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# Assembly California Legislature



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Assembly Transportation Committee  
Informational Hearing

MODERNIZING CALTRANS

March 3, 2014

FINAL REPORT

**Purpose:** The genesis of the informational hearing was a recently released report issued by the State Smart Transportation Initiative (SSTI). SSTI was commissioned by the California State Transportation Agency (CalSTA) to assess Caltrans' performance and to make recommendations for improvements.

In short, the SSTI report found that Caltrans is "significantly out of step" with best practices in the transportation field and with many of the state's policy expectations, such as those related to greenhouse gas emission reductions. The report suggested that this appears to be at least in part the result of:

- An unclear mission and vision for the department;
- Resources and skills being out of alignment with the state's policy goals; and,
- Antiquated management practices.

Immediately subsequent to the release of the SSTI report, CalSTA released a report entitled "California Transportation Infrastructure Priorities" (CTIP). This report was the result of a year-long effort and discussions with dozens of stakeholders, many of them the same stakeholders that informed the SSTI effort. Led by CalSTA, the agency sought to examine the current challenges of the state's transportation system and to set a course toward addressing those challenges.

The release of these reports, along with the Administration's willingness to update the state's role in transportation, presents exciting (but not easy) opportunities to transform transportation programs in California. The Committee's hearing provided an opportunity for the Committee to better understand the need for the transformation and to learn about the Administration's plans to begin realizing that transformation.

At the hearing, the Committee explored the SSTI and CTIP reports in depth. We also heard from the authors of the SSTI report regarding their findings and invited CalSTA to respond. Finally, we heard from stakeholders involved in both efforts and from members of the public regarding their observations on the process and the outcomes to date.

**Summary:** The Chair opened the hearing and provided brief remarks. The first panel consisted of Mr. Brian Annis, Undersecretary, CalSTA; Dr. Joel Rogers, SSTI; and Dr. Eric Sundquist, SSTI.

Mr. Annis spoke on the origin and goals of both the SSTI and CTIP efforts. He laid out five key concepts around which CalSTA's vision for transportation have been formed: preservation, innovation, integration, reform, and funding. Mr. Annis stated that the CTIP informed the Governor's proposed 2014-2015 budget, including the use of cap-and-trade funds, remaining Proposition 1B bond funds, and early loan repayments. He also outlined some of the current efforts to reform Caltrans, including recent efforts to zero-base at least a portion of the department's budget, the Caltrans director's own internal review, the recently published "*Mile Marker*" performance report (prepared by Caltrans), and increased investments in bike and pedestrian programs. Despite these efforts, Mr. Annis reported that the CalSTA Secretary, Mr. Brian Kelly, felt an outside look at Caltrans would be helpful and, as a result, he commissioned SSTI to complete the assessment to make recommendations for improvements.

Mr. Annis made the following observations regarding the SSTI report and its findings:

- He agrees with SSTI's assertions that reforming Caltrans will rely on concepts such as modernization, culture change, and performance-based management to achieve improvements.
- CalSTA also agrees with the SSTI's recommended focus on fixing-it-first and on operating the existing system better.
- The SSTI report includes a series of recommendations, including the need for an improved mission and vision statement that CalSTA expects to share within the next two weeks (from the date of the hearing).

Dr. Rogers and Dr. Sundquist summarized the SSTI report findings and recommendations. Some of their more notable comments included:

- They are critical of the fact that self-help counties and others commonly do projects at the local level and then push all the maintenance off to Caltrans without doing anything like life-cycle accounting of the actual costs.
- They assert that there must be an increased focus on freight in California. The need for a clear focal point on freight and related planning cannot be over-exaggerated.

- They urge Caltrans to manage for performance, including development of performance metrics.
- They believe that revising level of service standards, as required by SB 743 (Steinberg, Chapter 386, Statutes of 2013) can advance state planning goals more than anything else Caltrans has done to date related to sustainability.

