

- a) Local Partnership Program (LPP), funded at \$200 million annually, for local or regional transportation agencies that have sought and received voter approval of taxes or that have imposed certain fees, for which those taxes or fees are dedicated solely to transportation improvements.
 - b) Trade Corridor Enhancement Program (TCEP), funded at \$300 million annually, for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement.
 - c) Solutions for Congested Corridors (SCCP), funded at \$250 million annually, for projects that implement specific transportation performance improvements and are part of a comprehensive corridor plan, by providing more transportation choices while preserving the character of local communities and creating opportunities for neighborhood enhancement.
- 5) Requires Caltrans to develop the State Highway Operations and Protection Program (SHOPP) based on the Transportation Asset Management Plan, to guide expenditures of federal and state funds for major capital improvements to preserve and maintain the state highway system. Limits SHOPP projects to capital improvements relative to maintenance, safety, and rehabilitation of state highways and bridges that do not add a new lane to the system.
 - 6) Establishes the California Air Resources Board (CARB) as the air pollution control agency in California and requires CARB, among other things, to control emissions from a wide array of mobile sources and coordinate, encourage, and review the efforts of all levels of government as they affect air quality.
 - 7) Requires CARB to determine the 1990 statewide greenhouse gas (GHG) emissions level, and achieve that same level by 2020 (AB 32), and achieve a 40% reduction from that level by 2030 (SB 32).

This bill:

- 1) Codifies the following guiding principles of CAPTI as adopted by CalSTA:
 - a) Build toward an integrated, statewide rail and transit network, centered around the existing California State Rail Plan that leverages the California Integrated Travel Project to provide seamless, affordable, multimodal travel options in all contexts, including suburban and rural settings, to all users.

- b) Invest in networks of safe and accessible bicycle and pedestrian infrastructure, particularly by closing gaps on portions of the State Highway System that intersect local active transportation and transit networks or serve as small town or rural main streets, with a focus on investments in low-income and disadvantaged communities throughout the state.
- c) Include investments in light-, medium-, and heavy-duty zero-emission vehicle infrastructure as part of larger transportation projects.
- d) Reduce public health and economic harms and maximize community benefits to disproportionately impacted disadvantaged communities and low-income communities, in urbanized and rural regions, and involve these communities early in decision-making.
- e) Make safety improvements to reduce fatalities and severe injuries of all users towards zero on the roadways, railways, and transit systems by focusing on context-appropriate speeds, prioritizing vulnerable user safety to support mode shift, designing roadways to accommodate for potential human error and injury tolerances, and ultimately implementing a safe systems approach.
- f) Assess and integrate assessments of physical climate risk as standard practice for transportation infrastructure projects to enable informed decision-making, especially in communities that are most vulnerable to climate-related health and safety risks.
- g) Promote projects that do not significantly increase passenger vehicle travel, particularly in congested urbanized settings where other mobility options can be provided, while recognizing that highway expansion projects serve different purposes and as a result assessing the impacts of each project will vary based on context and project-specific analysis.
- h) Promote compact infill development while protecting residents and businesses from displacement by funding transportation projects that support housing for low-income residents near job centers, provide walkable communities, and address affordability to reduce the housing-transportation cost burden and auto trips.
- i) Develop a zero-emission freight transportation system that avoids and mitigates environmental justice impacts, reduces criteria and toxic air pollutants, improves freight's economic competitiveness and efficiency, and

integrates multimodal design and planning into infrastructure development on freight corridors.

- j) Protect natural and working lands from conversion to more intensified uses and enhance biodiversity by supporting local and regional conservation planning that focuses development where it already exists and align transportation investments with conservation priorities to reduce transportation's impact on the natural environment.

