flexible funding source for transportation projects and programs that help meet the requirements of the Federal Clean Air Act. Federal law allows CMAQ funding to be expended to address particulate matter nonattainment and maintenance areas. All projects and programs eligible for CMAQ funds must come from a conforming transportation plan and Transportation Improvement Program (TIP), and be consistent with conformity provisions contained in Section 176(C) of the Federal Clean Air Act and the Transportation Conformity Rule. Funding is available for areas that do not meet the National Ambient Air Quality Standards (nonattainment areas), as well as former non-attainment areas that are now in compliance (maintenance areas). Funds may be used for transportation projects likely to contribute to the attainment or maintenance of a national ambient air quality standard that have a high level of effectiveness in reducing air pollution. Eligible activities include transit improvements, travel demand management strategies, traffic flow improvements, and fleet conversions to cleaner fuels.

Since RSTP and CMAQ funds are designated for distribution based on statutorily mandated funding formulas, the Commission annually allocates funds in excess of \$1.5 billion through a lump sum to Caltrans for sub-allocation to local agencies. Funds allocated by the Commission to Caltrans for local assistance purposes are used primarily for local capital projects off the state highway system, mass transit capital improvements, and bridge improvements. Caltrans is responsible for ensuring that project applications are processed and that programs are consistent with federal and state social, economic, and environmental goals. Caltrans also monitors the obligation of federal funds apportioned to each region, reports the status of those apportionments to the Commission quarterly, and provides written notice to the regional agencies one year in advance of an apportionment reaching its three year limit for expenditure of funds. A local agency with an apportionment within one year of the limit is required to develop and implement a plan to obligate its balance before the three-year limit is reached. The Commission considers a project delivered once funds are obligated.

Caltrans reported that RSTP funds totaling \$149.1 million were sub-allocated to Local Agencies, funding 139 projects during California's FY 2014-15. Caltrans also reported that CMAQ funds totaling \$62.2 million were allocated to Local Agencies during FY 2014-15. Since most federal funds tend to be obligated near the end of the FFY, which is September 30th, there is often a significant variance between the funds "used" during the State's FY and the total Federal allocation for the FFY. This difference is apparent in the table below.

## RSTP and CMAQ – AB 1012

AB 1012 (Torlakson, Chapter 783, Statutes of 1999) was enacted with a goal of improving the delivery of transportation projects. The AB 1012 “use-it-or-lose-it” provision states that regional agency RSTP and CMAQ funds not obligated within the first three years of federal eligibility are subject to reprogramming by the Commission in the fourth year. During FY 2014-15, Caltrans reported that all agencies met the deadline to obligate their FY 2011-12 funds.

Regional agencies have dedicated considerable effort toward improving the delivery of RSTP and CMAQ projects. The FY 2014-15 RSTP and CMAQ appropriations are in their first year of availability and will continue for the next two years. Caltrans released its AB 1012 “use-it-or-lose-it” notices for the 2012-13 federal apportionments in November 2014. As of June 30, 2015, the AB 1012 balance report reported approximately \$4.3 million of CMAQ funds, mostly in Ventura (\$3.7 million), Mariposa (\$156,000) and Tehama (\$435,000) and approximately \$3.47 million of RSTP funds, mostly in Ventura (\$3.1 million) and Imperial (\$349,000) may be subject to reprogramming. As of the end of the FFY (September 30, 2015), all RSTP funds were obligated and only about \$15,000 in CMAQ funds remained unobligated. The following table also shows how the Commission’s FY 2014-15 Local Assistance allocations (including RSTP and CMAQ totaling \$1.1 billion) were used by regional agencies in the first year of availability (as of June 30, 2015) and provides a comparison with the usage of prior first year availability:

**LOCAL ASSISTANCE ALLOCATIONS, FIRST YEAR OF AVAILABILITY**  
**(dollars in thousands)**

Category	Fiscal Year 2012-13		Fiscal Year 2013-14		Fiscal Year 2014-15	
	Allocation	Use	Allocation	Use	Allocation	Use
RSTP	\$503,559	\$115,126	\$556,717	\$179,144	\$559,108	\$149,124
RSTP Match & Exchange	\$57,849	\$52,039	\$57,849	\$56,532	\$57,849	\$56,485
CMAQ	\$471,547	\$58,630	\$467,328	\$121,715	\$473,108	\$62,271
FTA Transfers	\$0	\$267,366	\$0	\$175,398	\$0	\$181,998
Subtotal, RSTP/CMAQ	\$1,032,955	\$493,161	\$1,081,894	\$357,391	\$1,090,065	\$267,880
Bridge Inspection & Match	\$735	\$0	\$735	\$0	\$735	\$211
Bridge Rehabilitation & Replacement	\$302,909	\$101,600	\$229,922	\$183,164	\$244,081	\$180,912
RR Grade Crossing						
Maintenance	\$2,000	\$2,000	\$2,000	\$0	\$2,000	\$0
Grade Separations	\$15,000	\$5,141	\$15,000	\$0	\$15,000	\$2,959
Hazard Elimination/ Safety	\$74,000	\$40,564	\$74,000	\$50,742	\$73,999	\$39,869
Freeway Service Patrol	\$25,479	\$25,479	\$25,479	\$17,276	\$25,479	\$16,216
High Priority Projects	\$171,251	\$169,807	\$252,832	\$213,097	\$226,999	\$69,038
Miscellaneous	\$3,000	\$0	\$3,250	\$1,778	\$3,250	\$1,537
<b>Total</b>	<b>\$1,672,659</b>	<b>\$865,682</b>	<b>\$1,685,1122</b>	<b>\$823,448</b>	<b>\$1,681,608</b>	<b>\$578,622</b>

For the RSTP and CMAQ programs, allocations applied to transit projects are transferred to the Federal Transit Administration (FTA). Those transfers are displayed separately on the table above and are included in the “use of allocation” figures for RSTP and CMAQ.



