

A Review of the State's Active Transportation Program

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Summary

The state's Active Transportation Program—administered by the California Transportation Commission (CTC), in coordination with the California Department of Transportation (Caltrans)—provides funding to infrastructure and non-infrastructure projects that facilitate travelers being physically active through biking and walking. Some of the primary goals of the program include increasing the number of walking and biking trips, increasing safety and mobility, and enhancing public health. In approving the 2018-19 budget package, the Legislature directed our office to review certain aspects of the program, such as the types of projects funded from the program and the extent to which funded projects are located in and directly benefit disadvantaged communities. This report responds to that requirement.

Based on our review of the program and data currently available on project outcomes, we find that most program funding supports infrastructure projects, such as constructing sidewalks, bike lanes, and crossing signals. The projects funded are similar across various components of the program and most projects benefit disadvantaged communities. We also find that it is impossible to determine key program outcomes, such as whether the program is resulting in increased walking and biking and improved safety. This is because accurate information is not reported on these outcomes. In view of our findings, we recommend that the Legislature require the CTC and Caltrans to collect more accurate project outcome data. We also recommend that the Legislature consider focusing the statewide component of the program on larger and more transformative projects and consider providing additional flexibility to Metropolitan Planning Organizations (MPOs) for their regional component of the program.

INTRODUCTION

Active transportation includes walking, biking, and other active or “human-powered” ways that people get from one place to another. In recent years, the state has taken steps to improve the infrastructure for this type of transportation due its many potential benefits. Such benefits include improved health for travelers; reduced vehicle trips and the resulting reduction in greenhouse gas (GHG) emissions and air pollution; reduced traffic

congestion; and increased transit ridership by facilitating connections to and from transit stations.

In 2013, the state established the Active Transportation Program (ATP) by consolidating several existing state and federal programs related to walking and biking, in order to provide greater flexibility in meeting the state's active transportation needs. In 2017, the state increased the level of funding for the ATP by \$100 million,

bringing total annual funding for the program to \$220 million. After roughly five years since the creation of the ATP, the Legislature has requested a status update of the program in order to determine if the program is meeting its intended goals and whether any changes to the program are warranted. Specifically, as part of the 2018-19 budget package, the Legislature adopted supplemental report language directing our office to (1) review the types

of projects funded from the program; (2) identify the extent to which funded projects are located in and directly benefit disadvantaged communities, as well as benefit the state highway system; (3) discuss any implementation challenges faced by project sponsors; (4) review the administration of the program; and (5) make recommendations for improving the program's effectiveness. This report responds to the supplemental report language.

BACKGROUND

The state has placed a greater focus in recent years on alternatives to driving, such as increasing the number of trips taken via active transportation and utilizing active transportation modes to facilitate connections to public transit. In order to support this increased focus on active modes of transportation, the state established the ATP.

Various Programs Consolidated to Establish ATP in 2013. As part of 2013-14 budget, the Governor proposed and the Legislature approved, a consolidation of three programs—Transportation Alternatives Program, Bicycle Transportation Account, and Safe Routes to Schools—into the ATP. These programs generally funded small grants for projects such as improving sidewalks and crosswalks near schools and constructing bicycle lanes. The rationale for consolidating the programs was to provide greater focus on the importance of active transportation projects, increase the state's role in setting active transportation priorities, and potentially allow for the funding of larger and more transformative projects to increase walking and biking.

Current state law designates CTC as the administering agency for the ATP, in coordination with Caltrans. The ATP provides funding to project sponsors (such as local jurisdictions and school districts) for both infrastructure and non-infrastructure projects proposed (such as bike safety courses and education campaigns).

Various Program Goals. The authorizing legislation for ATP—Chapter 359 of 2013 (SB 99, Committee on Budget and Fiscal Review)—established six goals for the program to achieve. These goals include:

- **Increase Number of Walking and Biking Trips.** This goal could be achieved through a mode shift where travelers utilize active transportation modes for some trips that would have otherwise required driving. Additionally, increased walking and biking trips could also result if travelers choose to take additional trips due to the availability of additional options for walking or biking.
- **Increase Safety and Mobility.** Given the inherent danger with pedestrians and bicyclists sharing roadways with vehicles, a large share of traffic-related fatalities involve travelers who walk and bike. The ATP is intended to fund projects that improve safety and make walking and bicycling a safe alternative to driving.
- **Reduce GHG Emissions.** A secondary benefit of having more people travel via active transportation modes is a reduction in GHG emissions.
- **Enhance Public Health.** Another secondary benefit of having more people travel via active transportation modes is an improvement in public health.
- **Benefit Disadvantaged Communities.** Under existing state law, the program must provide a minimum of 25 percent of funds to projects that benefit disadvantaged communities.
- **Benefit Many Types of Active Transportation Users.** This goal ensures the program focuses on various potential active transportation modes, such as walking, biking, and the use of scooters.

