

up with wear on an aging system used daily by millions of cars and trucks. The toll from last winter's storms, now topping \$1 billion, showed how vulnerable California's state highway network had become, and the future looked grim. According to estimates, the state would fall \$59 billion short of being able to maintain its highway system in adequate condition over the next 10 years had funding remained unchanged.

The law's passage has changed that dire forecast. Instead of staring into a highway funding abyss, Caltrans is now gearing up for an era of improvements. Maintenance crews will be especially active after the new state budget takes effect on July 1, looking to fix immediate problems such as potholes and crumbling roadway concrete, as well as pavement projects for sections of bumpy road. Guidelines for larger projects funded by the State Highway Operation and Protection Program (SHOPP) will be determined by Caltrans and the California Transportation Commission (CTC) in a series of public meetings this summer.

The new law will bring other positive changes. It will require Caltrans and other agencies adopt a more holistic and environmentally sensitive approach to the projects they undertake. Money is being provided to incorporate mitigation measures earlier in the project delivery process, encourage pedestrian and bicycle modes of travel, and make infrastructure improvements to accommodate emerging automotive technologies such as autonomous

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cars, or zero-emission vehicle charging stations.

The act also should stabilize transportation funding for the foreseeable future, giving more certainty to project planning and budgeting. Fuel taxes and new fees will be indexed for inflation, and lawmakers restored a previous formula used to calculate fuel excise taxes that should smooth out funding fluctuations.

Improving the condition of the state's road system is expected to provide an overall boost for the state's economy as well. Businesses that transport goods and services around the state on smoother and less congested roads should see a bottom line benefit thanks to steadier travel time and less wear on equipment.

And with 10 years of major road maintenance and projects on the horizon, the Road Repair and Accountability Act of 2017 promises to be a major job-creator. Every \$1 billion spent on infrastructure projects creates more than 13,000 jobs, according to federal government estimates, so the \$54 billion spent over the life of the law is shaping up as a jobs bonanza for the state. **MM**

## Allocations

The Road Repair and Accountability Act of 2017 is expected to raise a total of \$54 billion over the next decade to address a daunting backlog of transportation system repairs and upgrades, while ensuring a cleaner and more sustainable travel network for the future.

Caltrans and other state agencies are due to receive roughly half of that amount, \$26 billion. The other half will go to local roads, transit agencies and an expansion of the state's growing network of pedestrian and cycle routes. The money from the new law — passed as Senate Bill 1 — will start flowing when increased fuel taxes take effect Nov. 1.

At the heart of the law is the creation of a Road Maintenance and Rehabilitation Account (RMRA) that embodies Caltrans' "fix it first" philosophy. That account will provide the lion's share of the funding to tackle deferred maintenance needs on the state highway system and the local road system.

Here are the major revenue distributions expected through the RMRA (all amounts are annual):

### **\$1.5 billion:** State Highway Maintenance and Rehabilitation

The goal is to raise 98 percent of California's highway surfaces to either "good" or "fair" condition, and ensure that 90 percent of traffic management systems such as signals, signs and sensors are in working order by 2027.

### **\$400 million:** State Bridge and Culvert Repair/Maintenance

Caltrans maintains more than 13,100 bridges in the state, and has committed to fixing at least 500 of the spans in need during the next 10 years. Culverts are a vital, but largely unseen part of the state highway system, channeling flood water and watercourses beneath roads. Of the estimated 205,000 culverts in California, Caltrans must bring at least 90 percent of them up to good or fair condition — about 55,000 based on department inspections.

### **\$200 million:** State-Local Partnership Program

The money will be used as matching funds for local entities to make their own extra investment in transportation. These funds will support the efforts of cities and counties with voter-approved transportation tax measures.

### **\$100 million:** Active Transportation Program (ATP)

The ATP was originally created by the Legislature to encourage walking and biking. The California Transportation Commission (CTC) now distributes about \$120 million yearly to cities, counties and regional transportation agencies — acting on suggestions from citizens and advocacy groups — to build or convert more bike paths, crosswalks and sidewalks. The extra \$100 million will represent an 83 percent boost in funding for the ATP.

The new law also requires Caltrans to distribute money to other specified transportation-related services. The Freeway Service Patrol that assists stranded motorists on the most congested freeways will see \$25 million more yearly (see accompanying story); \$25 million will go for local planning grants; two state universities will split \$7 million to do transportation-related research;

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and \$5 million each year is set aside for workforce training programs.

The Act also creates a pair of major new programs aimed at relieving overstressed parts of the state transportation system. The CTC will be given \$250 million yearly to fund and oversee a Congested Corridors Program, with the goal of providing travelers on crowded highways more transportation choices beyond expanding overall highway capacity.

At the same time, a Trade Corridor Enhancement Program will be established for freight-related transportation projects. The program is scheduled to receive \$300 million annually from increased diesel fuel excise taxes.

In addition, the Road Repair and Accountability Act will fund other existing transportation programs, create new ones, or designate responsibilities that will affect Caltrans:

- Caltrans' State Highway Operation and Protection Program (SHOPP) will receive a one-time infusion of \$225 million as part of a \$706 million repayment for an earlier loan made to the state General Fund during the state's fiscal crisis (\$256 million will go to a rail/transit capital improvement program; \$225 million to cities and counties for local roads, and \$20 million for local use in climate change adaption planning).
- Caltrans will be required to generate \$100 million yearly in efficiency measures that will be applied toward repair and maintenance of the state highway system, and report to the CTC.
- Transit agencies throughout the state are slated to receive about \$775 million in new funding yearly to boost service or capital projects. Depending on the program, the law requires certain transit agencies to submit proposed projects to Caltrans, and undergo performance audits to verify expenditures. **MM**

*Source: Caltrans Division of Budgets*