

# The Road Ahead for Transportation Funding in CA

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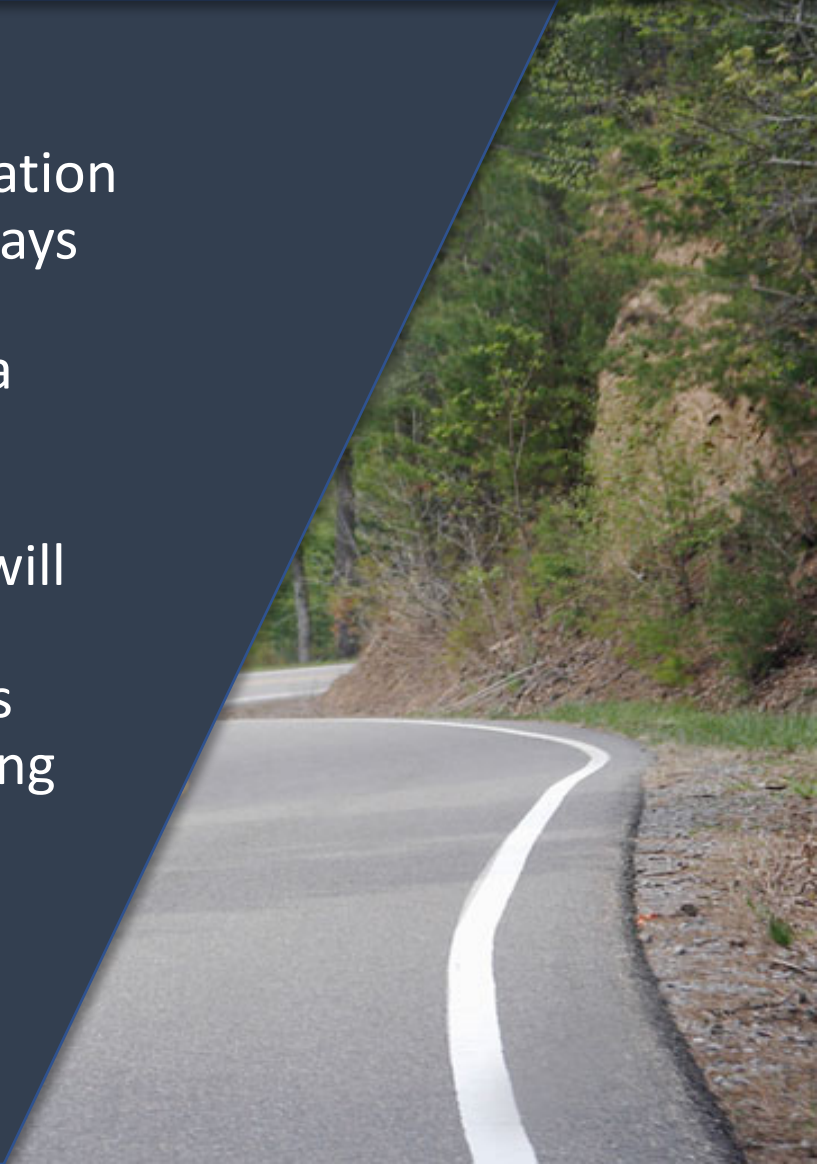
# California – Land of Opportunity?



- Population
  - Will Grow from 39MM Today to 44MM by 2020
- 6th Largest Economy in the World
  - Gross State Product over \$2.0T
- Unparalleled Quality of Life

# California – Land of Opportunity?

- And yet, California ranks 48th in the nation in terms of the condition of our highways
- California drivers lose 93.7MM hours a year sitting in traffic
- Most of expected population growth will take place in urban areas, making modernization of aging transit systems and construction of new ones a pressing need



# California Infrastructure Report Card



## TRANSIT

**46%**

of Vehicles in California's Bus Fleet are at or beyond the 12-year Replacement Age Recommended by the Federal Transit Administration

**\$37.2B**

Projected Level of Investment Needed to Bring all Existing Transit Capital Assets to a "State of Good Repair" over the Next 10 Years.



