

Date of Hearing: July 7, 2025

ASSEMBLY COMMITTEE ON TRANSPORTATION

Lori D. Wilson, Chair

SB 695 (Cortese) – As Amended March 26, 2025

**SENATE VOTE:** 38-0

**SUBJECT:** Transportation: climate resiliency: projects of statewide and regional significance

**SUMMARY:** Requires the Department of Transportation (Caltrans), to create a prioritized list of infrastructure projects of statewide and regional significance to better prepare the state for extreme weather-related events on or before July 1, 2026, on or before January 1, 2027, and annually thereafter. Specifically, **this bill:**

- 1) Requires on or before July 1, 2026, Caltrans in consultation with the California Transportation Commission (CTC) and California Transportation Agency (CalSTA), to create a prioritized list of infrastructure projects of statewide and regional significance to better prepare the state for extreme weather-related events.
- 2) Specifies the list of prioritized projects is intended to address or mitigate extreme weather-related events with priority to be given to infrastructure projects that advance certain co-benefits including, but not limited to, enhanced safety, climate resiliency, or improved movement of goods along trade corridors.
- 3) For purposes of this bill, defines “project of statewide and regional significance” as a high-priority highway project on the state highway system that would benefit two or more counties and that satisfies requirements related to improving public safety, contributes to the state’s economy, enhances climate resiliency, and addresses vulnerability to a natural disaster.
- 4) Provides that projects identified on the priority list are required to only be projects in the planning, environmental, design, or subsequent project stage.
- 5) Requires Caltrans to update the priority list annually and submit a report to the Legislature containing the priority list on or before January 1, 2027 and annually thereafter.
- 6) Makes finding and declarations related to the impacts of climate change on California’s aging infrastructure.
- 7) Establishes the intent of the Legislature to promote infrastructure projects of statewide and regional significance that will enhance resilience to climate change, reduce disaster recovery costs, and ensure continued public safety and economic vitality.

**EXISTING LAW:**

- 1) Establishes CalSTA with powers and duties to develop, report on, and coordinate planning and policy formulation in transportation policies (Government Code Sections (GOV) 13975-13980)

- 2) Establishes Caltrans including the powers and duties to develop the full potential of all resources and opportunities that are now, and may become, available to the state and to regional and local agencies for meeting California's transportation needs. (GOV 14000-14005, 14030)
- 3) Establishes the CTC, including the powers and duties to advise and assist the Secretary of Transportation and the Legislature in formulating and evaluating state policies and plans for transportation programs in the state. (GOV 14500-14518)
- 4) Establishes the State Transportation Infrastructure Climate Adaption Program (program), requires Caltrans to administer the program, and provides that the program is utilized for planning, developing, and implementing transportation infrastructure projects that address climate change. (GOV 14562-14565)

**FISCAL EFFECT:** According to the Senate Committee on Appropriations:

“Caltrans estimates costs of approximately \$350,000 annually for two years for 2.0 PY of limited-term staff workload to develop the framework for the annual prioritized list of projects, coordinate with regional partners to collect project information, and provide analytical and logistical support for evaluating, scoring, and prioritizing projects. Caltrans would also incur relatively minor ongoing costs to annually update the project list and report to the Legislature. (State Highway Account)

CalSTA indicates that any costs to consult with Caltrans to develop the list of prioritized projects of statewide and regional significance. (State Highway Account)

The CTC has not identified a fiscal impact as of this analysis, but indicates that costs to consult with Caltrans would depend upon the scope of the report and how the list of prioritized projects would interact with existing program and project-level planning processes. (State Highway Account)”

**COMMENTS:** The State Highway System Management Plan (SHSMP) is a performance-driven and integrated management plan for the State Highway System (SHS) in California. SHS needs, investments, and resulting performance for the ten-year period are presented in the SHSMP. The SHSMP aligns with Caltrans' Strategic Plan.

The SHSMP integrates the maintenance, rehabilitation, and operation of the SHS into a single management plan which implements a number of state and federal asset management requirements with new resources from SB 1 (Beall), Chapter 5, Statutes of 2017. The SHSMP utilizes objective analysis to focus investments on measured condition and performance objectives. The historic asset-based funding approach has been replaced by a performance-driven methodology that provides greater local flexibility to achieve multiple objectives within a single project. The new management methodology allows Caltrans to better integrate multi-modal transportation options into traditional rehabilitation work to provide a cost-effective way to expand mode choice and reduce transportation-related emission.