COMMENTS:

- 1) *Purpose of the bill.* According to the author, "Transportation remains California's largest greenhouse gas emitting sector – approximately half of the state's GHGs. The climate crisis directly impacts the health and safety of all Californians and disproportionately affects the most vulnerable. With climate change exacerbating the frequency and severity of natural disasters — from extreme heat and drought to unprecedented storms and wildfires — we need to prepare and adapt our transportation system to withstand, respond to, and recover quickly from these extreme events. The Newsom Administration's Climate Action Plan for Transportation Infrastructure (CAPTI) has shown that with the appropriate action, we can make huge strides in tackling transportation emissions from infrastructure investments. However, there is still a long road ahead for implementation to meet our state climate goals. AB 2560 codifies the principles of the Climate Action Plan for Transportation Infrastructure that the California State Transportation Agency has adopted."
- 2) *Transportation and climate change.* California's transportation network consists of streets, highways, railways, bicycle routes, and pedestrian pathways. This network provides people and businesses the ability to access destinations and move goods and services throughout the state. Construction, operations, and maintenance responsibilities are shared amongst state, regional, tribal and local governments. Funding for these activities comes from federal, state, and local taxes, fees and assessments, private investments and tribal investments. This collaborative effort results in a well-integrated transportation network that provides mobility for 40 million people, while helping California sustain its position as the world's fourth largest economy. Currently, roughly \$35 billion (federal, state, and local funds combined) is spent annually in California on building and maintaining the transportation network. Additionally, with the passage of the federal Infrastructure Investment and Jobs Act (IIJA, P.L. 117-58), California is expected to receive approximately \$40 billion over five years.

Emissions from the transportation sector, the state's largest source of GHGs, are still on the rise despite statewide GHG emission reduction efforts and increasingly ambitious targets. According to CARB's GHG emission inventory, the transportation sector emissions have grown to roughly over 40% of California's total. A 2018 Legislative Analyst's Office report found that roughly 90% of the transportation sector's emissions were from on-road sources – 69% passenger vehicles and 22% heavy-duty vehicles. Within the transportation sector, measures to reduce GHG emissions include requiring the use of low carbon fuels, cleaner vehicles, and strategies to promote sustainable communities, and improved transportation choices that reduce growth in the number of vehicle miles traveled (VMT).

CARB's 2022 Scoping Plan scenario for achieving 85% GHG emission reductions by 2045 calls for a 25% reduction in VMT by 2030 and a 30% reduction in VMT by 2045. Mode shift – getting people out of their cars and onto public transit and active transportation – is an important component of success. For example, achieving these VMT targets through shifting to transit means California would need a 5 to 10 times ridership increase from pre-COVID levels by 2045.

- 3) *What is CAPTI?* On September 20, 2019, Governor Newsom issued Executive Order (EO) N-19-19, which called for actions from multiple state agencies to reduce GHG emissions and mitigate the impacts of climate change. The EO detailed the role the transportation sector must play in combating climate change.

Specifically, the EO empowered CalSTA to leverage the more than \$5 billion in annual state transportation spending for construction, operations, and maintenance to help reverse the trend of increased fuel consumption and reduce GHG emissions associated with the transportation sector. The EO directed CalSTA to work to align transportation spending with the state's Climate Change Scoping Plan, where feasible; direct investments to strategically support smart growth to increase infill housing production; reduce congestion through strategies that encourage a reduction in driving and invest further in walking, biking, and transit; and ensure that overall transportation costs for low-income Californians do not increase as a result of these policies.

To that end, CalSTA adopted CAPTI in July 2021. CAPTI is the action plan to implement the EO. Specifically, CAPTI is “a framework and statement of intent for aligning state transportation infrastructure investments with state climate, health, and social equity goals, built on the foundation of the ‘fix-it-first’ approach established in SB 1.” Additionally, CalSTA notes that CAPTI is a

living document that can “adapt, pivot, and modify approaches and actions, as needed.” CAPTI contains an overall transportation investment framework and specific strategies to implement the plan through state agency actions. In August 2021, CTC endorsed CAPTI's framework and strategies and began a process of incorporating it into program guidelines for the programs they administer.

The CAPTI principles are broad policy goals. CAPTI then details specific strategies to implement the principles relevant to various state transportation programs. For example, one of the ten CAPTI principles is “Assessing physical climate risk as standard practice for transportation infrastructure projects to enable informed decision making, especially in communities that are most vulnerable to climate-related health and safety risks.”