# California Infrastructure Report Card



## CONGESTION

**14** of the Nation's 20 Most Congested Transportation Corridors are in California

**66%** of California's Major Urban Highways are Congested

# Revenue Across the US

State	Gas Tax	Indexing	Vehicle Reg	Other
California	X	X	X	
District of Columbia				X
Georgia	X	X	X	
Idaho	X		X	
Indiana	X	X	X	
Iowa	X			
Kentucky		X		
Maryland		X		X
Massachusetts		X		
Michigan	X			
Montana	X			
Nebraska	X			
New Hampshire				X
New Jersey	X	X		
North Carolina		X		X
Oregon	X		X	
Pennsylvania		X		X
Rhode Island		X		
South Carolina	X		X	
South Dakota	X		X	
Tennessee	X			
Utah	X	X		X
Vermont	X			
Virginia				X
Washington	X			
West Virginia		X	X	
Wyoming	X			

## SINCE 2013

27

States have passed laws increasing state gas tax

17

States directly increased gas tax at the pump

12

States enabled or increased yearly price indexing

6

States increased vehicle registration fees



# How SB 1 Works

- Overview: New Road Maintenance and Rehabilitation Program
- Gas Tax
- Diesel Tax
- Diesel Sales Tax
- ZEV Tax
- Transportation Improvement Fee



# Transportation Funding



## GOVERNOR'S BUDGET

### Road Maintenance and Accountability Act Funding

(Dollars in Millions)

Program		2017-18 Appropriation	2018-19 Appropriation
Local Allocations	Local Streets and Roads	\$451	\$1,193
	Transit and Intercity Rail Capital Program	\$330	\$330
	State Transit Assistance	\$280	\$355
	Local Partnership Program	\$200	\$200
	Active Transportation Program	\$100	\$100
	Commuter Rail and Intercity Rail	\$25	\$36
	Local Planning Grants	\$25	\$25
Total:		<b>\$1,411</b>	<b>\$2,239</b>
State Allocations	SHOPP/Maintenance	\$451	\$1,210
	Bridges and Culverts	\$400	\$400
	Commuter Corridors	\$250	\$250
	Trade Corridor Enhancement	\$153	\$306
	Department of Parks and Recreation*	\$53	\$79
	Air Resources Board Clean Freight	\$50	\$0
	Freeway Service Patrol	\$25	\$25
	Department of Food and Agriculture*	\$17	\$26
	Transportation-related CSU and UC Research	\$7	\$7
	Transportation Workforce Development Board	\$5	\$5
Total:		<b>\$1,411</b>	<b>\$2,308</b>
Administration	Department of Motor Vehicles	\$4	\$8
	Total:	<b>\$4</b>	<b>\$8</b>



# 10 Year Revenues

## Statewide Investment Programs (50%)

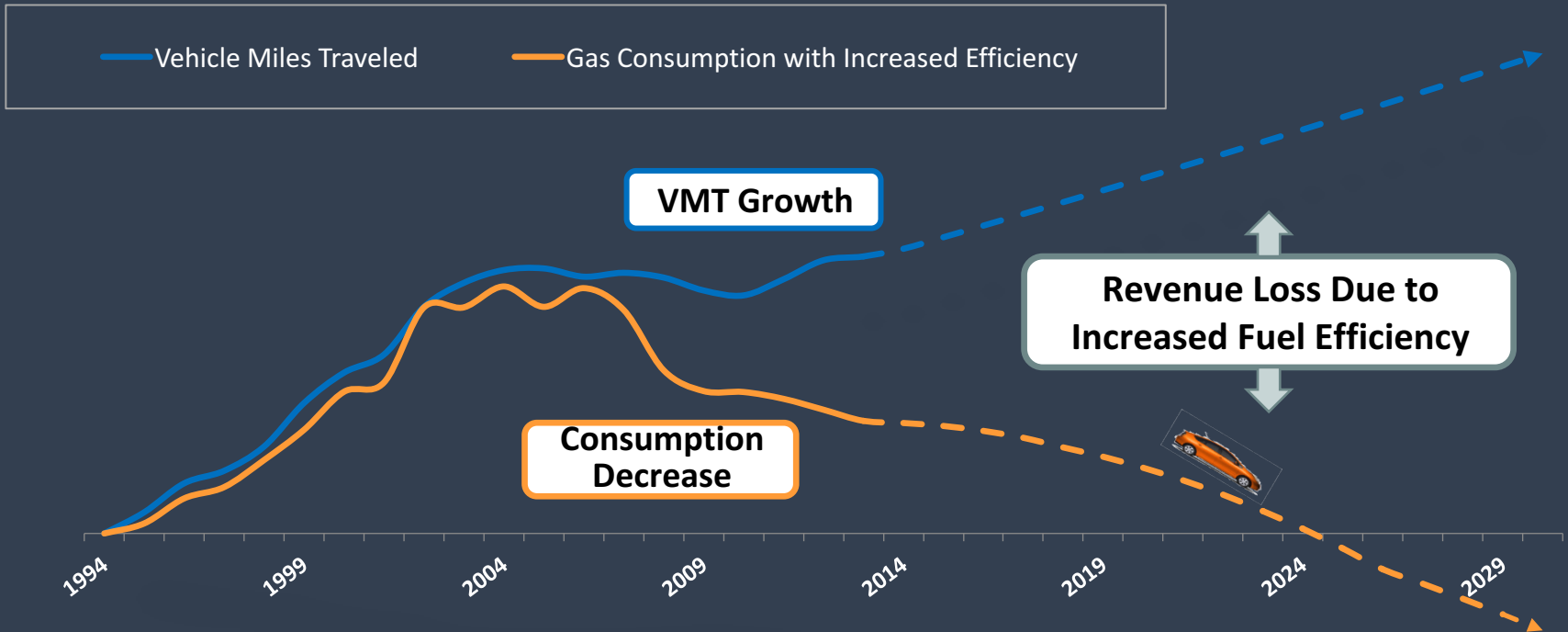
Fix-it-First Highways	\$15 billion
Bridge and Culvert Repair	\$4 billion
Trade Corridor Investments	\$3 billion
Solutions for Congested Commute Corridors	\$2.5 billion
Parks Funding for Ag, Off-Highway Vehicle & Boating	\$800 million
STIP (State Share)	\$275 million
Freeway Service Patrol	\$250 million
California Public Universities Transportation Research	\$70 million

