



SB 1: The Road Repair and Accountability Act of 2017

2018 Joint ITE Workshop
March 9, 2018

Topics

- 2017 Transportation Funding Deal Highlights
- SB 1 Repeal Efforts
- Economic Study
- Myths & Facts / Frequently Asked Questions
- Homework Assignment!

SB 1 (Beall) & ACA 5 (Frazier)/Prop 69

- Transportation funding package – SB 1 and ACA 5 (Prop 69) – signed into law April 2017
- SB 1 – The Road Repair and Accountability Act
 - Approximately \$5 billion/year in new revenue – no sunset
- ACA 5 (Prop 69) – extends constitutional protections to SB 1 revenues not already protected
 - Prop 69 will go to voters for approval June 2018

What taxes were part of the deal?

- 12-cent gas excise tax increase
- Reset price-based excise tax at 17.3 cents
- 20-cent diesel excise tax increase
- 4% diesel sales tax increase
- \$25-\$175 annual “transportation improvement fee” based on vehicle value
- \$100 annual zero emissions vehicle fee
- CPI adjustments on excise taxes/fees

Accountability & Transparency

- Cities/counties submit annual list of planned projects and list of expenditures
- Office of Inspector General to conduct audits and investigations of transportation programs
- Additional CTC oversight of the development and management of SHOPP program
- CTC oversight, development and administration of competitive grant programs

How will revenues be phased-in?

- New fuel taxes effective November 2017
 - First payment to cities, counties and state Jan. 30
- The value-based transportation improvement fee effective January 2018
- The price-based excise tax will be reset July 1, 2019
 - One more adjustment regular adjustment scheduled for July 1, 2018
- Zero emissions vehicles will begin to pay an additional registration fee for road maintenance in 2020

Where does the funding go?

- \$1.5 billion for state highways
- \$1.5 billion for local roads
- \$750 million for transit operations and capital
- \$685 million in loan repayments
- \$400 million for state bridges
- \$300 million for goods movement/freight projects
- \$250 million for the new “Solutions for Congested Corridors” program
- \$200 million for state-local partnership
- \$100 million for the Active Transportation grants
- \$25 million for Freeway Service Patrol
- \$25 million for local planning grants
- \$7 million for UC and CSU Transportation Research

Statewide Project & Funding Information

- Rebuilding California – www.rebuildingca.ca.gov
 - Search by state or local agency and type of project
- California Transportation Commission - <http://www.catc.ca.gov/programs/sb1/>
- California State Association of Counties - www.counties.org/sb-1-road-repair-and-accountability-act-2017

SB 1 Under Fire

- Effort to repeal SB 1
 - Collecting signatures, raising money
 - November 2018 General Election
- Strong opposition campaign
 - Coalition to Protect Local Transportation Investments
 - <https://fixcaroads.com/join-our-coalition/>

Education & Outreach

- Myths & Facts / Frequently Asked Questions
 - <http://www.counties.org/sb-1-road-repair-and-accountability-act-2017>
- Economic Study
 - <https://fixcaroads.com/sb1-economic-impact/>
- Social Media, Traditional Media
 - <http://www.counties.org/sb-1-road-repair-and-accountability-act-2017>

Myths & Facts

SB 1 funds go directly into the state's General Fund, meaning there's zero guarantee the money will be used to fund transportation improvement projects.

- **FACT – Revenues go directly into transportation accounts and are constitutionally protected.** Article XIX of the California Constitution already protects the gasoline excise tax and vehicle registration fees, and a portion of the sales tax on diesel, and dedicates them to transportation purposes. This accounts for about 60% of the revenues generated by SB 1. Prop 69 extends these same constitutional protections to the remaining 40% of new revenues generated by SB 1.
- **It's also important to remember, all gas tax moneys that were loaned in prior decades to the General Fund will have been repaid under SB 1.**

Myths & Facts

SB 1 will cost California families upwards of \$700 a year.

- **FACT – The California Department of Finance calculated that the average cost to motorists is roughly \$10/month. Here's the math:**
- Registration: Nearly 50% of all registered vehicles in California are valued at less than \$5,000. Forty percent are valued at less than \$25,000. Thus, the average annual amount for vehicle registration is approximately \$48.
- Fuel: California's 26 million licensed drivers consume 15.5 billion gallons per year. That is 577 gallons per driver, multiplied by 12 cents per gallon is \$69.24 each.
- The annual average cost per driver is:
Vehicle Registration: \$47.85
Fuel: \$69.24
Total: \$117.09 per year OR \$9.76 per month

Myths & Facts

California can dedicate existing General Fund revenues to fix transportation.

- **FACT – California has a combined need of over \$130 billion over the next 10 years just to bring the state highway and local street and road systems into a good and safe condition.** If we were to use funds from the General Fund, we would need to pull billions from important areas like education, healthcare, public safety, and other programs that Californians rely upon. SB 1 follows the user-pay model where everyone pays their fair share and all drivers pay a little more to fix the roads they drive on. It's a responsible, accountable way to fix our roads.

