



LEAGUE OF  
CALIFORNIA  
CITIES



April 18, 2022

The Honorable Laura Friedman  
Member, California State Assembly  
1021 O Street, Suite 6310  
Sacramento, CA 95814

**RE: Assembly Bill 2438 (Friedman): Local transportation funding: alignment with state plans  
As amended March 21, 2022 – OPPOSE UNLESS AMENDED  
Referred to the Assembly Committee on Appropriations**

Dear Assemblymember Friedman:

The California State Association of Counties (CSAC), the League of California Cities (Cal Cities), the Urban Counties of California (UCC), and the Rural County Representatives of California (RCRC) have regrettably taken an oppose unless amended position on your Assembly Bill 2438. This bill would retroactively impose new requirements on vitally important funding that local governments receive pursuant to SB 1 (Beall, 2017) for local street and road maintenance, as well as safety and active transportation projects. The bill would also give the Administration unprecedented levels of control in setting priorities that apply to a broad array of transportation funding programs, both competitive and formula based.

Our organizations broadly support the state's efforts to promote multimodal transportation opportunities as a means of achieving state environmental goals. In fact, increasing funding for local streets and roads in the face of significant shortfalls for maintaining existing roadways (\$37.6 billion shortfall over the next decade) and their essential complete streets components (\$22.1 billion shortfall over the next decade) will be vital, as local roadways, rather than state highways, are the primary right-of-way for transit, as well as people walking or riding bikes. Unfortunately, AB 2438 shifts the authority for prioritizing transportation investments too far away from local decision-making in favor of the state-- especially the Administration. Moreover, the bill's requirements for consistency with various state plans and policies are unclear, and could be at odds with statutory purposes of some funding programs.

**Local Road Maintenance and Rehabilitation Account Spending Already Aligned with State Goals**

AB 2438 appears to be based on the premise that flexible local transportation subventions are being spent contrary to state priorities and additional state oversight is warranted. SB 1 established unprecedented levels of project reporting from cities and counties as a prerequisite for receiving Road Maintenance and Rehabilitation Account (RMRA) formula funding. A review of the data submitted in these reports illustrates how local agencies are focusing on system preservation, while also retrofitting local streets and roads to improve safety and provide multimodal access for people walking and riding bikes.

During the first two and a half fiscal years when SB 1 RMRA funds were available, cities and counties reported spending \$1.5 billion to complete over 3,100 projects, with another 1,300 plus projects in progress. In addition to repairing 10,000 miles of local roads, local governments also installed or improved

4,700 Americans with Disabilities Act curb ramps and over 1,223 miles of bicycle lanes. These vital multi-modal projects were delivered through maintenance programs, whereas prior to SB 1 they may have required limited, competitive funding from the Active Transportation Program or federal funds. Given the demonstrated local government focus on system preservation, safety, and promoting active modes that directly support the state's climate goals, we question the need for additional state oversight of SB 1 local RMRA spending.

### **Climate Action Plan for Transportation Infrastructure (CAPTI) Explicitly Excluded Local Formula Funds**

The state's Climate Action Plan for Transportation Infrastructure (CAPTI) was developed to implement the Governor's Climate Change Executive Order (N-19-19) and describes CalSTA's plans to invest *discretionary* state transportation funds to address climate change and promote public health, safety, and equity. Our organizations reviewed the draft CAPTI in consideration of its limited focus, exclusive of local formula transportation formula funding. Although we believe local transportation expenditures are aligned with CAPTI goals, especially its "foundation [on] the 'fix-it-first' approach established in SB 1," we object to codifying a requirement that local and regional transportation expenditures be consistent with a plan that has no specific statutory authorization, and which has been characterized by the Administration as a "living document."

### **California Transportation Plan Consistency**

We support AB 2438's requirement that the California Transportation Plan (CTP) consider actual funding available for implementation. This simple policy change will help facilitate more meaningful comparisons between various state, regional, and local transportation plans. It will also better illustrate the difficult tradeoffs between different transportation priorities—for example, how do local governments address deferred maintenance and preservation while also making costly capital improvements to facilitate walking and biking. While the state law governing the CTP (Government Code Section 65072.1(d)) already requires consideration of system preservation, adding a fiscal constraint to the planning process should be a prerequisite to requiring consistency between the CTP and specified local and regional plans and funding programs.

### **Consistency with Greenhouse Gas Reduction Goals**

We are uncertain what the requirement for consistency with the state's greenhouse gas emissions reductions goals will mean in practice and whether this consistency requirement will be applied on a programmatic basis or to each individual project. For many local road projects, there are greater greenhouse gas emissions associated with the physical construction of the roadway than its ongoing operations—once again providing a strong rationale for a continued fix-it-first approach. We are uncertain, however, whether a fix-it-first or safety improvement project that has a negligible impact on driving or greenhouse gas emissions would be deemed consistent with greenhouse gas emissions reduction goals pursuant to AB 2438 and how that determination would be made. The bill also seems to depart from a program-level analysis of the impacts of transportation investments on greenhouse gas emissions, in favor of reviewing individual projects or programs. We would be concerned if a capacity-increasing project that is consistent with a regional plan that reduces greenhouse gas emissions would be deemed inconsistent with state transportation goals pursuant to AB 2438.

Our organizations have appreciated the initial conversations with your staff about our questions and concerns with AB 2438. We look forward to working with you but have taken an "oppose unless amended" position based on our significant concerns with the current version of the bill. If you need additional information about our position on AB 2438, please contact Chris Lee (CSAC) at [clee@counties.org](mailto:clee@counties.org), Kiana Valentine (UCC) at [kiana@politicogroup.com](mailto:kiana@politicogroup.com), Damon Conklin (Cal Cities) at [dconklin@cacities.org](mailto:dconklin@cacities.org), or Sidd Nag (RCRC) at [snag@rcrcnet.org](mailto:snag@rcrcnet.org).

Sincerely,



Christopher Lee  
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Kiana Valentine  
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Damon Conklin  
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Siddharth Nag  
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cc: The Honorable Chris Holden, Chair, Assembly Appropriations Committee  
Honorable Members, Assembly Appropriations Committee  
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee  
Joe Shinstock, Consultant, Assembly Republican Caucus