

Date of Hearing: June 20, 2022

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

SB 1121 (Gonzalez) – As Amended April 6, 2022

**SENATE VOTE:** 32-0

**SUBJECT:** State and local transportation system: needs assessment

**SUMMARY:** This bill requires the California Transportation Commission (CTC) to biennially develop a needs assessment of the cost to operate, maintain, and provide for the future growth and resiliency of the state and local transportation system. Specifically, **this bill:**

- 1) Defines state and local transportation system to include;
  - a) Bicycle and pedestrian facilities, and;
  - b) Local streets and roads, and;
  - c) Highways, bridges, and culverts, and;
  - d) Transit systems; commuter rail systems; and intercity rail systems, including the operations of those systems.
- 2) Requires the CTC to prepare a needs assessment of the costs to operate, maintain, and provide for the necessary future growth of the state and local transportation system for the next 10 years.
- 3) Requires the CTC to forecast the expected revenue, including federal, state, and local revenue, to pay for the cost identified in the needs assessment; any shortfall in revenue to cover the cost; and provide recommendations on how any shortfall should be addressed.
- 4) Requires the CTC to include in the needs assessment the costs of transportation system improvements included in regional, interregional, and state transportation improvement programs, and the State Highway System Management Plan.
- 5) Requires the CTC to include in the needs assessment the costs to address climate change impacts to provide for system resiliency.
- 6) Authorizes the CTC to use exiting reports or analyses in developing the needs assessment.
- 7) Requires the CTC to consult with relevant stakeholders, including but not limited to, metropolitan planning organizations, county transportation commissions, regional transportation planning agencies, local governments, and transit operators in developing the needs assessment.
- 8) Requires the CTC to submit the needs assessment to the Legislature on or before January 1, 2024 and biennially thereafter, as specified.

**EXISTING LAW:**

- 1) Creates the CTC, with various powers and duties relative to the programming of transportation capital projects and allocation of funds to those projects pursuant to various transportation funding programs.
- 2) Requires certain transportation planning agencies to prepare and adopt a regional transportation plan (RTP) directed at achieving a coordinated and balanced regional transportation system.
- 3) Requires the California Department of Transportation (Caltrans) to prepare a State Highway System Management Plan (SHSMP), each odd numbered year, which consists of a 10-year state highway rehabilitation plan and a 5-year maintenance plan.
- 4) Requires Caltrans to develop and prepare a state transportation improvement program (STIP) to include a listing of all capital improvement projects that are expected to receive an allocation of state transportation, as specified, including projects to be funded with interregional improvement funds and regional improvement funds.
- 5) SB 1 (Beall, Chapter 5, Statutes of 2017), otherwise known as the Road Repair and Accountability Act of 2017, provides over \$5 billion annually for the state and local transportation systems.

**FISCAL EFFECT:** Unknown

**COMMENTS:** A transportation infrastructure needs assessment provides an identification of current transportation systems and assets, an estimate of the future costs to both maintain and expand the system, the current and projected funding available, and a discussion of possible strategies to meet the needs. An assessment can help dictate specific policy and funding decisions at the local, state, and federal level. The federal government details transportation system wide needs on a regular basis as part of their biennial the “Status of the Nation's Highways, Bridges and Transit: Condition and Performance (CNP)”.

The CTC conducted the most recent statewide needs assessment in 2011. At that time, the CTC noted that the goal of the report was to, “detail what is needed for California’s transportation system and how we can pay for it. The report, therefore, allows transportation agencies and stakeholder groups to provide a consistent message to decision makers on these important subjects.”

This bill requires the CTC, in consultation with Caltrans and relevant stakeholders, such as transportation planning agencies, local governments, and transit operators, to prepare a needs assessment of the costs to operate, maintain, and provide for the necessary future growth of the state and local transportation system for the next 10 years. Additionally, the bill requires the CTC to forecast the expected revenue, including federal, state, and local revenues, to pay for the cost identified in the needs assessment; any shortfall in revenue to cover the cost; and provide recommendations on how any shortfall should be addressed. The needs assessment would be due to the Legislature by January 1, 2024, and would then be required to be updated biennially.

The CTC would be required to look at both the state and local systems including, highways, bridges, and culverts; local streets and roads; bicycle and pedestrian facilities; and transit and rail systems, including operations. This bill also requires the CTC to include the costs to address climate change impacts to provide for system resiliency.

*Needs identified.* This bill allows the CTC to incorporate existing studies and reports into the statewide assessment. Many transportation stakeholders at the state, regional, and local level already have extensive data on the needs for maintenance and expansion. For example, in 2021, Caltrans released its State Highway System Management Plan (SHSMP), estimating that the cost to operate and maintain state highways for the next 10 years will be \$116.8 billion. Caltrans also estimates that only \$55.3 billion in funding will be available, leaving a deficit of \$61.5 billion. For the first time, Caltrans included needs identified to address statewide sea level rise impacts associated with climate change, which increased the funding needed by \$11.1 billion over 10 years. This bill requires the CTC to include these costs as well.