## 4.12 TRAFFIC CONGESTION RELIEF PROGRAM

The Traffic Congestion Relief Act of 2000 (AB 2928, Chapter 91, Statutes of 2000 and SB 1662, Chapter 656, Statutes of 2000) created the Traffic Congestion Relief Program (TCRP) and the Traffic Congestion Relief Fund (TCRF), committing \$4.909 billion to 141 specific projects. The \$4.909 billion for the TCRP was initially expected to come from:

- \$1.595 billion in FY 2000-01 from a one-time General Fund transfer to the TCRF. The new funding included \$1.5 billion in FY 2000-01 budget surplus funds and \$95 million from the sales tax on gasoline and diesel fuel; and
- \$3.314 billion from the sales tax on gasoline and diesel fuel transferred from the Transportation Investment Fund (TIF) to the TCRF over five years, beginning in FY 2001-02 (\$678 million per year for the first four years, and the remaining balance of \$602 million in the fifth year).

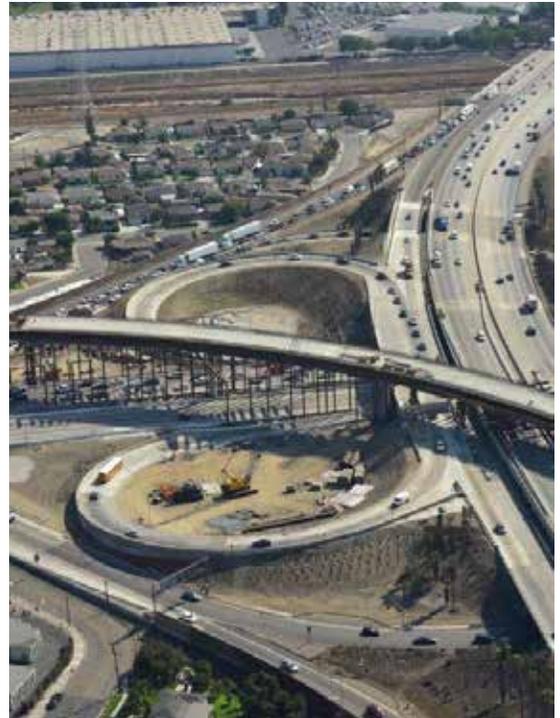
Faced with a growing General Fund budget deficit shortly after the TCRP was established, sales tax revenues on gasoline and diesel fuels were redirected to help address those deficits. Beginning in FY 2001-02, the following actions were taken reducing the amounts available for the TCRP:

- The Transportation Financing Plan, AB 438 (Chapter 113, Statutes of 2001) authorized a series of loans to the General Fund including a \$482 million loan from the TCRF. This loan is now slated to be repaid with tribal gaming revenues.
- AB 438 also postponed scheduled TIF transfers to the TCRF by two years, shifting the revenues from the original FYs 2001-02 through 2005-06, to FYs 2003-04 through 2007-08.
- Proposition 42 (Traffic Congestion Improvement Act of 2002) suspended the transfers of sales taxes on gasoline and diesel fuel from the TIF to the TCRF, with partial suspension in FY 2003-04 (\$389 million) and full suspension in FY 2004-05 (\$678 million). Only transfers to reimburse prior TCRP allocations were made from the TIF. As a result, transfers totaling \$1.1 billion from the TIF to the TCRF were suspended and loaned to the General Fund.
- Proposition 1A (Transportation Funding Protection Act of 2006) required the suspended transfers from the TIF to the TCRF to be repaid no later than June 30, 2016.

While partial repayments have been made, as of June 30, 2015, the TCRF is due \$649 million. The outstanding balance consists of the following:

- \$167 million from sales taxes on gasoline and diesel fuel. This amount represents suspended TIF transfers to the TCRF loaned to the General Fund by Proposition 42 and due for repayment by Proposition 1A. The outstanding balance is to be repaid by the end of FY 2015-16.
- \$482 million loaned from the TCRF to the General Fund in FY 2001-02, which is to be repaid from Tribal Gaming revenues. In FY 2004-05, the Governor negotiated Tribal Gaming compacts to repay the \$482 million loan through bonds, but the bonds have not materialized due to legal challenges. In FY 2005-06, Tribal Gaming revenues were dedicated to annual loan payments pursuant to Government Code 63048.65. However, the FY 2011-12 Governor's Budget suspended Tribal Gaming repayments. The latest projection for repayment to begin is no earlier than FY 2016-17, with the State Highway Account (SHA) as the first fund to be repaid.

A TCRP Allocation Plan was adopted by the Commission in September 2008, establishing allocation recommendations for future FYs (beyond FY 2008-09). This allocation plan was developed at the direction of the Commission by working with Caltrans and the regions. The TCRP Allocation Plan



consists of two tiers: Tier 1 includes projects with higher priority for funding limited to the annual Proposition 1A loan repayments -- the only reliable funds available for future TCRP allocations. Tier 2 includes all other projects for allocation on a first-come, first-served basis depending on the availability of Tribal Gaming revenues.

The Commission has approved \$4.58 billion in applications through June 30, 2015, including full or partial applications for each of the 141 designated projects. Application approval, equivalent to project programming, defines the scope, cost, and schedule of a project or project phase, and generally includes expenditures projected for future years. The Commission allocated a total of \$77.181 million for TCRP projects in FY 2014-15. As of June 30, 2015, approximately \$4.34 billion was allocated to TCRP projects, of which about \$4.076 billion was expended for ongoing TCRP projects.

The Commission reiterates the recommendation to the Legislature contained in our 2014 Annual Report: due to the continuing instability of TCRP funding, and the unlikely improvement in the foreseeable future for funding to become available for Tier 2 projects, this program should either be funded in the immediate future or repealed without delay. This can be accomplished by legislative action to either (1) dedicate a revenue source to timely fund all programmed projects including Tier 2 Projects, or (2) repeal the remainder of the program, by deleting, at a minimum, the Tier 2 projects. Although no funding has yet been identified, in May 2014 Caltrans conducted a survey of implementing agencies to determine the status of Tier 2 projects. This study identified TCRP programmed projects 1) delivered with other funds; 2) with expenditures eligible for TCRP reimbursement; and 3) undelivered and unfunded. Study information, including TCRP expenditures as of June 30, 2014, can be found at: [http://www.ctc.ca.gov/programs/tcrp/TCRP\\_Expenditures\\_063014.pdf](http://www.ctc.ca.gov/programs/tcrp/TCRP_Expenditures_063014.pdf).