Myths & Facts

California Gov. Jerry Brown has proposed “diverting 30 percent of the funding” from the state’s gas tax increase “to non-road related projects like building parks and lifeguards.”

- FACT – A percentage of the existing gas tax revenue related to fuel sales from boats, agricultural equipment, and other off-highway vehicles (quads, dirt bikes) has always gone toward supporting infrastructure related to these economic and recreational activities. **The percent of gas tax revenues collected from these sources is two-percent (2%).**

Myths & Facts

SB 1 dollars will be diverted to fund high-speed rail.

- **FACT – No funds raised from SB 1 will be used to fund high-speed rail.** California's state-maintained transportation infrastructure will receive roughly half of SB 1 revenue: \$26 billion. The other half will go to local roads, transit agencies and an expansion of the state's growing network of pedestrian and cycle routes.

Economic Study Findings

Total Impact of **SB 1** on California over 10 Years

User Benefits	\$38.2 billion
<i>Highway, Street & Bridge</i>	<i>\$23.6 billion</i>
<i>Transit</i>	<i>\$14.6 billion</i>
Economic Impacts	
<i>Economic Output</i>	<i>\$111.8 billion</i>
<i>Earnings</i>	<i>\$32.6 billion</i>
<i>Employment</i>	<i>682,029 job-years</i>
Total Impact	\$182.6 billion

Source: ARTBA | The Economic Impact of Senate Bill 1 on California



SB1 Economic Study Findings

Translates to an average of **68,203** jobs each year.

An annual savings of nearly **\$300** per household in California.

Will support the repair, repaving & reconstruction on over **84,000** lane miles on nearly **19,000** miles of roadway

With improved conditions, drivers will save an average of **\$818** million per year on operating costs.



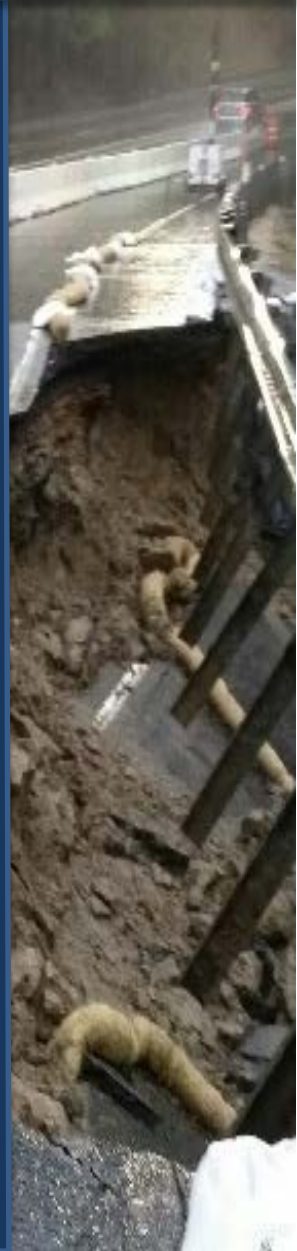
SB1 Economic Study Findings

Better roads also mean safer roads. Adding up to an average of **\$58** million per year in additional safety benefits.

Enables the replacement of an additional **556** state & local bridges in the first 5 years.

Sales and output by businesses in all sectors will increase by **\$11** billion each year.

Workers will earn an average of **\$3.3** billion per year.



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Fixing Pavement on SR-152 Thanks to SB 1!

@CaltransDist10 has completed an 18.4 mile pavement improvement project in @MercedCounty. This project was funded by SB 1.

WATCH THE VIDEO: youtu.be/hp87RnnQRiU

For more on SB 1, go to RebuildingCA.ca.gov. #RebuildingCA

FOR IMMEDIATE RELEASE

CALTRANS COMPLETES SENATE BILL 1 PAVEMENT IMPROVEMENT PROJECT ON STATE ROUTE 152 IN MERCED COUNTY

MERCED COUNTY – Caltrans recently completed a \$2.8 million pavement improvement project on State Route 152 (SR-152) from Ward Road in Los Banos to the Merced/Madera County line thanks to the Road Repair and Accountability Act of 2017 (SB 1).

"Pavement projects like these will extend the service life of our roadways. Our fix-it-first approach will help preserve California's more than 50,000 lane miles of highways and roads," Caltrans Director Malcolm Dougherty said. "State Route 152 is a major 'farm-to-market' route and is vital for industrial, commercial, agricultural, and recreational purposes. Improving the pavement on this roadway is invaluable for the region and our state's transportation system."

Caltrans broke ground on this project on Monday, January 30, 2018, and completed construction on Friday, February 16, 2018. This is 10 months ahead of schedule, as the project was due to be completed by December 2018.

This project finished early thanks to the hard work of Caltrans' project team, prime contractor FBD Vanguard Construction Inc., and subcontractors, and a recent stretch of unseasonably warm weather in the Central Valley.