Then, as an action item, CAPTI recommends Caltrans, “Update the 2023 the State Highway System Management Plan (SHSMP)’s SHOPP and maintenance investment strategies and performance outcomes to align with CAPTI investment framework. The update will include the following approaches or considerations, at a minimum: active transportation, climate resiliency, nature-based solutions, greenhouse gas emission reduction, and climate smart decision-making.”

Further, another CAPTI principle calls for, “Including investments in light, medium, light-, medium-, and heavy-duty zero-emission vehicle (ZEV) infrastructure as part of larger transportation projects. Supporting the innovation in and development of the ZEV market and help ensure ZEVs are accessible to all, particularly to those in more rural or remote communities.” CAPTI then recommends for the TCEP, “pursue updated TCEP Guidelines to prioritize projects that improve trade corridors by demonstrating a significant benefit to improving the movement of freight and also reduce emissions by creating or improving zero-emission vehicle charging or fueling infrastructure either within the project itself or within the larger trade corridor.”

Additionally, some of CAPTI strategies are intended to be cross cutting, focusing on multiple principles, by recommending actions to change processes, not only changes to specific programs. For example, CAPTI recommends that CTC, Caltrans, and other agencies establish a transportation equity and environmental justice advisory committee focused on transportation equity.

- 4) *SB 1 and “fix it first.”* In 2017, the Legislature passed, and Governor Brown signed into law, SB 1 (Beall, Chapter 5, Statutes of 2017), which provides roughly \$5.2 billion annually for highways, local streets and roads, public

transit, and bicycle and pedestrian facilities. SB 1's guiding principle was "fix it first," or focusing the state's transportation spending to maintain a state of good repair of the existing system. Specifically, SB 1 included specific performance outcomes for Caltrans to meet for the state highway system by 2027, through investments in SHOPP and maintenance programs, including not less than 98 percent of pavement on the state highway system in good or fair condition; not less than 90 percent level of service achieved for maintenance of potholes, spalls, and cracks; not less than 90 percent of culverts in good or fair condition; not less than 90 percent of the transportation management system units in good condition; and to fix not less than an additional 500 bridges.

SB 1 created new competitive programs to focus on key areas, including 1) TCEP, funded at \$300 million annually, for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement; 2) SCCP, funded at \$250 million annually, for projects that implement specific transportation performance improvements and are part of a comprehensive corridor plan, by providing more transportation choices while preserving the character of local communities and creating opportunities for neighborhood enhancement; and 3) LPP, funded at \$200 million annually, for local or regional transportation agencies that have sought and received voter approval of taxes or that have imposed certain fees, for which those taxes or fees are dedicated solely to transportation improvements.

The state's climate goals are already reflected in some of the SB 1 programs statutory criteria, especially SCCP, which includes "furtherance of state and federal ambient air standards and GHG emissions reduction standards," as scoring criteria for project awards. Additionally, SB 1 called for both TCEP and SCCP to require that nominated projects must be included in a regional transportation plan, including a sustainable communities strategy if in an Metropolitan Planning Organization (MPO) area.

- 5) *How are we doing?* Since the release of CAPTI, CalSTA has been tracking progress for implementation of the 34 action items. In fact, CAPTI contained an action item for CalSTA to develop an annual progress report to help inform the public about the status of actions identified. The first annual report, published in December 2022, reported 12 completed actions, 18 as underway, and four as having made early progress. As of December 2023, and the publishing on the second annual report, 25 actions were completed with nine underway.

As described above, one action item was for CTC, Caltrans, and other agencies to establish a transportation equity and environmental justice advisory

committee focused on transportation equity. In September 2023, the Interagency Transportation Equity Advisory Committee (EAC) launched. The EAC advises the agencies on how to achieve meaningful outcomes in transportation equity, especially in planning and programming. The EAC meets quarterly and participates in the evaluation of projects and guidelines for SB 1 programs.

To further evaluate the outcomes from the implementation of CAPTI, CalSTA contracted with the Mineta Transportation Institute (MTI), to develop a set of qualitative and quantitative metrics to help determine how state transportation investments are shifting. The study found that “the adoption of CAPTI has resulted in an overall reduction of GHG emissions generated across the portfolio of programs, an increase in the number of investments that do not generate higher GHG emissions and other pollutants, and an increase in the number of investments that do not induce VMT. Investments approved after the adoption of CAPTI generated consistent economic impact across California as compared to previous rounds of investments.”