## 4.13 SEISMIC SAFETY RETROFIT PROGRAM

California has more than 12,000 bridges on its state highway system and an additional 11,500 bridges on its local streets and roads network. Following the 1989 Loma Prieta earthquake, emergency legislation AB 36x (Sher, Chapter 17x, Statutes of 1989) and SB 38x (Kopp, Chapter 18x, Statutes of 1989) established the Seismic Safety Retrofit Program (SSRP). The SSRP consists of two components, a state highway system component where Caltrans is the seismic retrofit project delivery agent, and a local streets and roads component where local agencies or state agencies other than Caltrans serve as the seismic retrofit project delivery agent.

## State Highway System Component

The state highway system component is subdivided into three seismic retrofit subprograms that in total amount to \$12.0 billion. These subprograms are as follows:

### Seismic Retrofit Program, Phase 1 – \$1.1 billion

The Phase 1 Program, initiated after the 1989 Loma Prieta earthquake, successfully seismically retrofitted 1,039 vulnerable bridges at a cost of \$1.1 billion.

### Seismic Retrofit Program, Phase 2 – \$1.8 billion

The Phase 2 Program, initiated after the 1994 Northridge earthquake, focused on 1,151 bridges identified as needing seismic retrofit. A total of \$1.35 billion was dedicated for the Phase 2 bridges from the Seismic Retrofit Bond Act of 1996 (Proposition 192).

To date, \$1.325 billion has been allocated from Proposition 192 to the Phase 2 bridges, leaving an unallocated \$25 million reserve to cover supplemental fund requests and arbitration settlements on completed bridges. An additional \$485.5 million in SHOPP funds was allocated to certain Phase 2 bridges where bridge replacement as opposed to bridge retrofit was the preferred retrofit strategy. In total, \$1.8 billion has been allocated to the Phase 2 bridges through June 30, 2015.

As of June 30, 2015, 1,150 of the bridges were successfully retrofitted. The last bridge, the Schuyler Heim Bridge in Los Angeles, remains under construction. Its retrofit strategy is complete replacement by a new bridge. One-half of the new Schuyler Heim Bridge has been completed, and traffic was switched on June 5, 2015 from the old bridge to the newly constructed section, thus achieving seismic safety for the traveling public. When the old bridge is dismantled, the second half of the new bridge will be built in the footprint of the old bridge. Construction is forecast for completion by March 2017.

### Toll Bridge Seismic Retrofit Program - \$9.1 billion

The Toll Bridge Seismic Retrofit Program (TBSRP) was initiated after the 1989 Loma Prieta earthquake to address seven toll bridges. Two additional bridges, the Antioch and Dumbarton, were added to the TBSRP by AB 1175 (Torlakson, Chapter 515, Statutes of 2009) bringing the total number of bridges in the program to nine. With the opening of the new east span of the San Francisco-Oakland Bay Bridge (SFOBB) on September 2, 2013, all nine bridges in the toll bridge seismic retrofit program are now retrofitted and open to traffic.

The failure of high-strength rods on the new self-anchored suspension (SAS) span of the SFOBB continues to be an issue. The Toll Bridge Program Oversight Committee (TBPOC) issued a report in December 2014 that concluded the steel saddle retrofit installed on Pier E-2 maintains the design integrity of the bridge by replacing the clamping force that originally was to be provided by the pier's failed high-strength rods. After extensive testing by Caltrans and consultations with rod and metallurgical experts, the TBPOC further concluded that the remaining high-strength rods used on the bridge could safely remain in service with continued inspection and maintenance.

However, through ongoing maintenance inspections it was subsequently discovered that the high-strength rods at the base of Tower T-1 were improperly grouted and are susceptible to water intrusion.

Three of the 424 tower base rods were not holding their load. Caltrans is performing extensive testing of the T-1 rods to determine if there is a potential for longer-term (over years and decades) stress corrosion cracking of the rods. The TBPOC approved funds to perform additional tower seismic analysis and sensitivity studies; analysis of rod galvanizing and micro indications; investigation of thread stripping, nut diameter and thread pitch; and tower anchor rod repair mock-ups as recommended by the Expert Review Group that the TBPOC established to advise on the tower rod issue. Disposition of the rods and bad grout is dependent on the results of these additional analyses and investigations. The analyses and investigations could take up to a year to complete.

## Local Streets and Roads Component

Subsequent to the 1989 Loma Prieta earthquake, 1,242 publicly-owned bridges on the local streets and roads network were identified as needing seismic evaluation. With the passage of Proposition 1B (Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006), a \$125 million Local Bridge Seismic Retrofit Account (LBSRA) was established. Funds from the LBSRA provide the 11.5 percent local match for the Federal Highway Bridge Program funds used to retrofit the local bridges. Details on the remaining local streets and roads seismic program bridges are addressed in Section 4.8 Proposition 1B, Local Bridge Seismic Retrofit of this Annual Report.



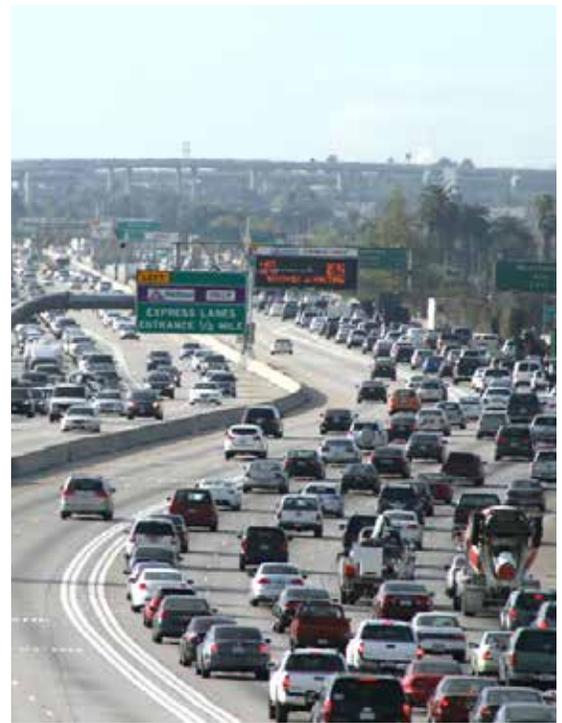
## 4.14 HIGH-OCCUPANCY TOLL LANES

**A**B 1467 (Nunez, Chapter 32, Statutes of 2006) authorized that, until January 1, 2012, regional transportation agencies, in cooperation with Caltrans, could apply to the Commission to develop and operate High Occupancy Toll (HOT) lanes, including the administration and operation of a value pricing program and exclusive or preferential lane facilities for public transit, as specified. The number of projects that could be approved was limited to four: two in Northern California and two in Southern California.

