

AGENDA
ASSEMBLY BUDGET SUBCOMMITTEE NO. 5
ON INFORMATION TECHNOLOGY AND TRANSPORTATION

ASSEMBLYMEMBER DEAN FLOREZ, CHAIR

WEDNESDAY, MARCH 10, 1999
STATE CAPITOL, ROOM 127
4:00 P.M.

ITEM	DESCRIPTION	PAGE
CONSENT CALENDAR		
2600	California Transportation Commission	2
2640	Special Transportation Programs	2
ITEMS TO BE HEARD		
2660	California Department of Transportation (Caltrans)	3
	➤ Local Roads Maintenance	3
	➤ Rural Highway Beautification	4
	➤ State Route 58	5
	➤ Hatton Canyon Freeway	6
	➤ Sweetwater Reservoir	7
	➤ Capital Outlay Support	6
	➤ Project Scope and Summary Report Staffing	8
	➤ Project Study Reports	9
	➤ Bridge Scour	10
	➤ Eureka Office Seismic Retrofit – Capital Outlay	11
	➤ San Diego Office – Capital Outlay	12

2600 CALIFORNIA TRANSPORTATION COMMISSION

The California Transportation Commission consists of nine members appointed by the Governor, all appointed to staggered four-year terms, and two non-voting ex-officio members, one from the State Senate and one from the State Assembly. The Governor's budget includes \$227 million for the CTC.

2640 SPECIAL TRANSPORTATION PROGRAMS

The Special Transportation Programs budget reflects mass transit program funding which is allocated to regional transportation planning agencies. The Governor's budget includes \$100 million for the State Transit Assistance program, which is \$12.7 million above the statutory formula.

2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)

The Department of Transportation (Caltrans) constructs, operates, and maintains a comprehensive transportation system of more than 15,200 miles of highways and freeways. Caltrans also provides rail passenger services under a contract with Amtrak and provides support to local airports. The Governor's budget proposes \$7.9 billion for 1999-00, an increase of \$1.5 billion, or 23 percent, over revised current-year funding. The proposed budget also includes an increase of personnel years by 439.1 to 20,449.7, an increase of 2.2 percent.

ISSUE 1: LOCAL ROADS MAINTENANCE - INFORMATIONAL

Throughout California local roads face a severe need for maintenance. During last year's Legislative session, the Legislature passed SB 1477 (Kopp) to provide \$300 million to cities and counties for local road maintenance needs. Governor Wilson vetoed the bill.

The California State Association of Counties and the League of California Cities will provide the subcommittee with an overview of local road maintenance needs and with information regarding concerns with current funding mechanisms to provide funding for local road maintenance.

The concerns of local interests include that there currently does not exist a comprehensive statewide understanding of local maintenance roads. Some suggest that Caltrans could play a larger role in coordination and obtaining information regarding local road maintenance needs throughout the State.

ISSUE 2: RURAL HIGHWAY BEAUTIFICATION

Throughout much of California's rural areas, State Highways serve as the main street for small towns. Beautification of these highways provides significant social, environmental, and economic benefits for the affected towns.

BACKGROUND:

Caltrans is responsible for beautification along State Highways, including those that serve as main streets for rural towns.

Caltrans expects to begin evaluating the need for beautification projects throughout California's State Highways at rural towns.

COMMENTS:

This subcommittee can adopt Supplemental Report Language requiring Caltrans to report to the Legislature regarding the results of their evaluation of beautification needs.

Delivery of beautification projects can begin in Spring of 2000.

ISSUE 3: STATE ROUTE 58

The 1998 State Transportation Improvement Program (STIP) included \$175 million for construction projects along State Route 58 in Kern County. The proposed route of the highway raises concerns to local agricultural and environmental interest. Alternative routes are available at a significantly less expensive cost, choosing such an alternative would allow other important transportation priorities in the area to receive funding.

BACKGROUND:

The current State Route 58 project was nominated for the 1998 STIP by the local council of governments.

COMMENTS:

The Subcommittee may consider adopting Budget Bill Language that restricts the expenditure of funds for support, right-of-way, and construction for the project until the important agricultural and environmental issues are addressed.

ISSUE 4: HATTON CANYON FREEWAY

Last year the Legislature included Budget Bill Language that restricted the expenditure of certain funds for the Hatton Canyon Freeway project on State Route 1 until Caltrans had received all permits required by the California Coastal Protection Act. The language was vetoed by the Governor.

BACKGROUND:

In order for the Hatton Canyon Freeway project to proceed, there must be amendments made to Monterey County's Local Coastal Plan and these amendments must be approved by the California Coastal Commission.