Program Funding Sources and Allocations.

Initially, the ATP received about \$120 million annually in federal funds and State Highway Account funds that had previously been dedicated to the individual programs that were consolidated to create the ATP. The passage of Chapter 5 of 2017 (SB 1, Beall)—a comprehensive transportation funding package—provides an additional \$100 million to the ATP for total program funding of about \$220 million annually. We note that the program received \$10 million in one-time funding in 2016-17 from cap-and-trade auction revenues.

Under current law, the ATP has three distinct program components to ensure a certain level of geographic distribution of funds and allow different entities to have a role in selecting projects and determining active transportation priorities. The specific funding allocations are:

- 50 percent to the statewide component of the program with projects selected by the CTC in any region of the state.
- 40 percent for projects selected by MPOs. (The funding for projects selected by MPOs is allocated among the state's 18 MPOs based on population.)
- 10 percent for projects in small urban and rural regions.

Program Administration and Project Selection.

As the administering entity for the program, CTC adopts program guidelines, develops project scoring criteria, receives and approves requests to allocate funding for specific phases of projects in the program, and works with project sponsors to ensure projects are implemented as planned. The CTC has a role in administering the entire ATP program, including the MPO and small urban and rural components of the program. (We note that the Governor's 2019-20 budget provides two additional positions to CTC for the administration of ATP and another program administered by CTC.)

The current CTC program guidelines require all project sponsors seeking ATP funding to apply for funding through the CTC by first competing for funding in the statewide component of the program. The CTC puts out a call for projects in funding cycles that occur every year or two. The minimum project size eligible for funding is

\$250,000. To compete for funding, project sponsors must complete an application and submit it to the CTC. The first step in evaluating the applications is for Caltrans to screen the applications to ensure eligibility. The CTC then uses about 100 volunteers to evaluate each eligible project and give the project a score based on the approved scoring guidelines. CTC staff also evaluate and score projects as a way of ensuring consistency in the scoring of projects across the various volunteer teams. However, the scores given by the volunteer teams are the official scores. Once all projects are evaluated and given a score, they are ranked from highest scoring to lowest scoring, and projects for each of the program components are selected as follows:

- ***Statewide Component.*** CTC staff select projects for the statewide component starting with the highest scoring project and continuing down the list until all of the funding for the statewide component of the program is allocated to projects. The CTC does not require that project sponsors providing matching funds.
- ***Small Urban and Rural Component.*** CTC also selects the projects for the small urban and rural component of the program. After selecting the highest scoring projects for the statewide component, CTC staff will continue down the list of projects to identify the next highest scoring set of projects that are in a small urban or rural region.
- ***MPO Component.*** After determining the statewide and small urban and rural projects, the remaining projects that are located in an MPO are available to compete for funding in the MPO component of the program. Each MPO can either use the CTC's scoring criteria or their own guidelines and scoring criteria, which can include the requirement that project sponsors provide matching funds. Based on approved scoring criteria, each MPO will then select the next highest scoring projects for funding from its share of funding for the MPO component of the program.

Several Project Selection Cycles Have Occurred. Since the program's inception, three cycles of selecting projects and awarding funds

have been completed. In addition, a fourth cycle of project selection is currently underway. In January 2019, the CTC approved projects to receive funding from this fourth cycle for the statewide and small urban and rural components of the ATP. MPOs are currently evaluating the remaining applications for projects within their regions to select the projects to receive funding from the MPO component of the fourth cycle. These funding cycles each cover a multiyear period such that funding is awarded to projects for multiple years in each cycle.

Required Reporting on Project Completion and Benefits. Project sponsors are required to submit semiannual reports to Caltrans and CTC on the progress of the project. In addition, project sponsors are required to submit a project completion report within six months of the project's completion. The project completion

reports are intended to track whether projects are being completed as planned and on time and within budget. The project completion reports should also include before and after bicycle and pedestrian counts, if applicable, to measure the potential change in walking and biking as a result of the project. Bicycle and pedestrian counts are performed by counting the number of bicyclists and pedestrians using a particular active transportation facility (such as a sidewalk or bike lane). These counts can be performed in a variety of ways, such as manual counting or surveying a community (such as a school) about how frequently individuals walk or bike. Based on the information in the progress reports and project completion reports, Caltrans publishes a periodic status report on the ATP. The most recent Caltrans status report was published in December 2018.

