

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 5 On Transportation and Information Technology

Assemblymember Bob Blumenfield, Chair

**WEDNESDAY, DECEMBER 16, 2009, 1:00 PM
STATE CAPITOL, ROOM 447**

Informational Hearing Bay Bridge, AASHTO, Fleet Management, and Federal Funds

Issues for Discussion:

- 1) Bay Bridge**
 - a) Eye Beam Failure**
 - b) Statewide Inspection Program**
 - c) S-Curve Safety**
 - d) Public Comment**

- 2) American Association of State Highway Transportation Officials Conference**
 - a) Public Comment**

- 3) Fleet Management**
 - a) Management of Existing Fleet**
 - b) Deploying Unused New Vehicles**
 - c) Implementing Governor's 15% Fleet Reduction Executive Order**
 - d) Public Comment**

- 4) Federal Funds**
 - a) Progress on Obligation of local ARRA Transportation Funds**
 - b) ARRA High Speed/Intercity Rail Competitive Grant Application Update**
 - c) Other Federal Funds**
 - d) Public Comment**

Background

Issue 1: Bay Bridge

Eye Beam Failure. Over Labor Day Weekend CALTRANS discovered a crack in an eye beam on the East Span of the Bay Bridge during a federally mandated two-year inspection that was scheduled to coincide with the S-Curve detour installation. Over this weekend, CALTRANS worked to repair the crack with a structural brace that redistributed load on the bridge. As widely reported, this temporary brace failed from what appears to have been a vibration and movement caused by vehicle traffic and wind. This failure caused debris to fall on the roadway and resulted in a multi day closure of the bridge in October. The Department replaced the brace with one of similar design with modifications to dampen vibrations, increase strength and reduce metal to metal friction. Currently, CALTRANS is working on a permanent repair that should be finished over the next 3 weeks. Total costs for these repairs are estimated as follows:

Initial repair: \$1.5 million/Federal Funds

Second repair: \$6 million/Bay Area Toll Authority Funds

Permanent repair: up to \$14 million/ BADA Funds

Statewide Bridge Inspections: CALTRANS is responsible for performing all bridge inspections statewide -- workload that is supported by federal funds. The Federal Government requires that all bridges be inspected every two years. During such inspections, CALTRANS uses various methods including visual, dye penetration and ultrasonic tests, to assess the safety of a bridge. Since the failure of an eye bar on the east-span of the bay bridge, CALTRANS has ramped up inspections on the Bay Bridge from every two years to every three months. Because this increase frequency in inspections will be above and beyond federal requirements, additional workload will be funded by the state rather than the Federal Government.

Statewide there are 56 eye-beam constructed bridges, four of which are on the state highway system (San Francisco–Oakland bay Bridge, Richmond-San Rafael Bay Bridge and the Highway 263 Bridge outside of Yreka) with the rest being local agency bridges. Aside from the increases in inspections for the Bay Bridge, the Department plans on continuing the federally required two year inspection schedule for the other 55 bridges.

S-Curve: On Labor Day Weekend, CALTRANS installed an S-Curve detour on the east span of the Bay Bridge to allow work to proceed on the new east span. Following the installation of the detour, the Department reported high instances of crashes on the Bay Bridge S-Curve due to excessive speeds on the new sharply curved detour. Following this increase in accidents, including some fatalities, the Department has worked with the CHP to increased warning signage, install speed indicators and dramatically increase enforcement (1000 ticketed violations last month) to reduce speeds and make drivers aware of the presence of the S-Curve. All of these measures have resulted in a precipitous drop in accidents.

Issue 2: AASHTO Conference

In 2007 the Department was selected to host the 2009 annual meeting for the American Association of State Highway Transportation Officials (AASHTO). The conference is attended by state and federal transportation executive officers nationwide and focuses on topics related to national transportation policy and funding (i.e. federal funding reauthorization, ARRA funds, and climate change). As hosts to the conference, the Department organized the event at the Palm Springs Desert Resort and provided some staff support during the various activities at the conference. Aside from logistical support, the Department also used the conference to exhibit a two day showcase of innovative vehicle technology, alternative fuels and technology improvements to the transportation system infrastructure.

To support and attend the conference, the Department sent 52 staff, 11 of which were delegates with the rest providing support to the meeting. Activities classified as support included staffing activities, shuttling delegates, and staffing California equipment demonstrations. In addition to staff, the Department also sent 24 vehicles for use with in-conference transportation, general transportation to the conference and for use for Mobility Showcase Exhibition. Total estimated cost for the conference was \$82,000 and is broken out as follows:

Registration fees for Delegates	\$ 5,500
Salaries for delegates and support staff	\$33,700
Travel	\$ 9,700
Lodging and perdiem	\$28,400
Estimated miscellaneous expenses	\$ 4,900

The Department has pointed out that this meeting was an opportunity for California to lobby the federal government for a greater share of funding and have a greater influence over transportation policy. Citing this benefit to the state, the Department and Governor's office provided an exemption for this event from internal restrictions on conferences, travel, and accommodations. Additionally, the Department noted AASHTO was able to use financial contributions from non-governmental agencies to help support some of the costs of hosting the conference.

Staff Comments: Following discussions with the Department, staff agrees that there is value in California's presence on a nationwide level and can help the state secure federal funds and steer national transportation policy. Staff also acknowledges the Department's efforts in defraying some of the costs of the conference by seeking outside sponsorships and securing government rates for accommodations for state workers. While there is a need for support staff when hosting a conference, staff has concerns with the amount of staff sent and fact that many of these were senior level staff. During a time when staff furloughs have severely cut hours of Department staff productivity, a question to raise by the subcommittee is whether this was this an appropriate allocation of staff time.