6) *There’s more CAPTI.* As mentioned above, CalSTA announced that as of July 2024, all 34 original actions from CAPTI were completed. Throughout 2024, CalSTA embarked on a public engagement process to update CAPTI strategies and actions to further implement the overall existing frameworks, or the 10 guiding principles. In January 2025, CalSTA released CAPTI 2.0, which includes four new strategies and 14 new action items. Specifically, the new strategies are:

- **Transforming the Future of the Highway System** – To help re-envision a state highway system where projects are developed to meet the state’s current and future transportation, climate health and equity needs. The new action items include creating a “Caltrans Statewide Express Mobility Action Plan” that defines the role of roadway pricing and includes equity based best practices, in consultation with the Roadway Pricing Working Group and the EAC.
- **Reducing GHG Impacts of Transportation Investments** – To explore, “additional opportunities to support agencies in further reducing VMT impacts from projects, as well as opportunities to evaluate and improve on the evolving state of practice of VMT analysis and mitigation. Action items include improving VMT analysis and mitigation guidance for rural projects to better account for the low VMT impact of many rural projects in consultation with rural stakeholders.

- **Delivering Equitable Outcomes** – To create improved processes, practices, and technical assistance resources to deliver equitable outcomes for those most impacted by projects. Action items include creating a Caltrans Director’s Policy focused on displacement caused by projects on the state highway system with the intent to avoid future housing takings, particularly in disadvantaged communities.
- **Improving Transparency and Accountability** – To continue to monitor CAPTI implementation and evaluate how the CAPTI actions are meeting the state’s climate goals while also increasing transparency in the way the state approaches project delivery. Action items include improving SHOPP public engagement process, particularly for projects with significant community benefits or impacts.

7) *Do we need to codify CAPTI?* AB 2560 codifies the 10 guiding principles included in CAPTI. As detailed above, when CAPTI was created the administration was clear to repeatedly point out that CAPTI is a living document that can “adapt, pivot, and modify approaches and actions, as needed.”

Additionally, numerous bills have been approved by this committee to codify CAPTI and include the strategies into transportation funding programs, but none have been successful in getting signed into law. Specifically, AB 2438 (Friedman, 2022), would have required various state transportation programs to incorporate strategies from CAPTI into program guidelines. AB 2438 was vetoed by Governor Newsom, stating, “This bill requires the alignment of certain transportation funding programs with the Climate Action Plan for Transportation Infrastructure (CAPTI) adopted in July 2021, and requires additional public transparency procedures in the project selection process for various transportation programs.

“While I share the goal of addressing the impacts of the transportation sector on climate change, this bill is unnecessary. Work is well under way at the California State Transportation Agency (CalSTA), the California Department of Transportation (Caltrans) and the California Transportation Commission to align funding programs in the bill with CAPTI, with several actions already completed.

“CalSTA is committed to reviewing outcomes and integrating public feedback in future years to make modifications to CAPTI, as necessary, to meet the needs of the statewide transportation system. Linking these programs in statute to a

specific iteration of this plan inhibits the state's ability to appropriately respond to the evolution of the state's response to climate change.

“A draft Annual Report on CAPTI Implementation Progress will be released in October of this year, outlining the progress made on CAPTI implementation since its adoption last July. My Administration will continue collaborating with transportation stakeholders to increase program funding accountability and transparency as well as enhance financial planning for climate change impacts to transportation infrastructure.”

The following year, this committee approved, AB 7 (Friedman, 2023), which again would have required CalSTA, Caltrans, and CTC, to incorporate the goals related to CAPTI into program funding guidelines and planning processes. AB 7 died on the Senate Inactive File.

