

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 10/20)

Fiscal Year 2022-23	Business Units 0521, 2660, 2665	Department Secretary of Transportation, Department of Transportation, High Speed Rail Authority	Priority No. Click or tap here to enter text.
Budget Request Name 0521-001-BCP-2022-GB		Program VARIOUS	Subprogram VARIOUS

Budget Request Description
 Transportation Infrastructure Package

Budget Request Summary

The California State Transportation Agency requests \$9.1 billion for the Administration's transportation infrastructure package, which includes various transportation infrastructure projects and improvements. Additionally, the request includes a \$9.9 billion increase in federal fund authority over five years from the Infrastructure Investment and Jobs Act and an augmentation of \$100 million for Clean California grants in 2023-24.

Requires Legislation <input type="checkbox"/> Yes <input type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed Click or tap here to enter text.	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO Click or tap here to enter text.	Date Click or tap to enter a date.

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. Click or tap here to enter text. **Project Approval Document:** Click or tap here to enter text.

Approval Date: Click or tap to enter a date.

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Carlos R. Quant	Date Click or tap to enter a date.	Reviewed By Elissa Konove	Date Click or tap to enter a date.
Department Director Click or tap here to enter text.	Date Click or tap to enter a date.	Agency Secretary David S. Kim	Date Click or tap to enter a date.

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

PPBA Click or tap here to enter text.	Date submitted to the Legislature Click or tap to enter a date.
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A. Budget Request Summary

The California State Transportation Agency (CalSTA) requests \$9.1 billion state funds (\$4.9 billion General Fund and \$4.2 billion High-Speed Passenger Train Bond Fund) for the various projects included in the Administration's transportation infrastructure package. The transportation infrastructure package is comprised of the following investments in the transportation system:

- \$4.2 billion High-Speed Passenger Train Bond Fund for the High-Speed Rail Project
- \$2 billion General Fund for statewide transit and rail projects
- \$1.25 billion General Fund for Southern California transit projects
- \$750 million General Fund for active transportation and connecting communities projects
- \$500 million for high priority grade separation projects
- \$400 million for climate adaptation projects

In addition to the transportation infrastructure package, CalSTA requests \$9.9 billion Federal Trust Fund for increased federal highway formula funding and \$100 million to augment the Clean California Initiative program grants.

The requested funding is proposed for expenditure over multiple fiscal years, beginning in 2021-22 and through 2025-26.

For 2021-22, CalSTA is seeking to accelerate \$8.5 billion of the requested funding. In addition to better positioning the state for the receipt of anticipated federal infrastructure funding provided by the Infrastructure Investment and Jobs Act, this action will provide \$4.3 billion General Fund needed for the transit and grade separation projects and the first-year funding of the other General Fund investments. The High-Speed Rail Authority will use the \$4.2 billion bond funds to complete construction in the Central Valley, execute engineering and design activities for service between Merced and Bakersfield, advance planning and project design for the entire project, and position the state to leverage federal funds. Additionally, the Authority has prepared a package that includes additional legislative oversight and revisions, quarterly reporting of change orders, submittal of a new Risk Management Plan, and flexibility on administrative expenditures consistent with Proposition 1A requirements.

For 2022-23, \$600 million is included for the second year of the programs noted above.

For 2023-24, \$100 million is proposed to augment the existing \$1.1 billion currently budgeted for the Clean California initiative. The funds will augment the existing local grant program, which provides beautification and trash removal grants to cities, counties, and other government agencies. In December 2021, the Department of Transportation (Caltrans) issued a call for almost \$300 million in available funding and anticipates awarding approximately 200 grants in that round.

Lastly, the budget includes a baseline adjustment to federal funding authorized by the Infrastructure Investment and Jobs Act (IIJA). Based on California's estimated share of Federal Highway Administration (FHWA) formula funding, the budget includes a \$1.8 billion increase in 2021-22, which increases annually until reaching \$2.2 billion in 2025-26. The \$9.9 billion increase in federal fund authority over the five-year period brings California's total FHWA formula share to almost \$30 billion, an average of \$6 billion per year.

Analysis of Problem

Summary of Requested Resources (in millions)

Activity	2021-22	2022-23	2023-24	2024-25	2025-26
High-Speed Rail Construction	\$4,200	\$0	\$0	\$0	\$0
Transit and Rail	\$3,250	\$0	\$0	\$0	\$0
Grade Separations	\$500	\$0	\$0	\$0	\$0
Active Transportation Program	\$250	\$250	\$0	\$0	\$0
Climate Adaptation	\$300	\$100	\$0	\$0	\$0
Highways to Boulevards	\$0	\$150	\$0	\$0	\$0
Bicycle & Pedestrian Projects	\$0	\$100	\$0	\$0	\$0
Clean California local grants	\$0	\$0	\$100	\$0	\$0
FHWA formula programs	\$1,775	\$1,872	\$1,972	\$2,073	\$2,176
Total:	\$10,275	\$2,472	\$2,072	\$2,073	\$2,176

B. Background/History

California's transportation system connects nearly 40 million residents to jobs, housing, services, recreation, and facilitates trade to and from the world's 5th largest economy. The transportation system plays a central role in economic opportunities, cost of living, environmental quality, health, and quality of life. The transportation system also plays a vital role in increasing resilience to climate change, while helping reduce carbon emissions that lead to future climate impacts.