The 2025 draft SHSMP provides an overview and roadmap of the state's policies, regulations, and implementation strategies to carry out climate adaptation and resiliency projects. Specifically, Caltrans has developed district-level vulnerability assessments to guide analysis of

at-risk transportation assets. These district adaptation reports prioritize potentially exposed transportation assets in each Caltrans' district. According to the 2025 draft SHSMP, Caltrans is presently undergoing an update of all the district adaptation reports with an anticipated completion date sometime in 2026.

Caltrans notes in the draft SHSMP, "Climate change is already leading to increased variability in precipitation, rising temperatures, rising sea levels, variability in storm surges and their intensity, and in the frequency and intensity of wildfires. Flooding and erosion can damage or wash out roads; longer periods of intense heat can buckle pavement and railroad tracks; storm surges combined with a rising sea level can inundate highways. Wildfire can directly burn facilities and indirectly cause damage when rain falls on denuded slopes that landslide after a fire. Effects will vary by location and may, in the most extreme cases, require that a facility be relocated or redesigned. Accordingly, Caltrans must consider these types of climate stressors in how highways are planned, designed, built, operated, and maintained, to ensure overall resilience of the transportation system to climate impacts."

*Climate change and transportation infrastructure.* In accordance with the California Action Plan for Transportation Infrastructure (CAPTI), Executive Order (EO) N-19-19, and EO B-30-15 Caltrans must incorporate climate change impacts into state investments.

Caltrans completed a statewide Climate Change Vulnerability Assessment (Assessment) for the state highway system in 2019, and most recently in 2021. This study involves using climate data to refine Caltrans' understanding of potential climate impacts to the state highway system, and coordination with various state and federal agencies and academic institutions to obtain the best available climate data for California. Each of Caltrans' 12 districts developed climate change vulnerability assessment technical and summary reports that include assessment methodologies, findings, potential challenges, and ongoing efforts. Discussions with professionals from various engineering disciplines helped identify how changing climate hazards may affect highways, including their design. This assessment allows Caltrans to begin to understand how climate change may affect state transportation infrastructure and identifies a subset of state highway system assets on which to focus future efforts. Additionally, this enables Caltrans to incorporate climate change assessments into project development and ensure staff and stakeholders are engaged.

The results from the Assessment conclude that California's transportation system is under increasing threat from climate change, with extreme weather events like wildfires, floods, and heat waves causing major disruptions. According to Caltrans 2021 Assessment, California faces over \$1 billion per year in infrastructure damages due to climate disasters.

*PROTECT Program.* One of the transportation programs created under the Biden Administration's Infrastructure Investment and Jobs Act (IIJA) was the Promoting Resilient Operations for Transformative, Efficient, and Cost Saving Transportation (PROTECT) formula funding program to help make surface transportation more resilient to natural hazards, including climate change impacts. Subsequently, the Legislature passed SB 198 (Committee on Budget and Fiscal Review), Chapter 71, Statutes of 2022, which established two programs to oversee the state's implementation of PROTECT funds: the State Transportation Infrastructure Climate Adaptation Program and the Local Transportation Infrastructure Project Program. The State Transportation Infrastructure Climate Adaptation Program oversees State system PROTECT funds through the State Highway Operation and Protection Program (SHOPP) and adds

additional requirements around consideration of climate risk and alignment with adaptation planning guidance.

Caltrans is pursuing adaptation strategies in implementing PROTECT funds to the SHOPP projects as a part of the State Transportation Climate Adaptation Program established under SB 198. These projects include adding shade trees and shelters to mitigate extreme heat to support transit and active transportation, rock slope stabilization in areas identified as high risk for impacts from increased precipitation and subsequent landslides, and filling gaps for wildfire resilience, amongst other strategies. Projects funded via PROTECT were identified through a coordinated effort between multiple Caltrans divisions including Planning, Project Delivery, Maintenance, and Asset Management.