In an apparent turnabout, CAPTI 2.0 includes an action item to “explore opportunities to preserve the implementation of CAPTI Guiding Principles in future administrations.” Specifically, to “continue the vision and direction that CAPTI has set forth, CalSTA commits to working within the administration and with the legislature to explore opportunities to preserve CAPTI’s vision to ensure that the goals set forth through this plan continue to be a focus beyond the term of the Newsom Administration.”

AB 2560 seeks to fulfill this action item. As detailed above, all of the original 34 CAPTI action items have been completed, 14 new action items are in process, and the affected departments have incorporated CAPTI principles into their processes and funding programs. It is unclear how codifying CAPTI guiding principles will impact the climate and transportation policies of future administrations, however it could limit the ability to adapt to changing state goals and needs.

- 8) *Support and opposition.* Writing in support of the bill, a coalition of environmental, traffic safety, and bicycle and pedestrian advocates state, “In response to CAPTI, we’ve seen significant shifts in these state programs toward funding more transit, rail, and active transportation projects and away from funding auto-oriented projects like highway expansion.”

Further, “Additionally, CAPTI ensures that the state makes effective use of taxpayer dollars with its transportation investments. And, by increasing options to avoid driving, CAPTI-aligned projects will help to alleviate the affordability challenge for families across the state, since owning and operating a car is the second-highest household expense for Californians after housing costs.

“In the final year of this administration we want to ensure all the progress gained through CAPTI continues is institutionalized in our transportation agency processes.”

Writing in opposition, the California Association of Councils of Governments (CALCOG) state, “By codifying CAPTI, it undermines the ability to consider multiple metrics and the overall context, including factors such as job creation, housing production, improved equity outcomes, and decreased VMT. Governor Newsom made this point explicitly when he vetoed a similar bill, AB 2438, in 2022, warning that codifying these programs into statute ‘inhibits the state's ability to appropriately respond to the evolution of the state's response to climate change.’”

AB 2560 attempts to sidestep that concern by codifying goals rather than referencing the external document, but the practical effect is the same. It removes flexibility from state agencies to adapt CAPTI to an ever-changing environment. Every future update to CAPTI would require a statutory amendment, the exact inefficient outcome the Governor cautioned against.”

RELATED/PREVIOUS LEGISLATION:

AB 7 (Friedman, 2023) – Would have required CalSTA, Caltrans, and CTC, on or after January 1, 2025, to the extent feasible, applicable, and cost effective, to incorporate the goals related to CAPTI into program funding guidelines and planning processes, as specified. *This bill died on the Senate Inactive File.*

AB 2438 (Friedman, 2022) – Would have required various state transportation programs to incorporate strategies from CAPTI into program guidelines, and for various state agencies to establish new transparency and accountability guidelines for certain transportation funding programs, as specified. *AB 2438 was vetoed by Governor Newsom.*

AB 285 (Friedman, Chapter 605, Statutes, 2019) – Updated requirements of the California Transportation Plan (CTP) to reflect the state's recent environmental legislation and requires Strategic Growth Council to review implementation of CTP.

SB 1 (Beall, Chapter 5, Statutes of 2017) – Increased several taxes and fees to raise the equivalent of roughly \$5 billion per year in new transportation revenues and makes adjustments for inflation every year; directs the funding to be used towards deferred maintenance on the state highways and local streets and roads,

and to improve the state's trade corridors, transit, and active transportation facilities.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, June 17, 2023.)

SUPPORT:

350 Bay Area Action
350 Sacramento
Active San Gabriel Valley
Alliance of Nurses for Healthy Environments
American Lung Association
Calbike
California Walks
Center for Biological Diversity
Center for Community Action & Environmental Justice
Circulate San Diego
Climate Health Now Action Fund
Climateplan
Coalition for Clean Air
Greenlining Institute; the
Leadership Council for Justice and Accountability
Move California
Move LA
Nextgen California
NRDC
Planning and Conservation League
Rails to Trails Conservancy
Rise South City
Safe Routes Partnership
San Diego 350
Seamless Bay Area
Streets for All
Transbay Coalition
Transform

OPPOSITION:

Association of California Cities - Orange County (ACC-OC)
California Association of Councils of Governments

City of Los Alamitos
Orange County Transportation Authority
Riverside County Transportation Commission (RCTC)

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