The Commission's role in implementing this legislation included establishing eligibility criteria, determining whether each HOT lane application was eligible, and holding public hearings in both Northern California and Southern California for each application. Under AB 1467, the Commission found three HOT lanes projects to be eligible:

- The Riverside County Interstate 15 Express Lanes Project, submitted by the Riverside County Transportation Commission (RCTC);
- The Los Angeles Region ExpressLanes Project, submitted by the Los Angeles County Metropolitan Transportation Authority (LA Metro); and
- The Metropolitan Transportation Commission (MTC) Regional Express Lane Network.

AB 1467 also required the Commission to provide to the Legislature an annual update on each project established under this authority.



## Riverside County Interstate 15 Express Lanes Project

The RCTC project proposes to add two tolled Express Lanes on Interstate 15 in each direction from SR-60 to Cajalco Road in Corona. The project is currently advancing through the preliminary engineering and environmental phase to be concluded in the spring of 2016. RCTC is also concurrently: conducting an investment-grade traffic and revenue study; updating its project financial model; preparing to submit a pre-application for a federal loan (TIFIA); planning procurements for design-build, toll system integration, and toll operation services; and negotiating cooperative agreements with Caltrans for the design-build and operations and maintenance phases of work.

In July 2009, RCTC entered into an agreement with the Federal Highway Administration (FHWA) making the project part of its Value Pricing Pilot Program. This agreement provided the federal authority to operate two HOT lanes in each direction within the I-15 corridor.

In January 2013, RCTC's Board approved the modified project scope described previously to better match available and projected funding. The modified project scope calls for about 14 miles of tolled express lanes within the most heavily-congested portion of the I-15 corridor. This project will result in the first managed lanes on I-15 in Riverside County and follow after RCTC's other tolled express lane facility on State Route 91.

In January 2014, RCTC's Board concluded its evaluation of various methods of project delivery and approved the use of the design-build method.

RCTC expects construction of the I-15 Express Lanes to begin in 2018, with a projected opening of the facility in 2020.

## Los Angeles Region ExpressLanes Project

The LA Metro ExpressLanes Project converted existing high occupancy vehicle (HOV) lanes on the I-110 and I-10 freeways into HOT lanes through a federal demonstration grant program. The I-110 ExpressLanes opened on November 10, 2012 and the I-10 ExpressLanes opened on February 23, 2013, with successful completion of the demonstration period on February 22, 2014. Given the positive performance of the HOT lanes during the demonstration period, the Metro Board unanimously supported continuing the program at its April 2014 Board meeting. The lanes became permanent with the signing of SB 1298 (Hernandez, Chapter 531, Statutes of 2014) by the Governor in September 2014, which removed the initial tolling authority sunset date of January 2015.

La Metro's ExpressLanes congestion pricing program on the I-10 and I-110 freeways continues to attract drivers, as commuters who use the ExpressLanes enjoy a speedier commute. In FY 2014-15, the I-10 ExpressLanes had 12,295,268 trips and the I-110 ExpressLanes had 21,534,273 trips, for an annual total of 33,829,541 trips. This represents a 17% growth in volume over the previous year. From inception of the lanes through June 30, 2015, a combined total of 74,719,874 trips have been taken on the I-10 and I-110 ExpressLanes.

During the most congested times of the day, the ExpressLanes continued to outperform the general purpose lanes in FY 2014-15 with speeds ranging from 10 to 19 miles per hour (mph) faster in the ExpressLanes. In the morning peak direction, speeds on the I-10 averaged 62 mph in the ExpressLanes and 49 mph in the general purpose lanes. On the I-110 the ExpressLanes speeds averaged 53 mph while the general purpose lane speeds averaged 43 mph in the morning peak direction. In the evening peak direction the I-10 ExpressLanes averaged 59 mph while the general purpose lanes speeds were an average of 45 mph. And on the I-110 ExpressLanes evening peak period direction speeds averaged 57 mph while general purpose lanes averaged 38 mph.

Up to June 30, 2015 just over 393,000 toll accounts had been opened and over 423,000 electronic toll transponders had been distributed. Approximately 7,400 Los Angeles County households had enrolled in the Low Income Assistance Plan which provides low income commuters with a one-time \$25 toll credit at account opening and waives the monthly account maintenance fee.

The investment of a portion of toll revenues into corridor transit continues to be an important component of the ExpressLanes. For example, Metro's Silver Line had a 7% increase in ridership in FY 2014-15. This is the third consecutive year that its ridership has increased.

During FY 2014-15, the Metro Board approved an expenditure plan to reinvest \$26.7 million of toll revenues generated during the demonstration period. Reinvestments included: setting aside some funds into a reserve account to pay for unexpected costs; expending just over \$5.2 million for transit operations along the 2 corridors; and, allocating the remainder of just under \$21 million to a competitive community grant program for mobility projects along each corridor. Funds were split into 3 project categories - Highway Improvements (20%), Active Transportation/System Connectivity (40%) and Transit Improvements (40%). LA Metro received 35 applications and awarded grants to 20 projects.

## Metropolitan Transportation Commission Regional Express Lane Network

The MTC Regional Express Lane Network is comprised of 270 miles of express lanes on five freeway routes in the San Francisco-Oakland Bay Area: I-80 in Alameda, Contra Costa and Solano Counties; I-880 in Alameda County; I-680 in Solano and Contra Costa Counties; State Route 84 in Alameda County; and State Route 92 in Alameda County. The project includes conversion of approximately 150 miles of existing HOV lanes to express lanes. The remainder of the network would involve adding new travel lanes to close gaps in the existing HOV system.

MTC's initial projects include conversion of existing HOV lanes into express lanes on:

- I-680 Southern Segment in Contra Costa County, from Walnut Creek to San Ramon (open Fall 2016);
- I-680 Northern Segment in Contra Costa County, from the Benicia Bridge to Walnut Creek (open late 2018);
- I-880 in Alameda and Santa Clara Counties, from the Oakland Airport to Milpitas (open early 2019);  
and
- I-80 in Solano County from Fairfield to Vacaville (open 2020, subject to funding).