FINDINGS

For the first three funding cycles, along with the statewide and small urban and rural components of the fourth funding cycle, a total of 776 active transportation projects were programmed, as shown in **Figure 1**. In total, these projects were awarded \$1.6 billion in ATP funding to fund a portion of the estimated \$3 billion in total project costs. (The remainder of project funding comes from other sources, such as local funds.) The total amount of funding awarded is higher than the amount of funding that has been available to the program thus far because it includes funding for planned projects in future years. Below, we provide information on the types of projects funded, benefits achieved, and implementation challenges.

Types of Projects

Most Projects Are Infrastructure Improvements. Of the 776 total projects, 584 projects (75 percent) are infrastructure projects, such as constructing bicycle lanes and sidewalk improvements. Additionally, 136 projects (18 percent) are non-infrastructure projects, such as educational initiatives to improve bike safety and funding the state's active transportation resource center. Lastly, 56 projects (7 percent) are

to develop plans for improving active transportation within specific communities.

State, MPO and Rural Program Components Funding Similar Types of Projects. In general, the state, MPO and small urban and rural components of the program appear to be funding the same general types of projects. For example, most of the projects, regardless of project component, involve infrastructure improvements to benefit bicyclists and pedestrians. Common types of projects across all components are projects that provide safer pedestrian access to schools and close gaps in existing bicycle and pedestrian corridors. The average cost of the projects and average ATP grant awards are all similar across the three components of the program, which we discuss in more detail below.

Projects Are Small, but Appear to Be Getting Larger. In the first funding cycle, the average ATP grant award was \$1.3 million and the average total project cost for those projects was about \$4 million. The size of the average grant award has increased in each of the subsequent funding cycles. Similarly, the average total project cost has generally gotten larger with each funding cycle (with the exception of the second cycle of projects). In cycle three,

that last complete funding cycle, the average ATP grant award was \$2.5 million for projects with an average project cost of \$4.5 million. For the partially complete fourth funding cycle, the average ATP grant award for the statewide and small urban and rural projects is even higher at \$4.6 million with an average project cost of \$5.7 million. While this trend could reflect a general rise in costs, it also likely reflects a modest shift in the types of active transportation projects applying for and receiving ATP funding toward larger projects.

Project Benefits

Unable to Make Meaningful Conclusions About Whether Program Increases Bicycling and Walking. In its December 2018 ATP status report, Caltrans describes receiving 65 complete project completion reports (and 9 incomplete reports) for projects primarily awarded funding during the first ATP funding cycle. Of the 65 project reports, roughly half reported bicyclist and pedestrian counts. For those that did provide counts, the reported changes in biking and walking were mixed, with some project sponsors reporting a decrease in walking and biking after the completion of the project, while other projects reporting an increase.

According to Caltrans, there are several factors likely contributing to the poor quality of the reported benefits and outcomes. One concern is that project completion reports are required to be submitted to Caltrans within six months of the project's completion, which does not allow enough time for travelers to change their behavior to increase walking and biking. Another concern with the reported benefits and outcomes is the use of inconsistent counting methodologies. For example, a sample project completion report provided to our office shows before and after bicyclist and pedestrian counts being conducted under different methodologies. In the initial bicyclist and pedestrian count to establish a baseline before undertaking a project, project sponsors surveyed parents at the school near the project site on how their student gets to and from school and how often the student walks or bikes. This survey was conducted in the late summer, likely around the start of the school year. The follow-up bicyclist and pedestrian count conducted after the completion of the project used

manual counts of students walking and biking and was done in the middle of winter. This approach to conducting bicyclist and pedestrian counts gives results that are not comparable. Unsurprisingly, in this example, the number of students walking and biking actually decreased after the project—likely as a result of poorer weather, other changes in travel behavior since the beginning of the school year, and shifting from self-reported data to data based on manual counts. Given the concerns about data quality raised by Caltrans, and the inconsistencies observed in the sample project, it is impossible at this time to make any meaningful determinations about whether the ATP is resulting in increased walking and biking.

