2019 HIGHLIGHTS OF THE 2019 ANNUAL REPORT TO THE CALIFORNIA LEGISLATURE
The California Transportation Commission (Commission) is responsible for programming and allocating state and federal transportation funds used in the construction of highway, intercity passenger rail, active transportation, transit, and aeronautic improvements throughout California. The Commission is required by law to submit an annual report to the Legislature by December 15 of each year. The report must include a summary of major policies and decisions adopted by the Commission during the previously completed state and federal fiscal year. In addition, the annual report may include a discussion of any significant upcoming transportation issues anticipated to be of concern to the public and the Legislature and recommendations for legislation to improve the transportation system.

The Commission’s major activities this year include:

- Continuing to implement Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017) programs by delivering multimodal transportation investments throughout California.
- Holding public workshops to update guidelines for SB 1-funded competitive and non-competitive programs, with a focus on enhancing accountability and measurement of project outcomes.
- Undertaking additional efforts to improve programs under the Commission’s purview. For example, the Commission co-hosted an Active Transportation Symposium for the state, regions, and stakeholders to discuss important program issues, such as measuring project benefits.
- Hosting a Transportation Policy Forum to bring together state and local agencies, experts, stakeholders, and the public to discuss ways to increase transit ridership and ensure the resiliency of California’s transportation infrastructure in the face of climate change.
- Holding two public meetings with the California Air Resources Board (CARB) to coordinate implementation of transportation policies. In addition, the Commission and CARB held a joint workshop related to potential impacts of the federal vehicle standards rollback.
- Attending two town hall meetings to learn about issues of importance to California’s rural communities.
- Holding two project delivery workshops to expand understanding of Caltrans’ delivery processes and the delivery of transit projects.
- Holding a Tri-State Transportation Commission meeting with the Oregon and Washington Transportation Commissions to explore rural transportation issues and exchange information on studying a per-mile road charge.
- Approving two toll facilities pursuant to Assembly Bill 194 (Frazier, Chapter 687, Statutes of 2015) — one in San Mateo County and one in Los Angeles County.
2020 LEGISLATIVE RECOMMENDATIONS

Transit Ridership

Transit offers many benefits, including facilitating access to transportation, alleviating congestion, and reducing greenhouse gas emissions. Thus, it is concerning that transit ridership per capita has been falling in California. Moreover, California’s transit systems are experiencing challenges to meet a state mandate to convert to a zero-emission bus fleet by 2040. Addressing these issues will be a complex endeavor. Therefore, during Fiscal Year 2019-20, the Commission intends to focus attention towards developing additional recommendations for the Legislature to address these concerns. As a first step in the short term, the Commission recommends the Legislature:

• Authorize additional transit agencies to operate buses on highway shoulders upon approval of the California Highway Patrol and the California Department of Transportation. This would help alleviate congestion, improve travel time reliability, retain and attract more bus riders, and reduce greenhouse gas emissions.

• Create an information exchange for transit operators converting to zero-emission vehicle fleets to identify best practices regarding charging schedules, energy usage, and other maintenance and operations practices. Fund the exchange through the Greenhouse Gas Reduction Fund.

Transportation Infrastructure Resiliency

Climate change is affecting California’s transportation infrastructure. During the winter of 2016-17, unusually heavy and frequent storms caused over $1 billion in damage to the state highway system. Exceptionally large wildfires also have caused significant damage throughout the state in recent years. To improve the resiliency of California’s transportation infrastructure to withstand such events, the Commission recommends the Legislature:

• Require that the forecasted transportation infrastructure impacts of climate change are addressed in the California Transportation Plan and the Transportation Asset Management Plan.

• Create a new program to fund climate change adaptation planning for transportation impacts, data collection, modeling, and training. Fund the program through the Greenhouse Gas Reduction Fund.

Transportation Funding

SB 1 dedicates revenues deposited into the Road Maintenance and Rehabilitation Account to specified programs. Consistent with the statutory distribution for revenues, the Commission recommends the Legislature:

• Require that interest earnings on funds in the Road Maintenance and Rehabilitation Account be dedicated to the State Highway Operation and Protection Program.

Road Charge

To further the California Road Charge Technical Advisory Committee’s ability to assess alternatives to the existing gas tax, the Commission, in consultation with the Technical Advisory Committee, has identified the following recommended actions for the Legislature to consider:

• Authorize the California State Transportation Agency, in consultation with the Commission and the Technical Advisory Committee, to create a demonstration program to test the collection of revenue for a per-mile road charge program; prepare recommendations for a vehicle telematics standard; and conduct additional research, such as an evaluation of the potential impacts of a road charge on disadvantaged communities.
FY 2018–19 PROGRAM ACCOMPLISHMENTS

Fiscal Year (FY) 2018-19 actions on programs under the purview of the Commission include the following:

» **Solutions for Congested Corridors Program** – This program funds projects to reduce congestion in highly traveled and highly congested corridors through performance improvements that balance transportation improvements and community impacts, and that provide environmental benefits. In FY 2018-19, the Commission allocated more than $543 million to seven project segments and approved Baseline Agreements for eight projects. The Commission also held workshops to update program guidelines.

» **Local Partnership Program** – This program funds projects for transportation agencies that have sought and received voter approval of taxes, or that have imposed fees, that are solely dedicated to transportation improvements. In FY 2018-19, the Commission allocated $125.6 million in formulaic program funds and $56.7 million in competitive program funds. The Commission also held workshops to update program guidelines.

» **Trade Corridor Enhancement Program** – This program contributes funding for infrastructure improvements on federally designated trade corridors of national and regional significance, on the primary freight network, and along other corridors that have a high volume of freight movement. In FY 2018-19, the Commission allocated more than $225.9 million to 13 project segments. The Commission also held workshops to update program guidelines.

» **Active Transportation Program** – This program funds projects to encourage increased use of active modes of transportation, such as biking and walking. In FY 2018-19, the Commission adopted the 2019 Active Transportation Program, which includes $456 million for 119 projects, and an additional $4 million for 17 projects recommended for funding by the California Conservation Corps and Certified Local Community Conservation Corps. The Commission also held workshops to develop guidelines for the 2021 program and co-hosted, with Caltrans, an Active Transportation Symposium for the state, regions, and stakeholders to share information and learn from experts to improve the program.

» **Local Streets and Roads Program** – For this program, the State Controller apportions funds to cities and counties for basic road maintenance, rehabilitation, and critical safety projects. During FY 2018-19, the Commission deemed 539 cities and counties eligible for FY 2019-20 funding apportionments totaling $1.3 billion.

» **State Highway Operation and Protection Program** – This program funds capital improvements for safety, operation, preservation, and rehabilitation of the state highway system. In FY 2018-19, the Commission allocated $2.9 billion to 286 projects and approved updated program guidelines that strengthen accountability over projects with the potential for higher risks.

» **State Transportation Improvement Program** – This program funds state highway, intercity rail, and regional highway and transit improvements. In FY 2018-19, the Commission allocated $725 million to projects; approved the 2020 fund estimate; and adopted updated program guidelines.

The California Transportation Commission was established in 1978 as an independent state entity. The functions of the Commission are assigned in state statutes, with primary responsibilities that include:

- Program and allocate state and federal funds for the construction of highway, passenger rail, transit, and active transportation improvements throughout California.
- Advise and assist the Secretary of Transportation and the Legislature in formulating and evaluating state policies and plans for state transportation programs.
- Participate in the development of state and federal legislation and adopt policies to implement enacted laws.

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