## Local or Regional Investments Programs (50%)

Fix-it-First Local Roads	\$15 billion
Transit Capital & Operations	\$7.5 billion
Local Partnership Funds	\$2 billion
Active Transportation Program Bicycle & Pedestrian Investments	\$1 billion
STIP (Local Share)	\$825 million
Local Planning Grants	\$250 million
<b>TOTAL</b>	<b>\$52.4 billion</b>



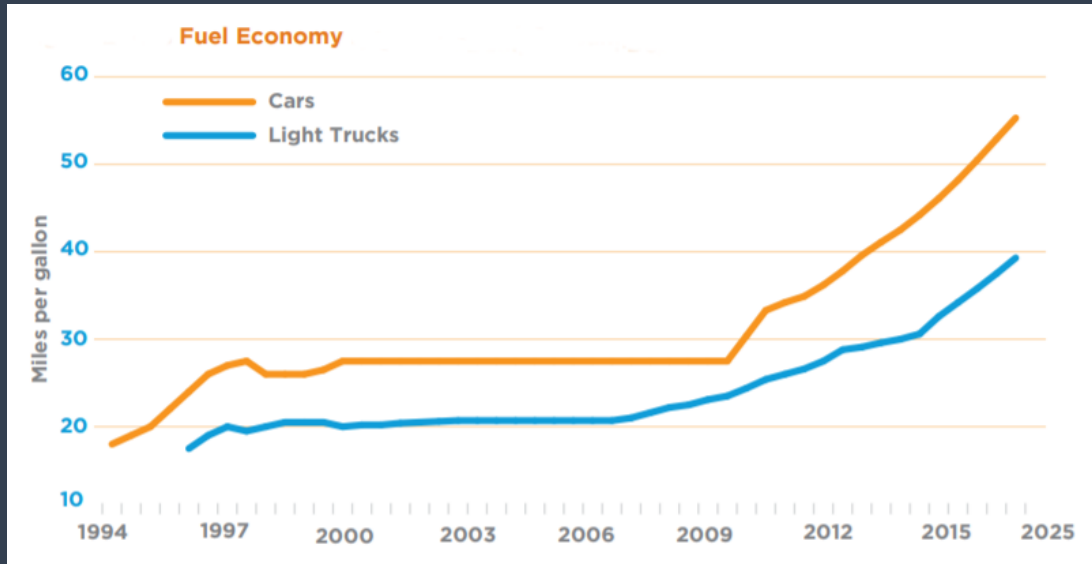
# This Situation Will Continue as Fuel Efficiency Contributes to Revenue Loss



In this conceptual chart, Vehicle Miles Travelled and Fuel Consumption have been indexed to the same starting point in 1994 to enable comparison of the relative change of the two metrics over time.