MTC is undertaking the implementation of its express lanes network in partnership with Caltrans, the California Highway Patrol, the Bay Area County Congestion Management Agencies, other Bay Area express lane operators, and FHWA.

Accomplishments in FY 2014-15 include:

- Completed environmental and design phases of the I-680 Southern Segment Express Lanes. The civil construction contract was awarded in July 2015 and construction began in August 2015.
- Continued work on the environmental studies for the I-680 Northern Segment in Contra Costa County. Once cleared environmentally, the design of this express lane will be integrated with that for the southbound HOV Completion Project through Walnut Creek.
- Completion of environmental technical studies for I-880 in Alameda County.
- Circulation of the draft environmental document for I-80 in Solano County.
- Completion of toll host system design.
- Extensive coordination with other Bay Area Express Lane operators to develop consistent business rules and public messaging.

In October, 2015, the Governor enacted AB 194 (Frazier, Chapter 687, Statutes of 2015) which authorizes regional transportation agencies or Caltrans to apply to the Commission to develop and operate HOT lanes or other toll facilities. AB 194 authority is similar to the authority granted under AB 1467, but will require new guidelines and application criteria, and does not limit the Commission in the number of HOT lane projects it can approve.



## 4.15 PUBLIC-PRIVATE PARTNERSHIP

Section 143 of the Streets and Highways Code, as amended by SB 4 (Cogdill, SBX2 4, Chapter 2, Statutes of 2009), authorizes Caltrans and regional transportation planning agencies to, until January 1, 2017, enter into an unlimited number of comprehensive lease agreements with public or private entities to develop transportation projects, commonly known as public private partnership (P3) projects.

Section 143 provides that P3 projects and associated lease agreements proposed by Caltrans or a regional transportation planning agency shall be submitted to the Commission, and the Commission shall select and approve the projects before Caltrans or a regional transportation planning agency begins a public review process leading to a final lease agreement.

Since the Commission's adoption of its Public Private Partnership Policy Guidance in October 2009, only one P3 project has been received by the Commission for approval. At its May 2010 meeting, the Commission approved the joint request by Caltrans and the San Francisco County Transportation Authority for Caltrans to enter into an agreement with a private entity to develop the Phase 2 (Presidio Parkway) portion of the Doyle Drive Replacement Project. On June 11, 2013, the Commission approved a funding plan totaling \$1.08 billion, including a risk reserve of \$36.84 million.

The project was completed ahead of schedule and opened to Bay Area motorists on July 12, 2015. On September 25, 2015, Caltrans received a written notice from the Developer, Golden Link Concessionaire (GLC) that it had achieved Substantial Completion. The Department agreed with GLC on the completion of the project and is now contractually required to pay the milestone payment of \$276 million.

The remaining construction work requires no closures of the facility and includes small punch list items such as finishing local streets and landscape features. In addition, the Developer has to clear and restore the construction easement and other affected Presidio Trust lands to their original condition. Finally, with substantial completion achieved, the Developer begins its responsibility for operating and maintaining the facility for the next 30 years. Typical activities include maintenance patrols, vegetation control, graffiti, trash/debris removal, and pavement inspections.

While the project appears to be nearly complete, there are still significant issues to be resolved. On July 20, 2015, GLC filed a Complaint for Declaratory Relief with the San Francisco County Superior Court. The Complaint seeks a declaration from the Court regarding the parties rights and responsibilities as related to the Dispute Review Board process as outlined in the P3 Agreement as well as the parties rights and responsibilities as related to the Presidio Trust. Caltrans filed a demurrer on the basis that the Court lacks jurisdiction and that GLC failed to state facts sufficient to constitute a cause of action. The hearing on the demurrer is scheduled for December 14, 2015.



## 4.16 CALIFORNIA TRANSPORTATION FINANCING AUTHORITY

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

Beginning June 30, 2011, and annually thereafter, the CTFA is required to provide the Commission a summary of actions taken in the previous calendar year, including the number of project sponsors who sought financing through the CTFA, a description of each project, a summary of the sources of funding used to finance or refinance the project, and any recommendations the CTFA 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 CTFA has not received a formal request to finance or refinance a project.





## 4.17 GARVEE BOND FINANCING

**F**ederal Grant Anticipation Revenue (GARVEE) Bond Financing is used in the STIP and the SHOPP to finance large rehabilitation and reconstruction projects that would otherwise be unaffordable with available State Highway Account (SHA) funding. Although this financing mechanism allows strategic projects to be delivered, the debt service limits future flexibility.

The Commission approved the issuance of GARVEE notes twice, once for STIP projects and once for SHOPP projects. On March 10, 2004, the state issued \$614.8 million of GARVEE bonds (Series 2004A Bonds) for STIP projects. The Series 2004A Bonds are structured with serial maturities from 2005 through 2015. On October 16, 2008, the state issued a second set of GARVEE Bonds (Series 2008A Bonds) totaling \$97.6 million for SHOPP projects. The Series 2008A Bonds are structured with serial maturities from 2009 through 2020.

On April 1, 2015, the Commission, pursuant to Government Code Section 14553.9(b), reported to the Governor and the Legislature the total amount of outstanding GARVEE notes for the 2014 calendar year. The debt service outstanding as of December 31, 2014 was \$138.148 million (\$71.185 from Series 2004A, \$66.963 million from Series 2008A).

Pursuant to Government Code Section 14553(b) the Commission prepared, in conjunction with the State Treasurer's Office, the annual analysis of California's capacity for issuing GARVEE bonds. This year's analysis was presented to the Commission at its June 25, 2015 meeting.

Government Code Section 14553.4 states that the State Treasurer may not authorize the issuance of additional bonds if the annual debt service on all outstanding GARVEE obligations would exceed 15% of the total amount of federal funds deposited in the SHA for any consecutive 12-month period within the preceding 24 months. Other factors, such as maturity structures, interest rates, and policy decisions, also affect bonding capacity.

The State Treasurer determined that, based on the consecutive 12-month period with the highest deposits (\$3.796 billion) over the 24-month period ending December 2014, the 15% limitation on GARVEE debt is \$569.4 million. After taking into account the current maximum annual debt service of the Series 2004A Bonds and Series 2008A Bonds (\$84.3 million in FY 2014-15), the remaining annual debt service capacity is \$558 million. The base case scenario, assuming a 12-year final maturity and 2.36% interest rate for the issuance, provides the highest bonding capacity of approximately \$5.77 billion.

