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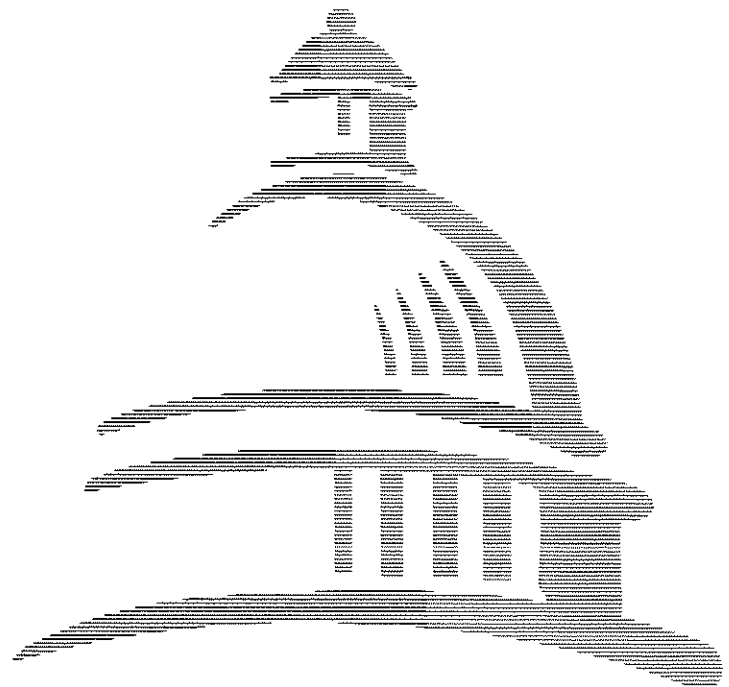
Implementation of Proposition 1B

LEGISLATIVE ANALYST'S OFFICE

Presented To:

Senate Budget Subcommittee No. 4 on Transportation

Hon. Mike Machado, Chair





Overview of Proposition 1B

(In Millions)

Program	Purpose	Amount
Congestion Reduction, Highway and Local Road Improvements		\$11,250
Corridor Mobility Improvement	Reduce congestion on state highways and major access routes.	\$4,500
STIP ^a	Increase capacity on highways, roads, and transit.	2,000
Local Streets and Roads	Enhance capacity, safety, and operations.	2,000
Highway 99 Improvement	Enhance capacity, safety, and operations.	1,000
State-Local Partnership	Match locally funded transportation projects.	1,000
SHOPP ^b	Rehabilitate and improve operation of highways.	500
Traffic Light Synchronization	Improve safety and operation of local streets and roads.	250
Transit		\$4,000
Local Transit	Purchase vehicles and right of way, and make capital improvements.	\$3,600
Intercity Rail	Purchase vehicles for state system and make capital improvements.	400
Goods Movement and Air Quality		\$3,200
Trade Corridor Improvement	Improve movement of goods on highways and rail, and in ports.	\$2,000
Air Quality	Reduce emissions from goods movement activities.	1,000
School Bus Retrofit	Retrofit and replace polluting vehicles.	200
Safety and Security		\$1,475
Transit Security	Improve security and facilitate disaster response.	\$1,000
Grade Separation	Improve railroad crossing safety.	250
Local Bridge Seismic	Seismically retrofit local bridges and overpasses.	125
Port Security	Improve security in publicly owned ports, harbors, and ferry facilities.	100
Total		\$19,925

^a State Transportation Improvement Program.
^b State Highway Operations and Protection Program.

In November 2006, voters approved Proposition 1B (Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006), which provides \$20 billion in general obligation bonds for transportation projects.

The funds are intended to relieve congestion, facilitate goods movement, improve air quality, and enhance transportation safety and security.