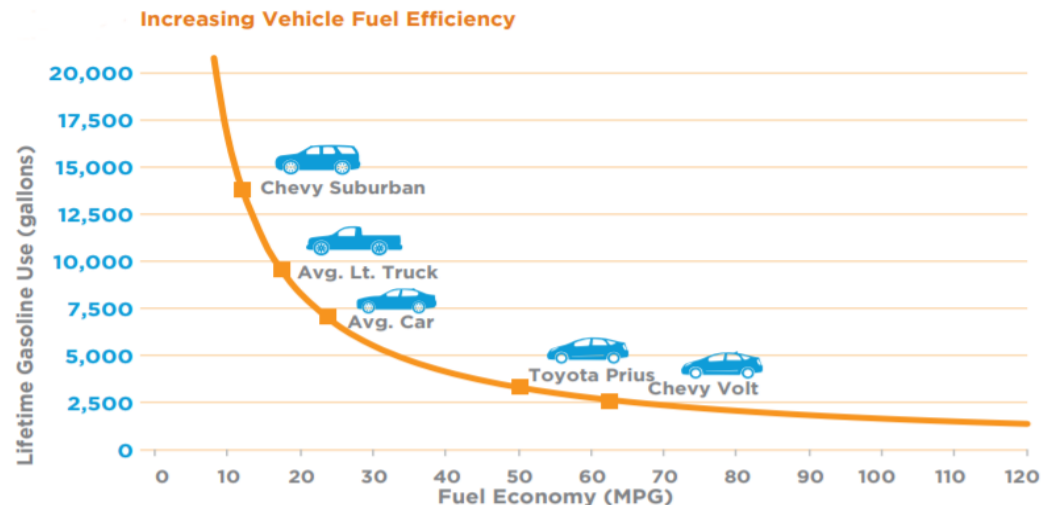
# Road Charge Pilot Program



**As fuel economy increases fuel consumption goes down.**

In order to prepare California for a future where most cars are powered by alternative energy sources, researching a road charge program is necessary.

Currently, our reliance in pay-at-the-pump funding shows a vast difference in the dollar amount consumers pay for equivalent miles driven.



# Road Charge Pilot Program

**86%** satisfied with mileage reporting method

**74%** satisfied with account manager chosen for the pilot

**62%** using technology chose a location-based mileage reporting method

Participants chose from a variety of reporting methods and technologies and monthly simulated invoices were created.

**Surveys revealed high levels of participant satisfaction.**

**73%** felt a road charge was a more equitable transportation funding solution than the gas tax

**87%** found participating in the pilot easy

**85%** overall pilot satisfaction, which is further supported by the low rate of 4% attrition

**61%** are more aware of the amount they pay for road maintenance





# ZEV Mandate

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

## ASSEMBLY BILL

No. 1745

Introduced by Assembly Members Ting, Cristina Garcia, and  
McCarty  
(Coauthors: Assembly Members Berman, Bloom, Friedman, Kalra,  
and Mark Stone)  
(Coauthor: Senator Wiener)

January 3, 2018

An act to add Section 4150.8 to the Vehicle Code, relating to vehicle registration.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1745, as introduced, Ting. Vehicles: Clean Cars 2040 Act.

Existing law prohibits a person from driving any motor vehicle, trailer, or semitrailer unless it is registered and the appropriate fees have been paid to the Department of Motor Vehicles. Existing law requires the owner of a vehicle of a type required to be registered under the Vehicle Code to submit an application for the original or renewal registration of that vehicle to the department upon the appropriate form furnished by the department.

This bill would, commencing January 1, 2040, prohibit the department from accepting an application for original registration of a motor vehicle unless the vehicle is a zero emissions vehicle, as defined. The bill would exempt from that prohibition, a commercial vehicle with a gross vehicle weight rating of 10,001 pounds or more, and a vehicle brought into the state from outside of the state for original registration, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

## AB 1745

As of January 1, 2040,  
bill would permit  
original registration by  
DMV of only ZEV's.



# Housing – Transportation Link

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

## ASSEMBLY BILL

No. 1759

Introduced by Assembly Member McCarty

January 4, 2018

An act to add Section 65400.5 to the Government Code, and to amend Section 2034 of, and to add Section 2036.5 to, the Streets and Highways Code, relating to state government finance.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1759, as introduced, McCarty. General plans: housing element: production report: withholding of transportation funds.

The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. The Planning and Zoning Law requires a planning agency, after a legislative body has adopted all or part of a general plan, to provide an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development on the status of the general plan and progress in meeting the community's share of regional housing needs. Existing law requires a planning agency to include in its annual report specified information, known as a production report, regarding units of net new housing, including rental housing and for-sale housing that have been issued a completed entitlement, building permit, or certificate of occupancy.

This bill would require the department, on or before June 30, 2022, and on or before June 30 every year thereafter and until June 30, 2051, to review each production report submitted by a city or county in accordance with the provisions described above to determine whether that city or county has met the applicable minimum production goal for

## AB 1759

Starting in FY2022-23 bill would withhold SB1 funds if city or county fails to provide its share of regional housing production.