Most Projects Benefit Disadvantaged Communities. Of the 776 total projects funded thus far, 686 projects (88 percent) had some benefit

Figure 1

Active Transportation Projects and Funding

(Dollars in Millions)

Funding Cycle	Number of Projects	Funding
Cycle 1		
State	126	\$183.6
SUR	22	36.6
MPO	115	133.7
Subtotals	(263)	(\$353.9)
Cycle 2		
State	87	\$179.9
SUR	27	35.5
MPO	93	143.4
Subtotals	(207)	(\$358.8)
Cycle 3		
State	101	\$212.8
SUR	19	47.9
MPO	125	348
Subtotals	(245)	(\$608.7)
Cycle 4		
State	51	\$237.6
SUR	10	43.8
MPO ^a	—	—
Subtotals	(61)	(\$281.4)
Totals	776	1,602.8

^a The MPO component of the fourth cycle was not complete at the time this analysis was written.

SUR = small urban and rural and MPO = Metropolitan Planning Organization.

to a disadvantaged community. The percentage of projects benefitting a disadvantaged community have increased in each funding cycle. For example, in the first funding cycle, 84 percent of the projects benefitted a disadvantaged community, while 93 percent of projects in the third funding cycle benefitted disadvantaged communities. The percentage of projects benefitting a disadvantaged community is even higher for the partially complete fourth funding cycle with 98 percent of projects having some disadvantaged community benefits. There are a couple of potential reasons for the upward trend in the number of projects that benefit a disadvantaged community. First, each funding cycle CTC updates the project scoring and selection criteria. The way benefits to disadvantaged communities are scored has changed over time and appears to allow for more projects to qualify for some disadvantaged community points than was initially the case. For example, in the fourth funding cycle, projects can earn points based on median household income, the number and free and reduced-priced school lunches for students in the community, the use of the California Communities Environmental Health Screening Tool (commonly referred to as “CalEnviro Screen” which identifies areas that are disproportionately affected by sources of pollution), or another definition proposed by a regional agency and approved by the CTC. Second, it is possible that project sponsors are changing the types or scope of projects proposed when applying for an ATP grant to focus more on disadvantaged communities.

No Major Benefits to the State Highway System. As discussed earlier, the supplemental report language requires us to identify the potential benefits to the state highway system from ATP projects. Most ATP projects are local projects, typically associated with local streets and roads. However, there are some state highways that serve as local roads through communities. It is likely that some ATP funded projects are on these state highways that function more like local roads and would therefore have travelers who walk and bike. Data on the number of ATP projects on state highways was not available at the time this report was prepared.

Other Goals and Potential Benefits Difficult to Evaluate. Most of the other program goals or potential project benefits are difficult to evaluate, especially without accurate data on the change in walking and biking resulting from the project. For example, while GHG reductions can be estimated using available tools (such as the California Air Resources Board’s GHG emission reduction calculator), these tools rely on accurate inputs such as accurate counts of the increase in walking and biking resulting from a project. Similarly, project sponsors and CTC staff reported difficulty in demonstrating and evaluating the achieved public health benefits of individual projects. This is because such benefits stem from an increase in walking and biking and additionally are likely to materialize over a longer period of time and be impacted by other variables that shape public health outcomes such as dietary and other exercise trends. In addition, it is not possible to determine the safety benefits resulting from ATP projects at this time, because Caltrans’ ATP status report does not provide information on safety-related outcomes.

Implementation Challenges and Program Administration

Application Scoring Process Requires Many Volunteers, Somewhat Duplicative. As discussed earlier, CTC relies on about 100 volunteers working in teams of two to evaluate and score proposed projects. Each two-person team will evaluate about 15 of the total applications. The teams will then assign a score to each project using the scoring criteria approved by the CTC. In addition, CTC staff also evaluate and score each project in order to ensure consistency in scoring across the various teams. If CTC staff have a significant difference in the score on a particular project than the volunteer team, CTC staff will talk to the volunteer team about the scoring. However, CTC staff never require a volunteer team to change the score for a project and the final score of the volunteer team is the project’s official score used to determine whether the project will receive funding through the statewide and small urban and rural project selection processes described above.

Relying on volunteers requires enough interested individuals to agree to volunteer and requires CTC

staff to do a significant amount of work to also evaluate and score projects to ensure scoring consistency. Because CTC staff is conducting their own review and scoring the process appears to be duplicative. From the information available at the time of this analysis, it is unclear how the use of volunteer teams benefits the overall administration of the program, since CTC staff are also performing their own evaluation of each project.