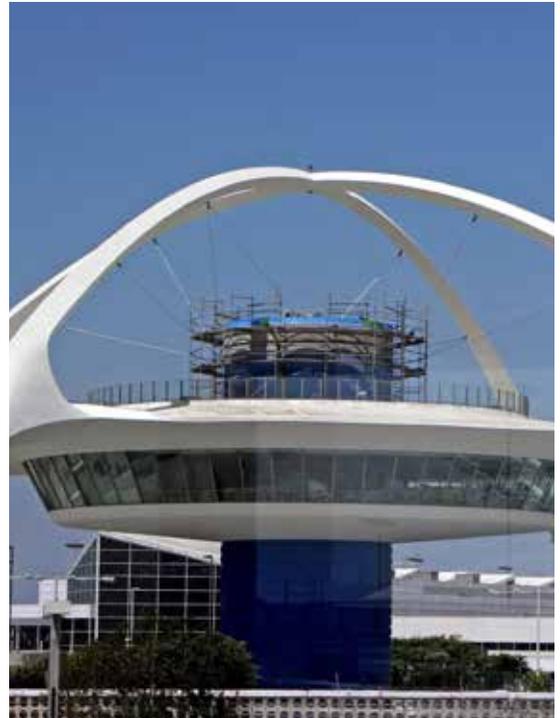
The State Treasurer's analysis of GARVEE bonding capacity is calculated as prescribed in statute; however, basing a review of the federal deposits into the SHA ignores the fact that not all federal funds are available to fund Caltrans-administered projects. Therefore, Commission staff recommended that the Commission assume a more programmatic and forward-looking approach by applying a GARVEE capacity based on 15% of the federal funds estimated to be available annually for SHOPP projects in the 2014 Fund Estimate (approximately \$2.3 billion). This level of federal funding, assuming a 12-year maturity and 2.36% interest rate, yields a \$3.497 billion SHOPP GARVEE bond capacity.



## 4.18 AERONAUTICS PROGRAM

Through its Aeronautics Account, the state provides funding to support eligible California general aviation airports. The Aeronautics Account includes revenues from an 18-cent per gallon fuel excise tax on general aviation gasoline and a 2-cent per gallon excise tax on general aviation jet fuel. The Aeronautics Account revenues fund the following activities in statutorily defined order:

1. Operations of the Caltrans Division of Aeronautics
2. Annual \$10,000 grants or “credits” to each of the State’s 149 general aviation airports
3. Local match grants (approximately one-half of an airport’s match requirement) for Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funds
4. Acquisition and Development (A&D) Program grants for up to 90 percent of an airport’s eligible cost for projects in the Aeronautics Program as adopted by the Commission
5. Local Airport Loans for projects that benefit an airport and/or improve its self-sufficiency (this is a revolving fund that was initiated with seed money from the Aeronautics Account). As principal and interest payments are returned to the Loan Account, additional loans can be provided to airports



Government Code Section 14506.5 requires the Commission’s Chairman to appoint a Technical Advisory Committee on Aeronautics (TACA), after consultation with members of the aviation industry, airport operators, pilots, and other aviation interest groups and experts, as appropriate. TACA, upon request, provides technical advice on aviation issues to the Commission’s Committee on Aeronautics.

During FY 2014-15 the Commission allocated to the Caltrans Division of Aeronautics a lump sum of \$730,000 for sub-allocation for AIP local match grants of less than \$100,000 each. AIP match grants in excess of \$100,000 are allocated directly by the Commission. In December 2014, the Commission allocated \$615,000 in such grants directly to three projects, bringing the total allocated AIP program amount to \$1.345 million. As of June 30, 2015, from its \$730,000 allocation, Caltrans had sub-allocated \$634,000 to 46 projects.

In October 2014, the Commission adopted the 2014 A&D Program. The two-year program includes 14 projects in FY 2014-15 for \$3.968 million and four projects in FY 2015-16 for \$1.296 million. The first year program included 11 additional unfunded projects with the stipulation that, if additional funds became available through savings, some or all of these projects would be funded. During FY 2014-15, three projects were deleted from the program and an additional \$74,000 from AIP savings was added to the A&D program allowing nine projects to be moved from the unfunded to the funded list. As of June 30, 2015, the Commission allocated \$4.043 million to 20 projects in the A&D program.



## 4.19 PROPOSITION 116 PROGRAM

Proposition 116 enacted the Clean Air and Transportation Improvement Act of 1990, designating \$1.99 billion primarily for passenger rail capital projects as follows:

- \$1.852 billion for the preservation, acquisition, construction, or improvement of rail rights-of-way, rail terminals and stations, rolling stock acquisition, grade separations, rail maintenance facilities and other capital expenditures for rail purposes.
- \$73 million for 28 nonurban counties without rail projects, apportioned on a per capita basis, for the purchase of paratransit vehicles and other capital facilities for public transportation.
- \$20 million for a competitive bicycle program for capital outlay for bicycle improvement projects that improve safety and convenience for bicycle commuters.
- \$30 million to a water-borne ferry program (\$20 million competitive and \$10 million to the City of Vallejo) for the construction, improvement, acquisition, and other capital expenditures associated with water-borne ferry operations for the transportation of passengers or vehicles, or both.

The funds authorized under Proposition 116 are made available under a two-step process analogous to the process used for STIP funding. First, the Commission programs funds for projects eligible under the original authorization by approving project applications that define the project scope, schedule, and funding. Then the Commission allocates funds when projects are ready to proceed.

In FY 2014-15, the Commission approved one Proposition 116 action, reprogramming accrued project savings in Orange County to add \$975,000 to the existing City of Fullerton's FTC Elevators project, and \$2,483,000 to the new Laguna Niguel to San Juan Capistrano Passing and Siding project.

As of June 30, 2015, \$308,132 in savings from completed projects remains to be programmed. Of the amounts programmed by the Commission to date, over \$12.7 million remains unallocated, of which nearly \$5 million is for the State Museum of Railroad Technology and over \$4.9 million is for the recently de-allocated Rail Extension to Monterey County project, as reflected in the following table.