The COVID-19 pandemic significantly disrupted the world's public health, economic, and transportation systems. These disruptions have placed added pressures on California's most vulnerable communities.

In response to the COVID-19 pandemic, the federal government passed several bills that have provided states with economic relief and helped mitigate the adverse impacts of the pandemic, including the American Rescue Plan Act (ARPA), which provided California transit agencies with \$4 billion, and the Infrastructure Investment and Jobs Act (IIJA), which authorized over \$500 billion for transportation over five years. Under the IIJA, California is estimated to receive almost \$40 billion of formula-based transportation funding for the following programs over the next five years:

- Existing surface transportation, safety, and highway performance apportioned programs
- A new bridge replacement, rehabilitation, preservation, protection, and construction program
- A new program to support the expansion of an electric vehicle charging network
- Improving public transportation options across the state

The IIJA also includes over \$100 billion in new competitive grants or augmentations to existing grant programs nationwide over five years for a variety of highway, safety, transit, intercity rail, energy, and many other projects. The intercity rail discretionary program is particularly robust, with California positioned to compete well for this funding due to its nation-leading 2018 State Rail Plan.

In addition to federal legislation, California conditionally appropriated \$3 billion General Fund in the 2021 Budget for transportation infrastructure and \$400 million for climate adaption projects. These appropriations were conditioned on actions by the Legislature and expired in October 2021 given the lack of further legislation.

Analysis of Problem

C. State Level Consideration

CalSTA's strategic action plan includes the following goals:

1. Improve Safety—eliminate fatalities and serious injuries on the state transportation system and strengthen emergency response by improving multi-modal coordination
2. Expand Accessibility—create a seamless multimodal travel experience, expand equitable pricing, and remove barriers to transit ridership
3. Lower Carbon Emissions—reduce greenhouse gas emissions from the transportation sector and increase resiliency by providing attractive transit and rail options that encourage mode shift
4. Develop Innovative Practices—position California on the cutting edge of technology and innovation, achieve efficiencies, reduce the cost and time to deliver transportation projects while safeguarding the environment
5. Multimodal Investment—integration of transportation modes in a comprehensive system, improve multimodal choices that are safe, accessible, and affordable
6. Advance Equity—advance policies and programs that reflect principles of diversity, equity, and inclusion and support transportation systems that provide safe and equitable access to opportunity and enhance quality of life

The projects that would be funded with the requested resources support the Administration's transportation goals and are consistent with CalSTA's strategic priorities.

D. Justification

Making strategic investments in California's transportation infrastructure is critical to California's economic growth and equitable recovery from the COVID-19 pandemic. To improve statewide transportation connectivity in a way that reduces carbon emissions, and to leverage and maximize available federal funding, CalSTA proposes the following investments in transportation infrastructure:

High-Speed Rail—\$4.2 billion High-Speed Passenger Train Bond Fund to complete high-speed rail construction in the Central Valley, perform advance work for service between Merced and Bakersfield, and complete advance planning and project design for the entire project.

Statewide Transit and Rail Projects—\$2 billion General Fund to invest in high-priority transit and rail infrastructure projects. CalSTA would administer this funding through the Transit and Intercity Rail Capital Program (TIRCP). These projects would improve rail and transit connectivity between state and local/regional services, including projects that provide transit priority on state roads and highways and shared corridor routes and projects. Of the requested funding, \$1.980 billion is for project funding and \$20 million is for state operations costs to support these projects.

Southern California Transit Projects—\$1.25 billion General Fund to deliver local and regional projects through the TIRCP focusing on climate with projects selected by CalSTA and approved by the California Transportation Commission. Of the requested funding, \$1.15 billion is for project funding and \$10 million is for state operations costs to support these projects.