Additionally, since 2008, the California State Association of Counties (CSAC) and the League of California Cities (League), with some funding from Caltrans, have studied the condition and funding needs of the local system. According to their most recent report, released in August 2021, there are over \$7 billion in necessary bridge repair and replacement needs across California based on today's conditions. Looking prospectively, over half of local agency bridges (weighted by deck area) would be in a "poor condition" within 20 years if dedicated bridge repair and replacement funding were maintained at current levels of approximately \$300 million annually. The study also found that it will cost \$118.7 billion over the next 10 years for local streets and roads to be maintained in a state of good repair. However, only \$54.7 billion will be available leaving a deficit of \$64 billion.

In 2020, the Metropolitan Transportation Commission (MTC), in partnership with TransForm, a nonprofit addressing climate change and social inequity through transportation and housing solutions, received a \$2.25 million grant from the California Air Resources Board (CARB) to design and implement the Car Sharing and Mobility Hubs in Affordable Housing pilot project, which includes three mobility hubs in disadvantaged communities in Oakland, Richmond, and San Jose. Prior to implementing car sharing and mobility hubs services, the project team led a community transportation needs assessment process to understand residents' current travel behavior and identify their transportation needs and challenges. The needs assessment also explored residents' interest in each potential mobility option (e.g. bike sharing, transit passes) to determine which to prioritize for each site.

In 2022, the Strategic Growth Council published the California Transportation Assessment Report, pursuant to AB 285 (Friedman) Chapter 605, Statutes of 2019, which includes findings and provides recommendations to help the state align transportation funding with state climate goals. The report focused on reviewing programs that only make up ~2% of transportation funding expenditures—the Sustainable Transportation Planning Grant program (STPG), Transformative Climate Communities (TCC), Affordable Housing and Sustainable Communities (AHSC), Transit and Intercity Rail Capital Program (TIRCP), and Low-Carbon Transit operations Program (LCTOP). STPG, TCC, and TIRCP were all found to have a high levels of alignment with state goals and particularly with climate adaptation goals, reducing greenhouse gas emissions and VMT, transitioning away from fossil fuels, and improving air quality to enable healthy vibrant communities. As part of this assessment, the University of California Institute of Transportation Studies (UC ITS) published five white papers, one of which is titled,

“Examination of Key Transportation Funding Programs in California and Their Context.” UC ITS’ research found that the programs that receive the largest funding appropriations meet the fewest of the identified climate goals. In 2021, a large share of transportation funding is more responsive to an outmoded plan with a horizon of 2025, compared to a newer plan with a horizon year of 2050.

Assessment of rural needs. It should also be noted that transportation and the quality of roads is a top policy priority for rural counties. As a result of climate change, wildfires, mud slides, and sea level rise have all put a monumental strain on local rural roads. These roads are often times the only road in and out of a community, and serve as primary evacuation routes. It is recommended that the assessment as a result of this bill include an element dedicated to rural communities.

*Aligning with current plan time lines:* The California Transportation Commission has commented that in order to give the CTC additional time to align the timing of contracts of this assessment report with the CTP, a technical amendment may be beneficial. The author’s office is aware, and may make a technical amendment should the bill pass this committee.

*Prior legislation:* AB 2514 (M. Dahle of 2022) requires the SHSMP to include a comprehensive evaluation, in consultation with the CTC, the Controller, and rural counties, of the current state of transportation in underserved rural communities and a transportation needs assessment of the cost to operate, maintain, and provide for the transportation system in underserved rural communities, as specified. *This bill is currently pending in the Senate Transportation Committee.*

SB 1 (Beall) Chapter 5, Statutes of 2017, The Road Repair and Accountability Act of 2017, provides over \$5 billion annually for the state and local transportation systems.

AB 515 (Frazier) Chapter 314, Statutes of 2017, requires Caltrans to prepare a State Highway System Management Plan (SHSMP), each odd numbered year, which consists of a 10-year state highway rehabilitation plan and a 5-year maintenance plan.

SR 8 (Burton of 1999) requires the CTC, working with Caltrans and regional transportation planning agencies, to produce and submit to the Senate a 10-year needs assessment of the state’s transportation system.

*According to the author,* “California has a problem in that we lack a comprehensive picture of our transportation funding needs, for both state and local facilities, and how those needs will be met. This bill addresses this lack of information by requiring the California Transportation Commission to do three things. First, the CTC shall develop a comprehensive assessment of how much we’ll need to maintain and construct that infrastructure. This includes bike and pedestrian facilities, local streets, freeways and transit. Second, the CTC shall estimate how much funding we expect to have from federal, state and local sources. Third, if there’s a shortfall, the CTC shall recommend how to address it. With this information policymakers, stakeholders and advocates can do a better job of planning for our future to create the transportation system that meets our needs and our resources.”

*In support,* Transportation California writes, “Our industry views this forward thinking about Californian’s transportation system needs as climate challenges continue and resiliency needs increase, mobility systems innovate, and the base systems ages, as critical to setting the stage to

meet our state's future. We also strongly support the requirement for the commission to forecast anticipated revenues that would be available to meet the identified needs of the system and the means to address any shortfalls if identified.”

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California State Association of Counties  
Transportation California

**Opposition**

None on file.

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