2007-08 Appropriations of Proposition 1B Funds

(In Millions)

Program	Implementing Agency	Amount
Local Streets and Roads	SCO/DOF ^a	\$950.0
State Transportation Improvement	CTC ^a	727.4
Corridor Mobility Improvement	CTC	608.3
Local Transit	SCO/Caltrans ^a	600.0
State Highway Operations and Protection	CTC	280.3
Air Quality	ARB ^a	250.0
School Bus Retrofit	ARB	193.0
Intercity Rail	Caltrans	188.1
Grade Separation	Caltrans/CTC	123.1
Traffic Light Synchronization	CTC	122.5
Transit Security	OES ^a	101.5
Port Security	OES	41.1
Highway 99 Improvement	Caltrans	14.3
Local Bridge Seismic	Caltrans/CTC	13.6
Trade Corridor Improvement	CTC	0.1
State-Local Partnership	CTC	0.1
Total		\$4,213.4

^a SCO=State Controller's Office; DOF=Department of Finance; Caltrans=Department of Transportation; CTC=California Transportation Committee; ARB=Air Resources Board; OES=Office of Emergency Services

- All of the \$20 billion in Proposition 1B funds are subject to appropriation by the Legislature. The 2007-08 budget appropriates \$4.2 billion for various programs.
- The Legislature also adopted trailer bill legislation—Chapter 181, Statutes of 2007 (SB 88, Committee on Budget and Fiscal Review), Chapter 314, Statutes of 2007 (AB 196, Committee on Budget), and Chapter 187 (AB 201, Committee on Budget)—that further directs the implementation of Proposition 1B.
- Caltrans and CTC are responsible for administering many of the Proposition 1B programs.



Key Responsibilities of CTC and Caltrans

- Program Guidelines.** The CTC and Caltrans are responsible for developing guidelines that specify the requirements of each program and the criteria for evaluating project nominations.
- Project Selection.** Based on the adopted guidelines, CTC and Caltrans are responsible for selecting projects.
- Funding Allocations.** After Proposition 1B funds have been appropriated by the Legislature, CTC has the primary responsibility for allocating funds to specific projects.
- Project Delivery.** Caltrans is responsible for the delivery for mostly all highway, intercity rail, and grade separation projects funded by Proposition 1B.
- Annual Reports.** The CTC is required to provide an annual summary of the activities related to different Proposition 1B programs. For each project in a given program, the summary shall include a description of the project and its location, the amount of funds allocated, and a status of the project.



Guidelines Developed and Projects Selected for Some Programs

Program	Guidelines Adopted	Approved Projects
Corridor Mobility Improvement	11/8/06	54
State Transportation Improvement	12/14/06	80
Highway 99 Improvement	12/13/06	14
State-Local Partnership	—	—
State Highway Operations and Protection	— ^a	15
Traffic Light Synchronization	—	—
Local Transit	—	—
Intercity Rail	—	—
Trade Corridor Improvement	11/27/07	—
Grade Separation	— ^b	—
Local Bridge Seismic	—	—

^a Since the State Highway Operations and Protection Program is an existing program, developing new guidelines was not necessary.

^b Chapter 181, Statutes of 2007 (SB 88, Committee on Budget and Fiscal Review), requires CTC, in cooperation with Caltrans, the Public Utilities Commission, and the High Speed Rail Authority, to develop guidelines by February 15, 2008.

- Caltrans and CTC have adopted the necessary guidelines for project eligibility and selection for some of the programs. However, guidelines for several of the programs (such as State-Local Partnerships) have not been adopted at this time.
- For those programs for which guidelines have been adopted, the commission and the department have generally also approved a list of projects.



Ability of Caltrans to Deliver Projects



Staff Resources to Design and Engineer Projects

- In order to ensure that Proposition 1B projects will be delivered in a timely manner, Caltrans will need adequate personnel resources to plan and construct capital outlay projects.
- As discussed in our report on the 2006 bond package, before a capital outlay project can be constructed, Caltrans must assess environmental impacts, acquire rights-of-way, and design and engineer the project. This type of work is typically referred to as capital outlay support.



2007-08 Budgeted Resources

- In adopting the 2007-08 budget, the Legislature provided \$1.8 billion to Caltrans to fund 13,121 personnel-year equivalents (PYEs) in staff resources to design and engineer transportation projects.
- About 5 percent (640 PYEs) of the budgeted resources are specifically to support Proposition 1B programs.