

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 695 (Cortese) – As Amended March 26, 2025

Policy Committee: Transportation

Vote: 16 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the Department of Transportation (Caltrans), by July 1, 2026, and annually thereafter, and in consultation with the California Transportation Commission (CTC) and the California State Transportation Agency (CalSTA), to create a prioritized list of highway projects on the state highway system that are of statewide and regional significance, as defined, to better prepare the state for extreme weather-related events, to be submitted annually to the Legislature.

The bill directs Caltrans to prioritize projects that advance certain cobenefits, with greater priority given to projects that include more than one of the following cobenefits:

- 1) Enhanced safety.
- 2) Efficient goods movement along trade corridors.
- 3) Climate resiliency, including, but not limited to, water storage, access to safe drinking water, and flood mitigation.
- 4) Improvement to electric transmission infrastructure for electrical grid reliability.

FISCAL EFFECT:

Creation of the prioritized list will entail significant new analytical and ongoing work of Caltrans, likely at a cost in the mid to high hundreds of thousands of dollars annually (State Highway Account). Caltrans estimates this workload will require two fulltime position, with an ongoing annual cost of \$350,000 (State Highway Account).

Similarly, CalSTA and CTC will each experience costs to consult with Caltrans, though the magnitude of costs to each should be substantially less than Caltrans' costs annually (State Highway Account).

COMMENTS:

The state's transportation agencies use a complex, iterative, four-piece set of processes to plan for, fund and carry out maintenance and improvement projects on the state highway system. Those processes are (a) the Interregional Transportation Strategic Plan (ITSP), (b) the Interregional Transportation Improvement Program (ITIP), (c) State Transportation

Improvement Program (STIP) and (d) the Climate Action Plan for Transportation Infrastructure (CAPTI). Caltrans describes each process as follows:

- **ITSP**—offers strategic direction for assessing and improving California’s interregional transportation system and outlines policies and strategies that guide the development of the ITIP and other related plans.
- **ITIP**—a component of the STIP, focusing on projects that connect different regions of the state, which Caltrans develops to reflect priorities set forth in the ITSP.
- **STIP**—a five-year plan Caltrans completes every two years that allocates state transportation funds to various projects. The two main components of the STIP are the ITIP, which accounts for 25% of funds, and the Regional Transportation Improvement Programs (RTIPs), which regional agencies develop and which account for 75% of the funds.
- **CAPTI**—Adopted by CalSTA, CAPTI outlines strategies to reduce greenhouse gas emissions and promote sustainable transportation infrastructure.

Each of the processes described above influence and feed in to one another. But Caltrans asserts one of these processes—CAPTI—influences the development of the ITSP and, by extension, the ITIP, thereby ensuring the effects of current and anticipated climate change are integrated into the state’s transportation planning. The CAPTI process, and its influence on the state’s other transportation planning efforts, would seem to encompass, in a general sense, the goal of this bill as expressed by the author: preparing the state for extreme weather-related events, at least in the context of transportation infrastructure.

Nonetheless, the author sees the state’s transportation planning efforts in the context of a changing climate as wanting. Specifically, the author describes the state as lacking both “a clear inventory of priority projects” and the “strategic vision” needed to “future-proof” its transportation infrastructure:

While existing assessments such as the Climate Action Plan for Transportation Infrastructure (CAPTI) and Climate Change Vulnerability Assessment have taken important steps to understand climate risks, they do not produce one prioritized list of infrastructure upgrades where failure would cause widespread impacts. Without this kind of strategic inventory, California lacks a clear roadmap to proactively safeguard its most essential transportation systems. SB 695 addresses this gap by directing the state to create such a list, helping ensure we can target investments before disasters strike, because without proactive funding, we will ultimately spend far more on emergency repairs.

The creation of the list of projects required by this bill, the author asserts, will provide “our transportation agencies and the Legislature with the information necessary to make informed decisions about prioritization of projects that move California toward a more climate resilient future.”

The Association of California Water Agencies (ACWA) agrees, arguing the bill “could help public water systems across California upgrade and retrofit key infrastructure,” some of which ACWA describes as having “a nexus to larger statewide transportation planning,” thereby allowing such water systems to “continue to provide customers with a reliable water supply in times of natural disaster.”

There is no opposition registered against this bill.

Analysis Prepared by: Jay Dickenson / APPR. / (916) 319-2081