Active Transportation and Connecting Communities Projects —\$750 million General Fund to transform the state's transportation system and support carbon-free transportation options. Specifically, this funding would be comprised of the following components:

Analysis of Problem

- \$500 million for Active Transportation Program projects to fund existing projects from the current backlog of approved high-scoring projects. ATP projects encourage increased use of active modes of transportation, such as walking and biking, and increase the safety and mobility of non-motorized users.
- \$150 million (75 percent for infrastructure, 25 percent for planning and project development) to establish the Reconnecting Communities: Highways to Boulevards Pilot Program, which will inform the future conversion of key underutilized highways into multi-modal corridors that serve existing residents by developing affordable housing and complete streets features. Additional information about the highways to boulevards program can be found in the [Climate Action Plan for Transportation Infrastructure](#).
- \$100 million for Bicycle and Pedestrian safety projects allocated through the Highway Safety Improvement Program with a 50/50 state and local split.

Of this funding, \$742.5 million is for project funding and \$7.5 million is for state operations costs to support these projects.

High Priority Grade Separation Projects—\$500 million General Fund to support these critical safety improvements throughout the state

Climate Adaptation Projects—\$400 million General Fund for climate adaptation projects that support climate resiliency and reduce risks from climate impacts

Clean California Local Grants—\$100 million General Fund to extend the availability of grant funding into 2023-24.

Federal Highway Formula Funding—\$9.9 billion federal funds over five years to increase the baseline funding level for Federal-aid highway formula programs. In the next five years, California will receive almost \$30 billion of federal highway formula funds, an average annual increase of \$2 billion compared to the \$4 billion received by California the year prior to IJA implementation.

E. Outcomes and Accountability

CalSTA will oversee the administration of these investments, creating thousands of quality jobs, accelerating new transportation options, and supporting clean transportation projects that address climate change and tackle racial injustice in the transportation system by improving transportation choice and access in disadvantaged communities.

F. Analysis of All Feasible Alternatives

Alternative 1: Approve the request, totaling \$9.2 billion state funding over three years (\$5 billion General Fund and \$4.2 billion Proposition 1A General Obligation Bond Fund) and \$9.9 billion federal funding over five years.

Pros:

- High-Speed Rail, other rail, and transit infrastructure investments would reduce greenhouse gas emissions and support California's climate goals
- Transportation infrastructure investments would support the state's economic recovery from the COVID-19 pandemic
- The proposed investments would leverage billions in federal funding

Analysis of Problem

- The proposed investments would enhance safety and expand transportation options for disadvantaged communities

Cons

- Would increase General Fund costs

Alternative 2: Approve \$7.6 billion (\$3.4 billion General Fund and \$4.2 billion Proposition 1A General Obligation Bond Fund) to support transportation infrastructure, as submitted in the 2021 transportation infrastructure proposal. This funding included \$4.2 billion Proposition 1A General Obligation Bond Fund for the High-Speed Rail Project, \$1 billion General Fund for Southern California transit projects, \$1 billion General Fund for high priority transit and rail projects, \$500 million for high priority grade separations, \$500 million for Active Transportation projects, and \$400 million for Climate Adaptation projects.

Pros:

- High-Speed Rail, other rail, and transit infrastructure investments would reduce greenhouse gas emissions and support California's climate goals
- Transportation infrastructure investments would support the state's economic recovery from the COVID-19 pandemic
- The proposed investments would leverage billions in federal funding
- The proposed investments would enhance safety and expand transportation options for disadvantaged communities
- Less General Fund costs than Alternative 1

Cons:

- While this alternative would support the state's economic recovery, it would not support it to the same degree as alternative 1.
- This alternative would likely not maximize California's opportunity to leverage available federal funding
- This alternative only includes \$500 million for carbon-free infrastructure projects, leaving the investments in bicycle and pedestrian safety and Highways to Boulevards unfunded:
 - HSIP Bicycle and Pedestrian Safety money is critical given rising fatalities and severe injuries on California roadways, as well as strong interest on bike/ped safety from stakeholders through the last legislative cycle
 - Highways to Boulevards pilot program was named in CAPTI as an action to implement, and leaving it unfunded would mean this CAPTI action, which received strong support from stakeholders, cannot be accomplished/fulfilled.

Alternative 3: Only approve the increased federal funding authority

Pros:

- No additional state costs.

Cons:

- This alternative does not adequately address the state's aging transportation system or address the economic and impacts of COVID-19

Analysis of Problem

- This alternative puts California at a disadvantage to compete for available federal funding opportunities.
- This alternative limits the state's ability to mitigate climate change or further advance California's transportation goals.

G. Implementation Plan

Upon proposal approval, CalSTA would work with the High Speed Rail Authority, Caltrans, and other partner agencies to implement the proposal. CalSTA's transit and intercity rail capital funding will be implemented through the Transit and Intercity Rail Capital Program and the newly established Statewide Transportation Priorities Program. Proposed TIRCP projects would be included in the call for projects within 90 days of proposal approval, with project selection within 180 days of the call for projects. Projects benefiting intercity rail would also be implemented in coordination with the Caltrans Intercity Rail Program.