*Committee comments.* Given existing state climate goals, and Caltrans' planning and funding programs on climate adaptation and vulnerability, it is unclear what the list of projects this bill creates will be used for. The bill does not require the list of prioritized projects be incorporated into any planning processes.

Additionally, the prioritized list of infrastructure projects this bill requires is due July 1, 2026, January 1, 2027 and then annually thereafter. Between July 1, 2026 and January 1, 2027 is a limited amount of time between updated reports. The author may wish to require an annual report starting January 1, 2028.

It is the understanding of the committee that this bill may be used to highlight a transportation project on State Route 152, which runs alongside San Luis Reservoir, the largest off-stream reservoir in the United States. The B.F. Sisk Dam is being raised by ten feet to increase the reservoir's storage capacity, and will add 130,000 acre-feet of water storage. The project is a joint effort between the Bureau of Reclamation and the San Luis and Delta-Mendota Water Authority.

In order to accommodate the increased water storage capacity and address other structural issues, SR 152 must be raised and improved. This project is estimated to cost approximately \$455.5 million. According to Valley Water Board Chair Tony Estremera, "Given the reality of extreme weather caused by climate change, it is vital to invest in water supply storage projects that help support the people and businesses of California."

However, the project on SR 152 is not currently included in Caltrans planning documents that reflect climate mitigation or adaptation efforts.

*According to the author,* "SB 695 provides our transportation agencies and the Legislature with the information necessary to make informed decisions about prioritization of projects that move California toward a more climate resilient future.

Specifically, this bill establishes a list of projects of statewide and regional significance that meet specific criteria and provide specific co-benefits of safety and climate resiliency. Through the prioritization of these projects, California will be better prepared to enhance its resilience to climate change, reduce disaster recovery costs, and ensure continued public safety and economic vitality."

*In support*, the San Luis Delta-Mendota Water Authority writes, “The Water Authority, working in partnership with the U.S. Bureau of Reclamation, is the lead agency advancing the B.F. Sisk Dam Safety and Reservoir Expansion Project - a project to raise the B.F. Sisk Dam at San Luis Reservoir by an additional 10 feet, increasing the Reservoir’s water storage capacity by 130,000 acre-feet, which is the equivalent of supplying 400,000 homes with water for a year. In order to advance the project, a portion of State Highway Route 152 must be modified, including improving the embankment and grade of a one-mile stretch across Cottonwood Creek, which will address critical seismic safety concerns where the roadway crosses an active earthquake fault. The improvements will also reduce the number of traffic collisions along this heavily traveled segment.

State Route 152 is a vital east-west corridor connecting the Central Valley and the Bay Area, with over 40,000 vehicles traveling the corridor daily. A failure of the embankment during a seismic event would severely disrupt regional economies and pose significant public safety risks, in addition to risking water supply to Santa Clara and much of the Central Valley. This is just one example of the critical nexus between the state’s aging infrastructure and potential risks to public safety and economic stability.”

*Previous legislation.* SB 198 (Committee on Budget and Fiscal Review) Chapter 71, Statutes of 2022 establishes the two climate resiliency programs to administer the federal PROTECT funds, as specified.

AB 7 (Friedman of 2024) would have required CalSTA, Caltrans, and CTC on or after January 1, 2025, to the extent feasible, applicable, and cost effective, to incorporate the goals related to the Climate Action Plan for Transportation Infrastructure (CAPTI) into program funding guidelines and planning processes, as specified. This bill requires the California Transportation Plan (CTP) to include a financial element, and an analysis of how CalSTA, Caltrans, and CTC are achieving principles outlined in the CAPTI, the federal Infrastructure Investment and Jobs Act of 2021 (IIJA), and the federal Justice 40 initiative. *This bill died on the Senate floor.*

AB 1132 (Schiavo of 2025) requires Caltrans to include a community resilience assessment into its statewide Climate Change Vulnerability Assessment. *This bill died in the Assembly Committee on Appropriations.*

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Association of California Water Agencies  
Grassland Water District  
San Luis Delta-Mendota Water Authority  
Santa Clara Valley Water District  
Water Blueprint for the San Joaquin Valley Advocacy Fund  
Westlands Water District

### **Opposition**

None on file

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