If Caltrans proceeds with the project before these steps are taken the department may face costly legal battles.

COMMENTS:

The following Budget Bill Language will address the issue by requiring Caltrans to obtain the appropriate permits before proceeding with key aspects of the project. This is the same language that was vetoed by Governor Wilson last year.

- X. (a) The Department of Transportation shall not expend any funds for support, right-of-way, or construction of the Hatton Canyon Freeway Project located on State Route 1, except those funds as are necessary to design the project and obtain all necessary permits, unless the department has complied with all applicable requirements of Division 20 (commencing with Section 30000) of the Public Resources Code.
- (b) The Department of Transportation shall report to the chair of the Joint Legislative Budget Committee and the chairs of the fiscal committees on the Legislature when all the required permits have been approved by each local, state, or federal agency responsible for issuing any of the required permits.

ISSUE 5: SWEETWATER RESERVOIR

The construction of State Route 125 in the San Diego area poses a potential health threat to residents who receive drinking water from the Sweetwater Reservoir. At one point, the highway will pass within 450 feet of the reservoir that serves approximately 165,000 residents and businesses in Chula Vista, National City, and Bonita.

Throughout California State Highways pass near open drinking water sources for California residents. Understanding the potential risk to public health from airborne pollutants from highway users is essential to providing the appropriate treatment of drinking water before the water reaches kitchen faucets.

Caltrans understands the need to study the potential risk to health from airborne pollutants from State Highways that reach drinking water reservoirs.

BACKGROUND:

State Route 125 is expected to be complete by 2002. The Sweetwater Authority has commissioned a study that produced conflicting results regarding whether State Route 125 will pose a significant health risk to residents who receive drinking water from the Sweetwater Reservoir.

A University of California, Davis scientist, is conducting a second study and preliminary results should be available within a month.

COMMENTS:

It is important that Caltrans work in a collaborative effort with local agencies, like the Sweetwater Authority, in order for there to be a clear consensus of results of studies regarding potential health risks from airborne pollutants from State Highways.

The release of the preliminary results from the UC Davis scientist provides the opportunity for Caltrans to work with the Sweetwater Authority to complete the study and initial monitoring of the Sweetwater Reservoir. By doing so, the Sweetwater Reservoir project can serve as a pilot project for how Caltrans can conduct future evaluations of the effects of airborne pollution from highway traffic on drinking water sources.

ISSUE 6: CAPITAL OUTLAY SUPPORT

The Governor's proposed budget includes \$902.8 million for capital outlay support in the budget year. This amount actually reflects a six-percent reduction from current year expenditures for capital outlay support. This is due to a technical realignment that shifts resources away from capital outlay support and to project planning. The 1998-99 Budget Act provided 1,953 additional capital outlay staff for Caltrans.

LAO recommends Supplemental Report Language directing Caltrans to provide information on staffing and expenditures on project planning work in order for the Legislature to have a more complete picture of resources needed to deliver projects.

It is anticipated that Caltrans' capital outlay support budget will be adjusted to account for new projects being programmed by the 1998 State Transportation Improvement Program amendment which is expected to be adopted by the California Transportation Commission (CTC) this month.

BACKGROUND:

The 1998 STIP programmed transportation projects totaling \$4.6 billion over the six-year STIP period. Since the adoption of the 1998 STIP, additional resources have been identified for transportation projects. This includes \$860 million in previously unanticipated federal funds and \$740 million in revised estimates of projects' cash flows and reserves.

COMMENTS:

During 1998-99 budget negotiations, Caltrans made commitments to take steps to attract a diverse workforce. Caltrans should report during this hearing regarding the status of filling the nearly 2000 new positions and whether efforts in achieve diversity have been successful.

The LAO recommends the following Supplemental Report Language to ensure the Legislature receives information regarding resources used for project planning in Caltrans' annual report on capital outlay support:

In its annual report to the Legislature on capital outlay support staffing and expenditures, the Department of Transportation shall separately identify the staffing and expenditures for project planning work, including work on project study reports (PSRs) and project scope and summary reports (PSSRs).

Caltrans' capital outlay support budget should be held open pending updated changes resulting from staffing adjustments to account for the 1998 STIP amendment.

ISSUE 7: PROJECT SCOPE AND SUMMARY REPORT STAFFING

The Governor's budget proposes approximately \$18 million for Project Scope and Summary Report (PSSR) staffing. The LAO recommends that this portion of Caltrans' budget be cut by \$8.9 million.

BACKGROUND:

PSSRs are done on all potential State Highway Operation and Protection Program (SHOPP) which programs transportation rehabilitation projects.