Dr. Rogers indicated he is cautiously confident, that Caltrans can be successfully reformed, despite all the "bad, non-action of the past."

Members of the Committee asked numerous questions of the panel, particularly questions seeking clarification regarding the SSTI's recommendation for Caltrans to become more involved in land use decisions. For example, Assembly Member Linder asked Dr. Rogers and Mr. Annis about the fact that the SSTI report seems to regard local decision making and control as a negative factor that can be overcome with exerting state leadership and control. In response, Dr. Rogers indicated they do not think local control is bad, just that it is not well managed in California. He cited as evidence of this finding the fact that the state is pushing a lot of resources to the locals, the locals are doing projects, and then are expecting Caltrans to pick up the management costs.

Assembly Member Buchanan asked the panel for more information on SSTI's finding that locals do not sufficiently plan for life-cycle costs. Specifically, she asked if anyone does life-cycle planning. Mr. Annis responded that a lot of work needs to be done in this area, both at the state and local level.

Assembly Member Ammiano asked for clarification about SSTI's recommendations regarding reforming California's environmental laws (i.e., CEQA). Dr. Sundquist responded that they were not calling for a reform of CEQA, except for the revisions to level of service standards for infill development (as required by SB 743). According to Dr. Sundquist, SB 743 modifications to CEQA in this regard will avoid disadvantaging infill development and this will, in turn, help get Caltrans in synch with sustainable community strategies.

Assembly Member Achadjian urged the Committee to diligently follow CalSTA's reform and re-prioritization efforts, specifically urging follow-up informational hearings.

The next panel included Mr. Josh Shaw, Executive Director, California Transit Agency; Mr. Bill Higgins, Executive Director, California Councils of Governments; and Mr. Stuart Cohen, Executive Director, TransForm. Generally, panel members were complimentary of CalSTA's intentions related to both the SSTI and CTIP reports.

Mr. Shaw specifically applauded this Administration as being more supportive of transit than prior administrations. He also agreed with the CTIP's focus on preservation but cautioned that a fix-it-first only approach does not adequately take into account the fact that transit needs to be expanded if regions' plans for greenhouse gas emission reductions are to be realized. Furthermore, Mr. Shaw urged that decisions about cap-and-trade revenue expenditures for

transportation should be the purview of the regions where the sustainable communities strategies will be implemented.

Mr. Higgins observed that the SSTI report undervalued the asset of state-regional partnerships in California, including the nearly \$4 billion that regions invest annually, most of it on the state highway system. He also reminded the Committee that these partnerships allow the state to take advantage of greenhouse gas emission reduction strategies by empowering the regions to implement their sustainable communities strategies. Finally, Mr. Higgins suggested that Caltrans' own *Smart Mobility 2010* provides a helpful basis for forming appropriate state-regional partnerships.

Mr. Cohen applauded both reports, especially the SSTI report for its candor, which he believes will give us the information we need to "wake up Caltrans." He appreciated CalSTA's efforts to shift our planning framework to one that places more emphasis on sustainability, supported the recommendation to use updated urban design standards, hopes that Caltrans does "get in the way" of the level of service standard conversions called for in SB 743, and believes that Caltrans' *Smart Mobility 2010* may hold the key to developing healthy state-local partnerships. He urged the legislators to augment resources to the department to implement the strategies contained in the report, adding that this would also give the department better opportunities to attract better planners.

Following the panel presentations, the Committee heard from the following members of the public:

- Mr. Keith Dunn, representing the Self-help Counties Coalition;
- Mr. Nigel Blampied, a researcher at the University of California, Berkley;
- Ms. Jennifer Whiting with the League of California Cities;
- Mr. Andrew Antwih, representing the Los Angeles County Metropolitan Transportation Authority;
- Mr. Paul Dyson, President of the Rail Passengers Association of California and Nevada and Chair of the City of Burbank's Transportation Commission; and,
- Ms. Wendy Alfsen from California Walks.

Following public comments, the Chair adjourned the hearing.