MPOs Limited to Pool of Projects That Apply for State Funding. The current project application and selection process limits the projects available for selection by MPOs to only those projects that applied for funding through the statewide component of the program, but did not receive

funding. By limiting the pool of eligible projects in this way, it is possible that certain projects that are a high priority from a local or regional perspective are not eligible to be funded. This is because some project sponsors may be unable or unwilling to complete the state's ATP application. We have heard from some project sponsors that the application process is cumbersome to complete and many agencies hire a consultant to develop the application on their behalf. Some agencies may lack the resources to hire a consultant or complete the application process with their own staff. Similarly, for some projects, such as low cost projects, it might not make sense to go through a costly application process to seek project funding.

RECOMMENDATIONS

As required by the *Supplemental Report of the 2018-19 Budget Act*, we make recommendations below to improve the effectiveness of the ATP, as well as address our above findings.

Require Collection of Better Data on Program Benefits

As discussed above, the project completion reports currently required under the program guidelines do not provide accurate data to assess certain key project outcomes, such as increases in walking and biking. Without such data it is not possible to determine the overall effectiveness of the program at achieving its goals, such as increasing bicycling and walking. Accordingly, we recommend that the Legislature adopt legislation requiring CTC and Caltrans to collect more accurate project outcome information such as accurate bicycling and pedestrian counts and safety-related data. In recognition of the workload involved in collecting such in-depth information, the Legislature could consider requiring outcome data only for larger projects where the additional effort of conducting accurate bicycling and pedestrian counts and collecting safety data are likely to show meaningful outcomes.

Consider Role of Statewide Component of the Program

While the CTC's administration of the program does not raise any major concerns, the projects receiving funding from the statewide component of the program do not appear to differ significantly from the types and size of projects receiving funding through the other program components and are generally small in scale. (Although the size of projects being funded is increasing with each funding cycle, which could indicate that project sponsors are moving toward larger, more transformative projects.) This finding raises questions about whether each component of the program is structured in a way to maximize the intended benefits from active transportation projects and whether there are benefits to having three different program components if each component is funding the same types of projects and attempting to meet the same goals.

Because the statewide component of the program was created to provide the opportunity for state-level decision-making on active transportation priorities and projects, we think this program component provides a key opportunity for the Legislature to consider changes to the goals, priorities, and types of projects funded. Accordingly, we recommend that the Legislature

consider whether the role of the statewide component of the program should focus on larger, more transformative projects, as was envisioned when the ATP was established. We think such a focus makes sense because larger, more transformative projects are difficult to fund at the local level and therefore may only be possible through a state-administered program.

To the extent that the Legislature wants to focus the ATP on larger more, transformative projects, a better understanding of the challenges of doing so and the changes necessary to actually implement such a focus would be beneficial. In order to better understand why CTC is currently selecting projects for the statewide component that are similar to the projects funded through the other components, the Legislature could have CTC report on reasons why project sponsors are often proposing small projects and whether additional requirements or assistance provided in the statewide component of the program could better encourage the selection of larger, more transformative projects. For example, it is possible that project sponsors are unable to put forward larger projects for reasons such as limited availability of local or other funds to support such projects or limited capacity to manage large projects. The CTC could also report on changes that would be necessary to change the focus of the statewide component of the program, such as increasing the minimum project size eligible for funding. If the Legislature does not want to require the statewide component of the program to focus on larger transformative projects, it may want to consider what specific objectives it wants to achieve with this component of the program.

Based on changes to the focus of the statewide component of the program, we would recommend

the Legislature adjust the overall administrative structure of the program to reflect these changes. For example, continuing to require all small urban and rural and MPO projects to first apply to the statewide component of the program would not make sense if the statewide component of the program is changed to focus on different types of projects, such as larger transformative projects.

Consider Providing More Flexibility to MPOs

If the Legislature changes the statewide component of the program, as we suggest considering, the process for selecting projects for the MPOs and small urban and rural regions would need to also change. However, even if the Legislature does not change the statewide component of the program, we recommend that the Legislature consider providing additional flexibility to the MPOs to select projects they determine are the highest priority for their region. One approach could be to remove the existing requirement that MPOs choose projects only from the list of projects that previously applied to (and did not receive funding from) the statewide component. This could allow MPOs to potentially look at a broader pool of projects while still ensuring all projects are part of the state ATP program, including having oversight from CTC and requiring CTC to allocate funds to specific phases of each project. Another approach could be to simply grant the funds to the MPOs, allowing the MPOs to administer the funds and require reporting on how funds are spent. Under such an approach, the MPO-selected projects would no longer be subject to project-level oversight by the CTC or to CTC fund allocation for each phase of the project.

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This report was prepared by Jessica Peters and reviewed by Anthony Simbol. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

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