



Zak Accuardi
zaccuardi@nrdc.org
(503) 975-7778
www.nrdc.org

*14 March 2023 | Senate Transportation Committee and Senate Budget Subcommittee #5
Informational Hearing: Making the Most of Federal Transportation Infrastructure Funding*

Good afternoon committee members and everyone in attendance, and thank you for having me here today. I'm Zak Accuardi, senior transportation advocate at NRDC.

Before jumping into the fascinating but slightly esoteric details of federal transportation infrastructure funding, the first thing I want to share with you all is that I learned to ride a bike when I was about six years old. It's one of my clearest memories from being that age, wobbling down the sidewalk with my best friend and one each of our parents, all cheering each other on.

What the bicycle gave to me in my adolescent years and what public transit has further given me in the decades since is a freedom of movement. But perhaps just as importantly, that freedom of movement has afforded me the incredible privilege of living without car debt—a privilege that has allowed me to spend more money traveling to see my parents and my younger brothers who live far away; to pay for healthcare that has been necessary to my family's ability to thrive; the ability to save enough money to help support my family not just now but into the future; to eat well; to experience more art. Freedom of movement doesn't look like a reliable bus or a protected bike lane to everyone, but everyone deserves to experience freedom of movement that is safe and affordable, as well as freedom from the harmful pollution that fossil fueled vehicles produce.

My take-home messages today are simple: **the California legislature's budget and policy decisions will determine whether the infrastructure law accelerates or undermines the state's climate and equity progress.** As such, **the legislature must take a more active role in setting policy direction and investment priorities for California transportation agencies**—California should be decisively shifting funding toward clean transportation investments like public transit and complete streets, and away from expansions of the state highway network. Thankfully, **federal statutes give you as the state's elected leaders a variety of powerful tools to bring California's transportation investment priorities into alignment with our state's values**, from climate and equity to job creation, economic opportunity, and safety from physical harm.

Recent [research from the Georgetown Climate Center](#)—referenced in the attached [‘issue brief’ focused on flexible funding](#)—has shown that state transportation spending will determine whether the infrastructure law helps or hurts our climate progress nationally. Without your clear direction and accountability, the remaining three-and-a-half years of historic federal funding will drive our state in the wrong direction in pursuit of our climate and equity goals.

Aggressively pursuing our climate and equity goals is also likely to create more jobs. Research from Smart Growth America on the most recent national infrastructure stimulus in 2009—prominently including data from California projects—showed that public transit projects created [70 percent more jobs per dollar than highway projects](#), on average, for example.

The clear implication is that **the State needs you as our elected leaders to take a more active role in prioritizing how California spends this glut of federal transportation dollars if we are serious about our climate and equity goals.** While CalSTA, CTC, and Caltrans hold essential expertise as implementing agencies and they are making admirable progress, they are not making changes at the pace or scale necessary to meet our climate goals. There is still too much investment in and State support for expanding the state highway system, and still not enough proactive investment in programs to improve air quality and health—for example, community-centered mobility programs, EV charging infrastructure, and projects that support high-quality clean transportation choices like walking, biking, and public transit.

The disconnect between California’s highway expansion problem and its climate and equity priorities stems in large part from public agencies’ struggle to conduct meaningful and inclusive community engagement practices at scale. Without the government working to co-create solutions to our most pressing problems in partnership with the communities most burdened by those problems, transportation investments continue to erode rather than to repair trust with and in communities.