H. Supplemental Information *(Describe special resources and provide details to support costs including appropriate back up.)*

N/A

I. Recommendation

Approve Alternative 1

BCP Fiscal Detail Sheet

BCP Title: Transportation Infrastructure Package

BR Name: 0521-019-BCP-2022-GB

Budget Request Summary

	FY22					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
54XX - Special Items of Expense	3,500,000	0	0	0	0	0
Total Operating Expenses and Equipment	\$3,500,000	\$0	\$0	\$0	\$0	\$0
Total Budget Request	\$3,500,000	\$0	\$0	\$0	\$0	\$0

Fund Summary

Fund Source - State Operations						
0001 - General Fund	20,000	0	0	0	0	0
Total State Operations Expenditures	\$20,000	\$0	\$0	\$0	\$0	\$0
Fund Source - Local Assistance						
0001 - General Fund	3,480,000	0	0	0	0	0
Total Local Assistance Expenditures	\$3,480,000	\$0	\$0	\$0	\$0	\$0
Total All Funds	\$3,500,000	\$0	\$0	\$0	\$0	\$0

Program Summary

Program Funding						
0276 - Transit and Intercity Rail Capital Program	3,000,000	0	0	0	0	0
0277 - Statewide Transportation Priorities	500,000	0	0	0	0	0
Total All Programs	\$3,500,000	\$0	\$0	\$0	\$0	\$0

Analysis of Problem

BCP Fiscal Detail Sheet

BCP Title: Transportation Infrastructure Package

BR Name: 2660-145-BCP-2022-GB

Budget Request Summary

	FY22					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Salaries and Wages						
Earnings - Temporary Help	1,500	2,500	0	0	0	0
Total Salaries and Wages	\$1,500	\$2,500	\$0	\$0	\$0	\$0
Total Personal Services	\$1,500	\$2,500	\$0	\$0	\$0	\$0
Operating Expenses and Equipment						
5368 - Non-Capital Asset Purchases - Equipment	1,215,120	1,173,440	1,182,960	1,243,680	1,305,600	0
54XX - Special Items of Expense	1,358,580	1,296,460	788,640	829,120	870,400	0
Total Operating Expenses and Equipment	\$2,573,700	\$2,469,900	\$1,971,600	\$2,072,800	\$2,176,000	\$0
Total Budget Request	\$2,575,200	\$2,472,400	\$1,971,600	\$2,072,800	\$2,176,000	\$0

Fund Summary

Fund Source - State Operations						
0001 - General Fund	1,500	2,500	0	0	0	0
Total State Operations Expenditures	\$1,500	\$2,500	\$0	\$0	\$0	\$0
Fund Source - Local Assistance						
0001 - General Fund	648,500	547,500	0	0	0	0
0890 - Federal Trust Fund	710,080	748,960	788,640	829,120	870,400	0
Total Local Assistance Expenditures	\$1,358,580	\$1,296,460	\$788,640	\$829,120	\$870,400	\$0
Fund Source - Capital Outlay						
0001 - General Fund	150,000	50,000	0	0	0	0
0890 - Federal Trust Fund	1,065,120	1,123,440	1,182,960	1,243,680	1,305,600	0
Total Capital Outlay Expenditures	\$1,215,120	\$1,173,440	\$1,182,960	\$1,243,680	\$1,305,600	\$0
Total All Funds	\$2,575,200	\$2,472,400	\$1,971,600	\$2,072,800	\$2,176,000	\$0

Program Summary

Program Funding						
1835019 - Capital Outlay Projects	1,215,120	1,173,440	1,182,960	1,243,680	1,305,600	0
1835020 - Local Assistance	1,360,080	1,298,960	788,640	829,120	870,400	0
Total All Programs	\$2,575,200	\$2,472,400	\$1,971,600	\$2,072,800	\$2,176,000	\$0

Analysis of Problem

BCP Fiscal Detail Sheet

BCP Title: Clean California

BR Name: 2660-212-BCP-2022-GB

Budget Request Summary

	FY22					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
54XX - Special Items of Expense	0	0	100,000	0	0	0
Total Operating Expenses and Equipment	\$0	\$0	\$100,000	\$0	\$0	\$0
Total Budget Request	\$0	\$0	\$100,000	\$0	\$0	\$0

Fund Summary

Fund Source - Local Assistance						
0001 - General Fund	0	0	100,000	0	0	0
Total Local Assistance Expenditures	\$0	\$0	\$100,000	\$0	\$0	\$0
Total All Funds	\$0	\$0	\$100,000	\$0	\$0	\$0

Program Summary

Program Funding						
1835056 - Maintenance	0	0	100,000	0	0	0
Total All Programs	\$0	\$0	\$100,000	\$0	\$0	\$0

Analysis of Problem