### PROPOSITION 116 AUTHORIZATIONS WITH UNALLOCATED AMOUNTS

County	Agency, Project	PUC Section	Authorization	Balance Unallocated
El Dorado	Lake Tahoe, Intermodal Station	99647	\$7,000,000	\$9,206
Humboldt/Mendocino	North Coast Railroad Authority	99625/26	\$10,000,000	\$72,285
Los Angeles	Caltrans, Alameda Corridor	99624	\$80,000,000	\$17,437
Los Angeles	Los Angeles County MTA, rail	99630	\$229,000,000	\$62,083
Nonurban Counties	Counties, transit capital	99628	\$73,000,000	\$11,780
Monterey	TAMC, Rail Extension to County	99638	\$17,000,000	\$4,917,837
Orange	OCTA, Commuter/Intercity Rail Program	99645	\$125,000,000	\$2,483,000
Sacramento	Sac. Regional Transit, rail	99643	\$100,000,000	\$4,931
San Diego	MTDB/NCTD, rail	99642	\$77,000,000	\$60
San Joaquin	SJCOG, Altamont Corridor	99644	\$14,000,000	\$65,130
San Joaquin	Caltrans, San Joaquin Corridor	99622(a)	\$140,000,000	\$352
Sacramento	State Parks, Rail Museum	99648	\$5,000,000	\$5,000,000
Statewide	Competitive, water-borne ferry	99651	\$20,000,000	\$29,350
Statewide	Caltrans, rail cars, locomotives	99649	\$100,000,000	\$85,913
			<b>Total</b>	<b>\$12,759,364</b>

As recommended in previous years, the Commission urges the Legislature to enact legislation to sunset the Proposition 116 program and reallocate any funds remaining at that time to other passenger rail project(s).



## 4.20 ELDERLY AND DISABLED SPECIALIZED TRANSIT PROGRAM

In 1975, Congress established the Transportation for Elderly Persons and Persons with Disabilities Program (Section 5310) to provide financial assistance for nonprofit organizations to purchase transit capital equipment to meet the specialized needs of elderly and disabled individuals for whom mass transportation services are unavailable, insufficient, or inappropriate. Congress later extended program eligibility to public bodies that certify to the Governor that no nonprofit organizations are readily available in their area to provide the specialized service.

In 1996, state legislation (AB 772, Aguiar, Chapter 669, Statutes of 1996) mandated that the Commission direct the allocation of program funds, establish an appeals process, and hold at least one public hearing prior to approving each annual program project list. To implement this directive, the Commission developed an annual program review and approval process in cooperation with RTPAs, state and local social service agencies, the California Association for Coordinated Transportation, and Caltrans.

Under existing processes, RTPAs score applications based on objective criteria adopted by the Commission. A State Review Committee, consisting of representatives from the Departments of Aging, Rehabilitation, and Developmental Services, Caltrans, and Commission staff (acting as facilitator), reviews the RTPA scoring by applying the Commission-adopted criteria.

After the State Review Committee completes its review and creates a statewide priority list, Commission staff and the State Review Committee members hold a meeting to hear appeals with project applicants and regional agencies based on technical issues related to scoring. After the appeals meeting and the required public hearing, the Commission adopts the annual program project list. Projects receive 88.53% federal funding and require an 11.47% match.

The 1975 federal implementing legislation designated the state Governor as program administrator. In California, Caltrans was delegated this authority. It has administered this federal program since its inception. In early 2014, the Federal Transit Administration issued Circular 9070.1G addressing significant changes made by MAP-21 to the Section 5310 Program. Under MAP-21, MPOs, RTPAs and large urbanized areas are eligible to act as the designated recipients in place of the Governor for administering Section 5310 funding. This essentially allows specified agencies to select and administer Section 5310 projects, with or without Commission oversight and Caltrans administration. Since MAP-21 changes the manner in which the Section 5310 program is developed and administered, during FY 2014-15 the Commission and Caltrans worked with the State Review Committee to establish procedures for implementing these new requirements. Revised criteria and a revised application for the Section 5310 program were adopted by the Commission on August 20, 2014.

During FY 2014-15, Section 5310 Program actions brought to the Commission were for the FFY 2013-14 (FFY 2014) funding cycle. The FFY 2014 funding capacity was \$13.4 million. Eligible agencies submitted 117 applications to RTPAs for 173 projects requesting \$14.5 million in 5310 Program funds. Applications were scored by the RTPAs using 5310 Program procedures adopted by the Commission. The applications, with regional scores, were then submitted to Caltrans. The State Review Committee was convened to review and, in some cases, modify the regional scores for projects, again using Commission-adopted criteria. Projects with different regional and State Review Committee scores were discussed with the appropriate RTPA.

On June 4, 2015, Commission staff and the State Review Committee conducted the required appeals meeting to provide all stakeholders an opportunity to discuss the revised project list and to hear any appeals on technical issues that affected the scoring. No appeals were received.

A statewide-priority list was subsequently assembled and presented at a public hearing held during the Commission's June 25, 2015 meeting. Following the hearing, the Commission adopted the FFY 2014 FTA Section 5310 Program Statewide Prioritized Project list. This list is available for review at <http://www.dot.ca.gov/hq/MassTrans/5310.html>.



## 4.21 ENVIRONMENTAL ENHANCEMENT AND MITIGATION PROGRAM

The Environmental Enhancement and Mitigation (EEM) Program was established by the Legislature in 1989 to fund environmental enhancement and mitigation projects directly or indirectly related to transportation projects. Funding has historically been provided by a \$10 million annual transfer to the EEM Fund from the SHA. Projects programmed in the EEM Program must fall within one of three categories: highway landscape and urban forestry; resource lands; or roadside recreation. Projects funded under this program must provide environmental enhancement and mitigation beyond that otherwise called for under the California Environmental Quality Act (CEQA).

Streets and Highways Code Section 164.56 mandates that the California Natural Resources Agency (Resources Agency) evaluate projects submitted for the program and that the Commission award grants to fund projects recommended by the Resources Agency. Any local, state, federal or nonprofit entity may apply for and receive EEM grants. The agency or entity need not be a transportation- or highway-related organization but must demonstrate an adequate charter or enabling authority to carry out the type of project proposed. Two or more entities may participate in a joint project with one designated as the lead agency.

The Resources Agency adopted specific procedures and project evaluation criteria for assigning quantitative prioritization scores to individual projects. In accordance with the provisions of Sections 187 and 188 of the Streets and Highways Code, attempts are made to allocate 40 percent of the total recommended funding to projects in northern counties and 60 percent to projects in southern counties.

