INVESTMENTS AND JOB CREATION

Job creation is foundational to the state’s ongoing recovery from the significant impacts of the COVID-19 Pandemic. The California Department of Transportation (Caltrans) estimates that approximately 11,000 jobs are created for every billion dollars spent on transportation infrastructure. The California Transportation Commission committed $22 billion for more than 1,200 projects in 2020, which will create thousands of jobs and spur economic recovery. These projects will support a safe, sustainable state transportation system that reduces congestion, improves the environment, and facilitates job creation and economic development. Nearly 40 percent of the funds approved by the Commission during the past year come from the Road Repair and Accountability Act of 2017, enacted by Chapter 5, Statutes of 2017 (SB 1), and the Commission estimates that its project allocations over the past three years from all state and federal sources have generated 350,000 jobs.

The Budget continues to support job creation by including total funding of $27 billion for all departments and programs administered within the California State Transportation Agency. The majority of this funding supports a range of projects to repair and improve the state’s transportation infrastructure. In addition, over $3 billion in fuel excise tax revenues goes to cities and counties for local streets and roads. While this project funding benefits the state’s travelling public, it is also a major driver of employment and economic stimulus.
The COVID-19 Pandemic has led to dramatic reductions in travel across the country and the state. As a result, the fuel excise tax revenues used to fund transportation projects, while still growing moderately, are expected to be lower than pre-pandemic forecasts by a total of $3.3 billion through 2024-25. As the Administration continues to prioritize economic recovery and investments in California’s transportation infrastructure, Caltrans has used its share of the additional SB 1 revenues to accelerate projects and support creation of new jobs in the transportation sector. The Budget maintains sufficient planning and engineering staffing levels to continue developing and designing previously programmed projects. Caltrans plans to award all of the projects it currently has programmed for construction in the coming year, and this project development work will prepare for additional federal stimulus funding as it becomes available.

The Budget invests in both new transportation infrastructure and maintenance of existing infrastructure. The investments will create quality jobs, accelerate new transportation options and better connectivity throughout the state, support clean transportation projects to achieve the state’s climate goals, and attract new federal investment, often doubling the amount spent from state and local sources.

More specifically, these investments:

- Move the state away from yesterday’s fossil fuel-based technologies to tomorrow’s cleaner transportation technologies, including zero-emission vehicles and the associated infrastructure.
- Help complete high-priority projects to move people throughout the state seamlessly in time for the Los Angeles Olympics in 2028.
- Accelerate vital safety projects and important “fix-it-first” projects on state highways and bridges, and target critical highway/rail grade separations and grade crossing improvements on key corridors throughout the state.
- Improve safety and access for bicyclists and pedestrians.
- Create thousands of good-paying jobs, reduce at least 26 million metric tons of CO2 from the environment, and make investments that address inequities in the transportation system by improving transportation choice and access in disadvantaged communities.

California is committed to making significant investments in sustainable transportation infrastructure. In July 2021, the Transportation Agency will release the Climate Action Plan for Transportation Infrastructure (CAPTI). The CAPTI framework is directed by the...
Governor’s Climate Executive Orders N-19-19 and N-79-20. The Action Plan is the product of a collaborative effort that included a robust stakeholder engagement process. By integrating a diverse array of perspectives, this Action Plan is meant to be a holistic framework for aligning state transportation investments with climate goals, while improving public health, and prioritizing equity. The framework includes overarching guiding principles as well as investment strategies as California moves to a more sustainable transportation system.

FEDERAL INFRASTRUCTURE PACKAGE

The Budget positions California for a once-in-a-generation investment in broad infrastructure improvements to strengthen the nation’s economy and prepare for lasting growth and prosperity. In addition to the American Jobs Plan, federal legislation to reauthorize and increase funding for surface transportation programs is expected this year, with increased spending expected in federal discretionary programs for which California will be well-positioned to compete. The state is uniquely positioned to take advantage of these funds based on its clean transportation leadership and ongoing funding commitments. With the enactment of programs like Cap and Trade and SB 1, the state will be ready to leverage state dollars to match and maximize the federal investment.

To further enhance the state’s position and readiness for these anticipated funds, the budget invests an additional $7.5 billion in the transportation system and related zero-emission vehicle (ZEV) efforts. The state transportation infrastructure package includes roadway fix-it-first projects, transit, intercity rail, and active transportation projects throughout the state, enhanced safety projects, and projects to support connectivity in advance of the 2028 Los Angeles Olympics. Specifically, the Budget provides the following new augmentations to transportation funding:

- **Multimodal Statewide Transportation Projects**—$3.4 billion General Fund for high-priority transportation projects throughout the state. Funding for these projects is subject to subsequent legislative action:
  - **Los Angeles Olympics**—$1 billion General Fund to deliver critical projects in time for the 2028 Olympic Games.
  - **Priority Transit and Rail Projects**—$1 billion for transit and rail projects statewide that improve rail and transit connectivity between state and regional/local services.
- **Active Transportation**—$500 million to advance projects that increase the safety and use of active modes of transportation, such as walking and biking.