The Governor's budget includes enough funding for 266 personnel year equivalents (PYE). Each PSSR requires approximately ½ a PYE to complete.

COMMENTS:

While only a certain number of projects actually get programmed in the SHOPP, many more projects must receive PSSRs before it is determined they should not be included in the SHOPP.

ISSUE 8: PROJECT STUDY REPORTS

The budget includes \$18.9 million for 287 PYEs for project study reports (PSRs). A PSR is required on all transportation projects to be eligible for programming in the STIP.

BACKGROUND:

Currently, there is approximately \$1.8 billion available to be programmed in a 1998 STIP Amendment. As a result, there should be a need additional PSRs.

However, the California Transportation Commission (CTC) is currently in the process of abbreviating the PSR process, which should make PSR's less costly.

COMMENTS:

The CTC guidelines are not expected to be final until July, but Caltrans should be able to provide a new estimate of PRS need at the time it submits the revised capital outlay support request.

The LAO recommends the request be held open until the revised PSR process is addressed by Caltrans.

ISSUE 9: BRIDGE SCOUR

Caltrans is required to evaluate all state and local bridges that pass over waterways for bridge scour caused by water erosion.

The LAO recommends language be adopted to provide the Legislature with additional information regarding Caltrans bridge scour evaluation efforts.

BACKGROUND:

Caltrans has evaluated about half of the state owned bridges and 123 bridges have required some corrective action.

Caltrans expects to begin evaluating approximately 3000 local bridges that have unknown foundation in 2002.

COMMENTS:

The LAO recommends the following Budget Bill Language directing Caltrans to identify the ten-year need for repairs for bridge scour in its State Highway System Rehabilitation Plan in 2000.

The Department of Transportation, in updating the ten-year state highway rehabilitation plan, shall identify the ten-year need for bridge scour repairs, including the number of bridges and the cost of repairs.

The LAO recommends the following Supplemental Report Language requiring Caltrans to report to the Legislature regarding their schedule for evaluating locally owned bridges with unknown foundations for scour.

By December 1, 1999, the Department of Transportation shall report to the Legislature on a plan for evaluating bridges with unknown foundations for bridge scour. The report shall set the target date for completion of evaluations and identify how the department plans to set priorities for the evaluation schedule.

ISSUE 10: EUREKA OFFICE SEISMIC RETROFIT – CAPITAL OUTLAY

The Governor's budget includes \$604,000 for planning and working drawings for seismic strengthening of the Eureka office.

The LAO recommends the funding be deleted because the level of risk established by the Department of General Services (DGS) to the Eureka office is not high enough to warrant seismic retrofit.

Caltrans own assessment puts the Eureka office at a higher risk level than that of the assessment of DGS.

BACKGROUND:

DGS has evaluate all state buildings and rated each building vulnerability to earthquakes. Building were given a rating between I and VII, with I being the lowest risk and VII being the highest risk.

The Legislature has not provided any funds for seismic retrofit of any building with a rating less than V. DGS rated the Eureka building to be a level IV risk.

Caltrans own evaluation rates the building a level V risk.

COMMENTS:

The budget only includes fund for preliminary plans and working drawings. The cost of construction is estimated at \$5.1 million.

All other Caltrans buildings with a higher risk level are all at various stages of having their risk of being damaged by earthquakes addressed.

ISSUE 11: SAN DIEGO OFFICE – CAPITAL OUTLAY

The Governor's proposed budget includes Budget Bill Language providing Caltrans the opportunity to enter a lease-with-option-to-purchase agreement with a private developer for the construction of a new San Diego office building.

The LAO recommends that other, more cost-effective alternatives be considered rather than lease-with-option-to-purchase.

BACKGROUND:

The proposal for a new San Diego office results from the current state-owned Caltrans facility in San Diego not being able to hold all employees. Currently, Caltrans leases space in ten other building in San Diego.

In addition, the cost of seismically retrofitting the current Caltrans building in San Diego would be \$38.1 million, while the estimated cost of acquiring a new facility capable of holding all employees is \$43 million.

COMMENTS:

The potential options for a new San Diego office building include the following follows:

- Lease-with-option-to-purchase. This is Caltrans current request. This allows for a speedy completion of the project but is potentially more expensive due to having to pay commercial interest rates and contract prices that provide a profit for the builder.
- Direct appropriation from the State Highway Account. This would be the least expensive option because not finance costs would be needed. However, this option would take funds away from programmed STIP projects.
- Lease revenue bonds. With this option the State builds the project with bond funds and then pays of the bonds over time. The financing costs of this option are much less than the lease-with-option-to-purchase option. The potential downside to this option is the existing backlog of projects at DGS.