In August 2014, a technical correction to the FY 2011-12 program was approved by the Commission to change a recipient from “The Trust for Public Land” to “California Department of Fish and Wildlife”. The FY 2013-14 program, comprised of 35 projects totaling \$16.247 million in EEM funds, was adopted by the Commission on March 26, 2015, and the total funds were allocated to the Resources Agency for that program of projects.



# GLOSSARY OF ACRONYMS

<b>A&amp;D</b>	Acquisition and Development
<b>AB</b>	Assembly Bill
<b>AIP</b>	Airport Improvement Program
<b>AMP</b>	Advance Mitigation Program
<b>Amtrak</b>	National Passenger Rail Corporation
<b>ARB</b>	California Air Resources Board
<b>ATP</b>	Active Transportation Program
<b>BCSH</b>	Business Consumer Services and Housing Agency
<b>BRT</b>	Bus Rapid Transit
<b>CAFE</b>	Corporate Average Fuel Economy
<b>CalSTA</b>	California State Transportation Agency
<b>Caltrans</b>	California Department of Transportation
<b>CCJPA</b>	Capitol Corridor Joint Powers Authority
<b>CEQA</b>	California Environmental Quality Act
<b>CMAQ</b>	Congestion Mitigation and Air Quality
<b>CMIA</b>	Corridor Mobility Improvement Account
<b>Commission</b>	California Transportation Commission
<b>COS</b>	Capital Outlay Support
<b>CTP</b>	California Transportation Plan
<b>EEM</b>	Environmental Enhancement and Mitigation
<b>EIR</b>	Environmental Impact Report
<b>EMP</b>	Environmental Mitigation Program
<b>FAA</b>	Federal Aviation Administration
<b>FFY</b>	Federal Fiscal Year
<b>FTA</b>	Federal Transit Administration
<b>FHWA</b>	Federal Highway Administration
<b>FY</b>	Fiscal Year
<b>GARVEE</b>	Federal Grant Anticipation Revenue
<b>GHG</b>	Greenhouse Gas
<b>GLC</b>	Golden Link Concessionaire
<b>GMAP</b>	Goods Movement Action Plan
<b>GPS</b>	Global Positioning System
<b>HBP</b>	Highway Bridge Program
<b>HCD</b>	Housing and Community Development

<b>HOT</b>	High Occupancy Toll
<b>HOV</b>	High Occupancy Vehicle
<b>HRCSA</b>	Highway-Railroad Crossing Safety Account
<b>HSOPP</b>	Highway Systems Operation Protection Plan
<b>HUTA</b>	Highway User Tax Account
<b>ITIP</b>	Interregional Transportation Improvement Program
<b>ITSP</b>	Interregional Transportation Strategic Plan
<b>LA</b>	Los Angeles
<b>LA Metro</b>	Los Angeles County Metropolitan Transportation Authority
<b>LAO</b>	Legislative Analyst's Office
<b>LBSRA</b>	Local Bridge Seismic Retrofit Account
<b>LBSRP</b>	Local Bridge Seismic Retrofit Program
<b>LOSSAN</b>	Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency
<b>MAP-21</b>	Moving Ahead for Progress in the 21st Century Act
<b>MBUF</b>	Mileage-Based User Fee
<b>MPH</b>	Miles Per Hour
<b>MPO</b>	Metropolitan Planning Organization
<b>MTC</b>	Metropolitan Transportation Commission
<b>NEPA</b>	National Environmental Policy Act
<b>NAAQS</b>	National Ambient Air Quality Standards
<b>NOP</b>	Notice of Preparation
<b>ODOT</b>	Oregon Department of Transportation
<b>OPR</b>	Office of Planning and Research
<b>P3</b>	Public Private Partnership
<b>PFN</b>	Primary Freight Network
<b>PID</b>	Project Initiation Document
<b>PRIIA</b>	Passenger Rail Investment and Improvement Act of 2008
<b>PS&amp;E</b>	Plans, Specifications & Estimates
<b>PTA</b>	Public Transportation Account
<b>PTMISEA</b>	Public Transportation Modernization, Improvement and Service Enhancement Account
<b>PUC</b>	Public Utilities Commission
<b>RCTC</b>	Riverside County Transportation Commission
<b>RIV</b>	Riverside
<b>RSTP</b>	Regional Surface Transportation Program
<b>RTIP</b>	Regional Transportation Improvement Program
<b>RTP</b>	Regional Transportation Plan
<b>RTPA</b>	Regional Transportation Planning Agency
<b>SAFETEA-LU</b>	Safe, Accountable, Flexible Efficient Transportation Equity Act: A Legacy for Users

<b>SB</b>	Senate Bill
<b>SANDAG</b>	San Diego Association of Governments
<b>SAS</b>	Self-Anchored Suspension
<b>SCAG</b>	Southern California Association of Governments
<b>SCS</b>	Sustainable Communities Strategies
<b>SD</b>	San Diego
<b>SFCTA</b>	San Francisco County Transportation Authority
<b>SFOBB</b>	San Francisco-Oakland Bay Bridge
<b>SHA</b>	State Highway Account
<b>SHOPP</b>	State Highway Operation and Protection Program
<b>SJCOG</b>	San Joaquin Council of Governments
<b>SLPP</b>	State-Local Partnership Program
<b>SR</b>	State Route
<b>SSRP</b>	Seismic Safety Retrofit Program
<b>SSTI</b>	State Smart Transportation Initiative
<b>STA</b>	State Transit Account
<b>STIP</b>	State Transportation Improvement Program
<b>TACA</b>	Technical Advisory Committee on Aeronautics
<b>TBSRP</b>	Toll Bridge Seismic Retrofit Program
<b>TCIF</b>	Trade Corridors Improvement Fund
<b>TCRF</b>	Traffic Congestion Relief Fund
<b>TCRP</b>	Traffic Congestion Relief Program
<b>TIF</b>	Transportation Investment Fund
<b>TLSP</b>	Traffic Light Synchronization Program
<b>UCLA</b>	University of California Los Angeles
<b>USDOT</b>	United States Department of Transportation
<b>VMT</b>	Vehicle Miles Traveled
<b>WSTC</b>	Washington State Transportation Commission

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