- **High-Priority Grade Separations and Grade Crossing Improvements**—$500 million to support critical safety improvements throughout the state.

- **Climate Adaption Projects**—$400 million for projects to address transportation needs related to climate change.

- **State Highway Rehabilitation and Local Roads and Bridges**—$2 billion ($1.1 billion special funds through 2028, and $968 million federal funds) to support the advancement of priority State Highway Operation and Protection Program (SHOPP) projects, Interregional Transportation Improvement Program (ITIP) projects, and local road and bridge investments.

- **Zero-Emission Rail and Transit Equipment Purchases and Infrastructure**—$407 million ($100 million General Fund, $280 million Public Transportation Account, and $27 million federal funds) to demonstrate and purchase or lease state-of-the-art, clean bus and rail equipment and infrastructure that eliminate fossil fuel emissions and increase intercity rail and intercity bus frequencies.

- **Zero-Emission Buses and Trucks**—$1.4 billion ($1.3 billion General Fund, $87 million Air Pollution Control Fund) to demonstrate and purchase or lease green buses and trucks. These funds are budgeted outside of the transportation budget and are included and described in the Climate Change Chapter.

- **Port of Oakland**—$280 million for improvements that facilitate freight and passenger access and promote the efficient and safe movement of goods and people.

**CLEAN CALIFORNIA INITIATIVE**

The Budget includes the new Clean California Initiative, in which Caltrans will partner with local governments in a statewide beautification effort. One-time funding of $1.1 billion General Fund will be used for a three-year effort to clean up garbage statewide, beautify the state’s transportation network, educate the public about the harms of litter, and create long-lasting litter deterrents. Integral to this effort are close partnerships with local entities, with a focus on increasing resources dedicated to eliminating trash and implementing measures to reduce future litter, creating a cleaner, healthier California. The initiative will also provide resources to beautify the state highways and local roads and other projects that will serve as community gateways. Thousands of jobs will be created through this initiative in state and local government,
as well as the private sector and will provide lasting benefits to communities—especially underserved communities.

Throughout California, in underserved communities, urban and rural areas, this plan will result in:

- Over one million cubic yards and 21,000 tons of litter eliminated.
- Numerous beautification and litter abatement projects on the state’s transportation system.
- Thousands of jobs for people experiencing or exiting homelessness, at-risk youth, veterans, and those re-entering the workforce post-incarceration.

Local streets and roads, along with state highways and freeways, will be positively impacted by this proposal, from eliminating litter to engaging local communities, to quickly implementing sustainable and green beautification projects.

This effort will consist of:

- $418 million for litter abatement activities, strengthening trash collection efforts by Caltrans and partners to eliminate over one million cubic yards of trash from state routes, increasing access to waste facilities and providing free monthly disposal days.
- $296 million for local beautification projects, supporting communities, in order to create livable spaces and establishing a local grant program to match efforts that enhance communities and reduce litter on local streets, tribal land, and near transit centers.
- $287 million for state beautification projects, implementing sustainable, green beautification projects that enhance safety and transform dividing highways into public spaces that unify communities.
- $33 million for a public education campaign and outreach to schools.
- $62 million over three years for project design, construction, local support and engagement, and administration required to deliver this initiative.

**Transformations at the Department of Motor Vehicles (DMV)**

The federal deadline for obtaining a REAL ID compliant driver’s license or identification card, or other federally accepted document, to board domestic flights or enter secure
federal facilities has been extended to May 2023. The Budget includes approximately $186 million General Fund, including $152 million one-time for up to more than 1,300 temporary positions to address REAL ID demands prior to the enforcement date, and $34 million for 258 positions to implement a number of operational improvements. The DMV will be able to address the REAL ID demand with fewer positions than in recent years, due largely to operational improvements such as updated digital platforms and improved online services, which have created a more customer-friendly experience while reducing transaction time.

DMV will invest $10 million General Fund to begin development of a mobile DL/ID (mDL) program, allowing California residents to obtain a digital driver’s license/ID that can be conveniently and securely accessed through a smartphone. It is envisioned that mDL can be used to verify a person’s identity to complete DMV transactions online such as transferring a vehicle title or requesting a registration credit. By verifying identity prior to transactions, the state will be able to streamline processes, reduce fraud, and improve the customer experience.

Mobile DL/ID may also be used in expanding access to government services and for other purposes over time as businesses and organizations develop ways to accept the mDL. The mDL will be rolled out in a series of pilots with the goal of refining and expanding the use of this innovation across state services while maintain security and privacy. Additional use cases will be piloted as the technology is accepted in both the public and private sectors.