Issue 3: Fleet Management

Background: CALTRANS is unique in state government in that it has authority to purchase its own vehicle fleet which totals over 13,000 vehicles and equipment. In managing the fleet, the Department is responsible for all procurement, disposal, and maintenance of vehicles. In general, the Department's fleet varies from passenger vehicles and vans to light and heavy duty trucks. One challenge the Department faces in fleet procurement is that many of the vehicles require additional assembly after purchase (i.e. air pollution controls, lighting, and hydraulic lifts) and vehicles can be delayed up to 3 years before they are fully built up and deployed into the field.

The Department has reported that mandated furloughs of maintenance staff have resulted in a 15% reduction in their capacity to complete orders. Over the last two years, the Department has purchased 2,667 vehicles ranging from passenger to heavy industrial. Of these vehicles: 80% are actually in service; 3% have not arrived; 12% are waiting to be assembled; and 5% are waiting to be deployed.

Lastly, while the Governor has required by executive order that all statewide departments develop 15% fleet reduction plans. The Department has identified over 300 vehicles that it plans to dispose of. The majority of the vehicles being models from the late 1990s with mileage over 150,000.

Staff Comments: The Department reports that its capacity to embark on new projects is progressively shrinking due to declining bond and state fund sources. Because of the instability of bond and Proposition 42 funds, the Department is now recommending to the California Transportation Commission that no new projects should be programmed from the state highway account and that funding be directed towards existing projects only. Additionally, ARRA funds that have supported much of the growth in Transportation spending are a limited term funding source that will only be continued at a similar scale if the Federal Government is able to pass transportation funding to the Legislature. At the hearing, the Department should be prepared to report to the subcommittee on how it is managing its existing fleet in consideration of a decreasing project capacity and whether procurement plans put in place 3 years prior are still relevant to program needs today. The subcommittee may want to consider whether the Department should be storing vehicles that it may not need and should the Department consider eliminating more vehicles than the 15 percent required by the Governor.

Issue 4: Federal Funding

ARRA Funds for Local Transportation.

ARRA provides the state with about \$3.7 billion in one-time formula funding for transportation programs. It also provides various opportunities for the state to apply for competitive federal programs for "shovel ready" projects. In the 2009-10 budget, \$1.1 billion was appropriated to CALTRANS for statewide projects and \$1.6 billion allocated to locals. To date, the Department has put out to bid nearly 92 percent of those funds. LAO reports, however, that there is \$270 million in local funds that need to be obligated by February or else the state is required to obligate them to statewide projects managed by the Department.

Staff Comments: In their report, the LAO recommends that the Legislature investigate why local agencies are going to be able to get all of their ARRA funds obligated by the February deadline and what is causing delays if they are not able to. They suggest that some of the major causes for delay are that local agencies misreported projects as "shovel ready," locals had a lack of experience managing federal funds, and there was not a requirement to advertise contracts quickly after obligation. In the 2009-10 budget the Legislature approved funding for local projects under the assumption that local transportation agencies had an adequate "shovel ready" project capacity to quickly expend incoming ARRA funds. While bringing improvements to statewide infrastructure, an added benefit of spreading ARRA funds to local agencies in every area of the state was the potential to distribute jobs and economic development evenly as well. At the hearing, the Department should report to the Legislature whether they expect locals to be able to expend all of the ARRA funds, what have been the causes of delays and what will the state do to reobligate funds if local agencies do not meet the deadline.

ARRA High Speed/Intercity Rail Application

ARRA includes \$8 billion in competitive federal funds for rail projects. These funds are split between two separate applications; one for intercity/commuter and another for high-speed rail. In the first, which was due last August, the Administration applied for \$1.4 billion in traditional passenger rail projects. This application was prepared by CALTRANS in coordination with local rail agencies. The second application, due in October, requested \$1.16 billion for high speed rail projects. This application was prepared by the High Speed Rail Authority and mostly funds their projects.

Staff Comments. Staff understands that there was an early decision by the Administration that the first ARRA application for intercity/commuter rail projects would be developed by CALTRANS while the second, high speed rail focused, application would be developed by the High Speed Rail Authority (HSRA). It was reported that the Department had made recommendations to the HSRA that additional intercity/commuter rail projects benefiting projects be included project list for the second application. Ultimately, many of these recommended projects were not included in the High Speed

Rail application. For the hearing, the Department should be prepared to provide an update on their application, when they expect a response from feds and whether some of the other projects that were not included in the second application qualify for other discretionary funding.

Other Federal Funds

With the authorization of ARRA, the federal government also approved \$1.5 billion for the Transportation Investment Generating Economic Recovery (TIGER) Grant program an additional \$1.5 billion for discretionary grant program to the states for road, transit, port and freight rail projects of "national significance." Under this program, funding is capped at \$300 million per state and should be awarded in the beginning of next year. Additionally, there will be a second TIGER grant program that will potentially include \$600 million nationally. At the hearing, the Department should be prepared to discuss with the subcommittee expected deadlines, funding disbursement and obligation timelines.

In addition to the TIGER grant programs, there are various potential federal funding bills that could provide funds to the state. One in particular is the inclusion of a transportation component to the Federal jobs bill which would maintain federal funds for California while the Transportation Treasury Bill moves through the process. At the hearing, the Department should provide a status update to the subcommittee on: 1) the potential of a transportation component of the jobs bill; 2) the transportation reauthorization bill; and a potential second (or third) TIGER grant program. These updates should include what the state is doing to lobby the Federal Government on the bills and what are we laying out as our priority requests.