BEFORE



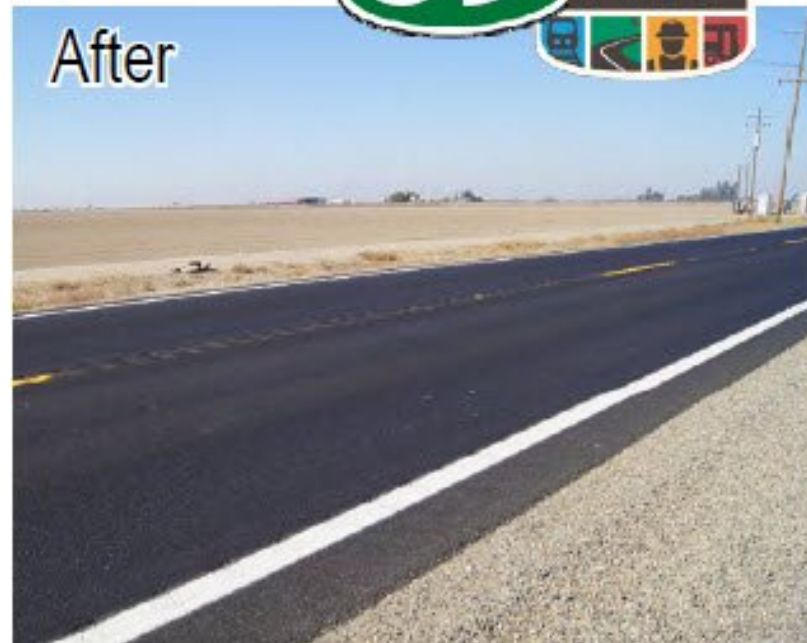
AFTER

CHP_Merced, MercedCoFireOES, MercedSunStar and 7 others

Before



After



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Caltrans District10  @CaltransDist10 · 3h

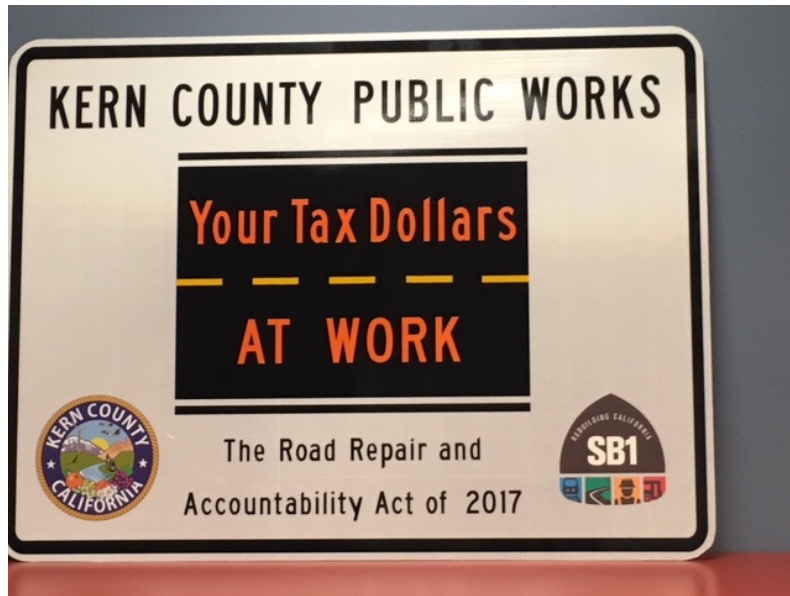
VIDEO: Go behind the scenes of construction of @CaltransDist10's recently completed, SB 1 funded, pavement improvement project on State Route 152 in @MercedCounty. #RebuildingCA #SB1RoadRepairs

youtube.com/watch?v=hp87Rn...



CHP_Merced, MercedCoFireOES, MCAG and 7 others







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SB 1 allowed @CaltransDist7 to resurface sections of State Route 57 in Los Angeles County. Find more projects in your area: rebuildingca.ca.gov/map.html
#RebuildingCA #SB1RoadRepairs



CalSTA, California CTC, Fix Our Roads and 6 others



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Caltrans HQ  @CaltransHQ · Feb 13

SB 1 allowed @CaltransDist1 to resurface 8 lane miles of pavement on State Route 162 near Covelo in Mendocino County. Find more projects in your area: rebuildingca.ca.gov/map.html #RebuildingCA #SB1RoadRepairs



CalSTA, Caltrans District 1, Fix Our Roads and 7 others



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Homework Assignment

- Projects, projects, projects!
- Promote those projects.
- Get involved in the effort to protect state and local transportation investments.
 - Guidance for public agencies and campaign activities: Institute for Local Government:
http://www.ca-ilg.org/sites/main/files/file-attachments/ballot_measure_activities_2018.pdf
- Talk to People, influential or “otherwise”.

Questions?

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