I also want to make sure you’re aware of **how much discretion you have as legislators to both increase agency flexibility and reduce red tape in federal funding implementation, while also giving appropriate direction to ensure that federal investments clean up California’s transportation system.** Federal statute allows California to “flex” transportation funds in multiple ways to make it easier to spend federal dollars to address state needs, and this flexibility has increased over time, including with the passage of the infrastructure law, which added EV charging infrastructure as an eligible expense. Bringing clean transportation projects to the front of the line to receive flexible federal transportation dollars is necessary to achieve the

State's climate goals, and there are clear and concrete steps you can take to accomplish this:

- First, you can direct your agencies to 'flex' funding from one highway formula program to another—for example, by shifting up to 50 percent of California's more restrictive NHPP allocation into the more flexible STBG program, dramatically increasing agencies' flexibility in spending those funds on emissions-reducing projects. Instead of restricting the largest federal funding source to investments in the national highway system, make half of it available to projects throughout the state transportation system.
- Second, you can direct your agencies to 'flex' funding from highways to transit accounts. Largely thanks to leadership from California MPOs, some of these funds are already flexed—roughly 10 percent of eligible funds. Especially while we have this short-term boost in funds, you can and should ask agencies to send more funding to transit, which would accelerate transit project delivery in regions throughout the state. We'd like to see the state increase the share of highway funding flexed to transit, starting with a commitment to flexing 20 percent of eligible funds to transit this year—a rate that would make California the national leader in this practice.
- And third, you can direct Caltrans to fund ATP, TIRCP, and EV charging infrastructure investments with funds from the State Highway Account and find a way to address the looming fiscal cliff for public transit agencies—since all the new transit infrastructure in the world does nothing if there aren't transit workers to operate it.

Finally, many of you are likely familiar with the Biden administration's **Justice40 initiative, which sets a goal that 40 percent of the overall benefits of Federal investments flow to disadvantaged communities. As state leaders, you have the power to ensure that goal is realized in California.** There's precedent for this, for example ATP requires 25 percent of projects to be located in disadvantaged communities, certain zero-emissions vehicle programs include a requirement that 50 percent of investments are in or benefit disadvantaged communities, and Caltrans is developing an Equity Index tool to support equitable project prioritization. To further deepen equity impacts, the State and Caltrans must also build more project development guardrails to ensure alignment with community priorities, and find a way to develop internal staff capacity that supports the co-creation of projects with most-impacted communities, including by compensating community members and community-based organizations for their time and expertise in the public engagement process.

As we have been reminded by repeated flooding in the past several weeks, Californians are already suffering from the impacts of climate change, just as communities across the state suffer from poor air quality. Yet by investing in continued highway expansions, we continue to pour more fuel on our own wildfires. Our own state agencies have raised the alarm that our current transportation policies are generating more and wider roads, which we know generate more traffic and more pollution. And we know that the burdens of climate change, air pollution, and even of traffic exacerbate inequity.

We have more than enough information for you to feel confident taking decisive action. We know that transportation access is among the strongest correlates with intergenerational income mobility; we know that car crashes are a leading cause of death, especially among younger people; we know that transportation investments are a major source of job creation—public transit even more so than highway projects, and maintenance more than capacity expansion. We also know that the transportation sector is the biggest source of climate pollution in California, and that air pollution and direct displacement impacts of legacy highway projects have disproportionately harmed low-income communities and communities of color. We know that longer commutes and sprawl undermine housing affordability in our most robust job markets and force workers to spend more time away from their families, also making it harder to preserve California's diverse ecosystems. We know that more driving still means more demand fossil fuels, more disproportionate impacts in environmental justice communities, and a growing maintenance cost burden. We know that more driving means it's harder to succeed in the zero-emissions vehicle transition and harder to decarbonize the electric grid alongside more rapid growth in demand.

We aren't building more coal-fired power plants in California, and we shouldn't be building new highways—they don't align with our state's values, they fail to deliver on their promise reduce traffic, and, like coal powerplants, they don't make financial sense. It's time to recognize that the state highway network is complete, and refocus the state's attention on building out similarly robust statewide networks to support public transit, walking, biking, and zero-emission vehicle infrastructure.

We must use the federal infrastructure law as an opportunity to not only repair our roads, but to repair the mistakes and harms perpetuated by historical transportation investment decisions, and to begin to align our transportation spending with our state's values for the first time in many decades. The alternative would sound a lot like a common definition of insanity—doing the same thing over and over again, while hoping for different results.